



NORTHERN ELECTRICITY DISTRIBUTION COMPANY LTD.

**2024
ANNUAL
REPORT & FINANCIAL STATEMENTS**

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Corporate Profile

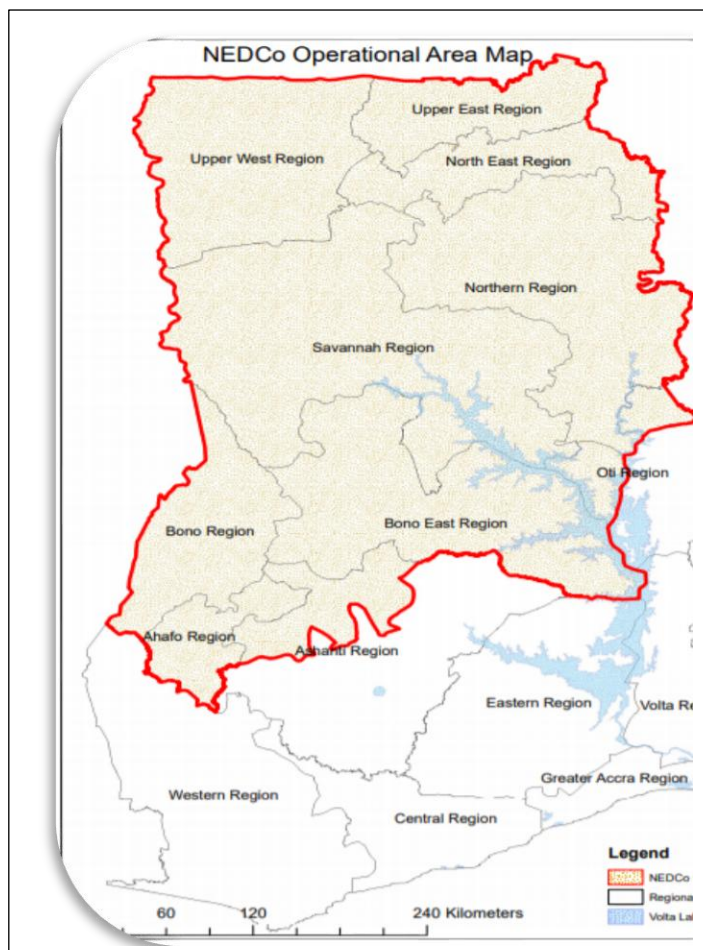
The Northern Electricity Department (NED) was established in 1987 as a Department of the Volta River Authority (VRA) as part of VRA's broader mandate to extend electricity distribution service to the northern parts of Ghana. The expansion of electricity to the northern parts of Ghana was crucial for the economic and social development of the northern regions.

In June 1994, the Government of Ghana (GoG) initiated the Power Sector Reform (PSR) programme

aimed at bringing efficiency and managerial effectiveness in the Energy Sector to improve service delivery to all consumers. In pursuit of the PSR, VRA Management, in 1997, registered the Northern Electricity Distribution Company (NEDCo) as a wholly owned subsidiary of VRA to take over the operations of NED.

NEDCo was re-registered and incorporated as a Limited Liability Company on May 27, 2014, under the Companies Act, 1963, (Act 179). Its mandate focuses on distributing and supplying electricity primarily to the northern parts of Ghana. NEDCo's operational area covers about 64% of Ghana's landmass covering Northern, Upper East, Upper West, Savannah, North East regions as well as Bono, Bono East, Ahafo, parts of Western North, Ashanti and Oti regions making NEDCo essential for promoting economic and social development of the northern sector of Ghana.

In 2024, NEDCo's share of Ghana's total domestic energy consumption stood at 11.08%, a relatively low figure that underscores the limited presence of large industrial and high-energy-consuming customers within its operational areas. This highlights the



urgent need to attract and retain more industrial and commercial clients to boost energy consumption and improve revenue generation. Additionally, while the electricity access rate within NEDCo's jurisdiction was approximately 75%, there remains significant room for improvement, particularly in remote and rural communities. Expanding access will be essential to promoting inclusive development and enhancing the quality of life of communities within the NEDCo operational Areas.

Business Model

NEDCo uses a retail business model where it buys electricity in bulk from the Volta River Authority and distributes to customers. NEDCo customers are classified as Residential, Non-Residential, and Special Load Tariff (SLT) with the residential class forming about 84% of NEDCo's customer population as of 2024. NEDCo also has a network of third-party vendors who sell credit to customers and receive payments on behalf of NEDCo on commission basis. NEDCo's revenue model is based on the tariffs it charges for electricity consumption which is regulated by the Public Utilities Regulatory Commission (PURC).

Departments

NEDCo operates eight (8) functional departments, strategically structured to achieve its corporate goals and objectives in a cost-effective and sustainable manner. These departments are; Corporate Strategy and Business Development, Engineering Services, Network Operations, Services, Finance, Human Resources, Internal Audit and Commercial.

Regulators

The Company's regulators include; State Interests and Governance Authority (SIGA), Public Utilities Regulatory Commission (PURC), Energy Commission (EC) and the Ministry of Energy.

Our Mission, Vision and Core values

WHAT WE ASPIRE TO BE

OUR VISION

“To become the leading power distributor in the West African sub-region”.

WHO WE ARE,WHAT WE DO

OUR MISSION

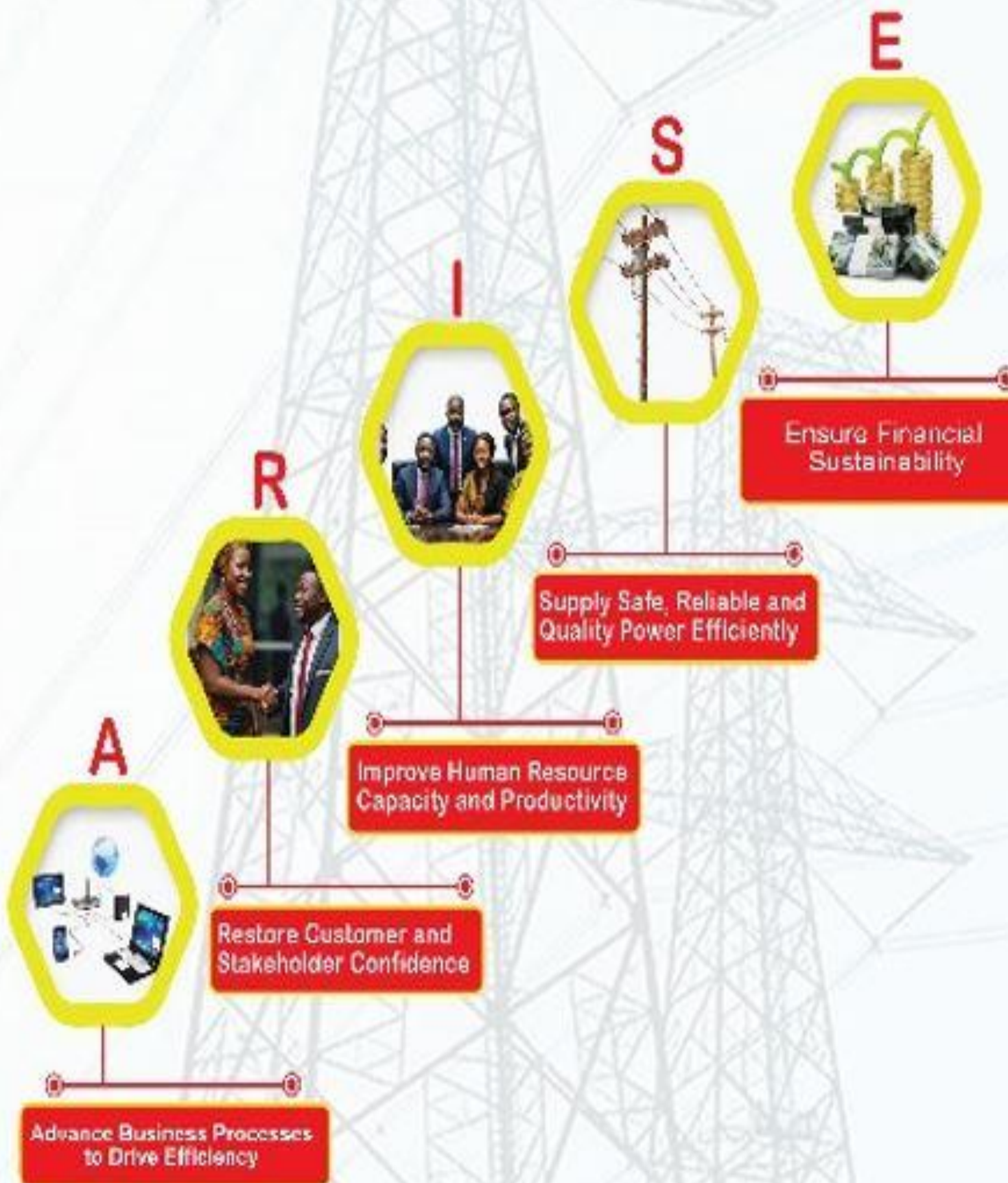
“We supply quality and reliable electricity to create opportunities for socio-economic development in northern Ghana and beyond in a safe, sustainable and commercially viable manner.”

NEDCO

The ideals by which NEDCo strives to carry out its operations and business are embodied in the following core values with the acronym TACTICS.



OUR STRATEGY



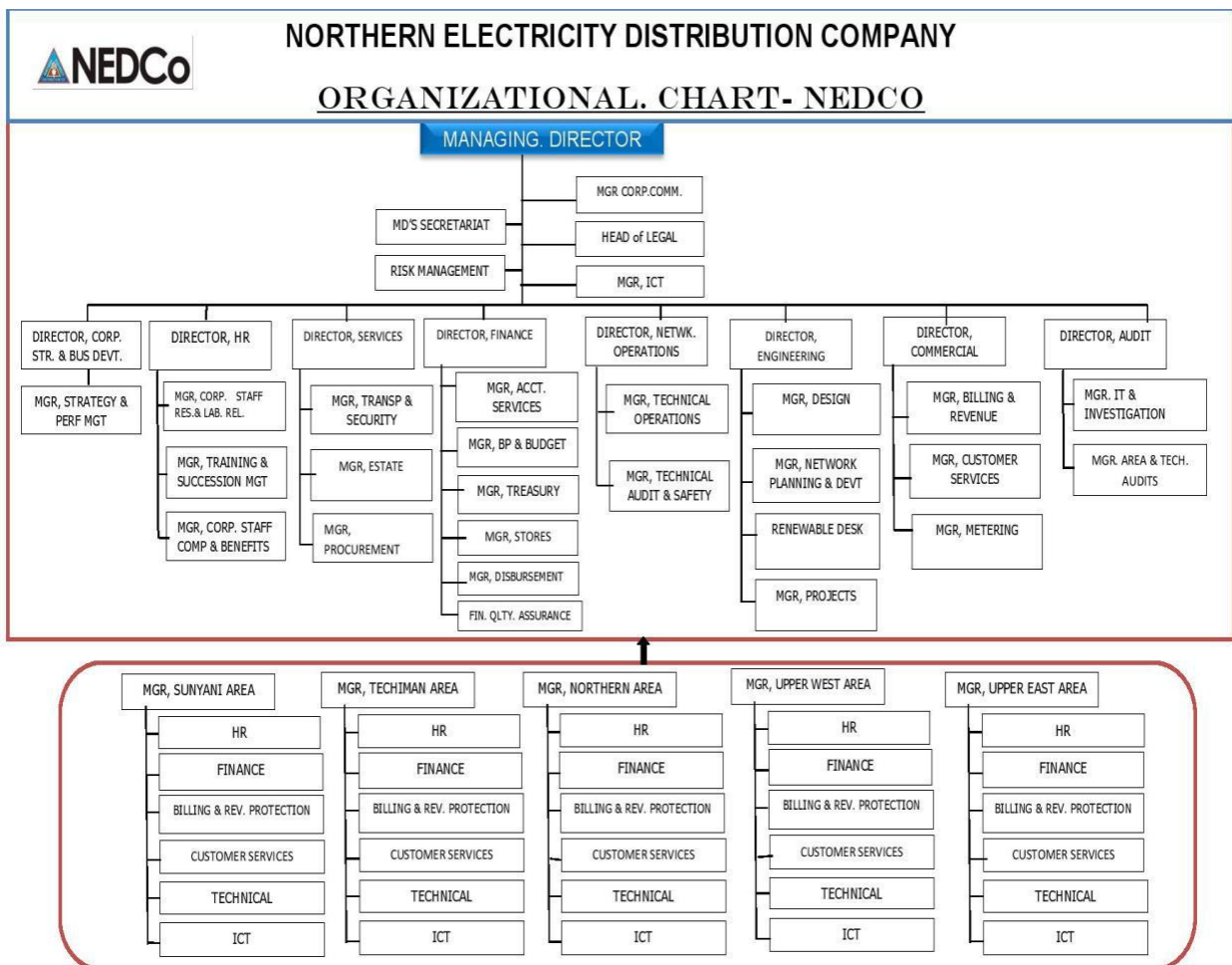
Organizational Structure

NEDCo is headed by a Managing Director, supported by eight (8) functional Directors with Tamale as the Head Office. To effectively deliver the electricity service, NEDCo's operations is structured into five (5) Operational Areas.

Each Operational Area is managed by an Area Manager responsible for overseeing the supply of safe, reliable, and quality electricity and related services to customers and stakeholders. These Area Managers are supported by functional Officers who handle key operational functions such as Human Resources, Finance, Network Operations, Information Technology, Customer Services, and Billing and Revenue Protection.

The Operational Areas are further segmented into Service Centers. Each Service Center, which typically serves multiple communities, is led by a Station Supervisor who manages day-to-day operations and ensures efficient service delivery to customers.

NEDCo currently operates about seventy (70) Service Centers across its operational jurisdiction.



NEDCo's Commitment to Corporate Social Responsibility in 2024

The Northern Electricity Distribution Company (NEDCo) as a utility provider is also committed to supporting the social, cultural, and institutional well-being of the communities it serves.

In line with this belief, NEDCo demonstrated its commitment to Corporate Social Responsibility (CSR) in 2024. The Company focused on fostering peaceful coexistence, supporting traditional authorities, recognizing the role of the media, and partnering with key public institutions including the security services.

However, due to cashflow challenges faced in 2024, the scope of CSR interventions was limited compared to previous years. Despite these constraints, NEDCo prioritized strategic and community support initiatives, reinforcing its connection with stakeholders and communities.

Below are highlights of CSR activities undertaken during the year:

#	Period	Activity Description	Amount (GHS)	Remarks
1	2024	Support for Annual Quran recitation for divine blessings	2,000.00	Held at Choggu
2	2024	Support to traditional areas for Damba (Dagbon) and Dumba (Wa) festivals	15,000.00	Cultural pacification of the land
3	2024	Sponsorship of the GJA 2024 Annual Awards	11,000.00	In appreciation of continuous media support for NEDCo
4	2024	Support to Ghana Police Service (Northern Region) WASSA celebration	5,000.00	Acknowledging their support for revenue mobilization
5	2025	Contribution to the Tamale Buglana's land cleansing exercise	1,000.00	Promoting a peaceful operational environment

Despite financial constraints, these contributions reaffirm NEDCo's enduring belief in shared growth and mutual respect. As we look ahead, the Company remains committed to deepening community engagement and expanding CSR efforts within the available resources.

Together, we power progress—not only with electricity but through community partnership.

CORPORATE GOVERNANCE
BOARD OF DIRECTORS AS AT DECEMBER 2024



Ing. Emmanuel Antwi-Darkwa
(Chairman)



Mr. Osman Aludiba Ayuba
(Managing Director/Member)



Chief Musa Badimsugru Adam
(Member)



Ing. Samuel Boakye-Appiah
(Member)



Ms. Laila Abubakari
(Member)



BOARD CHAIRMAN'S STATEMENT

Board Chairman's Statement

NEDCo, as the electricity distribution utility serving the northern sector and parts of the middle belt of Ghana, focused on the delivery of electricity supply services for the socio-economic development in its operational area during the year 2024.

Despite the year's economic challenges, NEDCo remained committed to creating value for stakeholders. Our operations continued to prioritize distribution network reliability, energy loss reduction, revenue mobilization and customer satisfaction. This commitment necessitated strategic investments in network reinforcement and installation of smart split prepaid meters especially in areas with high technical and commercial losses. New office structures were also constructed in some service centres to provide suitable environment for staff and customers for the electricity distribution business.

NEDCo integrated the principles of safety, environmental, social and governance considerations in its operations and decision-making. The implementation of our strategies is designed to create a lasting impact in the communities we serve, while ensuring compliance with governance standards and stakeholder expectations.

Financial Performance

In 2024, NEDCo recorded a total revenue of GH¢2,558.61 million, representing a 24% increase over the GH¢2,065.81 million achieved in 2023. The total cost for the year stood at GH¢2,421.16 million, up by 22% from GH¢1,988.01 million in 2023.

Profit before depreciation improved significantly, rising from GH¢77.79 million in 2023 to GH¢137.45 million in 2024, underscoring enhanced operational performance. However, after accounting for depreciation, NEDCo reported a net loss of GH¢650.75 million in 2024, compared to a net loss of GH¢547.97 million in 2023. This reflects a 19% deterioration in net performance year-on-year.

The worsening loss position is primarily attributable to high depreciation charges, a consequence of the 2021 physical revaluation of non-current assets. This revaluation significantly increased the asset base and, consequently, the annual depreciation expense.

Additionally, the average Bulk Generation Charge (BGC) rose by 21%, from GHp62.0155/kWh in 2023 to GHp74.7715/kWh in 2024. Transmission Service Charges (TSC 1&2) also increased by 10%, from an average of GHp12.9026/kWh to GHp14.1320/kWh. Although the Average End-User Tariff (EUT) saw an 18% upward adjustment, its positive impact was eroded by persistent high distribution losses, primarily resulting from energy theft and other inefficiencies in the network.

Revenue mobilization drive during the year 2024 resulted in revenue collection rate of 101.42%. This includes some payment made by the Government of Ghana through the Ministry of Finance for debts owed by the Ministries, Departments and Agencies (MDAs).

Compliance

In satisfying regulatory requirements, the Board held meetings within the year 2024, reviewed and approved various reports in addition to other governance issues as required.

The various Board Committees such as Corporate Governance, Finance and Commercial, Engineering and Operations and Audit also held meetings, took decisions and monitored implementation as required.

Our future plans are anchored on innovation, stakeholder collaboration, and financial prudence to address persistent sectoral challenges, especially in loss reduction and supply reliability.

We remain committed to exploring sustainable energy solutions and maintaining a resilient distribution system that meets the demands of our customers and national development.

On behalf of the Board, I wish to express our appreciation to Management, employees and our regulatory bodies and all our partners for their continued support.

We look forward to building on this momentum to deliver improved service and value in the years ahead.

Thank you.



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Hon. Cletus Seidu Dapilah
Board Chairman, NEDCo

Date: 12 NOVEMBER 2025

GALLERY

Some completed projects in 2024



Yendi Customer Service Centre



Duayaw Nkwanta Customer Service Centre



Atebubu Customer Service Centre



Keta Krachi Customer Service Centre



Lawra Customer Service Centre



Navrongo Customer Service Centre



Installed Capacitor Banks at Bimbilla

Some on-going projects



Sample of installed 20/26MVA Power Transformer at Lamashegu



Samples of installed smart split prepaid meters

Corporate Governance Statement

At NEDCo, we are committed to upholding the highest standards of corporate governance to ensure transparency, accountability, and long-term sustainability. Our governance framework is guided by best practices, regulatory requirements, and ethical principles that drive our strategic objectives and operational excellence.

Governance Structure

The corporate governance framework at NEDCo is designed to promote effective oversight and decision-making. The governance structure consists of the following key components:

Board of Directors

The Northern Electricity Distribution Company (NEDCo) is wholly owned by the Volta River Authority (VRA), which serves as its sole shareholder. The Board of Directors were appointed by the government in 2021 and is composed of a diverse group of professionals with expertise in finance, energy, and governance. They are responsible for overseeing the strategic direction of the company. NEDCo as a subsidiary of VRA, has the Chief Executive of VRA as the Board Chairman. With the exception of the Managing Director, all the Board members serve in a non-executive capacity, providing governance and policy guidance to ensure the efficient operation of NEDCo. The Board plays a crucial role in upholding the company's mandate of providing reliable and quality electricity distribution services while aligning with national energy policies and regulatory frameworks.

Functions of the Board

The Board of Directors plays a critical role in overseeing NEDCo's governance, strategic direction, financial sustainability, and operational performance. Its responsibilities include:

Government & Policy Liaison: Engaging with the Cabinet on key government policy directives that impact NEDCo's sustainability and obligations.

Strategic Oversight: Ensuring clear organizational goals, effective strategies, and strong corporate policies to enhance performance, innovation, and business growth.

Financial Management & Risk Control: Monitoring financial performance, ensuring fair and lawful financial reporting, overseeing risk management, and safeguarding NEDCo's financial position.

Governance & Compliance: Upholding high ethical standards, corporate behaviour, regulatory compliance, and legal obligations, including environmental and occupational health and safety standards.

Leadership & Talent Management: Ratifying appointments and removals of key executives, reviewing Board membership, and ensuring a diverse mix of skills and expertise.

Operational & Performance Monitoring: Assessing Senior Management's implementation of strategies, risk management, and business performance, while ensuring adequate resources for operations.

Capital & Budgetary Oversight: Approving and monitoring major capital expenditures, reserve funds, annual budgets, and financial planning to sustain growth.

Audit & Accountability: Engaging with external auditors, reviewing financial reports, and ensuring internal controls with support from the Audit Committee.

Stakeholder Engagement: Calling stakeholder meetings and maintaining accountability through transparent reporting and decision-making.

Board Meetings and Decision-Making

The Board of Directors played a pivotal role in shaping the strategic direction, policies, and operational decisions of NEDCo through regular meetings. These meetings served as a platform for the Board to uphold its commitment to accountability, transparency, and good corporate governance. By consistently reviewing the company's progress, the Board ensured that NEDCo remained aligned with its mandate and operated in the best interest of its stakeholders.

Throughout the year 2024, the Board convened multiple times to deliberate on critical matters affecting the company. Ordinary Meetings were held to discuss routine governance, financial, operational, and strategic issues. Emergency Meetings were also held to address urgent matters requiring immediate attention and decision-making. The Board also held Board Committee Meetings to facilitate in-depth discussions on specialized areas such as finance, strategy, operations, and risk management. Audit Committee Meetings were also held to assess financial reporting, internal controls, risk management frameworks, and compliance with regulatory requirements.

Through these meetings, the Board provided strong oversight, addressed challenges proactively, and ensured the sustainable growth and operational efficiency of NEDCo.

Board Committees

To enhance governance efficiency, the Board operates through specialized committees, including:

Finance and Commercial Committee – The work of the Finance and Commercial Committee (FCC) is to oversee financial planning, budgeting, and revenue generation strategies of NEDCo. They provide guidance to the Board on the strategic element that underpins the performance of the financial and commercial functions of NEDCo. They review the annual budget, half-year financial statements/budget, and stakeholder reports before it is submitted to the Board. They also assess the performance of the finance function and make recommendations that will improve the finance functions. The Committee also evaluates the commercial function including revenue generation and loss reduction strategies. In the year 2024, the committee met regularly and discharged its duties effectively.

The Audit Committee: The Audit Committee operates in accordance with the Public Financial Management Act, 2016 (Act 921). It is responsible for overseeing the implementation of recommendations from internal and external audit reports and preparing an annual statement on the status of these implementations. The Committee convenes to assess the effectiveness of the company's risk management and internal control systems, reviewing identified risks and the progress of mitigation efforts. Following these reviews, the Committee reports its findings and

recommendations to the Board to support informed decision-making. The duties of the committee were discharged effectively in the year 2024.

Corporate Governance Committee (CGC) – The Corporate Governance Committee is responsible for ensuring that NEDCo adheres to good corporate governance practices to achieve its organizational goals. It oversees the strategic alignment of the Procurement Plan with the Corporate Budget and Strategy and also reviews key policies on Enterprise Risk Management, legal and regulatory compliance. Additionally, the CGC evaluates the effectiveness of NEDCo’s risk management and internal control systems, monitors corporate strategy and governance. To ensure they are properly being implemented or followed. It also reviews quarterly performance and procurement reports, and undertakes other governance and strategic assignments as required. In effect, they ensure adherence to corporate governance policies and ethical standards. These duties were discharged by the committee in 2024.

Engineering and Operations Committee – They provide oversight responsibility on Engineering and Technical Operations. They are responsible for ensuring the successful implementation and execution of all Corporate Engineering projects and maintenance schedules. They also oversee environmental impact mitigation measures, community engagement, and compliance with health, safety, and environmental regulations. The Committee also reviews quarterly performance reports from the Engineering Services and Network Operations Departments. The committee performed its duty effectively in 2024.

Management Team

The day-to-day operations of the Company are delegated to the Managing Director who is supported by eight (8) functional Directors forming the management team. Each Director heads a specific department, namely: Corporate Strategy and Business Development, Human Resources, Services, Internal Audit, Commercial, Finance, Engineering Services, and Network Operations.

The relationship between the NEDCo Board and the Management Team is structured to ensure effective governance, strategic oversight, and operational efficiency. While the Board provides leadership, direction, and policy guidance, the Management Team is responsible for executing strategies, overseeing daily operations, and implementing decisions made by the Board.

Internal Control and Risk Management

Management is accountable to the Board for risk management and internal control. Management has established structured processes to identify, assess, monitor, and report risks effectively. To support this effort, a Risk Management Unit (RMU) and a Risk Management Committee (RMC) have been established to oversee risk identification, assessment, and mitigation strategies.

The Internal Audit Department submits its reports to the Audit Committee, highlighting audit findings and internal control breaches. They also make recommendations to minimize the risk of fraud and related incidents. The timely review and consideration of the Internal Audit reports ensure swift resolution of infractions and deviations.

External Auditors

The External Auditors are appointed by the Auditor-General to serve as an independent body responsible for ensuring that the Board and Management act in the best interest of the shareholder. Their role is critical in maintaining financial integrity, transparency, and accountability within NEDCo.

The External Auditors provide reasonable assurance by evaluating the design and implementation of the internal control system, ensuring its effectiveness in mitigating risks and maintaining compliance with regulatory requirements.

Additionally, they play a key role in enhancing the credibility of financial reports, reducing the risk of biased, misleading, inaccurate, or incomplete financial disclosures. By issuing an independent audit report, they strengthen accountability, reassure stakeholders, and uphold confidence in NEDCo's financial management.

Compliance and Regulatory Adherence

The Company's operations are subject to the 1992 Constitution of the Republic of Ghana, the Energy Commission Act, 1997 (Act 541), the Public Procurement Act, 2003 (Act 663), as amended, the Public Financial Management Act, 2016 (Act 921); the Companies Act, 2019 (Act 992), good corporate governance practices as promoted under the State Interests and Governance Act, 2019 (Act 990), the Energy Commission Act, 1997, (Act 541, the Public Utilities Regulatory Commission (PURC) Act, 1997 (Act 538) and other enactments which impact its activities.

MANAGING DIRECTOR'S REPORT

On behalf of Management and staff I present to you the 2024 Annual Report of the Northern Electricity Distribution Company Ltd. (NEDCo).

The year under review brought with it profound challenges—economic, operational, and social—yet it was also a period marked by some achievements.

In 2024, total energy purchased increased by 9.9%, from 1,938 GWh in 2023 to 2,131 GWh. Correspondingly, energy billed rose by 8.7% to 1,228 GWh. These increases reflect continued demand growth and improvements in billing processes. However, system losses remained a significant challenge, rising slightly to 31.35% in 2024 from 30.97% in 2023. This situation, particularly acute in the Northern Area, continues to weigh heavily on our operations. In response, NEDCo intensified efforts through monitoring and regularization of unbilled customers as part of a broader loss reduction strategy.

In recent times, there has also been a notable rise in technical losses across all operational areas, highlighting the aging condition of our network infrastructure, increased system loading, and the limitations of existing distribution assets. This trend underscores the urgent need for sustained investment in network modernization including the replacement of obsolete conductors, transformers, and switchgear, as well as the deployment of automation and remote monitoring systems. Addressing these technical inefficiencies is essential to improving energy accountability, service reliability, and the long-term financial sustainability of NEDCo.

Despite these operational hurdles, we recorded commendable revenue collection performance, achieving a collection rate of 101.42% for the year. This success was driven by consistent stakeholder engagement, partial settlement of Ministries, Departments and Agencies (MDAs) debts by government, and the implementation of quarterly mass revenue mobilization exercises that significantly enhanced inflows. As a result, accounts receivable reduced by 3.66%, from GHS 1.28 billion in 2023 to GHS 1.237 billion by the end of 2024.

To improve customer service, NEDCo commenced the development of a modern Contact Center. Although the project was not completed by year-end, significant progress was made. Once operational, the facility is expected to improve customer experience, ensure real-time issue resolution of challenges, and strengthen communication with stakeholders.

During the year 2024, the Public Utilities Regulatory Commission (PURC) implemented tariff adjustments to reflect prevailing economic indicators such as inflation, currency fluctuations, and fuel costs. While these adjustments were critical for the financial sustainability of utilities, they also placed pressure on consumers' ability to pay.

In a bold step to curb power theft, NEDCo collaborated with the Judiciary to establish a dedicated court in Tamale for the prosecution of electricity-related offenses. This initiative is intended to deter power theft and illegal connections, thereby enhancing enforcement efforts and supporting the recovery of lost revenue.

Additionally, NEDCo installed split smart prepaid meters in Tamale to minimize energy theft and strengthen overall revenue protection measures.

We maintained harmonious industrial relations throughout the year by engaging regularly with staff group leaders to promote dialogue, transparency, and mutual accountability.

Progress continued on key infrastructure projects, notably the ongoing 40MVA Lamashegu Primary Substation project. Work is far advanced, and upon completion, the facility is expected to significantly improve voltage quality and load distribution in Tamale Metropolis and surrounding communities. This project remains a priority within our grid reinforcement and reliability improvement agenda.

Despite financial constraints, NEDCo remained committed to Corporate Social Responsibility (CSR). In 2024, support was extended to educational institutions, religious bodies, and selected community development initiatives. These interventions, although modest in scale, reflect our enduring belief in the importance of community partnership.

Due to funding limitations however, we were unable to fully implement all the initiatives outlined in our Strategic Plan and Performance Improvement Plan (PIP) for 2024. While a number of projects were identified for implementation, some could not be initiated, and others are ongoing.

Construction of some key Bulk Supply Points (BSPs) especially at Kpandai, Atebubu and Nandom to improve the quality and reliability of power supply in NEDCo's operational areas could not commence. These are critical infrastructure interventions and we are actively engaging with GRIDCo and seeking urgent Government support to ensure execution.

Operations in the Upper East Area were adversely affected by the prolonged Bawku conflict, which posed risks to field personnel and disrupted commercial and maintenance activities. As a mitigation measure, the company adjusted work schedules and deployed contingency support teams to minimize service disruptions while ensuring staff safety.

In satisfying regulatory requirements, the required statutory reports for 2024 to the Ministry of Energy, the Public Utilities Regulatory Commission (PURC), the Energy Commission (EC) and the State Interests and Governance Authority (SIGA) and the Internal Audit Agency (IAA) were duly prepared and submitted.

Outlook for 2025

As we look ahead to 2025, our strategic priorities focused on the following:

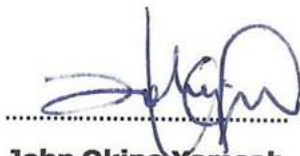
- Reduce technical and commercial losses, especially in high-risk areas such as the Northern and Upper East Areas
- Improve revenue collection and reduce outstanding receivables
- Strengthen customer engagement and education.
- Enhance operational efficiency

- Complete the Supply and Installation of 30,750 Smart Split Prepaid Meters (Lot 2)
- Complete the Construction of Lamashegu, 34.5/11.5kV substation and sub transmission lines
- Complete the Construction of 34.5kV Steel Pole line from Mim to Goaso
- Start work for the Stabilization of Power Supply in Tamale City Regional Coordination council (RCC) Substation
- Complete 90% of project scope of E-Billing and Customer Census
- Set up a complete Contact Centre

We are confident that with the continued support of our stakeholders including the Board, management, staff, regulators, and our valued customers we will rise above current challenges and build a more efficient, transparent, and customer-focused NEDCo.

To the staff of NEDCo, I extend my sincere gratitude for your unwavering commitment, hard work, and resilience throughout 2024. Your contributions remain the cornerstone of our collective progress, and I look forward to a more collaborative effort to enable us achieve a better performance in the year 2025.

Thank you all for the continues collaboration and partnership.



John Okine Yamoah
Managing Director, NEDCo

Date: 10 NOVEMBER 2025

COMMERCIAL OPERATIONS

Energy accounting- Energy purchased and distribution losses

In 2024, NEDCo recorded a total energy purchase of 2,130.75 GWh, representing a 9.9% increase over the 2023 figure of 1,938.30 GWh. The increase in energy purchase was primarily due to rising demand for electricity due to population growth and urbanization. This growth reflects NEDCo's continued expansion in energy supply to meet rising demand across its operational areas. Energy billed for the same period also rose from 1,130.07 GWh in 2023 to 1,228.07 GWh in 2024, a growth of 8.7%. Despite the absolute increase in energy billed, billing efficiency declined slightly from 58.33% in 2023 to 57.65% in 2024.

Correspondingly, total energy accounted for which refers to energy billed to customers as well as energy recoveries from power theft or illegal connections as well as street lighting that are not directly billed rose from 1,338.08 GWh in 2023 to 1,462.79 GWh in 2024, marking an increase of 9.3%. Despite these improvements in energy accountability, the system energy loss increased marginally from 30.97% in 2023 to 31.35% in 2024, a 0.38 percentage point deterioration. Despite efforts to optimize energy distribution, NEDCo is still grappling with high distribution losses mainly due to commercial losses attributed to energy theft and marginally due to distribution infrastructure weaknesses.

ENERGY ACCOUNTING PERFORMANCE - AREA-BY-AREA, 2024 – YTD						
INDICATORS	Sunyani	Techiman	Northern	Upper East	Upper West	NEDCo TOTAL
Power Purchase (GWh)	548.88	358.17	749.02	302.55	172.12	2,130.75
Station Service	0.19	0.21	0.06	-	-	0.45
Billed Energy (GWh)	363.98	247.79	317.30	179.46	119.54	1,228.07
Energy Billed (%)	66.31%	69.18%	42.36%	59.32%	69.45%	57.64%
Energy Billed YTD 2023	66.99%	68.86%	43.26%	60.40%	72.60%	58.30%
Energy Recovery (GWh)	4.00	1.64	12.61	2.43	0.56	21.24
Streetlight (GWh)	54.89	35.82	74.90	30.26	17.21	213.07
Energy Accounted for (GWh)	423.06	285.45	404.86	212.15	137.31	1,462.84

Losses (GWh)	125.82	72.72	344.16	90.40	34.81	667.91
Losses YTD 2024	22.92%	20.30%	45.95%	29.88%	20.23%	31.35%
Losses YTD 2023	22.51%	20.89%	45.72%	28.51%	16.85%	30.97%

Power sales

In the year 2024, NEDCo sold a total of **1,228** GWh of electricity, generating a total revenue of GHS2,174.13million. The company successfully collected GHS2,205 million from its customers resulting in a collection rate of 101.42%. While this creates the appearance of an exceptional collection rate, it does not necessarily reflect actual cash payments received from customers. The high collection rate is primarily attributed to credit notes received from the government, which helped offset outstanding government debts owed the company. The table below shows the contribution of each of the five (5) Operational Areas to the collection efficiency

REVENUE ACCOUNTING	2024 YTD	2023 YTD	VARIANCE	
Power Sales (MGH¢)	2,174.13	1,812.57	361.56	19.95%
Collected Revenue (MGH¢)	2,205.00	1,933.44	271.56	14.05%
Collection Rate with MDAs & GWCL ()	101.42%	106.67%	(0.05)	-5.25%
Collection Rate without MDA's & GWCL ()	89.71%	89.84%	-0.13%	-0.13%

Accounts Receivable and Debt Management

Postpaid customers, that constitute approximately 56% of NEDCo's customer base, are the primary source of accounts receivables. These customers consume electricity before payment, thereby generating debt until settlement is made. In contrast, prepaid customers, accounting for about 44% of the customer base, pay upfront for their electricity usage and therefore do not contribute to accounts receivables. However, postpaid customers that are migrated to prepaid systems are blocked with their outstanding debts and these bills are paid by instalments as they buy credits.

As at December 31, 2024, NEDCo's total accounts receivables from unpaid electricity bills stood at GHS 1,237.11 million, reflecting a 3.66% decrease compared to the 2023 figure. This reduction is largely attributed to:

- The issuance of credit notes by the Government to offset outstanding debts owed by Ministries, Departments, and Agencies (MDAs), and
- The success of mass revenue mobilization and disconnection exercises implemented across operational areas during the year.

Despite this improvement, the accumulation of outstanding debts remains a persistent financial challenge. A significant proportion of the receivables is owed by government institutions, commercial entities, and private consumers. Non-payment of electricity bills continues to adversely impact revenue recovery and overall cash flow.

The average debtors' collection period for the year stood at 432 days, indicating extended delays in bill settlements. While payments from government institutions and aggressive field actions contributed to some progress, further efforts are needed to reduce the collection cycle and improve liquidity.

To address these challenges, NEDCo is reinforcing its revenue assurance and debt recovery strategies through quarterly mass revenue collection exercises, customer education and the deployment of prepaid meters.

NEDCo remains committed to mitigating financial risks by improving collection performance and ensuring a more sustainable revenue cycle.

Table: Outstanding Receivables by Operational Area as of December 31, 2024

AREA	RECEIVABLES (GH¢)				RECEIVABLES LAG (DAYS)		
	PSP-NON MDAs (GH¢)	PPM (GH¢)	MDA (GH¢)	GWCL (GH¢)	TOTAL (GH¢)	With MD A & GW CL	With out MDA & GWC L
SUNYANI	255,631,597.35	3,858,610.07	3,094,230.52	15,637,097.85	278,221,535.78	307	318
TECHIMAN	123,237,859.98	10,910,715.48	1,706,618.82	2,287,054.77	138,142,249.05	287	314
NORTHERN	536,494,749.04	37,149,500.03	1,493,009.08	52,890,230.35	628,027,488.50	713	831
UPPER EAST	117,292,758.91	7,381,780.53	1,963,839.61	7,841,753.01	134,480,132.06	347	406

UPPER WEST	39,610,143.35	14,211,799.65	1,794,754.53	2,621,291.22	58,237,988.74	277	358
TOTAL	1,072,267,108.62	73,512,405.76	10,052,452.55	81,277,427.20	1,237,109,394.14	432	479

CUSTOMER POPULATION AND CONSUMPTION ANALYSIS

NEDCO's customer base is segmented into Residential, Non-Residential and Special Load Tariff Customers. Each of these customer categories contribute differently to total energy billed and revenue collection. A description of the customer categories for the reporting year is as categorized below:

- Residential Customers: – This segment represents the majority of NEDCO's customer base, they form about 83.56% of the clientele and consist primarily of households and small domestic consumers.
- Non-Residential Customers: – This category includes businesses, retail shops, private enterprises, schools, hospitals, and other public institutions, that consume moderate levels of electricity for their daily operations. They form about 16.44% of customer population.
- Special Load Customers –This category, accounts for a smaller portion of the customer base, they form about 0.01% of the customer but contributes significantly to total energy consumption and revenue.

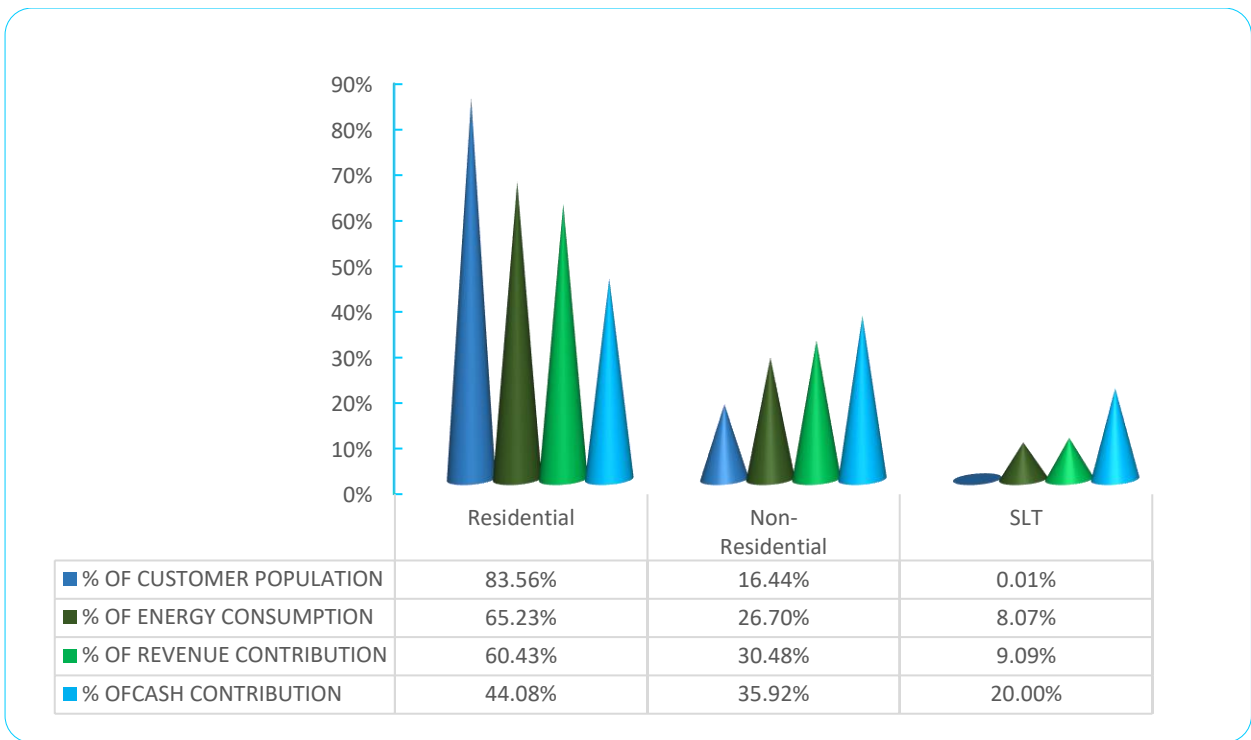
For the year 2024, total energy billed stood at 1,228.07GWh, the proportion contributions by each of the customer class is as shown below:

- Residential customers: 65.23% of total energy billed
- Non-Residential customers: 26.70% of total energy billed
- Special Load Customers 8.07% of total energy billed

In terms of revenue collection, the total amount collected for the year was GHS2,205million. The contributions of each of the classes is as follows:

- Residential Customers 60.43% of total revenue collected
- Non-Residential Customers 30.48% of total revenue collected
- Special Load Customers 9.09% of total revenue collected)

This is shown pictorially as below



Public Education Radio/ Television and Customer engagement

NEDCo has continually prioritized customer education and engagement as a core component of its service delivery. During the year 2024, the company undertook various initiatives using both media platforms and community engagement to enhance customer education, improve service efficiency, and strengthen relationships with stakeholders.

NEDCo leveraged multiple media channels including Radio and Television to communicate essential information to customers. Topics such as energy conservation, billing processes, safety precautions, electricity usage, payment options, were discussed on radio/television to educate our customers in all of the NEDCo work locations. Press releases and announcements on critical issues such as power outages were also issued to the general public.

In addition to media outreach, NEDCo engaged directly with communities through various initiatives including public forums to build stronger relationships with the communities. These interactive sessions with the community members provided a platform for NEDCo to discuss electricity related issues with the communities and also receive feedback from them. As of the end of the period, NEDCo had undertaken 399no. Radio/Television engagements and 770no. community engagements.

The organization also collaborated with Chiefs and local leaders to address electricity related challenges that communities were facing.

The combined efforts of media and community engagement have led to notable improvements in customer service efficiency.

Moving forward, NEDCo aims to expand these initiatives by incorporating more digital innovations like sending SMS messages to customers and increasing community participation to ensure continued service excellence and customer satisfaction.

Establishment of Contact Centre

In 2024, NEDCo initiated the process of establishing a contact center to enhance its customer service operations. The primary objective was to improve response times, streamline complaint resolution, and enhance customer engagement. The contact center is expected to operate 24/7, providing support through multiple communication channels, including phone Calls, emails, SMS and social media. The project has delayed due to prolonged procurement processes. As of December 2024, NEDCo had successfully completed training of all Operation Area staff on the Contact Center. This ensures that employees are well-prepared to handle customer interactions efficiently once the system goes live.

TECHNICAL OPERATIONS

Planned maintenance

NEDCo has dedicated maintenance teams in all its operational areas, including the Head Office. They are responsible for carrying out both corrective and preventive maintenance on the distribution network. The maintenance teams of NEDCo used the early part of the year to assess the network and identify the preventive maintenance work required for the year. This assessment helped in detecting potential weaknesses, aging infrastructure, and areas prone to faults. This allowed for proactive planning and execution of maintenance activities. After prioritizing these urgent maintenance tasks, the teams developed a structured schedule for implementation.

This structured approach ensured that preventive maintenance was effectively carried out on time, reducing downtime and improving overall service delivery. Some of the preventive maintenance activities conducted during the year include the regular servicing of distribution transformers, vegetation control, equipment replacement and upgrade of distribution lines. For the year in question, 127no. distribution transformers were injected into the network with about 70.25km lines upgraded. The team also achieved 110.44% of the maintenance schedules.

In addition, corrective maintenance was performed to address faults and restore power for unexpected breakdowns such as transformer failures and damaged power lines. The swift response of these maintenance teams helped minimize downtime and improve service delivery. By ensuring a proactive and responsive approach to network maintenance, NEDCo continues to enhance infrastructure reliability and provide uninterrupted electricity services to its customers.

Distribution Assets

In the fiscal year 2024, NEDCo continued its commitment to maintaining and expanding its distribution assets to ensure the reliable delivery of electricity to its customers. The company made investments in upgrading infrastructure and expanding network capacity to enhance efficiency and resilience.

The distribution network recorded steady growth during the year. Total MV line length increased from 20,119.0 km in Q1 to 20,320.1 km in Q4, while LV line length increased from 34,618.4 km to 34,925.1 km over the same period. Consequently, the total line length expanded by 507.8 km to reach 55,245.2 km at year-end. The number of distribution transformers increased from 8,292 to 8,458, and total transformer capacity grew from 2,203.8 MVA to 2,229.4 MVA. This results in a total installed capacity of 2,229.4 MVA. Maximum demand for the year was 382 MW. The table below shows the distribution network expansion and capacity growths for all the quarters within the fiscal year.

Distribution Network Expansion and Capacity Growth

Asset	UoM	Q1	Q2	Q3	Q4
MV Line Length	km	20,119.0	20,152.0	20,168.0	20,320.1
LV Line Length	km	34,618.4	34,744.5	34,764.1	34,925.1
Total Line Length	km	54,737.4	54,896.5	54,932.0	55,245.2
Distribution Transformers	no.	8,292	8,344	8,372	8,458
Total Transformer Capacity	MVA	2,203.8	2,215.2	2,220.0	2,229.4
Maximum Demand	MW	365.04	381.80	346.70	360.14

Power Supply Reliability

With regard to power supply reliability, NEDCo met regulatory benchmarks for SAIDI (System Average Interruption Duration Index) across all locations. The NEDCo-wide SAIDI stood at 78.14 hours, with rural areas experiencing the highest average outage durations. However, for the SAIFI (System Average Interruption Frequency Index) indicator, NEDCo did not meet the regulatory benchmark of six (6) times or fewer interruptions per customer. NEDCo recorded a system-wide average of 93.45 interruptions, largely influenced by higher disruption rates in rural areas. On a positive note, the CAIDI (Customer Average Interruption Duration Index) was favourable, with a company-wide average of 0.84 hours, indicating efficient fault response and restoration. The ASAI (Average Service Availability Index) also remained high at 99.12%, affirming the overall availability of power supply across the network. NEDCo remained committed to delivering a reliable and stable power supply throughout the fiscal year. The table below shows the reliability indices achieved for 2024.

NO.	SUPPLY INDICATORS	RELIABILITY	UNITS	PURC TARGET	ACHIEVED
1	SAIDI				
	Total Duration	Metro	Hours	48	70.31
	Total Duration	District Capital	Hours	72	33.45
	Total Duration	Rural	Hours	144	102.36
		NEDCo-wide	Hours		78.14
2	SAIFI				
	Total Interruption Frequency	Metro	No.	6	52.12
	Total Interruption Frequency	District Capital	No.	6	40.03
	Total Interruption Frequency	Rural	No.	6	131.85
		NEDCo-wide	No.		93.45
3	CAIDI				
	Total Duration	Metro	Hours	8	1.35
	Total Duration	District Capital	Hours	12	0.83
	Total Duration	Rural	Hours	24	0.78
		NEDCo-wide	Hours		0.84
10	ASAI				
		Metro	%		99.20
		District Capital	%		99.62
		Rural	%		98.84
		NEDCo-wide	%		99.12

Safety Meetings and Work Area Inspections

NEDCo remained committed to promoting a strong workplace safety culture and ensuring the well-being of its employees and stakeholders within the year. NEDCo conducted weekly routine safety meetings across all operational areas to reinforce safety awareness, discuss workplace hazards and review best practices in risk prevention. These meetings provided employees with a platform to engage in safety discussions, share experiences, and receive updates on regulatory safety requirements.

In addition, work area inspections were carried out at various operational locations to assess compliance with safety protocols, identify potential hazards, and implement corrective measures. These inspections played a vital role in ensuring a safe working environment, reducing workplace accidents and improving overall operational efficiency.

The company successfully organized its safety week celebration in November, 2024 which featured engaging activities including Safety Quiz Competition across all operational areas. The Managing Director gave a keynote address for the safety week and emphasized the importance of workplace safety and NEDCo's commitment to accident prevention. Employees and Operational Areas who demonstrated exceptional safety practices were recognized with awards.

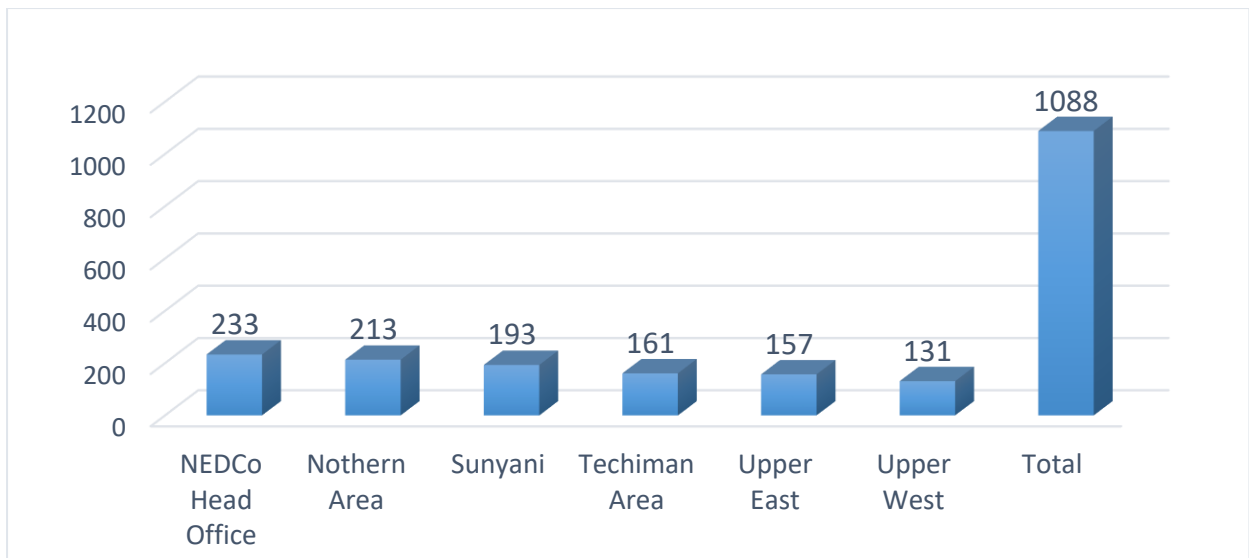
HUMAN RESOURCE

Staffing

NEDCo experienced a slight decrease in its workforce, from 1,098 employees at the end of 2023 to 1,088 (This excluding 4 on secondment from VRA) by the end of 2024, indicating a net reduction of 10 staff members. This change represents an attrition rate of 0.91% for the year 2024. The 0.91% decrease in workforce was largely influenced by retirements (22 employees), followed by transfers (4 employees), natural attrition factors like death (3 employees) and voluntary exits (resignation and leave of absence – 2 employees). Despite these departures, 23 new hires helped to offset the reduced numbers, maintaining workforce stability.

Out of the 1,088 workforce (Excluding four on secondment), 968 (89%) are males while 120 (11%) are females underscoring a persistent gender disparity. This imbalance highlights the need for targeted interventions to enhance inclusivity and diversity within the company. To bridge this gap, we will adopt more inclusive hiring practices that actively promote the recruitment and retention of females.

The graph below illustrates the distribution of NEDCo employees across various operational areas, providing a visual representation of workforce allocation throughout the company.



In addition to its permanent staff, NEDCo's workforce was reinforced by a diverse group of 1,692 auxiliary workers, who played a crucial role in supporting operations. These auxiliary staff include:

- Bonded Cashiers: 280
- Contract Meter Readers: 660
- Casual Workers: 465
- National Service Personnel: 287

Their contributions complement the efforts of the regular staff, ensuring the smooth delivery of NEDCo's services across all operational areas.

Industrial relation

NEDCo was able to maintain a stable industrial environment in 2024. This fostered collaboration between management and staff groups and for that matter all employees. The company remained committed to engaging with staff unions and stakeholders to address concerns, improve working conditions, and enhance productivity. Meetings were held between management and staff group leaders to discuss workplace issues, welfare concerns, and operational challenges.

Employee Mental Health Support

As part of its commitment to employee well-being, management engaged the services of mental health professionals to assess the mental health of employees. This initiative is meant to identify and address employee psychological challenges and enhance employee well-being.

Through this initiative, employees were provided access to counseling services, mental health awareness programs and professional support. This ensured that employees are psychologically fit and are in their right frame of mind to work.

NEDCo remains committed to prioritizing mental health and will continue to implement measures that foster a supportive workplace culture.

Training

As part of its commitment to building a highly skilled and efficient workforce, NEDCo successfully sponsored a total of 719 employees in both onshore and offshore training programs covering a wide range of disciplines. Both Management and non-management staff benefited from the training programs. These training sessions were aimed at strengthening the technical expertise, leadership competencies, customer service skills, and overall workplace efficiency. It enabled the participants to acquire various skills that helped them to improve on their work output.

The company will continue to invest in capacity-building initiatives, ensuring its workforce remains competitive and well-equipped to drive growth and sustainability of NEDCo.

ENGINEERING

The Engineering Department of NEDCo made significant strides in 2024 in fulfilling its mandate to support network reliability, system expansion, and operational efficiency.

The activities carried out by the Department through its specialized sections, focused on strategic planning, infrastructure development, renewable energy integration, and stakeholder collaboration.

The System Planning & Network Development Section continued its vital network studies and partnerships with technical consultants to address identified expertise gaps and system constraints. These efforts supported the identification of optimal substation locations and the technical justification of capital projects. Notable collaborations included updating NEDCo's MV network on the eGIS platform, partnering with Agence Française de Développement (AFD) and AETS on the Digital Energy Facility Projects, and working with KfW to prepare for a detailed techno-economic appraisal of NEDCo's priority investment projects.

The Design Section successfully executed engineering surveys and designs for key projects, including the proposed 34.5 kV dedicated line from the Wa Bulk Supply Point (BSP) to the Upper West Regional Hospital, as well as military bases in Sankore and Kenyasi in the Ahafo Region.

The SHEP Desk carried out engineering surveys in the Northern and Upper West Operational Areas and commenced construction of MV and LV lines under the SHEP-Turnkey program. It also inspected and received project materials delivered by contractors, ensuring compliance with technical standards.

The Projects Section advanced the implementation of capital works focused on expanding and upgrading the network, improving reliability, reducing losses, enhancing cash collection, and minimizing commercial losses. These projects collectively contributed to improved service delivery and network performance.

The Renewable Energy and Energy Efficiency Desk (RE&EED) maintained strategic engagement with key stakeholders such as the Ministry of Energy, Energy

Commission, and GIZ. Its activities were largely centered on workshops and consultative meetings aimed at promoting sustainable energy initiatives within NEDCo.

Overall, the Engineering Department carried out its responsibilities effectively and remains committed to continuous improvement. By refining internal processes and sustaining strategic partnerships, the Department aims to further enhance productivity, system resilience, and service quality in the years ahead.

PROJECTS

Grid Intensification in Upper East & Upper West

Project Background

The Government of Ghana, with financial support from the Government of Switzerland (represented by the Swiss State Secretariat for Economic Affairs - SECO) and the International Development Association (IDA) of the World Bank, is funding the third phase of the Ghana Energy Development and Access Project (GEDAP III). As part of this initiative, NEDCo received an allocation of US\$10.5 million for institutional strengthening, support to its Project Implementation Unit (PIU), grid intensification, and the implementation of a Geographic Information System (GIS).

The Grid Intensification Project aims to upgrade and expand the electricity distribution network in 18 towns in the Upper East Region and 12 towns in the Upper West Region. The project is being executed by Golden Mainland Ghana Limited.

Under this project, 3,553 and 4,124 customers are expected to be connected in the Upper East and Upper West regions respectively.

Project Description

The project focuses on strengthening and expanding the electricity distribution network in the Upper East and Upper West operational areas. The key components include:

- Construction of medium and low-voltage distribution networks to improve service reliability.
- Removal of non-standard distribution infrastructure and replacement with standardized equipment.
- Upgrading of existing distribution lines to enhance network capacity.
- Supply, installation, testing, and commissioning of the new distribution network to ensure operational efficiency

Project Progress: the project is 45% complete.

Construction of Lamashegu, 40MVA, 34.5/11.5KV Substation and sub-transmission Lines

This project aims to ease pressure on the existing 11.5kV capacity substation in the Tamale Metropolis. It has been divided into two (2) lots: Lot 1 and Lot 2.

Project Description

Lot 1: Lamashegu Substation Construction

This phase involves the construction of a 2×20MVA substation at Lamashegu, with interconnecting and offloading circuits.

The scope includes:

- Design, supply, installation, testing, and commissioning of a 34.5/11.5kV substation equipped with:
 - 2×20/26MVA transformers
 - Ten (10) 34.5kV and thirteen (13) 11.5kV Gas-Insulated Switchgear (GIS)
 - Protection, control, and metering systems
 - Associated equipment, supports, and materials
 - Site development and civil works
- Design and construction of a 9km, 11.5kV galvanized steel pole offloading circuit.

Lot 2: Adubiyili Switching Station Construction

This phase involves the construction of a switching station at Adubiyili, with interconnecting circuits. The scope includes:

- Design, supply, installation, testing, and commissioning of:
 - Ten (10) 34.5kV Gas-Insulated Switchgear (GIS)
 - Two (2) 34.5kV incomer bays
 - Eight (8) 34.5kV outgoing feeders
 - Protection, control, and metering systems
 - Associated equipment, supports, and materials
- Design and construction of a 12km, 34.5kV double-circuit sub-transmission line using lattice towers.

Design, supply, installation, testing, and commissioning of a 12km Optical Ground Wire (OPGW) fiber optic cable, linking the Adubiyili switching station with the 34.5kV sub-transmission network.

Project Progress: The overall progress of the project (Lot 1 & Lot 2) stands at 55%.

Supply and Installation of Portable Capacitor Banks for Bimbilla Feeder

Project Background

Bimbilla is a fast-developing town under the local management of the Northern Operational Area. The area is served by a long transmission line (80km) from the Yendi BSP. The area over the years has been plagued with numerous power quality issues ranging from frequent interruptions to poor quality of supply.

This project is aimed at improving the quality of power supply to Bimbilla and other neighboring communities. The Contract was awarded to Alpha TND Limited on February 11, 2022.

Project Description

This project involves the supply and installation of 2no., 3.6MVAR, 36kV, 50Hz, three phase, switched ABB pole mounted capacitor system (Q-pole) with associated civil works for Bimbilla Feeder.

Project Progress: The project is currently completed and is in service.

Supply and Installation of 30,750 Smart Split Prepaid Meters (Lot 2)

Project Background

This project aims to improve cash collection and reduce commercial losses. The contract was signed on April 7, 2021, with Meinergy Technology Limited.

Project Description

The project involves the supply and installation of 30,750 Smart Split-type Prepayment Meters and Accessories in the Northern Area of NEDCo. It also includes the removal of existing meters from customers' premises where necessary and return same to NEDCo's office.

Project Progress: The overall progress of the project is 51%.

Northern Ghana Rural Electricity Infrastructure and Access Project (NGREIA)

Project Background

The Government of the Republic of Korea (ROK) has approved a loan facility in Korean Won currency not exceeding the equivalent of US\$68,000,000.00 through its agency, Export-Import Bank of Korea (KEXIM) for Economic Development Cooperation Fund (EDCF), for GoG to implement the NGREIA Project. The GoG is to provide counterpart funding of US\$12,783,000 making the total cost of the NGREIA project US\$80,783,000.

NEDCo is also to undertake some complementary projects to make NGREIA successful. These include acquisition of lands for the NGREIA project, civil works beyond the boundaries of the substations/switching stations, construction of feeders to and from the substations/switching stations respectively as well as communication networks between the substations/switching stations and the new SCADA control center. The total estimated cost of these Complementary Projects to be undertaken by NEDCo is US\$38.2M.

Project Description

The project consists of a Consultancy and an EPC (Engineering, Construction and Procurement) portion. A consultant, Joint Venture of Byucksan-Sunjin, has been engaged to assist NEDCo, the Project Executing Agency (PEA), in the design, preparation of bidding documents and project implementation.

The EPC Projects consist of the following:

- The construction of 6no. Substations (locations: Fiapre, Berekum, Tanoso, Techiman, Wa #1 and Wa #2)
- The construction of 2no. Switching Substations (locations: Tumu and Bimbilla)
- The construction of SCADA Control Center/Distribution Network Management System (DNMS) at Tamale
- The construction of 5no. Customer Service Centers (locations: Berekum, Bechem, Nandom, Tumu and Bimbilla)
- Training (local and foreign)

The scope of the complementary projects to be undertaken by NEDCo includes the construction of:

- 42.06km sub-transmission lines
- 29.11km distribution/offloading feeders and
- Site preparatory works.

Project Progress: The overall progress of the project is 8%

Services

In line with NEDCo's infrastructure and operational expansion agenda, the Services Department actively supported the organization through strategic procurement, estate development, infrastructure upgrades, transport logistics, and security operations.

During the year, procurement activities were undertaken using diverse methods including Framework Agreements, One-Off NCT, Restricted Tendering, Single Sourcing, and Works Contracts. These processes targeted critical needs such as ICT equipment, energy meters, fuel, civil works, and logistics support. Notably, contracts worth over GHS 4.9 million were processed for ICT infrastructure and tools, while significant single-sourced procurements included 49,999 prepayment meters from Hexing Electrical and additional metering infrastructure from Infinity E Egypt S.A.E and Alpha TND. Fuel supplies under a GHS 10.53 million agreement with GOIL progressed smoothly, while manned security contracts valued at GHS 5.77 million were successfully awarded and implemented under restricted tendering.

Lease registration and land acquisition efforts were pursued in Yorogo, Kintampo, Busunya, Karaga, and other operational locations. Engagements with local authorities for new site allocations were largely positive. The Data Center reached 85% completion, while the Kintampo Service Center neared completion at 98%. Service centers in Sandema, Atebubu, Akumadan, Tapa, and Hain were completed and handed over.

Internal Audit Report

In 2024, the NEDCo Internal Audit Department (NIAD) successfully executed its statutory mandate in line with the approved Annual Risk-Based Internal Audit (RBIA) Work Plan and relevant regulatory guidelines. The NIAD provided independent, objective, and risk-based assurance and advisory services that strengthened governance, accountability, risk management, and internal controls across NEDCo.

The 2024 RBIA Work Plan, approved by the Audit Committee on January 30, 2024, comprised 12 strategic thrust areas and 19 audit assignments. By year-end, 18 of these assignments had been completed and submitted, representing a 95% execution rate. The only outstanding audit—on the Declaration of Assets—has been prioritized for early completion in 2025.

Beyond the RBIA plan, NEDCo submitted all required statutory reports to relevant regulatory bodies, including:

The 2023–2025 Strategic Audit Plan,

The 2024 Annual Performance Report,

The Public Financial Management (PFM) Compliance Survey,

Relevant components of the 2023 Annual Audit Committee Report.

NIAD maintained a robust quarterly monitoring regime throughout the year to track the implementation status of audit recommendations. In compliance with Section 88 of the Public Financial Management Act, 2016 (Act 921), the Department supported the Audit Committee in ensuring adherence to recommendations issued by internal and external auditors, Parliament, and other oversight bodies. Through diligent follow-ups, NIAD enhanced accountability and contributed to improved internal controls.

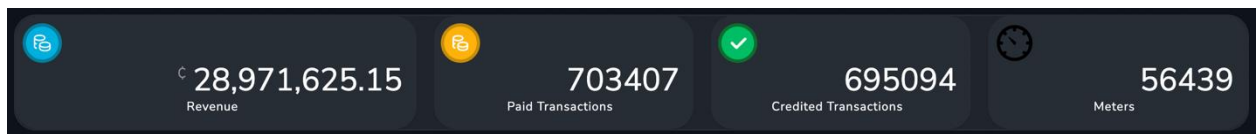
ICT: Electronic-Payment Report

NEDCo's electronic payment platform continues to facilitate seamless power purchase and payment of electricity bills across all operational areas.

The performance during the year 2024 are as follows;

2024 Transaction Details

- Total Transactions recorded: 703,407
- Successful Transactions: 695,094 (98.8%)
- Total Revenue: GH¢28,971,625.15
- Failed Transactions: 8,313 (1.2%)



2024 Revenue Analysis

- **Total Revenue for 2024:** GH¢28,971,625.15

There was an increase of GH¢2,924,785.75 over the 2023 revenue of GH¢26,046,839.40. There was 11% increase in revenue.

Continuous updates enhanced system performance, reduced transaction failures, and improved customer satisfaction.



2024 Audited Financial Statements

Northern Electricity Distribution Company Limited (NEDCo)

Corporate information

For the year ended 31 December 2024

The Directors:

Emmanuel Antwi-Darkwa	- Chairman
Osman Aludiba Ayuba	- Managing Director
Chief Musa Badimsugru Adam	- Member
Ms Laila Abubakari	- Member
Samuel Boakye-Appiah	- Member

Secretary:

Nii Ayi Tagoe
NEDCo Head Office
P. O. Box TL 77
Tamale

Registered office:

NORRIP Block
Behind Tamale Municipal Assembly
P. O. Box TL 77
Tamale

Auditors:

The Auditor-General
Ghana Audit Service

P. O. Box M 96
Ministries
Accra

Bankers:

GCB Bank Limited
Societe Generale Ghana Limited
Standard Chartered Bank Ghana Limited
Absa Bank Ghana Limited
National Investment Bank Limited
Agricultural Development Bank Limited
Ecobank Ghana Limited
CalBank Ghana Limited
Guaranty Trust Bank Ghana Limited
Zenith Bank Ghana Limited

Northern Electricity Distribution Company Limited (NEDCo)

Report of the Directors

For the year ended 31 December 2024

In accordance with the requirements of Section 136 of the Companies Act, 2019, (Act 992), the Directors have the pleasure in presenting the report of the company for the year ended 31 December 2024.

Statement of directors' responsibilities

The directors are responsible for the preparation of financial statements for each financial year which gives a true and fair view of the state of affairs of the company and of the profit or loss and cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and then applied them consistently, made judgments and estimates that are reasonable and prudent and followed International Financial Reporting Standards (IFRS), the requirements of the Companies Act, 2019 (Act 992).

The directors are responsible for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the company, the directors are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The principal activity of the Company is the distribution of electric power to households and businesses in the northern parts of Ghana.

Financial results

The results of the Company are set out on pages 50 to 53. The Company recorded a Net Loss of **GH¢650.752million** as against a Net Loss of **GH¢547.973million** in 2023. The Loss of GH¢650.752 million represents 19% deterioration over the previous year's performance. This poor performance is mainly due to high depreciation charge resulting from the 2021 physical revaluation of Non-current Assets, which led to a significant increase in the cost of Non-current Assets. Average Bulk Generation Charge (BGC) also increased by 21% from GHp62.0155/kwh to GHp74.7715/kwh with Transmission Service Charge (TSC 1&2) increasing by 10% from GHp12.9026/kwh to GHp14.1320/kwh. Even though Average End-User Tarriff (EUT) went up by 18%, high distribution losses emanating from power theft aggravated NEDCo's loss situation.

Going Concern

The company's Directors have made an assessment of its ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that cast significant doubt about the company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Auditor

The auditors, Ghana Audit Service have indicated their willingness to continue in office in accordance with Section 139 (5) of the Companies Act, 2019 (Act 992).

Approval of the financial statement

The financial statements were approved by the Board of Directors on


.....
Hon. Cletus Seidu Dapilah
Board Chairman, NEDCo

Date: 12 NOVEMBER 2025


.....
John Okine Yamoah
Managing Director, NEDCo

Date: 10 NOVEMBER 2025

**Northern Electricity Distribution Company Limited
(NEDCo)**

Financial Review

For the year ended 31 December 2024

Five-year financial summary

	2020	2021	2022	2023	2024
	GH¢000	GH¢000	GH¢000	GH¢000	GH¢000
Income	688,981	884,186	1,002,487	1,774,761	2,151,703
Other operating income	49,904	62,810	83,882	103,537	219,186
Amortisation of SHEP Grants	-	-	185,294	185,294	185,294
Operating and General Expenses (Excl. Depreciation)	990,145	1,053,727	1,315,660	1,988,015	2,426,194
Depreciation	140,697	70,203	422,270	625,766	788,199
Operating (Loss)/Profit before tax	(391,957)	(176,934)	(454,402)	(533,040)	(658,210)
Financial Income	12,936	6,211	5,910	2,216	2,427
Financial Expenses	-	-	18,786	6,222	(19,305)
Net Exchange Gain/Loss	-	-	6,921	(10,926)	24,335
Net Loss for the year	(379,021)	(170,723)	(460,357)	(547,973)	(650,752)
Property, Plant and Equipment (Cost/Valuation)	4,549,200	9,999,679	14,805,074	21,362,458	27,574,650
Accumulated depreciation	(3,980,315)	(2,958,016)	(4,819,668)	(7,421,833)	(10,386,051)
Property, Plant and Equipment (Net Book Value)	568,884	7,041,661	9,985,405	13,940,624	17,188,599
Capital Work in Progress	164,337	156,363	94,511	311,435	558,097
Current Assets	1,445,684	1,573,486	1,651,615	1,837,325	2,182,953
Current Liabilities	614,613	756,702	979,181	999,508	1,262,466
Stated Capital	500	500	500	500	200,000
Monies held towards capital	199,500	199,500	199,500	199,500	-
Investment by VRA	80,683	80,683	80,683	80,683	80,683
Reserves	1,546,484	3,385,539	6,464,748	11,044,855	15,079,925
Retained Earnings	(1,549,337)	(1,659,235)	(1,977,194)	(2,525,166)	(3,175,919)
Ghana Cedi (GH¢) to US\$ Exchange Rate	5.7602	5.9961	8.2695	10.9920	14.7074

**Northern Electricity Distribution Company Limited
(NEDCo)**

Financial Review (cont'd)

For the year ended 31 December 2024

		2020	2021	2022	2023	2024
Return on Average Equity#	%	(103.34%)	(5.05%)	(13.92%)	(8.17 %)	(8.26%)
Return on Average Net Fixed Assets - Plant in operation* #	%	(51.41%)	(4.31%)	(5.41%)	(4.58%)	(4.18%)
Current Assets Ratio		2.35	2.08	1.69	1.84	1.73
Debt Service Ratio	Times	-	-	-	-	-
Gearing Ratio	%	-	-	-	-	-
Total production Expenses including depreciation	GH¢000	1,130,842	1,123,930	1,737,930	2,613,781	3,214,393
Total cost of production including depreciation and interest but excluding Debt Fluctuation	GH¢000	1,130,842	1,123,930	1,737,930	2,613,781	3,214,393

This is based on the operating profit or loss before exchange fluctuation, interest and commitment charges

* On replacement cost basis

**Northern Electricity Distribution Company Limited
(NEDCo)**

Statement of Directors' Responsibility
For the year ended 31 December 2024

The Directors of the Northern Electricity Distribution Company Limited (NEDCo) are responsible for preparing the Financial Statements for each financial year which give a true and fair view of the financial position of NEDCo at the end of the financial year and of the profit or loss of the Company for that period. In preparing those Financial Statements, the Directors of the Company are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that Company will continue in business.

The Directors of the Company are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the Financial Statements comply with International Financial Reporting Standard and the Companies Act, 2019 (Act 992). They are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The above statement should be read in conjunction with the statement of respective responsibilities of Directors in the Independent Auditor's Report.



Northern Electricity Distribution Company Limited (NEDCo)

*Independent Auditor's Report to the Members of Northern Electricity
Distribution Company Limited*

Report on the Audit of the Northern Electricity Distribution Company Limited's Financial Statements

Opinion

We have audited the financial statements of Northern Electricity Distribution Company Limited (NEDCo) for the year ended 31 December, 2024. These financial statements comprise; the statement of financial position, statement of Profit or Loss and other comprehensive income, statement of changes in equity, statement of cash flow for the year then ended, the Notes to Financial Statements including a summary of significant accounting policies and other explanatory information set out on pages 16 to 50.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the NEDCo as at 31 December, 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Companies Act, 2019 (Act 992).

Basis for Opinion

We conducted our audit in accordance with the International Standards of Supreme Audit Institutions. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the NEDCo in accordance with the Code of Ethics for Supreme Audit Institutions, together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and the Report of the Directors as required by the Companies Act, 2019 (Act 992), but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we concluded that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Board of Directors for the Financial Statements

The Board of Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (*IFRS*), and legislations, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the NEDCo's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the NEDCo or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs), which

is consistent with the Fundamental Auditing Principles (ISSAIs 100-999), will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards of Supreme Audit Institutions, we exercise professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NEDCo's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence, obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the NEDCo's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the NEDCo to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the Company’s audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

Report on other legal and Regulatory Requirements

The Companies Act, 2019 (Act 992) requires that in carrying out our audit, we consider and report on the following matters. We confirm that;

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- Proper books of account have been kept by the Company, so far as appears from our examination of these books; and
- The statement of financial position, the statement of financial performance, the statement of changes in net assets, and the statement of cash flows are in agreement with the books of account.
- We are independent of the Company pursuant to section 143 of the Act.



ELIZABETH BOTCHEY
DEPUTY AUDITOR-GENERAL/CAD
for: **AUDITOR-GENERAL**
GPS: GA-110-8787
MINISTRIES BLOCK “O”
ACCRA, GHANA

Date17/11/2025.....

**Northern Electricity Distribution Company Limited
(NEDCo)**

**Statement of profit or loss and other
comprehensive income**

For the year ended 31 December 2024

		2024	2023
		GH¢000	GH¢000
Revenue	2(a)	2,151,703	1,774,761
Cost of Sales	3(a)	<u>(2,981,271)</u>	<u>(2,422,617)</u>
		(829,568)	(647,856)
Other Operating Income	2 (b)	219,186	103,537
Amortisation of SHEP Grant	2 (c)	185,294	185,294
Administrative Expenses	3 (b)	<u>(233,122)</u>	<u>(174,015)</u>
Operating Loss		(658,210)	(533,040)
Financial Income	4(a)	2,427	2,216
Financial Expenses	4(b)	(19,305)	(6,222)
Net Exchange Gain/(Loss)	4(c)	<u>24,336</u>	<u>(10,926)</u>
Loss for the year		<u>(650,752)</u>	<u>(547,973)</u>
Other Comprehensive Income:			
Actuarial Gain on Employee Benefit	19(c)	(12,232)	(12,264)
Revaluation Gain on Plant Property		<u>3,988,169</u>	<u>4,580,985</u>
Total Comprehensive Income		<u>3,325,185</u>	<u>4,020,748</u>

All amounts relate to continuing operations.

The notes from pages 54 to 89 form an integral part of the Financial Statements.

**Northern Electricity Distribution Company Limited
(NEDCo)**

Statement of financial position

As at 31 December 2024

	Notes	2024 GH¢000	2024 GH¢000
Assets			
Non-current assets			
Property, plant and equipment	5(b)	<u>17,746,696</u>	<u>14,252,059</u>
		<u>17,746,696</u>	<u>14,252,059</u>
Current assets			
Inventory	6	55,173	75,551
Trade and other receivables	7	1,909,106	1,551,831
Short term investments	8	2,700	64,343
Cash and bank balances	9	<u>215,974</u>	<u>145,600</u>
		<u>2,182,953</u>	<u>1,837,325</u>
Total Assets		<u>19,929,649</u>	<u>16,089,384</u>
Equity and liabilities			
Equity attributable to equity holders			
Stated Capital	10(a)	200,000	500
Monies Held Towards Capital	10(b)	-	199,500
Retained Earnings		(3,175,919)	(2,525,166)
Reserves	11	<u>15,079,925</u>	<u>11,044,855</u>
Total equity		<u>12,104,005</u>	<u>8,719,689</u>
Non-current liabilities			
Other payables	12	2,486,705	2,108,421
SHEP Grants	20	<u>4,076,472</u>	<u>4,261,766</u>
Total Non-current liabilities		<u>6,563,177</u>	<u>6,370,187</u>
Current liabilities			
Employee Benefit Obligations	19(c)	99,323	75,906
Trade and other payables	12	<u>1,163,143</u>	<u>923,602</u>
Total current liabilities		<u>1,262,466</u>	<u>999,508</u>
Total liabilities		<u>7,825,643</u>	<u>7,369,695</u>
Total equity and liabilities		<u>19,929,649</u>	<u>16,089,384</u>



Hon. Cletus Seidu Dapilah
Board Chairman, NEDCo

Date: 12 NOVEMBER 2025



John Okine Yamoah
Managing Director, NEDCo

Date: 12 NOVEMBER 2025

**Northern Electricity Distribution Company Limited
(NEDCo)**

Statement of changes in equity

For the year ended 31 December 2024

	Stated Capital	Monies Held Towards Capital	Retained Earnings	Reserves	Total Equity
	GH¢000	GH¢000	GH¢000	GH¢000	GH¢000
Balance as at January 1, 2023	500	199,500	(1,977,194)	6,464,748	4,687,554
Profit / (Loss) for the year 2023	-	-	(547,973)	-	(547,973)
Reserves for the year	-	-	-	4,580,985	4,580,985
Deletions/Adjustments					
Transfer to Retained Earnings	-	-	-	-	-
Adjustment/Deletion	-	-	-	(878)	(878)
Balance as at December 31, 2023	<u>500</u>	<u>199,500</u>	<u>(2,525,166)</u>	<u>11,044,855</u>	<u>8,719,689</u>
Balance as at January 1, 2024	<u>500</u>	<u>199,500</u>	<u>(2,525,166)</u>	<u>11,044,855</u>	<u>8,719,689</u>
Profit / (Loss) for the year 2024	-	-	(650,752)	-	(650,752)
Reserves for the year	-	-	-	3,988,169	3,988,169
Transfer to Retained Earnings	-	-	-	-	-
Transfer to Stated Capital	199,500	(199,500)	-	-	-
Deletions/Adjustments	-	-	-	46,901	46,901
Balance as at December 31, 2024	<u>200,000</u>	<u>-</u>	<u>(3,175,919)</u>	<u>15,079,925</u>	<u>12,104,006</u>

**Northern Electricity Distribution Company Limited
(NEDCo)**

Statement of Cash Flows

For the year ended 31 December 2024

	Notes	2024 GH¢000	2023 GH¢000
Net Cash generated from operating activities	13	<u>283,278</u>	<u>320,754</u>
Investing activities			<u>320,754</u>
Interest Received		2,114	2,224
Purchase of plant, property and equipment		(276,661)	(237,505)
Capital work in progress		<u>-</u>	<u>-</u>
Net cash used in investing activities		(274,546)	(235,281)
Increase in cash and cash equivalents in the year		8,731	85,473
Cash and cash equivalents at the beginning of the year		<u>209,943</u>	<u>124,470</u>
Cash and cash equivalents at the end of the year	14	<u>218,674</u>	<u>209,943</u>

The notes from pages 54 to 89 form an integral part of the Financial Statements.

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the financial statements

For the year ended 31 December 2024

1.0 Reporting entity

The financial statements of the Northern Electricity Distribution Company Limited (NEDCo) for the year ended 31 December 2024 were authorized for issue in accordance with a resolution of the Board. The Northern Electricity Distribution Company Limited (NEDCo) was incorporated as a wholly-owned subsidiary of the Volta River Authority and it is domiciled in Ghana. The Northern Electricity Distribution Company Limited (NEDCo)'s primary function is to procure electric power and distribute to homes and industries in the northern sector of Ghana and the neighbouring West African states.

1.1 Basis of preparation

The financial statements have been prepared on a historical cost basis, except otherwise stated. The financial statements are presented in Ghana Cedi (GH¢) which is also the Northern Electricity Distribution Company Limited (NEDCo)'s functional currency.

1.2 Statement of compliance.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standard Board (IASB).

1.3 Use of estimates and judgment

The preparation of financial statements complying with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying NEDCo's accounting policies. The estimates and the associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

1.4 Summary of significant accounting policies

1.4.1 Revenue

Revenue is recognized to the extent that the economic benefit will flow to NEDCo and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, and rebates.

Revenue from the sale of electricity is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, taxes and volume rebates. Revenue from the sale of electricity is recognized when the electricity is transmitted to the customer, recovery of the consideration is probable and the amount of revenue can be measured reliably.

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the financial statements - continued

For the year ended 31 December 2024

1.4.2 Interest Income

Revenue is recognized as interest accrues using the effective interest rate method. Interest income is included in finance income in the statement of profit or loss and other comprehensive income

1.4.3 Government Grant

Grant and assistance from the government are reported at fair value when it can reasonably assume that the grant will be received and that NEDCo will meet the conditions of the grant. A grant tied to a non-current asset reduces the book value of the asset. A grant intended to cover expenses is reported in the statement of profit or loss and other comprehensive income as income over the same periods as the expenses.

1.4.4 Foreign currency translations

NEDCo's financial statements are presented in Ghana cedi, which is the Company's functional currency. That is the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are translated into the functional currency at the prevailing exchange rate at the date of the transaction. On the statement of financial position date, monetary assets and liabilities in foreign currencies are translated at the exchange rate ruling at the year end. Exchange rate differences arising from translation of currencies are reported in the statement of profit or loss and other comprehensive income.

1.4.5 Financial assets initial recognition

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, and loan receivables, held-to-maturity investments, available-for-sale financial assets, or derivatives designed as hedging instrument. Financial assets are recognized initially at fair value plus, in the case of investment not at fair value through profit or loss, directly attributable transaction costs.

NEDCo's financial assets include cash and short-term deposits, trade and other receivables.

1.4.6 Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortized cost using the effective interest rate method. Trade receivables are reported at the amount expected to be paid, less bad debts which are assessed individually. Impairment losses on trade receivables are reported under operating expenses. Trade receivables have a

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the financial statements - continued

short anticipated term and are therefore valued at a nominal amount without discounting.

1.4.7 Financial liabilities initial recognition

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss or loans and borrowings, as appropriate. The Northern Electricity Distribution Company Limited (NEDCo) determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value and in the case of loans and borrowings, directly attributable transaction costs.

1.4.8 Subsequent measurement

The measurement of financial liabilities depends on their classification. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of profit or loss and other comprehensive income when the liabilities are derecognized.

1.4.9 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis.

1.4.10 Properties, plant and equipment

(i) Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

(ii) Subsequent cost

The cost of replacing part of an item of property, plant or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to NEDCo and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the statement of profit or loss and other comprehensive income as incurred.

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the financial statements - continued

(iii) Depreciation

Depreciation is calculated and recognized in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are amortised over the shorter of the lease term and their useful lives. Land is not depreciated. The annual depreciation rates used are shown in the table below:

Depreciation is charged in the year in which an asset is acquired or a capital work-in-progress is available for use. Interest costs related to capital work-in-progress are included in the cost of the assets and are depreciated as part of the total asset cost.

1.4.11 Depreciation charges

Asset	Rate of Depreciation	No of Years
Buildings		40
Motor Vehicles	Between 10.0 and 25.0	4.0– 10.0
Miscellaneous Plant, Equipment and Furniture	Between 12.5 and 25.0	4.0 – 8.0
Meters/Consumer Connections	Between 4.0 and 5.0	20 – 25
Distribution Network	Between 2.5 and 4.0	25 – 40
Computer Equipment	Between 20.0 and	4.0 – 5.0

1.4.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets.

1.4.13 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the financial statements - continued

1.4.14 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less.

1.5.0 Significant accounting judgments, estimates and assumptions

The preparation of NEDCo's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the statement of financial position date.

1.5.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1.5.2 Provisions

Provisions are recognized when NEDCo has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

1.6.0 Risk and risk management

NEDCo's operations are exposed to a number of risks. To address these risks, NEDCo has established a risk management process that is based on the following components:

- Standardized risk definition
- Reliable methods for measuring risks
- Identifying the origination of risks
- Effective risk management for manageable risks
- Reporting in accordance with established routines
- Management in accordance with established strategies and fixed rules

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the financial statements - continued

1.6.1 Risk mandate and risk management structure

The Board of Directors has overarching responsibility for internal control and risk management at (NEDCo. The Board has, in turn, given NEDCo's Management a risk mandate. Management allocates this mandate to NEDCo's business units in accordance with a delegation structure. Each unit manages its own risks and has some room to manoeuvre within its respective mandate. The results achieved by the units are followed up on a continuous basis and reported to the executive management by an independent risk control function, Internal Audit, which is also responsible for monitoring NEDCo's overall risk mandate.

1.6.2 Risks at NEDCo

Political risks, operational risks, environmental risks and legal risks are general in nature and exist in all units throughout NEDCo. Insurable risks are managed centrally by NEDCo's Legal Services Department. The more specific risks in each part of the value chain are discussed below:

Political Risk

This refers to the commercial risk that can arise as a result of political decisions. Examples of this are price regulations in electricity distribution and transmission, uncertainty regarding changes in government, or changes in finance policies.

A change in the rules governing the energy industry is another type of political risk faced by NEDCo. These may include factors such as changes in taxation, introduction of environmental surcharges and changes in the political goals in respect of the energy sector. This type of risk is more difficult to predict and manage. To mitigate this, the company conducts active business intelligence activities and maintains contacts with key decision makers and relevant stakeholders. The Company also belongs to various national and international trade organizations.

1.6.3 Operational Risk

Operational risk refers to the risk of incurring financial loss, or loss of trust, due to errors or defects in the company's administrative routines. Operational risk can be divided into the following categories:

- Administrative risks – the risk of loss due to defects in the Company's division of responsibility, competence, reporting routines, risk measurement and evaluation models, and controls and follow-up routines.

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the financial statements - continued

- Legal risks – this includes risk of loss arising from the non-fulfilment of contracts due to shortcomings in documentation, counterparties lacking the right to enter into contracts or uncertainties regarding contract validity.
- IT risks – the risk of loss due to defects in IT systems
- Safety risks – the risk of outages due to deficient safety work

1.6.4 Electricity Price Risk

Electricity Price Risk is the risk that has the greatest bearing on the company's risk. Electricity prices are determined by Public Utility Regulatory Commission (PURC).

To determine the value of electricity price risk in electricity sale, the company simulates an anticipated outcome in the electricity tariffs. Forecasts of anticipated sale levels are drawn up, which then serve as the basis for how much is to be anticipated as losses due to tariffs

1.6.5 Price Category Risk

Price Category Risk arises when the price of electricity differs between various customer categories. NEDCo's price categories risk is controlled centrally and is managed by the Business Development and Sales Department.

1.6.6 Volume Risk

Volume Risk consists of deviations in anticipated and actually delivered volumes to a customer. This is managed by improving and developing forecasts of electricity consumption. In addition, volume risk is considered when drawing up the terms of contracts with customers.

1.6.7 Fuel Price Risk

Measurement and management of fuel price risk is conducted within the Finance Department. Fuel prices are affected by macroeconomic factors, among other things. The company manages fuel price risk by forecasting and analyzing price trends.

1.6.8 Investment Risk

NEDCo is a highly capital-intensive institution and, consequently, has an extensive capital investment program. Prior to every investment decision, a risk analysis is performed by simulating outcomes of price, cost, delays and cost of capital, the risks associated with each individual investment are assessed.

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the financial statements - continued

For the year ended 31 December 2024

1.6.9 Plant Risk

The Northern Electricity Distribution Company Limited (NEDCo)'s largest insurable risks are associated with the operation of distribution and network plants. The company's plants can be damaged as a result of incidents and breakdowns which, as a rule, give rise to substantial costs due to shutdowns. Such plant risks are minimized through loss-prevention measures, good maintenance, training and effective administrative outlines. The plants are also insured against unforeseen occurrence.

1.6.10 Market risk

Market risk is the risk that changes in market prices, such as interest rates etc., will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

1.6.11 Credit Risk

Credit Risk is the risk of financial loss to the company if a customer fails to meet its contractual obligations and arises principally from NEDCo's receivables from customers.

The company's principal exposure to credit risk is in its trade and other receivables and loans to related parties. Trade receivables principally represent amounts owing to NEDCo by their customers and credit risk is managed at that level. Credit evaluations are performed on all customers requiring credit over a certain amount. The company has no significant concentration of credit risk, with exposure spread over a large number of customers.

1.6.12 Exposure to credit risk

The carrying value of the Northern Electricity Distribution Company Limited (NEDCo)'s financial assets represents its maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

	2024	<i>2023</i>
	GH¢000	GH¢000
Trade and Other receivables	1,745,570	1,516,235
Cash and cash equivalents	<u>218,674</u>	<u>209,943</u>
	<u>1,964,244</u>	<u>1,726,178</u>

**Northern Electricity Distribution Company Limited
(NEDCo)**

Notes to the financial statements - continued

For the year ended 31 December 2024

Impairment losses

The ageing of trade receivables at the reporting date was:

	Gross 31-Dec-24 GH¢	Impairment allowance 31-Dec-24 GH¢	Gross 31-Dec-23 GH¢	Impairment allowance 31-Dec-23 GH¢
Not past due	67,937	Nil	58,227	Nil
Past due 30-60 days	95,689	Nil	82,013	Nil
Past due 60-90 days	280,044	Nil	240,019	Nil
Past due 90-180 days	544,067	Nil	466,307	Nil
Past due 180 days and above	<u>856,405</u>	<u>98,572</u>	<u>734,004</u>	<u>64,335</u>
	<u>1,844,142</u>	<u>64,335</u>	<u>1,580,570</u>	<u>64,335</u>

1.6.13 Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as and when they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the NEDCo's reputation.

The Northern Electricity Distribution Company Limited (NEDCo) manages its cash position and future outflows on an ongoing daily basis. The company ensures that it has sufficient cash on demand to meet expected operational expenses and liabilities as and when they fall due. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting arrangements.

December 31, 2023

	Total amount GH¢	less than 6 months GH¢	6-12 months GH¢	1-2 years GH¢	more than 5 years GH¢
Trade payables	862,121	862,121	-	-	-
Trade payables to related parties	17,358	17,358	-	-	-
Sundry creditors	<u>120,029</u>	<u>120,029</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>999,508</u>	<u>999,508</u>	<u>-</u>	<u>-</u>	<u>-</u>

December 31, 2024

	Total amount GH¢	less than 6 months GH¢	6-12 months GH¢	1-2 years GH¢	more than 5 years GH¢
Trade payables	1,049,792	1,049,792	-	-	-
Trade payables to related parties	61,731	61,731	-	-	-
Sundry creditors	<u>150,943</u>	<u>150,943</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,262,466</u>	<u>1,262,466</u>	<u>-</u>	<u>-</u>	<u>-</u>

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the financial statements - continued **For the year ended 31 December 2024**

Capital Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged from 2014

In the definition of capital, the Company includes stated capital, Retained Earnings and loans.

The Company is not subject to any externally imposed capital requirements.

Application of new and revised standards, amendments and interpretations

During the year, there were certain amendments and revisions to some of the standards. The nature and the impact of each new standard and amendments are described below. The company intends to adopt these standards, if applicable, when they become effective.

Standards were in issue, but not yet effective

IFRS 9 Financial Instruments

Classification and measurement of financial assets

On 24 July 2014, the IASB issued the final version of IFRS 9 Financial Instruments incorporating a new expected loss impairment model and introducing limited amendments to the classification and measurement requirements for financial assets. This version supersedes all previous versions and is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted (subject to local endorsement requirements). For a limited period, previous versions of IFRS 9 may be adopted early if not already done so provided the relevant date of initial application is before 1 February 2015.

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the financial statements - continued

For the year ended 31 December 2024

IFRS 9 uses a single approach to determine classification of financial assets (which will then determine their measurement basis either at amortised cost or fair value, replacing the many different rules in IAS 39). The approach is based on how an entity manages its financial assets ("business model") and the contractual cash flow characteristics of such assets ("contractual cash flows"). The business model criterion is met when an entity holds financial assets in order to collect the asset's cash flows.

The contractual cash flows criterion is met when the contractual cash flows collected from the financial asset represent solely interest and principal. When the two criteria are met, the financial asset must be measured at amortised cost unless the fair value designation is adopted. This assessment does not need to be performed on an asset-by-asset business but rather on a portfolio basis. A new measurement category of fair value through other comprehensive income will apply for debt instruments held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets.

Classification and measurement of financial liabilities

The classification criteria for financial liabilities contained in IAS 39 move to IFRS 9 unchanged and the IAS 39 classification categories of amortised cost and fair value through profit or loss are retained. For a financial liability designated as at fair value through profit or loss using the fair value option, the change in the liability's fair value attributable to changes in the liability's credit risk is recognised directly in other comprehensive income, unless it creates or increases an accounting mismatch. The amount that is recognised in other comprehensive income is not recycled when the liability is settled or extinguished. The meaning of credit risk is clarified to distinguish credit risk from asset-specific performance risk. The cost exemption in IAS 39 for derivative liabilities is eliminated, although the concept of bifurcating embedded derivatives from a financial liability host contract remains unchanged from IAS 39.

Application of new and revised standards, amendments and interpretations

Embedded derivatives

The embedded derivative concept that existed in IAS 39 has been included in IFRS 9 to apply only to hosts that are not financial assets within the scope of the Standard. Consequently, embedded derivatives that under IAS 39 would have been separately accounted for at FVTPL because they were not closely related to the host financial asset will no longer be separated. Instead, the contractual cash flows of the financial asset are assessed in their entirety, and the asset as a whole is measured at FVTPL if the contractual cash flow characteristics test is not passed

De-recognition

In October 2010 the requirements in IAS 39 relating to de-recognition of financial assets and financial liabilities were carried forward unchanged to IFRS 9.

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the financial statements - continued

Hedging

The hedge accounting requirements in IFRS 9 are optional. If certain eligibility and qualification criteria are met, hedge accounting allows an entity to reflect risk management activities in the financial statements by matching gains or losses on financial hedging instruments with losses or gains on the risk exposures they hedge.

The three types of hedge accounting remain: cash flow hedges, fair value hedges and net investment hedges. IFRS 9 allows combinations of derivatives and non-derivatives to be designated as the hedging instrument. There has been a broadening of the types of risks that may be hedged, especially for non-financial items. Risk components of non-financial items may now be hedged under IFRS 9. Changes in the way forward contracts and derivative options are accounted for when they are in a hedge accounting relationship will reduce profit or loss volatility when compared with IAS 39. The effectiveness test has been overhauled and replaced with the principle of an economic relationship. Retrospective assessment of hedge effectiveness is no longer required. The new requirements do bring with more extensive hedge documentation and disclosure for entities.

The hedge accounting model in IFRS 9 is not designed to accommodate hedging of open, dynamic portfolios. As a result, for a fair value hedge of interest rate risk of a portfolio of financial assets or liabilities an entity can apply the hedge accounting requirements in IAS 39 instead of those in IFRS 9. In addition, when an entity first applies IFRS 9, it may choose as its accounting policy choice to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements of Chapter 6 of IFRS 9.

Impairment

A new impairment model based on expected credit losses will apply to debt instruments measured at amortised cost or at fair value through other comprehensive income, lease receivables, contract assets and certain written loan commitments and financial guarantee contracts. The loss allowance will be for either 12 month expected credit losses or lifetime expected credit losses. The latter applies if credit risk has increased significantly since initial recognition of the financial instrument. A different approach applies for purchased or originated credit impaired financial assets.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 Regulatory Deferral Accounts permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. Regulatory deferral account balances, and movements in them, are presented separately in the statement of financial position and statement of profit or loss and other comprehensive income, and specific disclosures are required.

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the financial statements - continued **For the year ended 31 December 2024**

IFRS 15 Revenue from Contracts with Customers

IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

- Identify the contract(s) with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when (or as) the entity satisfies a performance obligation.

Application of this guidance will depend on the facts and circumstances present in a contract with a customer and will require the exercise of judgment.

IFRS 16 Leases

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

IFRIC 22 Foreign Currency Transactions and Advance Consideration

IFRIC 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.

The Interpretation covers foreign currency transactions when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income. It does not apply when an entity measures the related asset, expense or income on initial recognition at fair value or at the fair value of the consideration received or paid at a date other than the date of initial recognition of the non-monetary asset or non-monetary liability. Also, the Interpretation need not be applied to income taxes, insurance contracts or reinsurance contracts.

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the financial statements - continued **For the year ended 31 December 2024**

Consensus.

- The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability.
- If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

Amendments to Standards and interpretations

IFRS 2 Share- Based Payments

The IASB finalised three separate amendments to IFRS 2:

Effects of vesting conditions on the measurement of a cash-settled share-based payment

Until now, IFRS 2 contained no guidance on how vesting conditions affect the fair value of liabilities for cash-settled share-based payments. IASB has now added guidance that introduces accounting requirements for cash-settled share-based payments that follows the same approach as used for equity-settled share-based payments.

Accounting for a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled

Until now, IFRS 2 did not specifically address situations where a cash-settled share-based payment changes to an equity-settled share-based payment because of modifications of the terms and conditions. The IASB has introduced the following clarifications:

- On such modifications, the original liability recognised in respect of the cash-settled share-based payment is derecognised and the equity-settled share-based payment is recognised at the modification date fair value to the extent services have been rendered up to the modification date.
- Any difference between the carrying amount of the liability as at the modification date and the amount recognised in equity at the same date would be recognised in profit and loss immediately.

Classification of share-based payment transactions with net settlement features

IASB has introduced an exception into IFRS 2 so that a share-based payment where the entity settles the share-based payment arrangement net is classified as equity-settled in its entirety provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the financial statements - continued **For the year ended 31 December 2024**

IFRS 4 Insurance Contracts

The IASB issued amendments to IFRS 4 providing two options for entities that issue insurance contracts within the scope of IFRS 4:

- an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach;
- an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach.

An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9. An entity choosing to apply the deferral approach does so for annual periods beginning on or after 1 January 2018. The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

IFRS 7 Financial Instrument: Disclosures

Disclosures about the initial application of IFRS 9

The following disclosures are required in the reporting period when IFRS 9 is first applied:

- changes in the classifications of financial assets and financial liabilities; and
- details of financial assets and financial liabilities which have been reclassified so that they are measured at amortised cost, including the fair value of the financial asset or liability at the end of the reporting period and the fair value gain or loss that would have been recognised in profit or loss during the reporting period if the financial asset had not been reclassified.

IFRS 10 Consolidated Financial Statements **Investment Entities Exemption**

Amends IFRS 10, IFRS 12 and IAS 27 to provide investment entities an exemption from the consolidation of particular subsidiaries and instead require that an investment entity measure the investment in each eligible subsidiary at fair value through profit or loss in accordance with IFRS 9 or IAS 39.

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the financial statements - continued **For the year ended 31 December 2024**

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The objective of the project is to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

IFRS 11 Joint Arrangements

Accounting for Acquisitions of Interests in Joint Operations

The amendment addresses how a joint operator should account for the acquisition of an interest in a joint operation in which the activity of the joint operation constitutes a business. IFRS 11 now requires that such transactions shall be accounted for using the principles in IFRS 3 Business Combinations and other standards. The most significant impacts will be the recognition of goodwill and the recognition of deferred tax assets and liabilities. The amendments not apply to acquisitions of interests in joint operations but also when a business is contributed to a joint operation on its formation.

IFRS 12 Disclosure of Interests in Other Interests

Investment Entities

This amendment clarifies which subsidiaries of an investment entity should be consolidated instead of being measured at fair value. The impact on whether the entities may be consolidated will result in changes in the disclosure requirements of IFRS 12 for subsidiaries.

IFRS 15 Revenue from Contracts with Customers

To keep the IASB and FASB informed on interpretive issues occurring during implementation of the converged revenue recognition standard and to assist in determining what action may be needed to resolve diversity in practice, the Boards created the Joint Transition Resource Group for Revenue Recognition (TRG).

The discussions of the TRG highlighted potential diversity in stakeholders' understanding of some topics in IFRS 15. In response to this, the IASB made amendments to the following areas clarify IFRS 15:

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the financial statements - continued

For the year ended 31 December 2024

- Distinct goods or services
- Principal versus agent
- Licensing
- Determining the nature of the entities promise
- Sales-based usage- based royalties

IAS 1 Presentation of Financial Statements

The narrow-focus amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. In most cases the proposed amendments respond to overly prescriptive interpretations of the wording in IAS 1. The amendments relate to the following:

- materiality;
- order of the notes;
- subtotals;
- accounting policies; and
- disaggregation

IAS 7 Statement of Cash Flows

The amendments come with the objective that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

To achieve this objective, the IASB requires that the following changes in liabilities arising from financing activities are disclosed (to the extent necessary): (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

The IASB defines liabilities arising from financing activities as liabilities "for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities". It also stresses that the new disclosure requirements also relate to changes in financial assets if they meet the same definition.

The amendments state that one way to fulfil the new disclosure requirement is to provide reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities. This is a departure from the December 2014 exposure draft that had proposed that such reconciliation should be required.

Finally, the amendments state that changes in liabilities arising from financing activities must be disclosed separately from changes in other assets and liabilities

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the financial statements - continued **For the year ended 31 December 2024**

IAS 12 Income Taxes

The amendments in Recognition of Deferred Tax Assets for Unrealised Losses clarify the following aspects:

- Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets.
Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type

IAS 16 Property, plant and equipment

Clarification of Acceptable Methods of Depreciation and Amortisation

The amended IAS 16 introduces a rebuttable presumption that revenue is not an appropriate basis for amortisation of property, plant and equipment. This presumption can only be rebutted in two limited circumstances:

1. Property plant and equipment is expressed as a measure of revenue; or
2. Revenue and consumption of the item of property, plant and equipment are highly correlated.

Guidance is introduced to explain that expected future reductions in selling prices could be indicative of a reduction of the future economic benefits embodied in an asset.

Agriculture: Bearer Plants

The amendments require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16. Bearer plants are defined as living plants that are used in the production or supply of agricultural produce and for which there is only a remote likelihood that the plant will also be sold as agricultural produce (other than as incidental scrap sales at the end of the plant's productive life). For cost benefit reasons, the amendments permit fair value as deemed cost for bearer plants on transition.

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the financial statements - continued **For the year ended 31 December 2024**

IAS 27 Separate Financial Statements **Equity Method in Separate Financial Statements**

The objective of this narrow-scope project is to restore the option to use the equity method of accounting in separate financial statements. IAS 27 Separate Financial Statements allows an entity to account for investments in subsidiaries, joint ventures and associates either at cost or in accordance with IFRS 9 Financial Instruments in the entity's separate financial statements.

IAS 28 Investments in Associates and Joint Ventures **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture**

The objective of the project is to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The objective of the project is to address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

IAS 38 Intangible assets **Clarification of Acceptable Methods of Depreciation and Amortisation**

The amended IAS 38 introduces a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in two limited circumstances:

1. The intangible asset is expressed as a measure of revenue; or
2. Revenue and consumption of the intangible asset are highly correlated.

Northern Electricity Distribution Company Limited (NEDCo)

***Notes to the financial statements* - continued**

For the year ended 31 December 2024

Guidance is introduced to explain that expected future reductions in selling prices could be indicative of a reduction of the future economic benefits embodied in an asset.

IAS 40 Investment Property

The amendment provides guidance on transfers to, or from, investment properties. More specifically, the question was whether a property under construction or development that was previously classified as inventory could be transferred to investment property when there was an evident change in use. The IASB amended the paragraph to reinforce the principle for transfers into, or out of, investment property in IAS 40 to specify that such a transfer should only be made when there has been a change in use of the property.

Improvements to IFRS

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment deleted the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose.

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations **Change in methods of disposal**

The amendments introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments state that:

- Such reclassifications should not be considered changes to a plan of sale or a plan of distribution to owners and that the classification, presentation and measurement requirements applicable to the new method of disposal should be applied; and

Assets that no longer meet the criteria for held for distribution to owners (and do not meet the criteria for held for sale) should be treated in the same way as assets that cease to be classified as held for sale.

IFRS 7 Financial Instruments: Disclosure **Servicing contracts**

The amendments provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of disclosures required in relation to transferred assets. Paragraph 42C(c) of IFRS 7 states that a pass-through arrangement under a servicing contract does not, in itself, constitute a continuing involvement for the purposes of the transfer disclosure requirements.

Northern Electricity Distribution Company Limited **(NEDCo)**

***Notes to the financial statements* - continued**

For the year ended 31 December 2024

However, in practice, most service contracts have additional features that lead to a continuing involvement in the asset, for example, when the amount and/or timing of the service fee depends on the amount and/or timing of the cash flows collected.

Applicability of the amendments to IFRS 7 on offsetting disclosure to condensed interim financial statements

Amendments to IFRS 7 were made to remove uncertainty as to whether the disclosure requirements on offsetting financial assets and financial liabilities (introduced in December 2011) and effective for periods beginning on or after 1 January 2013) should be included in condensed interim financial statements, and if so, whether in all condensed interim financial statements after 1 January 2013 or only in the first year. The amendments clarify that the offsetting disclosures are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with IAS 34 *Interim Financial Reporting*.

IFRS 12 Disclosure of Interests in Other Interests

Scope

Clarified the scope of the standard by specifying that the disclosure requirements in the standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, as held for distribution or as discontinued operations in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Investment Entities

Clarifies that an investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

IAS 19 Employee Benefits

The amendments to IAS 19 clarify that the high-quality corporate bonds to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level.

IAS 28 Consolidated Financial Statements

Investment Entities Exemption

Clarified that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition

**Northern Electricity Distribution Company Limited
(NEDCo)**

Notes to the financial statements - continued

For the year ended 31 December 2024

IAS 34 Interim Financial Reporting

The amendments clarify the requirements relating to information required by IAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of cross-reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The Entity has elected not to adopt these new standards and amendments to existing standards in advance of their effective dates. The Entity anticipates that the adoption of these standards and amendments to existing standards will have no material impact on the financial statements of the Entity in the period of initial application.

**Northern Electricity Distribution Company Limited
(NEDCo)**

Notes to the financial statements - continued

For the year ended 31 December 2024

2(a). Sale of electricity	2024		2023	
	GWh	GH¢'000	GWh	GH¢'000
Residential	791	1,192,487	734	958,504
Non-Residential	337	520,148	304	455,471
Low-Voltage	7	15,586	7	12,926
High Voltage	93	143,275	86	119,525
Foreign Sales	-	-	-	-
50% Public Lighting Levy (PLL)	-	27,724	-	22,472
Streetlight Shortfall	-	252,482	-	205,863
	<u>1,228</u>	<u>2,151,703</u>	<u>1,130</u>	<u>1,774,761</u>

Customers buy power on the prepaid metering system which they normally use within the month. There is normally some amount of credit remaining in the meter of the customer which is used at the beginning of the ensuing month while the customer buys power. This is not accounted for because of the following reasons:

- ✓ Power purchase is issued to a customer from a vending machine when power is purchased after which NEDCo has no access to monitor usage by the customer.
- ✓ Customers normally avoid purchasing power beyond what they need for a month because of the punitive nature of the tariffs on higher consumption within a month. The evidence is the long queues that occur at the vending points at the beginning of the month which quickly disappear.
- ✓ There is normally a spill-over of energy from one month to the other making the net effect of the energy carried over relatively insignificant. We therefore assume that the "rollover effect" sufficiently accounts for the variation.

2(b). Other Income

	2024	2023
	GH¢'000	GH¢'000
New Service Connections	3,680	2,005
Service Charge (Distribution)	176,571	96,182
Reconnection Fees	698	788
Miscellaneous Income	37,679	3,981
Meter Maintenance Fees	558	581
	<u>219,186</u>	<u>103,537</u>

2(c). Amortisation of Grant

	2024	2023
	GH¢'000	GH¢'000
SHEP Grants	<u>185,294</u>	<u>185,294</u>
	<u>185,294</u>	<u>185,294</u>

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the Financial Statement - continued For the year ended 31 December 2024

3.0 Cost of Sales /Operating costs	2024	2023
3 (a) Analysis by budget cost element:	GH¢'000	GH¢'000
Purchase of Electricity	1,393,548	1,188,718
Transmission Service Charge	281,668	241,142
Salaries and Related Expenses	303,299	272,309
Material Expenses	25,864	16,638
Repairs & Maintenance	31,839	24,219
Depreciation	768,088	619,508
Other Working Costs	<u>176,965</u>	<u>60,083</u>
	<u>2,981,271</u>	<u>2,422,617</u>
 3.(b) Administrative Expenses:		
Salaries and Related Expenses	120,727	96,809
Repairs & Maintenance	40,676	26,131
Depreciation	20,111	6,258
Increase in Provision for Bad Debts	34,237	2,546
Other Working Costs	<u>17,371</u>	<u>42,271</u>
	<u>233,122</u>	<u>174,015</u>

The above expenses include statutory audit expenses of GH¢151,173 (2023: GH¢131,455) and remuneration paid to Board Members of the Northern Electricity Distribution Company Limited (NEDCo) of GH¢281,900 (2023: GH¢228,580).

	2024	2023
	GH¢000	GH¢000
 4.(a) Financial Income		
Interest and Investment Income	<u>2,427</u>	<u>2,216</u>
	<u>2,427</u>	<u>2,216</u>
 4.(b) Financial Expenses		
	<u>2024</u>	<u>2023</u>
	GH¢000	GH¢000
Bank Charges/Interest on Delayed Payments	<u>19,305</u>	<u>6,222</u>
	<u>19,305</u>	<u>6,222</u>

4.(c) Net Exchange Gain/(Loss)

2024	2023
GH¢000	GH¢000

Foreign Exchange Loss/Gain

<u>(24,335)</u>	<u>10,926</u>
<u>(24,335)</u>	<u>10,926</u>

2022	2022
GH¢000	GH¢000

5a. Capital works-in-progress

2022	2022
GH¢000	GH¢000

Balance as at Jan. 1, 2022

311,435	94,511
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Additions during the year

246,662	216,924
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Transfers during the year

-	-
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Balance as at Dec 31, 2022

<u>558,097</u>	<u>311,435</u>
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Northern Electricity Distribution Company Limited (NEDCo)
Notes to the Financial Statement - continued
For the year ended 31 December 2024

5 b. Property, Plant and Equipment

	Consumer Connections/Meters	Distribution Network	Motor Vehicles	Other Land & Buildings	Miscellaneous Plant, Furniture & Equipment	Total
A. Valuation/cost	GH¢000	GH¢000	GH¢000	GH¢000	GH¢000	GH¢000
Balance as at Jan. 1, 2024	2,090,045	18,606,017	261,121	313,380	91,894	21,362,458
Disposal/Transfers/Adjustment	-	-	(59,700)	-	(19,122)	(78,822)
Gross Rev. Adjustment	532,612	5,533,452	60,423	94,729	21,794	6,243,009
Additions during the year	-	48,005	-	-	-	48,005
Balance as at Dec 31, 2024	<u>2,622,657</u>	<u>24,187,474</u>	<u>261,843</u>	<u>408,110</u>	<u>94,566</u>	<u>27,574,650</u>
B. Depreciation						
Balance as at Jan. 1, 2024	909,893	6,201,016	182,645	50,278	78,003	7,421,834
Disposal/Adjustment	-	-	(59,700)	-	(19,122)	(78,822)
Charge for the period	83,722	658,433	25,933	8,413	11,698	788,199
Gross Rev. Adjustment	231,836	1,961,520	31,472	15,647	14,367	2,254,841
Balance as at Dec 31, 2024	<u>1,225,451</u>	<u>8,820,969</u>	<u>180,349</u>	<u>74,337</u>	<u>84,945</u>	<u>10,386,051</u>
C. Net book value						
Balance as at Dec 31, 2024	<u>1,397,206</u>	<u>15,366,505</u>	<u>81,494</u>	<u>333,772</u>	<u>9,621</u>	<u>17,188,599</u>
Capital Work-in-Progress as at Dec 31, 2024 (Note 5a)						558,097
Balance as at December 31, 2023	1,180,153	12,405,002	78,476	263,103	13,891	17,746,696
Capital Work-in-Progress as at Dec 31, 2023 (Note 5a)						311,435
Total as at Dec 31, 2023						14,252,059

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the Financial Statement - continued For the year ended 31 December 2024

6. Inventory	2024	2023
	GH¢'000	GH¢'000
Materials and spare parts	55,173	75,551
Written down for obsolete and slow-moving items	<u>-</u>	<u>-</u>
	<u>55,173</u>	<u>75,551</u>
	2024	2023
	GH¢'000	GH¢'000
7. Trade and other receivables	1,844,142	1,580,570
Power Sales Receivables	(98,472)	(64,335)
Provision for doubtful debts	1,745,570	1,516,235
Prepayments	152,854	10,348
Sundry Receivables and Debit Balances	1,464	18,640
Staff advances	9,218	6,608
	<u>1,909,106</u>	<u>1,551,831</u>

Trade receivables are non-interest bearing and are generally on terms of 30 days from the date of invoice.

Movement in provision for doubtful debt

	2024	2023
	GH¢'000	GH¢'000
Balance at 1 Jan	64,334	61,788
Charge for the year	<u>34,237</u>	<u>2,546</u>
Balance at 31 Dec	<u>98,572</u>	<u>64,334</u>

The Company establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance a collective receivable allowance established for homogenous receivables in respect of losses that have been incurred but have not yet been identified. The collective loss allowance is determined based on historical data of payment of similar financial assets - 10% collective allowance on non-government receivables.

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the Financial Statement - continued For the year ended 31 December 2024

	2024 GH¢000	2023 GH¢000
8. Short term investments		
Treasury bills	<u>2,700</u>	<u>64,343</u>
	<u>2,700</u>	<u>64,343</u>
9. Cash and bank balances		
Local currency	195,285	139,679
Foreign currency	<u>20,689</u>	<u>5,921</u>
	<u>215,974</u>	<u>145,600</u>

10. Stated Capital

There were no changes in the authorized share capital of the company during the year under review. The authorized ordinary share capital of the company is ten million (10,000,000) shares, out of which Six million, nine hundred and ninety-nine thousand, five hundred (6,999,500) has been issued and fully paid up.

	2024 GH¢'000	2023 GH¢'000
10. (a) Stated Capital		
Stated Capital	<u>200,000</u>	<u>500</u>
10. (b) Monies Held Towards Capital		
Monies Held Towards Capital	=	<u>199,500</u>

11. Reserves

The Reserves arises as a result of carrying property, plant and equipment in the statement of financial position at current replacement cost/revaluation and actuarial gain/loss on valuation of employee benefit obligation. The movement on the reserve is analysed as below:

	GH¢000	GH¢000
At Beginning of Year	11,044,855	6,464,748
Deletions/Adjustments	46,901	(878)
Reserves for the Year	3,988,169	4,580,985

Transfer to Retained Earnings

-

Balance at close of year

15,079,925

11,044,855

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the Financial Statement - continued For the year ended 31 December 2024

	2024	2023
	GH¢000	GH¢000
12. Payables		
Current Portion		
Trade Payable	<u>1,163,143</u>	<u>923,602</u>
Non-Current Portion		
Other payables : VRA Cu A/c	<u>2,484,042</u>	<u>2,105,757</u>
MoEN Current Account	<u>2,664</u>	<u>2,664</u>
Trade payables are non-interest bearing and are normally settled on 30-day terms.		
13. Reconciliation of operating profit to operating cash flows		
	2024	2023
	GH¢000	GH¢000
Operating Profit / (Loss) before tax	(658,210)	(533,040)
Adjustments for:		
Depreciation	788,199	625,766
Adjustments/Deletion	-	-
Increase in Provision for Bad Debts	34,238	2,546
Deferred Income (P&L)	<u>(185,294)</u>	<u>(185,294)</u>
Operating Profit before working capital changes	<u>(21,067)</u>	<u>(90,022)</u>
Working capital changes:		
Change in inventories	20,378	(19,519)
Change in receivables	(357,275)	(80,718)
Change in payables	239,541	(3,727)
Change in Employee Benefit Obligation	23,416	24,055
Change in VRA Current Account	<u>378,284</u>	<u>490,685</u>
Net cash inflow/(outflow) from operating activities	<u>283,277</u>	<u>320,754</u>
14. Cash and cash equivalents		
	2024	2022
	GH¢000	GH¢000
Cash bank balances – Local	195,285	139,695
Cash bank balances – Forex	20,689	5,905
Short term investments	<u>2,700</u>	<u>64,343</u>

Cash and cash equivalents	<u>218,674</u>	<u>209,943</u>
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15. Contingent Liabilities

There were no contingent liabilities at the end of the period under review. (2024: nil)

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the Financial Statement - continued For the year ended 31 December 2024

16. Comparative information

The previous year's figures have been re-arranged and reclassified, where necessary, for the purpose of comparison with current year's figures.

17. Fair values of financial assets and liabilities

(i) Financial instruments not measured at fair value

The table below summaries the carrying amounts and fair values of those financial assets and liabilities not presented on the statement of financial position at their fair values:

	Carrying amount	Carrying amount	Fair value	Fair value
	2024	2023	2024	2023
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
At amortised cost				
Financial assets				
Cash and Bank	215,974	145,600	215,974	145,600
Short term investment	2,700	64,343	2,700	64,343
Trade and other receivables (exc. prepayment)	<u>1,756,251</u>	<u>1,541,483</u>	<u>1,756,251</u>	<u>1,541,483</u>
	<u>1,974,925</u>	<u>1,751,426</u>	<u>1,974,925</u>	<u>1,751,426</u>
Financial liabilities				
Trade and other payables	<u>7,825,642</u>	<u>7,369,695</u>	<u>7,825,642</u>	<u>7,369,695</u>

(ii) Financial Investments

The fair value of available for sale securities is based on market prices on the stock exchange for quoted shares. Unlisted shares are carried at cost.

Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, The Ghana Stock Exchange).

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes the majority of Bank of Ghana’s securities and other derivative contracts.

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the Financial Statement - continued For the year ended 31 December 2024

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The Company considers relevant observable market prices in its valuation where possible.

18 Related party transactions

During the year, the Company entered into the following transactions with its related parties:

Year end balances arising from transactions with related parties:

Purchase of goods and services during the period include:

	2024	2023
	GH¢000	GH¢000
Power purchases from	1,393,548	1,188,718
Sale of goods and services during the period include:	Nil	Nil
Year end balances arising from transactions with related parties:		
Due to related parties (VRA Current Account)	2,484,042	2,105,757
MoEN	2,664	2,664

Terms and conditions of transactions with related parties

The purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2024, the company has not recorded any impairment of receivables relating to amounts owed by related parties (2023: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the Financial Statement - continued For the year ended 31 December 2024

Compensation of directors and key management personnel of the company:

The remuneration of the Board of Directors during the year included in the above are as follows:

	2024	2023
	GH¢000	GH¢000
Board Remuneration	<u>282</u>	<u>229</u>

The remuneration of key management personnel is determined by the Board of Directors having regard to the performance of individuals and market trends.

	2024	2023
	GH¢'000	GH¢'000
Salaries and other allowances	9,458	8,491

19. Employee benefits

a. Long-service awards

This defined benefit scheme entitles employees to a benefit package at the end of their service to the company. This benefit package is paid at the point of exit on a graduated scale based on the length of service ranging from 10 to 40 years.

	2024	2023
	GH¢'000	GH¢'000
Present value of funded defined benefit obligations	63,016	51,496

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the Financial Statement - continued For the year ended 31 December 2024

b. Severance benefit

This relates to rewards (packages) paid to employees who attain certain milestone with the Authority and exit before their due date of retirement.

	2024 GH¢'000	2023 GH¢'000
Present value of funded defined benefit obligations	13,866	9,373

c. Post-retirement Medical Benefit

There is no contribution by the employee towards this benefit and no insurance scheme. The employer simply bears the medical costs (no cap defined) of the retiree and their spouse for as long as the retiree is alive. After the death of the retiree, the spouse will be taken care of for 6 months after which they will be removed from the scheme.

	2024 GH¢'000	2023 GH¢'000
Present value of funded defined benefit obligations	22,439	15,036

Movements in present value of defined benefit obligation

Long service award	2024 GH¢'000	2023 GH¢'000
At 1 January	51,496	24,660
Current service cost	4,619	3,937
Interest cost	10,100	9,978
Actuarial cost	4,749	19,281
Benefits paid	<u>(7,948)</u>	<u>(6,359)</u>
Actual accrued liability at year end	<u>63,016</u>	<u>51,496</u>

Movements in present value of defined benefit obligation

Severance benefit

	2024 GH¢'000	2023 GH¢'000
At 1 January	9,371	9,335
Current service cost	772	615

Interest cost	1,827	1,480
Actuarial gain	3,357	533
Benefits paid	<u>(1,462)</u>	<u>(1,190)</u>
Actual accrued liability at year end	<u>13,865</u>	<u>10,773</u>

**Northern Electricity Distribution Company Limited
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Notes to the Financial Statement - continued
For the year ended 31 December 2023

Post-retirement Medical Benefit

	2024	2023
	GH¢'000	GH¢'000
At 1 January	15,036	16,419
Current service cost	834	619
Interest cost	2,856	2,818
Actuarial gain/Loss	4,126	(4,476)
Benefits paid	<u>(413)</u>	<u>(344)</u>
Actual accrued liability at year end	<u>22,439</u>	<u>15,036</u>

Expense recognised in profit or loss

	2024	2023
	GH¢'000	GH¢'000
Current service cost	6,225	5,084
Actuarial Loss	12,232	12,264
Interest cost on defined benefit pension plan obligations	<u>14,783</u>	<u>14,578</u>
	<u>33,240</u>	<u>31,926</u>

The expense is recognised in the following line items in profit or loss:

	2024	2023
	GH¢'000	GH¢'000
Administrative expenses	18,457	17,348
Finance costs	<u>14,783</u>	<u>14,578</u>
	<u>33,240</u>	<u>31,926</u>

Actuarial gains/losses recognised directly in OCI in the statement of profit or loss and other comprehensive income:

	2024	2023
	GH ¢000	GH ¢000
Cumulative amount at 1 January	12,140	(124)
Recognised in the year	12,232	12,264
Cumulative amount at 31 December	<u>24,372</u>	<u>12,140</u>

Northern Electricity Distribution Company Limited (NEDCo)

Notes to the Financial Statement - continued **For the year ended 31 December 2024**

Principal actuarial assumptions at the year-end were as follows:

	2024	2023
	%	%
Discount rate	18.00	18.00
Salary inflation	15.00	15.00
Nominal inflation gap	3.00	3.00

Summary of employee benefits

	2024	2023
	GH¢'000	GH¢'000
Long service award	63,016	51,496
Severance benefit	13,866	9,373
Post-retirement Medical Benefit	<u>22,439</u>	<u>15,036</u>
Actual accrued liability at year end	<u>99,321</u>	<u>75,905</u>

20. SHEP Grant

	2024	2023
	GH¢'000	GH¢'000
At beginning	4,261,766	4,447,060
Transfer to P&L	(185,294)	(185,294)
Balance at End of Year	4,076,472	4,261,766