

## MIRA INFORM REPORT

Report No. :	540367
Report Date :	23.11.2018

### IDENTIFICATION DETAILS

Name :	ELECTRICITY COMPANY OF GHANA LIMITED
Registered Office :	Electro Volta House, Accra ECG/ CB, Electric Bot Account, P.O. Box GP 521, Accra
Country :	Ghana
Financials (as on) :	31.12.2014
Date of Incorporation :	01.02.1954
Com. Reg. No.:	20/55
Legal Form :	State Corporation
Line of Business :	Subject operate generation and supply of electric power.
No. of Employees :	3200

### RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23<sup>rd</sup> January 2017)

MIRA's Rating :	A
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Credit Rating	Explanation	Rating Comments
A	Acceptable Risk	Business dealings permissible with moderate risk of default

Status :	Good
Payment Behaviour :	Regular
Litigation :	Clear

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**NOTES:**

Any query related to this report can be made on e-mail: while quoting report number, name and date.

**ECGC Country Risk Classification List**

Country Name	Previous Rating (30.06.2018)	Current Rating (30.09.2018)
Ghana	B1	B1

Risk Category	ECGC Classification
Insignificant	A1
Low Risk	A2
Moderately Low Risk	B1
Moderate Risk	B2
Moderately High Risk	C1
High Risk	C2
Very High Risk	D

**GHANA - ECONOMIC OVERVIEW**

Ghana has a market-based economy with relatively few policy barriers to trade and investment in comparison with other countries in the region, and Ghana is endowed with natural resources. Ghana's economy was strengthened by a quarter century of relatively sound management, a competitive business environment, and sustained reductions in poverty levels, but in recent years has suffered the consequences of loose fiscal policy, high budget and current account deficits, and a depreciating currency.

Agriculture accounts for about 20% of GDP and employs more than half of the workforce, mainly small landholders. Gold, oil, and cocoa exports, and individual remittances, are major sources of foreign exchange. Expansion of Ghana's nascent oil industry has boosted economic growth, but the fall in oil prices since 2015 reduced by half Ghana's oil revenue. Production at Jubilee, Ghana's first commercial offshore oilfield, began in mid-December 2010. Production from two more fields, TEN and Sankofa, started in 2016 and 2017 respectively. The country's first gas processing plant at Atuabo is also producing natural gas from the Jubilee field, providing power to several of Ghana's thermal power plants.

As of 2018, key economic concerns facing the government include the lack of affordable electricity, lack of a solid domestic revenue base, and the high debt burden. The AKUFO-ADDO administration has made some progress by committing to fiscal consolidation, but much work is still to be done. Ghana signed a \$920 million extended credit facility with the IMF in April 2015 to help it address its growing economic crisis. The IMF fiscal targets require Ghana to reduce the deficit by cutting subsidies, decreasing the bloated public sector wage bill, strengthening revenue administration, boosting tax revenues, and improving the health of Ghana's banking sector. Priorities for the new administration include rescheduling some of Ghana's \$31 billion debt, stimulating economic growth, reducing inflation, and stabilizing the currency. Prospects for new oil and gas production and follow through on tighter fiscal management are likely to help Ghana's economy in 2018.

Source : CIA

## **SUBJECT'S NAME**

Registered Name: **ELECTRICITY COMPANY OF GHANA LIMITED**  
Requested Name: **ELECTRICITY COMPANY OF GHANA LIMITED**  
Other Names: **ELECTRICITY COMPANY OF GHANA LTD**

## **ADDRESS AND TELECOMMUNICATION**

Physical Address: Electro Volta House, Accra  
Postal Address: ECG/ CB, Electric Bot Account, P.o. Box GP 521,  
Accra,  
Country: Ghana  
Phone: 233-21-664941/676747/676727/665205/300456  
Fax: 233-21-666262  
Email: [gedap@ecggh.com](mailto:gedap@ecggh.com)  
Website: [www.ecgonline.info](http://www.ecgonline.info)

## **CREDIT OPINION**

Financial Index as of December 2016 shows subject firm with a medium risk of credit. However, bank and credit information obtained reveal a history of prompt payments.

## **LEGAL**

Legal Form: State Corporation  
Date Incorporated: 1-Feb-1954  
Reg. Number: 20/55  
Nominal Capital: GHS. 5,539,819,000  
Subscribed Capital: GHS. 5,539,819,000  
Subscribed Capital is Subscribed in the following form:

	<b>Position</b>	<b>Shares</b>
Daasebre Kwebu Ewusi VII	Chairman	
Mr. Robert Dwamena	MD	
Mr. Samuel Codjoe	Director	
Mrs. Eunice Serwah Comnashar	Director	
Mr. Robert Dwamena	Director	
Dr. Deborah Cubagee	Director	
Mr. Clement G. Abavana	Director	

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***ELECTRICITY COMPANY OF GHANA LIMITED - 540367***

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Dr. Alfred Kwabena Oforu Ahenkorah	Director	
Dr. R V Sarpong	Director	
Hon. John Abdulai Jinapor	Director	
Dr.Kwasi Akyem Apea-Kubi	Director	
Mr. Peter Kennedy Arkoh	Director	
Mr.Cephas Galley	Director	
Mr. Timothy Akyea Obeng	Director	
Nana Kobina Arthur Forson	Director	
Ing. Tetteh Okyne	Director	
Mr. Frank Anokwafo	Director	
Mr. Kwadwo Obeng Ayensu	Director	
Mr. A. Sefa-Darkwa	Director	
Mr. Lawrence Osei-Kuffuor	Director	
Mr. John Mensah	Director	
Ing. Samuel Appiah Boakye	Director	
Mr. Yaw Frimpong	Director	
Ing. Samuel Laryea Khartey	Director	
Ing. Joseph Amakyi	Director	
Mr. Jake Ansre	Manager	
Government of Ghana	Shareholder	100%

***RELATED COMPANIES***

Government of Ghana	Parent company.
None	Subsidiary company.
Electricity Company of Gh. Training School	Affiliated company.
None	Shareholder of subject firm.
Various in Ghana	Branches of the firm

***OPERATIONS***

Registered to operate generation and supply of electric power.

Imports:	Asia, Middle East
Exports:	None
Trademarks:	None
Terms of sale:	100% tenders
Main Customers:	General Public
Employees:	3200 employees.
Vehicles:	Several motor vehicles.

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Territory of sales: Ghana  
Location: Owned premises, 26 Acres,

## ***AUDITORS AND INSURANCE***

Auditors: State Enterprises Audit  
Egala, Attlao & Associates  
Insurance Brokers: Information not available.

## ***FINANCE***

Currency Reported: Ghanaian Cedi (GHS.)  
Fiscal Year End: December 31, 2016  
According to information given by independent sources, the inflation at December 31st, 2016 was of 13%.

Inflation:

Financial Information Submitted Below

## ***BANK***

Bank Name: Bank of Ghana  
Branch: Ghana  
Comments: Other Banks  
Ghana Commercial Bank Limited  
Ghana International Bank Plc

## ***TRADE REFERENCES***

Experiences: Good

## ***NOTARIAL BONDS***

None

## **COMMENTS / ADDITIONAL INFORMATION**

This information was obtained from outside sources other than the subject company itself and confirmed the above subject.

### **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2014**

	<b>2014 GHS'000</b>	<b>2013 GHS'000</b>
Revenue	<b>3,078,496</b>	1,952,252
Direct costs	<b>(2,678,685)</b>	(1,747,541)
<b>Gross margin</b>	<b>399,811</b>	<b>204,711</b>
Distribution expenses	<b>(144,993)</b>	(106,664)
Administrative expenses	<b>(267,397)</b>	(224,335)
Other income	<b>3,608</b>	3,323
Other gains	<b>11,052</b>	-
<b>Operating profit (loss)</b>	<b>2,081</b>	(122,965)
Finance income	<b>29,873</b>	3,298
Finance costs	<b>(178,445)</b>	(86,172)
Net finance costs	<b>(148,572)</b>	(82,875)
Share of loss of associate	<b>(1,594)</b>	(409)
<b>Loss before tax expense</b>	<b>(148,085)</b>	(206,249)
Tax income (expense)	<b>110,349</b>	(40,005)
<b>Loss after tax</b>	<b>(37,736)</b>	(246,253)
<b>OTHER COMPREHENSIVE INCOME</b>		
Surplus on revaluation	<b>1,772,903</b>	524,225
Deferred tax on revaluation surplus	<b>(443,226)</b>	(131,056)
	<b>1,329,677</b>	393,169
Share of other comprehensive profit (loss) - associate co.	<b>1</b>	(95)
	<b>1,329,678</b>	393,074
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>1,291,942</b>	<b>146,821</b>

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**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2014**

	2014 GHS'000	2013 GHS'000
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant & equipment	7,587,883	5,203,465
Investment in associate company	1,979	1,516
Loans & advances	22,000	-
	<u>7,611,862</u>	<u>5,204,981</u>
<b>Current assets</b>		
Inventories	48,982	32,096
Trade & other receivables	1,550,788	1,064,062
Prepayments	20,978	53,498
Cash & cash equivalents	213,357	167,722
	<u>1,834,105</u>	<u>1,317,379</u>
<b>Total assets</b>	<u>9,445,967</u>	<u>6,522,360</u>
<b>Equity attributable to the owners of the company</b>		
Stated capital		5
Government equity	8,064	8,064
Other components of equity	239,886	237,841
Capital surplus	3,763,936	2,591,090
Retained earnings	305,054	196,450
Total equity	<u>4,316,945</u>	<u>3,033,450</u>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Deferred credit	414,756	382,780
Deferred tax liabilities	1,178,947	833,522
Borrowings - due after one year	370,072	244,151
	<u>1,963,775</u>	<u>1,460,453</u>
<b>Current liabilities</b>		
Bank overdraft	61,307	9,019
Provision for company tax	18,497	18,497
Trade & other payables	2,885,937	1,877,638
Borrowings - due within one year	199,506	123,303
	<u>3,165,247</u>	<u>2,028,457</u>
<b>Total liabilities</b>	<u>5,129,022</u>	<u>3,488,910</u>
<b>Total equity and liabilities</b>	<u>9,445,967</u>	<u>6,522,360</u>

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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2014**

	2014 GHS'000	2013 GHS'000
<b>Operating activities</b>		
Net cash inflow from operating activities	<u>843,548</u>	<u>615,563</u>
<b>Investing activities</b>		
Interest paid	(44)	(33)
Interest received	8,320	3,298
Dividend received		34
Payments to acquire property, plant & equipment and towards capital work in progress	(966,314)	(642,805)
Proceeds from sale of property, plant & equipment	2	60
Government/Customer contribution to property, Plant & equipment	<u>47,286</u>	<u>58,965</u>
Net cash outflow towards investing activities	<u>(910,750)</u>	<u>(580,481)</u>
<b>Financing activities</b>		
Long term loan draw downs	58,718	40,554
Long term loan repayments	(214)	(144)
Development finance draw down	2,044	4,413
Net cash inflow from financing activities	<u>60,548</u>	<u>44,823</u>
<b>(Decrease) increase in cash &amp; cash equivalents in the year</b>	<b>(6,654)</b>	<b>79,904</b>
<b>Cash &amp; cash equivalents at 1st January</b>	<b>158,704</b>	<b>78,800</b>
<b>Cash &amp; cash equivalents at 31st December</b>	<b><u>152,050</u></b>	<b><u>158,704</u></b>

**FOREIGN EXCHANGE RATES**

Currency	Unit	Indian Rupees
US Dollar	1	INR 71.18
UK Pound	1	INR 91.04
Euro	1	INR 81.19
GHS	1	INR 14.65

**Note:** Above are approximate rates obtained from sources believed to be correct

**INFORMATION DETAILS**

<b>Analysis Done by :</b>	NIY
<b>Report Prepared by :</b>	NIT

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**RATING EXPLANATIONS**

Credit Rating	Explanation	Rating Comments
A++	Minimum Risk	Business dealings permissible with minimum risk of default
A+	Low Risk	Business dealings permissible with low risk of default
A	Acceptable Risk	Business dealings permissible with moderate risk of default
B	Medium Risk	Business dealings permissible on a regular monitoring basis
C	Medium High Risk	Business dealings permissible preferably on secured basis
D	High Risk	Business dealing not recommended or on secured terms only
NB	New Business	No recommendation can be done due to business in infancy stage
NT	No Trace	No recommendation can be done as the business is not traceable

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)