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## Notice of Ninth Annual General Meeting (AGM)

**N**OTICE IS HEREBY GIVEN THAT the Ninth Annual General Meeting of the Graphic Communications Group Limited shall take place on Thursday, June 28, 2012 at Alisa Hotel, North Ridge, at 10.00 a.m. to transact the following business:

1. To receive and adopt the reports of the Directors and Auditors and the Financial Statements for the year ended 31st December, 2011.
2. To declare dividend for the year ended 31st December, 2011
3. To authorise the Directors to determine the remuneration of the Auditors.

If you are unable to attend the meeting, you shall appoint a proxy to attend and vote in your stead. A Proxy Form is attached to be completed and presented before the meeting.

Dated this 6th day of June, 2012

**By Order of the Board**

Cecilia Davis  
Company Secretary.



**Mrs Cecilia Davis**  
Solicitor Secretary/Secretary to the Board

GCGL OVERVIEW: 2011 highlights

## Our Performance

### Financial Highlights – GH¢

Turnover	Gross Profit	Profit Before Tax
<b>30,179,406</b>	<b>17,220,869</b>	<b>3,501,737</b>

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Shareholder's Fund	Profit After Tax	Dividend
<b>20,131,252</b>	<b>2,800,931</b>	<b>500,000</b>

### Non-Financial Highlights

Employees	Newspapers Published	Regional Offices
<b>429</b>	<b>7</b>	<b>12</b>

## Our Brands

The Graphic Communications Group Limited (GCGL) currently publishes six newspapers, which are all market leaders in the industry.

### Daily Graphic

Daily Graphic: It is the company's flagship newspaper and has the largest daily circulation and readership in Ghana. It covers politics, business and finance, sports, education, development, the environment, social and international affairs. It is the company's premier newspaper, published since October 2, 1950. **Editor: Ransford Tetteh**

### The Mirror

The Mirror: Published since 1953, originally as the Sunday Mirror, this weekly has become the most popular weekend newspaper in Ghana. Its content is soft news for the comfort and relaxation of its readership during weekends. Issues of health and fashion as well as family are its focus. **Editor: Janet Quainoo (Mrs)**

### Graphic SPORTS

Graphic Sports: It is the most credible and sought-after sports newspaper in Ghana, whose publication began in 1985 as a weekly. Readers' popular demand for the paper has resulted in two more editions. Thus, the Graphic Sports, controlling the largest share of the sports newspaper market, now comes out thrice a week. **Editor: Felix Abayateye**

### Graphic SHOWBIZ

Graphic Showbiz: This is an arts and entertainment publication, established in February 1998. Currently, Graphic Showbiz is the only weekly newspaper in Ghana exclusively devoted to arts and entertainment. Its stories insightfully inform readers on arts, entertainment and cultural issues. **Editor: Nanabanyin Dadson**

### JUNIOR Graphic

Junior Graphic: This is a newspaper for children, started in 2000 when the company celebrated its Golden Jubilee. Before that Junior Graphic had once been only a pull-out in the Daily Graphic in the 1960s. The newspaper helps children to develop reading habit and improve on their writing skills too. Also it gives them the opportunity to learn about things around them apart from affording them a voice to influence discussions on things affecting them. The paper is also a great help to schoolchildren in their school work. **Editor: Mavis Kitcher (Mrs)**

### Graphic Business

Graphic Business: Launched on August 26, 2008, this newspaper is the latest publication by the company. It publishes quality business news with the aim of providing the business community with the right information to take smart business decisions. It is a weekly newspaper published on Tuesdays. **Editor: Lloyd Evans**

## *Our Vision*

To be the biggest, most influential and reliable multi-media organisation in the West African sub-region

## *Our Mission*

To empower our readers and consumers with reliable and credible information, communication and entertainment that create the best possible customer experience

## *Our Cultural Values*

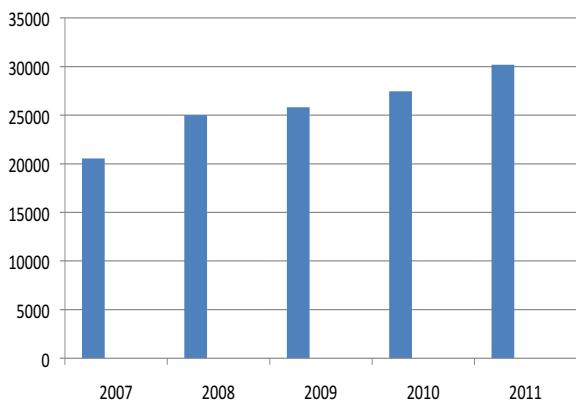
- Professionalism
- Teamwork
- Visionariness



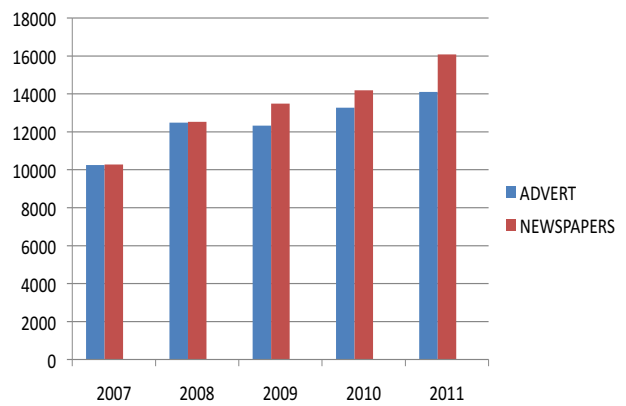
• A splendid performance by a dance group adds to the colourful opening ceremony of the maiden Mirror Family Day held at the Ghana International Trade Fair Centre, Accra.

# Financial Highlights

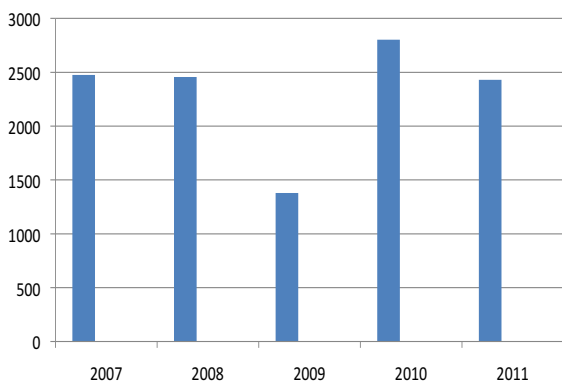
**TURNOVER(GH¢'000)**



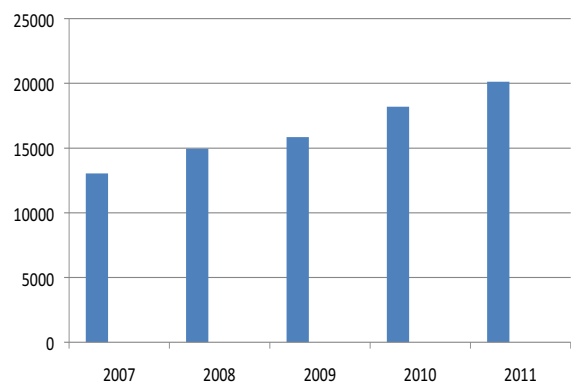
**TURNOVER ANALYSIS(GH¢'000)**



**PROFIT AFTER TAX(GH¢'000)**



**SHAREHOLDER'S FUND(GH¢'000)**



## Five-Year Financial Summary

	2011	2010	2009	2008	2007
	GH¢	GH¢	GH¢	GH¢	GH¢
<b>TURNOVER</b>	30,179,406	27,466,428	25,813,694	25,008,592	20,530,478
Cost of Sales	12,958,537	11,193,851	11,837,706	10,731,468	8,192,020
Gross Profit	17,220,869	16,272,577	13,975,988	14,277,124	12,338,458
<b>Deduct</b>					
Distribution Expenses	4,519,325	3,834,463	3,479,656	3,194,505	2,724,836
Admn. & Gen. Exps.	8,395,795	6,953,479	6,507,234	7,137,058	6,219,534
Finance Charges	1,326,148	2,091,364	2,515,545	743,195	247,001
	<b>14,241,268</b>	<b>12,879,306</b>	<b>12,502,435</b>	<b>11,074,758</b>	<b>9,191,371</b>
<b>Operating Profit</b>	2,979,601	3,393,271	1,473,553	3,202,366	3,147,087
Add Other Income	522,136	419,299	443,109	399,546	338,599
Profit Before Taxation	3,501,737	3,812,570	1,916,662	3,601,912	3,485,686
Exceptional Item	(1,000,000)	-	-	-	-
Taxation	(72,818)	(1,011,639)	(537,180)		(1,011,899)
<b>Profit After Taxation</b>	<b>2,428,919</b>	<b>2,800,931</b>	<b>1,379,482</b>	<b>2,454,558</b>	<b>2,473,787</b>
Dividend (GH¢)	500,000	440,000	400,000	600,000	800,000
Ordinary Shares Issued (Million)	43	43	43	43	43
Earning Per Share (GH¢)	0.057	0.065	0.032	0.0573	0.0575
Dividend Per Share (GH¢)	0.012	0.010	0.009	0.014	0.018

## Corporate Information

<b>BOARD OF DIRECTORS</b>	Prof. Naana Jane Opoku-Agyemang Mr Robert Kofi Nyantakyi Mr Mohammed Affum Mr Adu Anane Antwi Mr Alex Bonney Dr Doris Yaa Dartey Mr Sarah Akrofi-Quarcoo Mr Kenneth Ashigbey	Chairperson (Appt. May 3, 2011) - Member (Appt. May 3, 2011) - Member (Appt. May 3, 2011) - Member (Appt. May 3, 2011) - Member (Appt. May 3, 2011) - Member (Appt. May 3, 2011) - Member (Appt. April 7, 2009) - Managing Director (Appt. Nov 1, 2011)
<b>COMPANY SECRETARY</b>	Mrs. Cecilia Davis	
<b>EXECUTIVE MANAGEMENT</b>	Mr Kenneth Ashigbey Mr Yaw Boadu-Ayebofoh Mr Kwabena Baah-Adade Ms Peggy Addo Mr Kwesi Adjei Kersi Mr Frank O. Oduro Mr Erasmus Akuffo-Badoo Mr Ransford Tetteh Mrs Cecilia Davis	- Managing Director - General Manager, Newspapers - General Manager, Finance - General Manager, Human Resource & Adm. - General Manager, Technical Services - General Manager, Marketing & PA - Chief Internal Auditor - Editor, Daily Graphic - Solicitor Secretary
<b>REGISTERED OFFICE &amp; CONTACT ADDRESS</b>	No. 3, Graphic Road, P.O. Box GP 742, Accra Telephone No. 030-2684001-10 Fax: 684019/25, Telex: 252475 Website: <a href="http://www.graphic.com.gh">www.graphic.com.gh</a> E-mails: <a href="mailto:graphic@ncs.com.gh">graphic@ncs.com.gh</a> , <a href="mailto:adverts@graphic.com.gh">adverts@graphic.com.gh</a> <a href="mailto:marketing@graphic.com.gh">marketing@graphic.com.gh</a> , <a href="mailto:editorial@graphic.com.gh">editorial@graphic.com.gh</a>	
<b>SOLICITORS</b>	Agyemang & Associates Third Floor, America House Tudu-Accra P. O. Box 2959, Accra	
<b>AUDITORS</b>	John Kay & Co. 7th Floor Trust Towers Farrar Avenue, Adabraka- Accra P.O. Box 16088, Airport - Accra	
<b>BANKERS</b>	Ghana Commercial Bank, Ecobank Ghana Limited, Stanbic Bank Limited	



## Board of Directors



**Prof. Naana Jane Opoku-Agyemang**  
Chairperson



**Mr Kenneth Ashigbey**  
Managing Director



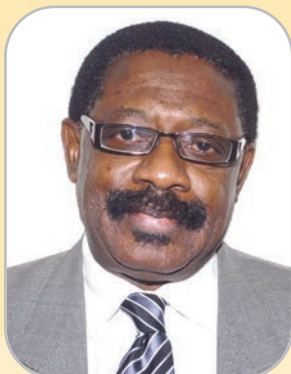
**Mr Adu Anane Antwi**  
Member



**Dr Doris Yaa Dartey**  
Member



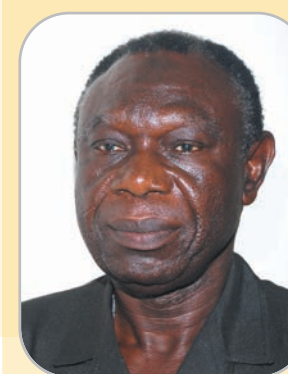
**Mr Alex Bonney**  
Member



**Mr Robert Kofi Nyantakyi**  
Member



**Ms Sarah Akrofi-Quarcoo**  
Member



**Mr Mohammed Affum**  
Member

## Company Profile

**T**HE Graphic Communications Group Ltd (GCGL) was formed in 1950 in the then Gold Coast by the Daily Mirror Group in the United Kingdom, whose head was Cecil King Jnr. Its original name was West African Graphic Company Limited.

The company published its first newspaper, the Daily Graphic, on October 2, 1950, and followed it up in 1953 with the weekly Sunday Mirror, now christened The Mirror. When in 1957 the Gold Coast gained independence from Britain and changed its name to Ghana, West African Graphic Company also changed its name to Ghana Graphic Company Ltd.

In 1962, the Government of Ghana acquired the company by an Act of Parliament and turned it into a statutory corporation in 1971 by the Graphic Corporation Instrument, 1971, LI 709, in accordance with the Statutory Corporations Act, 1964 (Act 232). The company, therefore, became known as Graphic Corporation.

In pursuit of product innovativeness, Graphic published two more newspapers, Graphic Sports in 1985 and Graphic Showbiz in 1998.

In the following year, 1999, the company took advantage of the Statutory Corporations (Conversion to Companies) Act, 1993, Act 461, to change from a subvented public corporation to an autonomous public limited liability company under the companies Code, 1963, Act 179. This resulted in the renaming of the company as the Graphic Communications Group Ltd, its current name.

After becoming a limited liability, the company came up with four more publications: Junior Graphic (2000), Graphic Advertiser (2004), Graphic Nsempra (2007) and Graphic Business (2008). However, the company no longer publishes the Graphic Advertiser and Graphic Nsempra.



• A team of Graphic printers and a KBA Comet engineer discussing the colour registration of some of the first copies of newspapers the new press printed during its commissioning.

## Company Profile Cont'd



• *The Managing Director, Mr Kenneth Ashigbey, shares a word with a student of School of Medical Sciences, KNUST, Miss Hannah Komeh, after presenting her a cheque for \$3000 dollars for her practical attachment abroad as part of the company's social responsibility programme*

### **Our reputation**

#### **Quality news**

Graphic has a reputation for credible news, a quality which has made the company's professional approach to journalism standard in Ghana. Thus, in Ghana, newspaper simply means "Graphic". Thus, our publications have gained so much credibility with readers that once they read a news story from Graphic they are satisfied it is the truth.

#### **Space-age technology**

Such a good reputation is the result of a well-calculated strategy to remain leader in the newspaper industry. The company ensures that it is always technologically ahead in the industry in Ghana. Currently, it uses a KBA Comet press, which cuts out the use of films in the printing process. Thus, printing time is reduced. The press also has a capacity to print 75,000 copies an hour in full colour. Graphic is one of the only three companies in Africa that use this modern press.

Again, in the days when web offset and photo typesetting were the standard in the newspaper publishing industry the world over, it was Graphic that first introduced them in Ghana.

The company's editorial and advertisement set-up has a modernised network of Mac computers with industry-standard editorial and graphics software. High calibre of employees.

The company employs high calibre of personnel and trains them continuously. Additionally, it motivates them with incentives such as half-year and annual awards for best performance. These measures have helped to create a pool of very experienced employees committed to the company, and hungry for excellence.

## Company Profile Cont'd

### Honours

Many awards – personal and corporate – testify to the company's tradition of excellence.

### CIMG Media organisation of the year

The company has won the Chartered Institute of Marketing Ghana (CIMG) Media Organisation of the Year Award three times – 2009, 2005 and 2004.

### GJA Best Designed Newspapers Award

In 2011, 2006 and 2005, the GJA adjudged the company as the press house with the best newspaper designs and layout. Then in 2007, the Ministry of Finance and Economic Planning highly commended the company as one of two state-owned enterprises whose performance was outstanding.

### Good Corporate Citizen

The company is the only state-owned media organisation that continuously pays dividends to the state, making it unique and exceptional. The GCGL has been paying dividend to the state since the 2003 financial year.

### AGI Worthy Ambassador

In 2008, the Association of Ghana Industries (AGI) honoured the company as worthy ambassadors for industry at the association's 50th anniversary celebrations.

### GJA Journalist of the Year

In relation to individual awards, since 1971, journalists of the company have won the Journalist of the Year award 10 times. No media organisation's journalists have won this prestigious award from the Ghana Journalists Association (GJA) as many. Our journalists have also won the other awards of GJA many times.



• Keep Fit clubs receive awards for best performance and participation in the 2011 Graphic Sports Keep Fit Clubs competition.

## Company Profile Cont'd

### **Corporate Social Responsibility**

#### **Graphic Needy Trust Fund**

The fund helps genuinely needy Ghanaians who need medical treatment but cannot afford. Since 1989, the company and its collaborators have helped about 160 of such needy patients.

#### **Free Medical Care**

Every year, the company organises free health care for the Adabraka community, where the company is located. Though this programme which was introduced in 2005 is meant for the Adabraka people, residents from other communities in Accra take advantage of it. Consultation and drugs come free to beneficiaries.

#### **Scholarship Scheme**

The company has a scholarship scheme for the children of its employees and vendors and agents in second cycle institutions. More than 154 children have benefitted from the scheme since its introduction in 2004.

#### **Daily Graphic Governance Dialogue**

The Daily Graphic Governance Dialogue was launched on November 28, 2006 to provide a forum for discussion of the challenges of governance in West Africa in particular, and Africa as a whole. It also serves as a source of ideas on development issues to governments and relevant institutions in the sub-region. Thus, through the Dialogue, Graphic fulfils its role of setting a positive agenda for public discourse.

#### **Graphic Business Forum**

Instituted in 2009, the Graphic Business Forum is an annual one-day event that brings together industry leaders, policy makers, the business community and academia to brainstorm on the business climate in the country.

#### **The Mirror Family Day**

This is a special day set aside by the company to give families the opportunity to bond, have fun and interact with one another. Experts are invited to make presentations on family health, family finance planning and maintenance of relationships

#### **Graphic Sports Keepfit Clubs Competition**

The Graphic Sports Keepfit Clubs Competition is an annual event first held in 2009. It is a vehicle for promoting healthy lifestyles among the public. Participants go through physical exercises at the programme and also listen to talks by experts on how to live healthily.

#### **GIJ Best Professional Student Award**

The company sponsors this excellence award. It was instituted in 2009 by the Ghana Institute of Journalism (GIJ) for the best student in both academic and non-academic performance (campus leadership and other extracurricular activities). It replaced the Ephraim Amu Award of Excellence for Arts and Culture, which the company had been sponsoring through The Mirror.

#### **AUCC Best Student in Journalism**

The company also sponsors the Best Student in Journalism award of the African University College of Communications.

## Our Subsidiary Company

### G-PAK LIMITED

**I**T is one of the largest packaging companies in Ghana and a member of Ghana's most successful media enterprise, the Graphic Communications Group Limited. The group is the printers of Ghana's most popular and largest circulating newspapers, including the Daily Graphic and The Mirror.

G-PAK was established in 1976 (then called Graphic Packaging) as a key strategic business unit of the group responsible for packaging and printing, but now it operates as a separate company with its own board to help stimulate growth.

The company has been hugely re-capitalised and re-positioned as the most professional colour printer in West Africa. This is to enable it to provide world-class standard packaging products, general printing and publishing through the utilisation of modern printing technologies and state-of-the-art machinery.

The company has won international awards, including the prestigious Arts Gallery Awards in the USA for Best Quality Print.

#### **Vision**

To be the icon in innovative world-class printing, publishing and packaging

#### **Mission**

G-PAK aims to exceed the expectations of our customers and other stakeholders, providing top-notch products and services through dynamic, expert staff.

#### **Quality Policy**

We will continually strive to reach out to our market to affect the delight of our customers and stakeholders through efficient utilisation of resources, provision of training and development, and motivation of employees and sharing together a commitment for quality products and services that meet both local and international standards.

#### **Machinery**

The company is utilising the latest in printing technology to face up to the challenges of the impact of globalisation in the 21st Century with the acquisition of state-of-the-art machinery.

The five-colour CD 102 machine has an in-line coating and drying unit. It has a computer print control panel for general controls and diagnostics which prints excellent quality on both paper and board. Maximum format is 76cm x 102cm and the machine can run a consistent speed of 15,000 sheets per hour. A spectrophotometer image controller helps printers maintain consistent print during long runs.

## Our Subsidiary Company Cont'd



*Education Minister, Hon. Lee Ocran (left), with his team tours G-Pak Limited, the one-stop printing company, to assess its acclaimed capacity for printing textbooks locally.*

G-PAK has a perfecta guillotine with a hoist jogger and lifter that automates the cutting process and runs a software system that assists the operator with a precise programmable cutting. In addition, the company has a sheeter that converts reels into sheets, a folder gluer machine, capable of gluing 15,000 skilllets an hour and a punching machine.

We have installed a multi-purpose eight-colour flexographic machine to provide metallure labels and excellent flexible packaging products for food and drinks manufactures. The machine also has the capability of using UV varnish to produce high gloss non-fading long-lasting print, plastic packaging and self-adhesive labels.

Again, it has the added advantage of high precision, fast speed and wide range of flexible and adaptable printing features.

### **Publishing facilities**

Our pre-press system includes a host of Apple Mackintosh desktop publishers supported by an Avantara 44-image setter for high resolution film plating and scanners that help provide the best colour separation in Ghana today. The press has two offset perfecta presses for simultaneous folding. Other features include a stacker that can count and pack books in the desired quantities and a Muller Martini book binding machine.

Finishing has a newly installed integrated gatherer/binder and saddle stitcher.

## Our Subsidiary Company Cont'd

### Technical competence

The quality of our technical staff is a blend of people with decades-long rich printing experience and qualified, talented young graduates.

Their skills are regularly upgraded through both local and foreign training at prestigious printing schools.

### Customer profile

Over the years, our attention to detail and quality has gained for us a customer base of both local and multinational market leaders with very high visibility in the food, beverage, detergent, pharmaceutical and personal products industries. Some of them are Unilever, Guinness Ghana Breweries Ltd, Nestle Ghana Ltd, PZ Cussons Ltd, Gihoc Distilleries, Ministry of Communications, Ministry of Defence, National Commission on Civic Education, National Identification Authority, Accra Brewery, Voltic, Sierra Leone Breweries, British High Commission, World Bank, European Union, Agric Development Bank, Kotoko Publications and Ghana Civil Aviation.

We are one of the few packaging companies with the capacity to handle all jobs on hand in-house.

### Reliability

A trusted and most preferred choice in packaging and printing, we have built our reputation through years of nurtured commitment to deliver on quality and on our promises to exceed customer expectation

This is further enhanced by a company attitude that encourages building strong bridges of beneficial relationship with our business partners, who are the reason for our continued existence.

### Range of business activities

We offer pre-press, press and post-press services including the following:

1. Printing, production and sale of labels, cartons, wrappers and other printed materials
2. Production and sale of literary and artistic works, articles, novels, books and other similar works.
3. Printing and publishing of newspapers, journals, magazines, posters, books, receipts, and waybill books, etc.

We also offer such services as colour separation, folding and gluing, sheeting, die cutting/creasing, book binding/stitching and publishing.



## Chairperson's Statement

*Dear Shareholder, Ladies and Gentlemen, On behalf of the Board of Directors, Management and Staff, I welcome you to the 9th Annual General Meeting of Graphic Communications Group Limited and to present to you the Annual Report and Financial Statements for the year ended 31st December, 2011.*

### Global Economy

**T**HE year 2011 was a challenging one for most economies. Such developments had an effect on our operations. For example, the US economy experienced a slow growth. As well, the risks and uncertainties posed by the debt crisis in Europe further deepened in the year 2011. The Euro zone happens to be the major trading area for the GCGL as far as the Company's operations are concerned. The bulk of the Company's inputs, namely, newsprint, plates, inks and spares are purchased from the euro zone countries. The difficulties faced by these countries posed very deep challenges to the Company during the year under review.

### Ghanaian Economy

The Ghanaian economy, despite the global challenges, recorded improved macroeconomic indicators in 2011. The summary of the macroeconomic environment in which the Company operated during 2011 are:

- The rate of inflation remained within the single-digits during the year, dipping from 9.08 per cent in January 2011 to 8.58 per cent at the end of December 2011.
- The Bank of Ghana Prime Rate was reduced during 2011 from 13.5 per cent to 12.5 per cent, which in turn resulted



**Prof. Naana Jane Opoku-Agyemang**  
Chairperson

in marginal reduction of commercial bank's lending rates to businesses.

- The Ghana Cedi (GH¢) depreciated against the major foreign currencies. The Ghana Cedi declined by 9.0 per cent against the US Dollar, 10 per cent against the British Pounds Sterling and 5.6 per cent against the Euro.
- The services sector continued to be the largest contributor to the country's GDP, accounting for 48.1 per cent in 2011.

### Trends in the Media Industry

The increasingly open economic and political landscape has promoted vigorous competition in the media industry. The increase in the number of daily newspapers, radio and TV stations had posed a great challenge to our company.

## Chairperson's Statement Cont'd

Customers are now, justifiably demanding quality and timely delivery of products and services. The new press which has the capacity to produce 64 pages, including 32 pages in full colour was put into operation in November, 2011. This has helped the Company to consolidate further its position in the media industry by maintaining higher quality products and improving delivery times of our products to the market.

The Company continued to maintain its market leadership in the newspaper advertising market with a 70 per cent share.

### 2011 Financial Performance

Dear Shareholder, your company in 2011 put in another good performance to produce the following results:

- Turnover increased from GH¢27.5 million in 2010 to GH¢30.2 million in 2011, representing 9.8 per cent increase.
- Shareholder funds also increased from GH¢18.2 million in 2010 to GH¢ 20.1 million in 2011, an increase of 10.4 per cent.
- Net Profit after tax, however, decreased from GH¢2.8 million in 2010 to GH¢2.4 million in 2011, that is 16.6 percent. This was mainly due to rising cost of production and a charge of GH¢1 million for the cost of business restructuring.



*A section of street children awaiting their turns to be registered free of charge with the National Health Insurance Scheme*

## Chairperson's Statement Cont'd

### Dividend

The Directors remain confident in the company's underlying prospects. Despite reduction in our net profits, the Directors have proposed that dividend be increased from GH¢440,000 in 2010 to GH¢500,000 in 2011, an increase of 13.6 per cent.

### Corporate Governance

The current Board of Directors, which was appointed on May 3, 2011, has the following committees: Finance & Audit, Strategy & Operations, Editorial as well as Legal & Administration.

The Board is responsible for setting the Company's strategic direction, for leading and controlling the Company and for monitoring activities of the executive management. A substantive Managing Director was appointed on the 1st of November 2011.

The Board ensured that the Company maintained strong internal control procedures and systems that are aligned to all rules and regulations as required by law. The Board and its sub-committees met regularly. During the year, the Board enhanced its efficiency by streamlining its meeting procedures, organising training sessions for its membership to sharpen their appreciation of strategy and execution. The Board also ensured that the new press project was completed and put into operation in November, 2011. As part of its mandate, the Board ensured that the Company met all its

financial obligations, especially corporate taxes, dividend, VAT, import duties, loans repayment.

### Outlook for 2012

For the ensuing year, your Company will continue to pursue the execution of its Strategic Plan, which is driven by the determination to focus on the maximization of shareholder value, balanced and fair reportage, contribution to peaceful, free and fair elections and customer satisfaction.

These are all in response to meeting the challenges ahead and the growing market demands to become the biggest and most influential media organization in the West Africa sub-region.

### Appreciation

I wish, on behalf of the Board and on my own behalf, to express a sincere gratitude to you, dear shareholder, for your goodwill and support and to management and staff for their dedication to duty during the year, 2011.

I thank you for your attention.



**Prof. Naana Jane Opoku-Agyemang**  
**Board Chairman**

## Managing Director's Report



**Mr Kenneth Ashigbey**  
Managing Director

### Introduction

The year 2011 has been a successful one in spite of all the challenges of stiff competition in the media industry and the ever-increasing cost of production. The company performed very well in the year, exceeding the turnover of the previous year.

### Financial Performance

Turnover increased from GH¢27.5 million in 2010 to GH¢30.2 million in 2011, that is 9.8 per cent difference. The increase in turnover was achieved through growth in advertising space and increases in the cover prices of our newspapers.

Out of the 2011 turnover, advertising and newspaper sales contributed 47 per cent and

53 per cent respectively.

Our flagship newspaper, Daily Graphic, maintained its leadership position by contributing 83 per cent of our total newspaper sales. Compared to 2010 performance, Daily Graphic sales went up by 17 per cent.

Cost of production for 2011 increased by 16 per cent compared to 2010. The increase in the prices of crude oil, newsprint, inks, and utilities, among others, accounted for this rise. The Company, therefore, had to increase the cover price of the Daily Graphic and The Mirror to cover its costs.

### Editorial

Our major focus is the development of the country, through the dissemination and provision of information, education and entertainment. To remain relevant to our audience and to halt the declining single copy sales, we continued to carry out research and use the insight to inform our content direction. Our key preoccupation was to provide exclusive content in development, political, economic and social and human interest issues, based on the readership profiles of our six brands.

We, therefore, gave coverage in all our newspapers to issues that impinged on national development. Notable among them were the activities of all political parties, including their national congresses.

The Constitutional Review Commission appointed the previous year completed its work, necessitating a Constitutional Review Conference to deliberate on the findings. We gave coverage to the weeklong conference.

The Statistical Service declared provisional results of the census conducted the previous

## Managing Director's Report Cont'd



• The team that assembled our new KBA Comet Press proudly poses in front of the machine after commissioning it.

year and we gave extensive coverage to the data, which put Ghana's population at 24 million with women constituting 51 per cent and men 49 per cent.

For the first time in the nation's history, an incumbent President in his first term was challenged for the flagbearership of his party and incidentally the challenger, Nana Konadu Agyeman Rawlings, a former First Lady was the first female to have contested for the presidential slot of any political party. We gave extensive coverage to the Contest in which H.E the President won.

### **Graphic Nsempe**

Though the Company believed in the need to provide social subsidy in the quest to develop Ghana, which resulted in the publication of Graphic Nsempe, due to difficulties in the marketing of the paper, the

board recommended the suspension of the only regional newspaper and the staff were paid their redundancy packages.

### **Production**

The year 2011 was very challenging. It was the year of transition from our old and obsolete Heidelberg Harris Press to the new KBA Comet Press.

Greater part of the year was devoted to both installations of the KBA Comet and production on the aged and defective press, concurrently. Our Engineers and Technicians were stretched to their limits. The first saleable copy from the KBA Comet Press was the 28th September, 2011 edition of the Graphic Showbiz newspaper.

Printing of the 1st November, 2011 edition

## Managing Director's Report Cont'd



• Residents of Adabraka, including children, undergo medical examination during the Adabraka Free Health Screening programme.

of the Daily Graphic newspaper marked the end of the commissioning exercise and the handover of the Press from KBA the supplier and its commissioning engineers.

To eliminate transitional pitfalls characteristic of migrating from old technology to new technology, selected teams of Engineers and Printing Technicians were given intensive hands-on training in Germany and in Kenya.

In Kenya, our printing technicians had the opportunity of running a similar KBA Comet Press for Standard Media Group, in Nairobi, which shortened the learning curve and improved our transition to the new press, whose technology is light years from the old Heidelberg Harris Press.

With the commissioning of the KBA Comet Press, the difficulty we had coping with

increased demand for advertisement space, as mentioned in the last year's report has largely been eliminated. We were able to provide advertisers world-class print in all our newspapers.

We worked assiduously to improve our efficiency of converting raw materials into products. Waste level improved by declining from 5.4 per cent in 2010 to 2.1 per cent against industrial average of 3 per cent. In terms of plant utilization, we recorded 54 per cent; which implies that out of 4,928 machine hours, the plant was run for 2,660 hours in the 308 publishing days.

### **Sales and Marketing Operations**

The revenue centres, advertising and newspaper sales experienced sales growth of six per cent and 13 per cent respectively over the 2010 turnover despite persistent machine

## Managing Director's Report Cont'd

breakdowns which results in late deliveries to the market and print quality challenges from the old press.

The utilization of the new KBA press in November 2011 resulted in renewed customer confidence in our brands, which has impacted positively on advertising sales.

Cognisant of the competitive media environment, the Company undertook various proactive customer service initiatives and also invested in market research activities to grow our market share and improve content and overall service delivery.

### **Graphic Events**

The Company successfully organised the maiden Mirror Family Day and the 3rd Graphic Sports Keep Fit competition to bond with readers, trade partners and sponsors as well as discuss issues critical to Ghana's socio-economic developmental agenda. These events received very good patronage from various facets of our audience, including high-profile personalities, and got positive reviews across media platforms nationwide. The company was also able to raise revenue from these events.

### **Corporate Social Responsibility**

As part of our corporate social responsibility agenda, the Company invested part of its resources to support the under-privileged in society, particularly in such critical areas as health and education. The Graphic Needy Trust Fund sponsored needy patients to undergo various surgeries at the Korle Bu Teaching Hospital.

The Company undertook two free health care projects, namely the Annual Adabraka Free Health Screening Exercise and the registration of over 400 street children on the

National Health Insurance Scheme.

As Ghana's most influential media organisation, the Company sponsored the overall best student awards of the Ghana Institute of Journalism and the African University College of Communications as part of our contribution to media development.

The Company also partnered other corporate organisations to organise events that had national significance, including Government of Ghana activities, the training programmes of Chartered Institute of Marketing Ghana and Presidential Awards Night; the Ghana Journalists Association Awards, Corporate Initiative Banking Awards, SWAG Awards, Ghana Institute of Journalism Award, Institute of Public Relations Awards and the activities of Ghana Institute of Engineers.

### **Training, Development and Industrial Relations**

During the year under review, training programmes were circumspectly selected to concentrate on technical and specialised areas. Some of the areas that benefited from these programmes were Editorial, Marketing, Production, Finance, and Human Resource.

The Company also granted permission to staff to pursue various career development programmes, which were either partly or fully sponsored by the Company, based on its needs.

There was industrial harmony throughout the year, with management and staff seeing themselves as partners in development. Negotiations for the review of the Collective Agreement (2011 – 2013) were conducted and concluded peacefully.

## Managing Director's Report Cont'd



- *Dr Henry Aidoo, Resident Medical Officer of the company and a trustee of the Graphic Needy Trust Fund, receives the Social Service Leadership Award conferred on the fund by the African Servant Leadership Awards (ASLA) Committee of the Graduate School of Governance and Leadership (GSGL) for the fund's role in helping the poor and needy in society.*

### **Scholarship Scheme**

Fourteen (14) children of staff members were added onto scholarship scheme to pursue various senior high school programmes. The Company also paid the school fees for the continuing students on the scholarship scheme. The total number of students on the scholarship scheme for the 2011/2012 academic year is seventy-three (73).

### **Awards**

The Company's flagship newspaper, the Daily Graphic, won the 2011 Ghana Journalists Association Award for the best

layout and design. The Ghana Journalists Association conferred eight (8) awards on deserving members of the editorial staff of the Company, including Best Photo Journalist, Best Sports Journalist, Best Health Reporting and Best Features Writing.

### **New Press Project**

The Company, in 2008, secured US\$7 million from Ecobank Ghana Limited and GH¢3.5 million from Stanbic Bank Limited to acquire a modern printing press and to build a new press house respectively.



## Managing Director's Report Cont'd

The new press has the capacity to produce 64 pages, including 32 pages in full colour. The project was completed and put into operation in November 2011.

### **Subsidiary (G-Pak Limited)**

G-Pak made a sales revenue of GH¢1.39 million in 2011, showing a marginal increase of 1.5% on the 2010 figure. The Company, however, registered a Net Loss of GH¢182,341 in 2011 compared with a Net Profit of GH¢38,253 in 2010.

The main reasons that accounted for the poor performance of G-Pak Ltd in the year 2011 were:

- high cost of raw materials purchased from the local market.
- the uneconomical short run jobs produced on the five CD 102 colour press.
- the intermittent breakdowns of the main printing press, the CD102, during the year.

G-Pak has, therefore, ordered a new two (2) colour SX74 Litho perfecting press from Heidelberg, Germany to complement the work of the existing five (5) colour CD102 Heidelberg and the Flexo presses. The new press is expected to be installed in July, 2012 and will help position G-Pak to compete efficiently on short run and black and white jobs.

The quality of the work of G-Pak is acclaimed in the industry, with the new two-colour press, it will be competitive for short run jobs. We would like to appeal to the Government, our shareholder, to increase the local content of printing jobs.

### **Outlook for 2012**

Our strategy for 2012 is to continue the growth

strategy by capitalising on the emerging opportunities in the middle-income Ghanaian economy and maximising the competitive advantage offered by our new press. We cannot afford to be complacent in the face of a rapidly changing domestic and global competitive environment notwithstanding our 2011 financial performance.

We envisaged that our aggressive marketing posture and professional services as well as improved quality of print and innovation would enable us to maintain our status as the leading media company in Ghana.

The year 2012, being an election year, promises to be a very good year for Graphic in terms of revenue generation, but puts on us a major challenge for ensuring that we are vanguards for peaceful, free and fair elections. We, therefore, wish to assure our stakeholders that we will pursue prudent corporate policies in 2012 to increase revenue and profit, while contributing to the peaceful, transparent and fair election.

Let me take this opportunity to express our appreciation to our cherished customers and to congratulate the management and staff of the company on their dedication to duty.

Finally, I wish to express our deep gratitude to our Shareholder and the Board of Directors for their invaluable support and direction.

Thank you.



**Kenneth Ashigbey**  
**Managing Director**

## Report of the Directors to the members of GCGL

The Directors have the pleasure in presenting their report together with the financial statements of the Company for the year ended 31st December, 2011.

### Nature of Business

The Company is a leading newspaper printing and publishing company. There was no change in the nature of business of the Company during the year.

### Appointment of Directors

The two-year term of office of the previous Board of Directors ended on April 30, 2011. A new Board has been appointed since May, 2011.

### Appointment of Auditors

Messrs John Kay & Company (Chartered Accountants) has been appointed as auditors by the Auditor-General.

### Subsidiary Companies

The Company owns 100% of the equity shares in G-Pak Limited, a company incorporated in Ghana.

### Financial Results

The financial results of the company are set out below:

	<b>2011</b>	<b>2 010</b>
	<b>GH¢</b>	<b>GH¢</b>
Profit before tax for the year ended 31 December is	<b>2,501,737</b>	3,812,570
from which is deducted tax of	<b>(72,818)</b>	(1,011,639)
giving a profit after tax for the year of	<b>2,428,919</b>	2,800,931
to which is added balance brought forward on income surplus account of	<b>10,028,812</b>	7,947,974
giving a balance of	<b>12,457,731</b>	10,748,905
Transfer to Statutory Reserve	<b>(242,892)</b>	(280,093)
Transfer from Capital Reserve	<b>1,949,847</b>	-
Dividend proposed	<b>(500,000)</b>	(440,000)
which leaves a balance carried forward on income surplus account of	<b>13,664,686</b>	10,028,812

The company's net worth increased from GH¢10.0 million as at 1 January 2011 to GH¢13.6 million at the end of December 2011.

### Dividend

The Directors recommend the payment of GH¢500,000 as dividend for the year under review. The profit of GH¢2,428,919 has been transferred to income surplus.

## Report of the Directors to the members of GCGL Cont'd

### Statement of Directors' Responsibilities

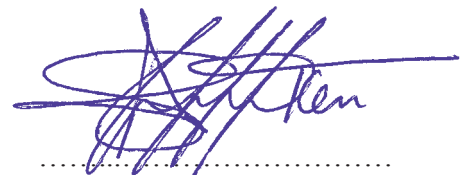
The Ghana Companies Act, 1963 (Act 179) requires the Directors to prepare financial statements for each financial year and of the profit or loss of the Company for that year. The Directors consider that in preparing these financial statements they have used appropriate accounting policies, supported by reasonable and prudent judgements and estimates.

The Directors are responsible for ensuring that the Company keeps accounting records, which disclose with reasonable accuracy the financial position of the Company. They are also 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 Directors are responsible for ensuring that the Company complies with the laws and regulations applicable to its activities and for establishing arrangements designed to prevent any non-compliance with laws and regulations and to detect any that may occur.



.....  
**Prof. Nana Jane Opoku-Agyemang**  
**Director**



.....  
**Mr. Kenneth Ashigbey**  
**Director**

## Report of the Auditors to the shareholders of GCGL

We have audited the accompanying Financial Statements of Graphic Communications Group Limited, which comprise the Balance Sheet as at 31st December 2011, and Profit and Loss Account, Income Surplus Account and Cash Flow Statement for the period then ended, and the related notes (pages 32 to 37).

### **Respective Responsibilities of Directors and Auditors**

The Directors are responsible for preparing and presenting these Financial Statements in accordance with the Ghana National Accounting Standards (GNAS). Our responsibility is to express an independent opinion on the Financial Statements, based on our audit.

### **Basis of Opinion**

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating overall presentation of the Financial Statements. We believe that we obtained all the information and explanations sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, proper books of accounts have been kept and the Financial Statements which are in agreement therewith give a true and fair view of the state of affairs of the Company as at 31st December, 2011 and of the profit and cash flows for the year then ended and comply with Ghana National Accounting Standards, and the Ghana Companies Act, 1963 (Act 179).

*John Kay + Co*

.....  
*John Kay & Co.*

*Chartered Accountants*

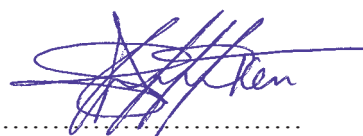
## Balance Sheet as at 31st December 2011

	NOTES	2011 GH¢	2010 GH¢
<b>FIXED ASSETS</b>	2	21,178,410	10,519,014
<b>PRESS MACHINE IN PROGRESS</b>	3	-	10,263,136
<b>INVESTMENTS</b>	4	1,544,010	1,544,010
		<b>22,722,420</b>	<b>22,326,160</b>
<b>CURRENT ASSETS</b>			
Stocks	5	681,410	271,468
Trade Debtors	6	5,380,454	4,874,044
Sundry Debtors	7	68,471	46,585
Inter-Company Balance	8	1,078,694	1,090,056
Taxation	9	1,121,045	356,037
Short Term Investments	10	351,497	332,171
Bank & Cash	11	267,376	182,164
		<b>8,948,947</b>	<b>7,152,525</b>
<b>CURRENT LIABILITIES</b>			
Trade Creditors	12	1,583,640	638,253
Sundry Creditors and Accruals	13	3,471,738	1,782,849
Bank Overdraft	14	1,693,089	1,237,442
Proposed Dividend	15	630,000	640,000
Loans and Borrowings	16	2,860,767	3,004,944
		<b>10,239,234</b>	<b>7,303,488</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>(1,290,287)</b>	<b>(150,963)</b>
<b>LONG TERM LIABILITIES</b>			
Loans and Borrowings	16	1,300,881	3,972,864
		1,300,881	3,972,864
<b>NET ASSETS</b>		<b>20,131,252</b>	<b>18,202,333</b>
<b>FINANCED BY:</b>			
Stated Capital	17	2,500,000	2,500,000
Capital Surplus	18	2,606,002	4,555,849
Statutory Reserve Fund	19	1,360,564	1,117,672
Income Surplus		13,664,686	10,028,812
		<b>20,131,252</b>	<b>18,202,333</b>

The accounting policies and notes on pages 32-37 form an integral part of these financial statements.

*Proper Akpan*

**DIRECTORS**



**DIRECTORS**

## Profit and Loss Account

for the year ended 31st December 2011

	NOTE	2011 GH¢	2010 GH¢
<b>TURNOVER</b>	20	30,179,406	27,466,428
Cost of Sales		(12,958,537)	(11,193,851)
Gross Profit		<b>17,220,869</b>	<b>16,272,577</b>
Deduct:			
Distribution Expenses		(4,519,325)	(3,834,463)
Admin. & General Exps		(8,395,795)	(6,942,750)
Operating Profit	21	<b>4,305,749</b>	<b>5,495,364</b>
Add Other Income		522,136	408,570
Profit Before Interest and Taxation		4,827,885	5,903,934
Finance Charges		(1,326,148)	(2,091,364)
Profit Before Taxation		3,501,737	3,812,570
Exceptional Item	22	(1,000,000)	-
Taxation		(72,818)	(1,011,639)
Profit After Taxation		<b>2,428,919</b>	<b>2,800,931</b>

## Income Surplus Account

for the year ended 31st December 2011

	2011 GH¢	2010 GH¢
Balance at 1st January	10,028,812	7,947,974
Transfer from Profit & Loss Account	2,428,919	2,800,931
	<b>12,457,731</b>	<b>10,748,905</b>
Transfer to Statutory Reserve	(242,892)	(280,093)
Transfer from Capital Surplus	1,949,847	-
Proposed Dividend	(500,000)	(440,000)
Balance at 31st December	<b>13,664,686</b>	<b>10,028,812</b>

## Cash Flow Statement

for the year ended 31st December 2011

	2011 GH¢	2010 GH¢
<b>OPERATING ACTIVITIES</b>		
Operating Profit (before interest and tax)	4,827,885	5,903,934
Depreciation	1,242,162	911,850
Loss/(Gain) on Asset Disposal	(21,603)	5,044
Exceptional Item	(1,000,000)	-
Dividend Received	(18,735)	(9,528)
Interest Received	(19,328)	(26,924)
Interest and Charges Paid	(1,326,148)	(2,091,364)
Corporation Tax Paid	(837,826)	(564,675)
<b>Operating Profit Before Working Capital Changes</b>	<b>2,846,407</b>	<b>4,128,337</b>
Decrease/(Increase) in Stocks	(409,942)	518,110
(Increase)/Decrease in Trade Receivables	(506,410)	(231,893)
(Increase)/Decrease in Other Receivables	(21,886)	21,415
Increase/(Decrease) in Trade Payables	945,387	(854,890)
(Decrease)/Increase in Other Payables	1,688,889	344,815
<b>Net Cash Flow From Operating Activities</b>	<b>4,542,445</b>	<b>3,925,894</b>
<b>INVESTING ACTIVITIES</b>		
Payment to Acquire Fixed Assets	(1,693,254)	(1,299,796)
Proceeds from Asset Disposal	76,435	8,000
Press Machine in Progress	-	(147,297)
Investment in Subsidiary Company	11,362	(22,955)
Dividend Received	18,735	9,528
Interest Received	19,328	26,924
<b>Net Cash flow from Investing Activities</b>	<b>(1,567,394)</b>	<b>(1,425,596)</b>
<b>FINANCING ACTIVITIES</b>		
Long Term Loan from Banks	(2,816,160)	(2,280,518)
Dividend Paid	(510,000)	(440,000)
<b>Net Cash Flow From Financing Activities</b>	<b>(3,326,160)</b>	<b>(2,720,518)</b>
Net Increase in Cash & Cash Equivalents	(351,109)	(220,220)
Cash and Cash Equivalent at 1st January	(723,107)	(508,887)
Cash and Cash Equivalents at 31st December	(1,074,216)	(729,107)
Analysis of Cash & Cash Equivalents		
Cash and Bank Balance	267,376	182,164
Bank Overdraft	(1,693,089)	(1,237,442)
Short Term Investments	351,497	332,171
<b>Cash and Cash Equivalents at 31st December</b>	<b>(1,074,216)</b>	<b>(723,107)</b>

# Notes to the Accounts

## for the year ended 31st December 2011

### 1 ACCOUNTING POLICIES

The following Accounting Policies have been used consistently in dealing with items which are considered material in relation to the Company's Financial Statements.

#### BASIS OF ACCOUNTING

These Financial Statements have been prepared under the historical cost convention as modified by revaluation of certain fixed asset.

#### a. Depreciation

Depreciation is provided on a straight line basis at rates calculated to write off the cost of each fixed assets over its estimated useful life.

The annual rates generally in use are:

Land and Buildings	3%
Plant and Machinery	10%
I.T. Equipment	33%
Office Equipment	20%
Furniture & Fittings	20%
Motor Vehicles	20%

#### b. Stocks

Stocks are stated at lower of cost or net realisable value.

#### c. Foreign Exchange

Transaction denominated in foreign currencies are translated into cedis and recorded at the rate of exchange ruling at the date of the transaction.

Balances denominated in foreign currencies are translated into cedis at the rate of exchange ruling at the Balance Sheet date.

#### d. Investments are stated at cost.



## Notes to the Accounts for the year ended 31st December 2011

### 2 FIXED ASSEST MOVEMENTS

	Press Building		Land & Buildings		Plant & Machinery		New Press Machine		Motor Vehicles		Computers/ Printers/ Softwares		Other Office Equipment		Furniture, Fittings & Fixtures		Totals	
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
<b>COST</b>																		
Balance as at 1st Jan	3,565,904	6,388,802	2,710,114	10,263,136	1,549,449	860,056	194,382	354,485	15,623,192									
Transfer from Capital WIP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Additions for the year	442,005	1,543	44,889	386,783	187,718	486,382	88,548	55,386	1,693,254									
Disposals for the year					(257,704)													
Balance as at 31st Dec	<u>4,007,909</u>	<u>6,390,345</u>	<u>2,755,003</u>	<u>10,649,919</u>	<u>1,479,463</u>	<u>1,346,438</u>	<u>282,930</u>	<u>409,871</u>	<u>27,321,878</u>									
<b>DEPRECIATION</b>																		
Balance as at 1st Jan		1,085,108	1,551,920		1,189,168	809,407	117,952	350,623	5,104,178									
Charge for the Year	120,237	191,710	275,500	177,499	295,812	157,082	21,214	3,108	1,242,162									
Release on disposals					(202,872)													
Balance as at 31st Dec	<u>120,237</u>	<u>1,276,818</u>	<u>1,827,420</u>	<u>1,177,499</u>	<u>1,282,108</u>	<u>966,489</u>	<u>139,166</u>	<u>353,731</u>	<u>6,143,468</u>									
<b>NET BOOK VALUE</b>																		
At 31st Dec. 2011	<u>3,887,672</u>	<u>5,113,527</u>	<u>927,583</u>	<u>10,472,420</u>	<u>197,355</u>	<u>379,949</u>	<u>143,764</u>	<u>56,140</u>	<u>21,178,410</u>									
At 31st Dec. 2010	<u>3,565,904</u>	<u>5,303,694</u>	<u>1,158,194</u>		<u>360,281</u>	<u>50,649</u>	<u>76,430</u>	<u>3,862</u>	<u>10,519,014</u>									

## Notes to the Accounts for the year ended 31st December 2011

### 3 PRESS MACHINE IN PROGRESS

The new Press Machine(KBA Comet Press) which was in progress was completed and has been operational since November 2011, was transferred to fixed assets. The total cost as at 31st December 2011 was GH¢10,649,919.

4	INVESTMENTS	NOTES	2011 GH¢	2010 GH¢
	Shares in Ghana Commercial Bank Ltd.		64,545	64,545
	Shares in G-PAK Ltd.		1,479,465	1,479,465
			<b>1,544,010</b>	<b>1,544,010</b>
5	<b>STOCKS</b>			
	Newsprint		433,345	29,168
	Inks		17,142	32,411
	Others		230,923	209,889
			<b>681,410</b>	<b>271,468</b>
6	<b>TRADE DEBTORS</b>			
	Deposits		110,792	-
	Adverts		3,365,765	3,093,047
	Newspapers		1,903,897	1,780,997
			<b>5,380,454</b>	<b>4,874,044</b>
7	<b>SUNDRY DEBTORS</b>			
	Staff Loans		57,175	29,521
	Prepayments		11,296	17,064
			<b>68,471</b>	<b>46,585</b>

### 8 INTER - COMPANY BALANCE

This represents the outstanding balance on invoices for raw material issued, electricity and rent due from G-PAK Limited, a wholly-owned subsidiary.

## Notes to the Accounts for the year ended 31st December 2011

<b>9</b>	<b>TAXATION</b>				
Year of Assessment	<b>Chargeable Income GH¢</b>	<b>Tax Charged GH¢</b>	<b>Tax Paid GH¢</b>	<b>Tax Outstanding GH¢</b>	
Balance B/fwd	-	-	-	(458,867)	
2008	4,560,871	1,145,515	1,319,082	(173,567)	
2009	2,148,721	537,180	707,747	(170,567)	
2010	4,046,556	1,011,639	564,675	446,964	
2011	496,872	72,818	837,826	(765,008)	
	<b>11,253,020</b>	<b>2,767,152</b>	<b>3,429,330</b>	<b>(1,121,045)</b>	

<b>10</b>	<b>SHORT TERM INVESTMENTS</b>	<b>2011 GH¢</b>	<b>2010 GH¢</b>
	Ecobank - Treasury Bills	55,986	50,746
	G.C.B. SISO/Special Call	2,990	2,990
	Gold Coast Securities - Premium Interest Account	37,046	31,745
	Debt Service Reserve	172,474	172,474
	Merban Investment - Treasury Bills	83,002	74,216
		<b>351,497</b>	<b>332,171</b>

<b>11</b>	<b>CASH AND BANK BALANCES</b>	<b>2011 GH¢</b>	<b>2010 GH¢</b>
	Ghana Commercial Bank - Foreign	150,572	75,534
	Ghana Commercial Bank - Cedi	3,913	2,807
	Cash Balance	112,891	103,823
		<b>267,376</b>	<b>182,164</b>

<b>12</b>	<b>TRADE CREDITORS</b>	<b>2011 GH¢</b>	<b>2010 GH¢</b>
	Suppliers	1,011,189	114,088
	Newspaper Deposits	298,885	362,404
	Adverts Deposits	273,566	161,761
		<b>1,583,640</b>	<b>638,253</b>

<b>13</b>	<b>SUNDRY CREDITORS AND ACCRUALS</b>	<b>2011 GH¢</b>	<b>2010 GH¢</b>
	Sundry Creditors	1,802,317	1,453,269
	Accruals	1,669,421	329,580
		<b>3,471,738</b>	<b>1,782,849</b>

## Notes to the Accounts for the year ended 31st December 2011

### 14 BANK OVERDRAFT

The overdraft facilities granted by Ghana Commercial Bank Limited, Ecobank Ghana and Stanbic Bank Limited are GH¢1,000,000, GH¢1,000,000 and GH¢100,000 respectively. As at December 31, 2011 the following amounts have been utilised:

	<b>2011</b>	<b>2010</b>
	<b>GH¢</b>	<b>GH¢</b>
Ghana Commercial Bank - No. 1	760,291	947,142
Ecobank Ghana Ltd.	846,352	252,974
Stanbic Bank Ghana Ltd.	86,446	37,326
	<b>1,693,089</b>	<b>1,237,442</b>
<b>15 DIVIDEND PAYABLE</b>	<b>2011</b>	<b>2010</b>
	<b>GH¢</b>	<b>GH¢</b>
Balance at 1st January	640,000	640,000
Dividend Proposed	500,000	440,000
Dividend Paid	(510,000)	(440,000)
Balance at 31st December	<b>630,000</b>	<b>640,000</b>
<b>16 LOANS AND BORROWINGS</b>	<b>2011</b>	<b>2010</b>
	<b>GH¢</b>	<b>GH¢</b>
Ecobank Ghana Limited	2,647,593	4,633,356
Stanbic Bank Limited	1,514,055	2,200,275
G. C. B. Loan (Redundancy)	-	144,177
	<b>4,161,648</b>	<b>6,977,808</b>
Current Portion	<b>2,860,767</b>	<b>3,004,944</b>
Long Term Portion	<b>1,300,881</b>	<b>3,972,864</b>

### 17 STATED CAPITAL

The company is registered with 100 million Ordinary Shares of no par value of which 43 million Ordinary Shares have been issued.

The issued shares have been fully paid for and there are no shares in treasury.

### 18 CAPITAL SURPLUS

This was as a result of assets revaluation undertaken in 1995 and 2005 by William Ofori & Co. (Valuers, Estate Managers, Development and Tax Consultants).

Portion of the capital surplus realised amounting to GH¢1,949,847 was transferred to Income Surplus on the 31st December 2011.

## Notes to the Accounts

### for the year ended 31st December 2011

**19 STATUTORY RESERVE FUND**

The Board of Directors approved the transfer of 10% of the Net Profit after taxes and before dividend into a statutory reserve fund. The creation of the reserve fund is in accordance with section 42 of the Regulation of Graphic Communications Group Limited.

**20 TURNOVER**

	<b>2011 GH¢</b>	<b>2010 GH¢</b>
Newspapers	16,081,100	14,188,887
Advertisement	14,098,306	13,277,541
	<b>30,179,406</b>	<b>27,466,428</b>

**21 OPERATING PROFIT**

	<b>2011 GH¢</b>	<b>2010 GH¢</b>
Was stated after charging		
Audit Fees	38,000	35,000
Depreciation	1,242,163	911,850
Directors Fees	129,159	138,489
Donations	6,175	5,332
	<b>1,415,497</b>	<b>1,090,671</b>

**22 EXCEPTIONAL ITEM**

A charge of GH¢1,000,000 has been made for the cost of business restructuring. This cost comprises redundancy and severance cost.

## We're committed to the training of quality journalists



• Our commitment to the training of journalists in the country remains unshaken. This is evidenced by the company's continuous sponsorship of the Overall Best Student Award of the Ghana Institute of Journalism (GIJ) and the Best Journalism Student award of the African University College of Communications (AUCC). Here, our MD supported by the Rector of the GIJ, Mr David Newton and Ambassador Kabral Blay-Amihere, Chairman of the National Media Commission presents the prize to the 2011 award winner, Ms Joyce Hilda Aboagye.



• The Editor of Graphic Showbiz, Nanabanyin Dadson presents the Best Journalism Student Award of the African University College of Communications to Ms. Joyce Boadi

## Our Regional & District Offices

### Ashanti/BA Zone

Zonal Head Office  
P.O. Box 2109 Kumasi  
Tel: 032-2025387  
Fax: 032-2038955  
Email: Ksigraphic@yahoo.com  
Location: Graphic Nsempa  
Hse. Opp. Zion School  
Asafo, Kumasi

### Central Region

Regional Office  
P.O. Box 425 Cape Coast  
Tel: 033-2132550  
Fax: 033-2132179  
Location: G.C.B Building,  
near Cape Coast Castle  
Cape Coast

### Brong Ahafo Region

Regional Office  
P.O. Box 129, Sunyani  
Tel: 035-2027244  
Fax: 035-2027174  
Location: Cocoa House  
Building, Fourth Floor  
Area One, Sunyani.

### Western/Central Zone

Zonal Head Office  
P.O. Box 216,  
Takoradi  
Tel: 031-2024320  
Tel/Fax: 031-2023013  
Location: 121 Liberation  
Road, near National  
Investment Bank, Takoradi

### Eastern/Volta Zone

Zonal Head Office  
P.O. Box KF18  
Koforidua  
Tel/Fax: 034-2023283  
Location: Tema House,  
Near SIC Building  
Koforidua

### Upper East Region

Regional Office  
P.O. Box 175  
Bolgatanga  
Tel: 038-2022495  
Fax: 038-2022494  
Location: Ghana Commercial  
Bank Building  
Bolgatanga

### Upper West Region

Regional Office  
P.O. Box: 57, Wa  
Tel/Fax: 039-2022198  
Location: Block D, Regional  
Administration, Wa

### Northern Zone

Zonal Head Office  
P.O. Box 423  
Tamale  
Tel: 037-2022823  
Fax: 037-2022901  
Location: Third Floor, GCB  
Building, off main Bolga  
Road, Tamale

### Obuasi District Office

P.O. Box 55  
Obuasi  
Tel: 032-2440472  
Fax: 032-2440850  
Location: Old Council  
Block, off Golf Course  
Road, Obuasi

### Tema Zone

P.O. Box 1411  
Tema  
Tel: 030-3910000/3202698  
Fax: 022204281  
Location: Kristal Plaza  
Building,  
near Evergreen Supermarket  
Community 4, Tema

### Akim Oda District Office

P.O. Box 65  
Akim Oda  
Tel/Fax: 02429-22317  
Location: Goil Filling Station  
Nkwantanum Road  
Akim-Oda

### Volta Region

P.O. Box HP60  
Ho  
Tel: 036-2026251  
Fax: 036-2028073  
Location: Ghana News  
Agency Building,  
Opposite High Court  
Ho



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