

# GRAPHIC COMMUNICATIONS GROUP LIMITED

CONSOLIDATED FINANCIAL STATEMENTS  
FOR  
THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019

*Audit Service, Ghana*  
*P.O.Box M96*  
*Ministries*  
*ccra*



*Transparency, probity  
and accountability*

**GRAPHIC COMMUNICATIONS GROUP LIMITED****CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 2019****ANNUAL REPORTS AND FINANCIAL STATEMENTS**

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**GRAPHIC COMMUNICATIONS GROUP LIMITED****CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31ST DECEMBER, 2019

**CORPORATE INFORMATION****BOARD OF DIRECTORS**

Prof. Kwame Karikari- Chairman  
 Dr. Kwame Nyamekye  
 Daniel Addai  
 Paul Osei Barima  
 Dr. Rita L Reindorf  
 Dr. Valentin Kwasi Mensah  
 Ivy Austin  
 Alhaji Mohammed Y Twumasi  
 Ato Afful (MD)

**COMPANY SECRETARY**

Mr Stephen Sah

**EXECUTIVE MANAGEMENT**

Ato Afful (MD)  
 Peggy Addo  
 Erasmus Akuffo-Badoo  
 Charles Ntiamoah Amoako  
 Kwabena Baah Adade  
 Franklin Sowah  
 Mavis Kitcher  
 Stephen Sah

**REGISTERED OFFICE**

No. 3 Graphic Road  
 P.O Box 742  
 Accra

**AUDITORS**

Audit Service Ghana  
 P.O.Box M96  
 Ministries - Accra

**REGIONAL AND DISTRICT OFFICES**

Kumasi, Cape Coast, Sunyani, Ho, Takoradi  
 Koforidua, Bolgatanga, Wa, Tamalé, Obuasi  
 Tema and Akim Oda

**BANKERS**

GCB Bank Limited  
 Ecobank Ghana Limited  
 Guaranty Trust Bank Limited  
 Stanbic Bank Limited  
 Consolidated Bank Ghana Limited

**GRAPHIC COMMUNICATIONS GROUP LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2019**

**REPORT OF THE DIRECTORS**  
**TO THE MEMBERS OF GRAPHIC COMMUNICATIONS GROUP LIMITED**

In accordance with the Companies Act, 2019 (Act 992) the Directors have the pleasure in presenting their report and the financial statements of the Group for the year ended 31 December 2019.

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors are responsible for the preparation and fair presentation of the Financial Statements, comprising the Statements of Financial Position as at 31 December 2019, the Statement of Profit or Loss and Other Comprehensive Income, the Statements of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Report Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992).

The Director's responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, making accounting estimates that are reasonable in the circumstances.

The Directors have made an assessment of the Group's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

**FINANCIAL STATEMENTS AND DIVIDEND**

The results for the year are as set out in the attached financial statements.

The Directors do not recommend the payment of a dividend for the year under review (2017 GH¢Nil)

The Directors consider the state of the company's affairs to be satisfactory.



**GRAPHIC COMMUNICATIONS GROUP LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2019**

**REPORT OF THE DIRECTORS**  
**TO THE MEMBERS OF GRAPHIC COMMUNICATIONS GROUP LIMITED**

**NATURE OF BUSINESS**

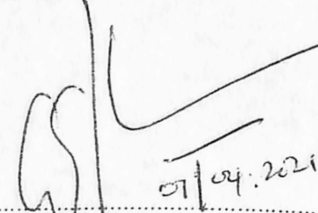
The principal activities of Graphic Communications Group Limited is to print and publish newspapers and provide advertisement services, whereas the subsidiary, G-Pak Limited, is to provide pre-press, press and post press services. There was no change in the nature of the business during the year.

**CHANGE IN DIRECTORS**

There was no change in directors during the year.

**APPROVAL OF FINANCIAL STATEMENTS**

The Financial Statements of the company as indicated above were approved by the Board of Directors on ..... and are signed on its behalf by:

  
.....  
DIRECTOR

Date 07/04/2021 ..... 2021

  
.....  
DIRECTOR

06 April, 2021



# **Graphic Communications Group Limited**

## *Independent Auditor's Report to the Members of the Graphic Communications Group Limited*

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### **Report on the Audit of Graphic Communications Group Limited's Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying Consolidated Financial Statements of Graphic Communications Group Limited and its Subsidiary set out on pages 9 to 23. These Financial Statements comprise the Statement of Financial Position as at 31<sup>st</sup> December, 2019 the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements including a summary of significant accounting policies and other disclosures.

In our opinion, the Consolidated Financial Statements give a true and fair view of the financial position of the Company as at 31<sup>st</sup> December, 2019 and the financial performance and Cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS), and in the manner required by the Companies Act 2019, (Act 992).

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards for 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 *Graphic Communication Group Limited* 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 Report of the Directors, which we obtained prior to the date of this auditor's report. The other information 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 Consolidated 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. Based on the work we have performed on other information that we obtained prior to the date of this auditor's report, if we conclude 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

#### ***Directors Responsibilities for the Financial Statements***

The Directors are responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) in a manner required by the Companies Act 2019 (Act 992) and for such internal control as the Directors determine is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement whether due to fraud or error. In preparing the Consolidated Financial Statements, the Directors are responsible for assessing the company'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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. The Directors are responsible for overseeing the company's Financial Reporting.

#### ***Auditor's Responsibility for the audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Financial Reporting Standards (IFRS), which is consistent with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, 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 International Financial Reporting Standard (IFRS) which is consistent with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, we exercised professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 *Company's* internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Director'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 *Company'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 *Company* to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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.

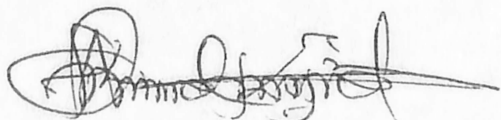
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were most significant in the audit of the Company's Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless laws or regulations preclude public disclosures about the matter or when in extreme circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and Regulatory Requirements**

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

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. in our opinion proper books of account have been kept by the Company and its Subsidiaries, so far as appears from our examination of those books; and
- iii. the Company's balance sheet (included in the Statement of Financial Position) and Profit and loss account (included in the Statement of Comprehensive Income) are in agreement with the books of account.



**JOHN GODFRED KOJO ADDISON**  
**ASST. AUDITOR-GENERAL/CAD**  
 for: **AG. AUDITOR-GENERAL**

06 April  
 March, 2021

## GRAPHIC COMMUNICATIONS GROUP LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019

Assets	Notes	Group		Company	
		2019 GHC	2018 GHC	2019 GHC	2018 GHC
<b>Non-current assets</b>					
Property, Plant and Equipment	9	19,244,281	19,139,259	15,042,382	16,279,285
Investment property	10	316,454	334,902	316,454	334,902
Intangible assets		6,401	739	-	-
Investment in subsidiary		-	-	3,567,148	3,567,148
Equity available for sale investment	8	1,483,636	1,265,454	1,483,636	1,265,454
Deferred tax asset		-	-	-	-
<b>Total non-current assets</b>		<b>21,050,772</b>	<b>20,740,354</b>	<b>20,409,621</b>	<b>21,446,789</b>
<b>Current assets</b>					
Inventories	11	3,506,464	3,274,781	866,544	1,618,887
Held-to-maturity investment		428,191	1,146,149	-	-
Trade and other receivables	13	33,764,881	32,929,002	28,723,022	28,708,752
Cash and cash equivalent	12	2,614,584	3,669,763	2,460,498	2,384,909
Current tax asset		1,085,164	-	1,085,164	-
<b>Total current assets</b>		<b>41,399,283</b>	<b>41,019,695</b>	<b>33,135,227</b>	<b>32,712,548</b>
<b>Total assets</b>		<b>62,450,055</b>	<b>61,760,049</b>	<b>53,544,848</b>	<b>54,159,337</b>
<b>Equity and Liabilities</b>					
		Group		Company	
		2019 GHC	2018 GHC	2019 GHC	2018 GHC
<b>Capital and reserves</b>					
Stated Capital	15	2,500,000	2,500,000	2,500,000	2,500,000
Statutory reserve	16	4,599,836	4,459,057	4,247,262	4,125,644
Revaluation Reserve	17	1,419,091	1,200,909	1,419,091	1,200,909
Capital Surplus	18	1,437,736	1,574,894	1,437,736	1,574,894
Income Surplus		30,716,393	28,798,559	27,453,905	26,514,752
<b>Total equity</b>		<b>40,673,056</b>	<b>38,533,419</b>	<b>37,057,994</b>	<b>35,916,199</b>
<b>Non-current liabilities</b>					
Borrowings	19	1,252,274	1,922,857	1,252,274	1,922,857
Deferred tax liabilities		1,981,248	2,392,606	1,416,881	1,416,881
<b>Total non-current liabilities</b>		<b>3,233,522</b>	<b>4,315,463</b>	<b>2,669,155</b>	<b>3,339,738</b>
<b>Current liabilities</b>					
Bank overdraft		4,566,211	5,141,789.27	4,546,667	5,141,789
Trade and other payables	14	13,555,496	13,062,874	9,271,033	9,588,952
Current tax liabilities	7	421,770	706,504	-	172,660
<b>Total current liabilities</b>		<b>18,543,478</b>	<b>18,911,167</b>	<b>13,817,699</b>	<b>14,903,401</b>
<b>Total liabilities</b>		<b>21,776,999</b>	<b>23,226,630</b>	<b>16,486,854</b>	<b>18,243,138</b>
<b>Total equity and liabilities</b>		<b>62,450,055</b>	<b>61,760,049</b>	<b>53,544,848</b>	<b>54,159,337</b>

DIRECTOR

Date *01/04/2021* 2021

DIRECTOR

Date *06 April*, 2021



## GRAPHIC COMMUNICATIONS GROUP LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Group		Company	
		2019 GHC	2018 GHC	2019 GHC	2018 GHC
Revenue	1	68,302,497	69,705,449	56,406,973	56,867,509
Cost of sales	2	<u>(34,776,402)</u>	<u>(38,096,438)</u>	<u>(26,187,650)</u>	<u>(29,987,758)</u>
<b>Gross profit</b>		<b>33,526,095</b>	<b>31,609,011</b>	<b>30,219,323</b>	<b>26,879,751</b>
Other income	3	3,036,328	2,389,193	2,884,964	2,143,688
Selling and distribution expenses	4	(7,836,160)	(8,682,515)	(7,836,160)	(7,688,915)
Administration expenses	5	<u>(24,504,949)</u>	<u>(24,294,955)</u>	<u>(21,876,431)</u>	<u>(22,008,859)</u>
<b>Operating profit</b>		<b>4,221,315</b>	<b>1,020,734</b>	<b>3,391,697</b>	<b>(674,335)</b>
Finance costs	6	(1,441,388)	(941,201)	(1,384,197)	(941,201)
<b>Profit before tax</b>		<b>2,779,927</b>	<b>79,533</b>	<b>2,007,500</b>	<b>(1,615,536)</b>
Income tax expense	7	<u>(1,372,133)</u>	<u>411,754</u>	<u>(791,324)</u>	<u>865,874</u>
<b>Profit for the year</b>		<b>1,407,795</b>	<b>491,287</b>	<b>1,216,176</b>	<b>(749,662)</b>
Transfer to Statutory Reserve		140,779	-	121,618	-
		<b>1,267,015</b>	<b>491,287</b>	<b>1,094,559</b>	<b>(749,662)</b>
Other comprehensive income for the year	8	<u>218,182</u>	<u>(567,273)</u>	<u>218,182</u>	<u>(567,273)</u>
<b>Total comprehensive income</b>		<b><u>1,485,197</u></b>	<b><u>(75,985)</u></b>	<b><u>1,312,740</u></b>	<b><u>(1,316,935)</u></b>
Profit attributable to:					
Owners of the Company					
Non-controlling Interests					
Total comprehensive income attributable to:					
Owners of the Company					
Non-controlling Interests					

## GRAPHIC COMMUNICATIONS GROUP LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Group		Company	
		2019 GHC	2018 GHC	2019 GHC	2018 GHC
<b>Operating activities</b>					
Profit before tax		2,779,927	79,533	2,007,500	(1,615,536)
<b>Adjustments for non-cash income and expenses:</b>					
Depreciation of property, plant and equipment		3,537,028	2,980,736	3,035,167	2,364,803
Dividend received		(80,291)	(26,764)	(80,291)	(26,764)
Interest income		(83,159)	(316,238)	(83,159)	(70,733)
Interest expense		1,441,388	941,202	1,384,197	941,202
<b>Cash flow from operating activities</b>		<b>7,594,893</b>	<b>3,658,469</b>	<b>6,263,413</b>	<b>1,592,972</b>
<b>Change in:</b>					
Inventory		929,783	1,339,459	1,107,128	477,088
Trade and other receivables		(835,879)	(3,672,239)	(14,271)	(3,323,314)
Trade and other payables		760,697	(1,257,980)	1,021,428	496,525
<b>Cash generated from operations</b>		<b>8,449,493</b>	<b>67,710</b>	<b>8,377,699</b>	<b>(756,729)</b>
Income taxes paid		(250,000)	(1,134,249)	(250,000)	(1,134,249)
Interest expense		(1,441,388)	(941,202)	(1,384,197)	(941,202)
		-	-	-	-
<b>Net cash flows from operations</b>		<b>6,758,106</b>	<b>(2,007,741)</b>	<b>6,743,503</b>	<b>(2,832,180)</b>
<b>Cash flows from investing activities</b>					
Purchases of equipment		(3,804,759)	(2,847,008)	(1,960,974)	(2,119,876)
Increase in held to maturity investments		717,958	(1,146,149)	-	-
Dividend income		80,291	26,764	80,291	26,764
Interest income		83,159	316,238	83,159	70,733
Proceeds from disposal		346,860	-	346,860	-
<b>Net cash used in investing activities</b>		<b>(2,576,491)</b>	<b>(3,650,155)</b>	<b>(1,450,664)</b>	<b>(2,022,379)</b>
<b>Cash flows from financing activities</b>					
Borrowings		(670,583)	(503,507)	(670,583)	(503,507)
Bank overdraft		(4,566,211)	5,141,789	(4,546,667)	5,141,789
<b>Net cash used in financing activities</b>		<b>(5,236,794)</b>	<b>4,638,282</b>	<b>(5,217,249)</b>	<b>4,638,282</b>
<b>Net decrease/(increase) in cash and cash equivalents</b>		<b>(1,055,179)</b>	<b>(1,019,614)</b>	<b>75,589</b>	<b>(216,277)</b>
Balance at 1 January		3,669,763	4,689,377	2,384,909	2,601,186
<b>Cash and cash equivalents at end of year</b>		<b>2,614,584</b>	<b>3,669,763</b>	<b>2,460,498</b>	<b>2,384,909</b>

## GRAPHIC COMMUNICATIONS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31ST DECEMBER 2019

## 1. REVENUE

## (a) Net Revenue

	2019		2018	
	Group		Company	
	GHS	GHS	GHS	GHS
Calender sales	307,183	461,893	-	-
Label Sales	1,644,482	2,129,236	-	-
FHI Sales	1,548,336	-	-	-
Magazine Sales	13,956	85,414	-	-
Newspaper sales	72,261	83,100	-	-
Other Sales	2,145,117	4,857,155	-	-
Poster Sales	368,371	78,553	-	-
Printing of Commercial Bks	5,605,890	4,818,441	-	-
Skillet Sales	189,930	324,148	-	-
Daily Graphic Sales	17,040,250	20,216,254	17,040,250	20,216,254
The Mirror Sales	1,257,864	1,953,315	1,257,864	1,953,315
Graphic Sports Sales	213,673	503,202	213,673	503,202
Graphic Showbiz Sales	176,594	222,310	176,594	222,310
Junior Graphic Sales	1,586,860	2,130,343	1,586,860	2,130,343
Advertising Sales	39,843,456	37,682,086	39,843,456	37,682,086
Graphic Business Sales	482,870	366,535	482,870	366,535
Sales Returns	(4,194,593)	(6,206,537)	(4,194,593)	(6,206,537)
	<u>68,302,497</u>	<u>69,705,449</u>	<u>56,406,973</u>	<u>56,867,509</u>

## (b) Sales Returns

	2019		2018	
	Group		Company	
	GHS	GHS	GHS	GHS
Daily Graphic Sales	2,663,121	4,305,206	2,663,121	4,305,206
The Mirror Sales	361,668	569,615	361,668	569,615
Graphic Sports Sales	81,989	175,842	81,989	175,842
Graphic Showbiz Sales	67,773	125,482	67,773	125,482
Junior Graphic Sales	236,746	346,467	236,746	346,467
Advertising Sales	742,516	629,628	742,516	629,628
Graphic Business Sales	40,779	54,297	40,779	54,297
	<u>4,194,593</u>	<u>6,206,537</u>	<u>4,194,593</u>	<u>6,206,537</u>

## 2. COST OF SALES

	2019		2018	
	Group		Company	
Opening Stock of Materials	1,054,497	2,518,266	-	-
Purchases	13,845,981	14,791,200	9,007,960	10,872,093
Closing Stock of Materials	(1,894,515)	(1,655,894)	-	-
Other Direct Expenses	3,305,323	2,465,619	1,643,807	1,698,638
Staff Emoluments	14,224,469	14,964,465	12,894,699	13,735,665
Power and Water	1,062,308	1,115,267	913,297	852,807
Maintenance - Machinery	1,168,326	2,312,400	544,711	1,657,796
FHI 360 Distribution Cost	513,331	-	-	-
Operating Lease Rent	-	60,000	-	-
Depreciation	1,603,047	1,522,014	1,183,175	1,170,759
Maintenance - Factory Building	37,641	3,101	-	-
Other Stock Movement	(144,007)	-	-	-
	<u>34,776,402</u>	<u>38,096,438</u>	<u>26,187,650</u>	<u>29,987,758</u>

## 3. OTHER INCOME

	Group		Company	
	2019	2018	2019	2018
Third Party Printing	93,200	44,265	93,200	44,265
Dividend income	80,291	26,764	80,291	26,764
Interest income	145,092	70,733	83,159	70,733
Sundry incomes	1,658,343	853,715	1,658,343	853,715
Rent income	360,870	484,972	360,870	484,972
Disposal of Fixed Assets	-	55,300	-	55,300
Exchange gain	5,276	2,025	-	-
Investment Income	84,155	243,480	-	-
Courier services	227,385	113,253	227,385	113,253
Graphic Print Supplies	-	214,674	-	214,674
Online adverts	46,488	88,954	46,488	88,954
Content Marketing	335,228	191,058	335,228	191,058
	<u>3,036,328</u>	<u>2,389,193</u>	<u>2,884,964</u>	<u>2,143,688</u>

## 4. SELLING AND DISTRIBUTION EXPENSES

	Group		Company	
	2019	2018	2019	2018
Deliveries and Postages	227,351	1,263,436	227,351	269,836
Fuel and Lubricants	1,114,343	975,007	1,114,343	975,007
Motor Vehicle Expenses	613,517	767,409	613,517	767,409
Staff Emoluments	4,051,668	4,620,586	4,051,668	4,620,586
Wrappers	173,259	278,988	173,259	278,988
Depreciation	969,576	606,416	969,576	606,416
Marketing, Research & P.R	686,447	170,673	686,447	170,673
	<u>7,836,160</u>	<u>8,682,515</u>	<u>7,836,160</u>	<u>7,688,915</u>

## 5. GENERAL AND ADMINISTRATIVE EXPENSES

	Group		Company	
	2019	2018	2019	2018
Wages and Salaries	7,982,739	8,441,592	6,931,369	7,601,547
Depreciation	1,064,781	852,307	884,916	685,596
Power and Water - Indirect	622,892	920,189	580,718	813,048
Printing and Stationery	409,980	527,790	409,680	527,487
Communication Expenses	422,680	384,374	414,046	373,928
Medicals	692,978	834,998	682,635	823,828
Consultancy	722,274	752,286	722,274	752,286
Protocol	32,619	182,926	32,619	38,034
Audit Fee	62,904	86,164	44,423	65,000
Bank Charges	182,429	227,716	182,429	167,141
Other staff costs	820,083	737,585	797,367	682,941
Business Promotion	498,012	59,959	67,384	59,959
Recruitment expense	6,590	22,726	6,590	22,726
Cleaning and Sanitation	327,642	294,293	302,182	276,293
Board Allowance/Expenses	373,872	456,675	322,390	381,506
Staff Training/Seminars	269,141	407,812	269,141	407,812
Repairs and maintenance	940,566	1,667,419	864,763	1,565,191
Travelling and transport	448,990	209,297	183,845	209,297
Donations	50,137	36,075	41,937	33,075
Foreign Travel	24,285	132,188	24,285	24,008
Rent	138,273	160,266	138,273	160,266
Insurance	306,424	343,952	280,917	315,241
Retirement/Death Benefits	4,080,482	1,774,293	4,080,482	1,774,293
Sundry expenses	294,975	1,002,460	201,239	826,293
Security Services	673,586	755,178	673,586	755,178
Bad Debts provision	20,384	503,314	20,384	177,403
Bad Debts Written Off	262,853	31,639	-	-
Exchange Loss	55,820	-	-	-
Fuel Cost	2,099,444	1,882,037	2,099,444	1,882,037
Input VAT	231,885	249,179	231,885	249,179
Long service award	368,431	325,362	368,431	325,362
Scholarship scheme	16,797	32,905	16,797	32,905
	<u>24,504,949</u>	<u>24,294,955</u>	<u>21,876,431</u>	<u>22,008,859</u>

## 6. FINANCE COST

	Group		Company	
	2019	2018	2019	2018
Interest on overdraft	969,010	301,748	911,819	301,748
Interest on PU Panel Loan	472,378	639,453	472,378	639,453
	<u>1,441,388</u>	<u>941,201</u>	<u>1,384,197</u>	<u>941,201</u>



**7. TAXATION - 2019**

Year of Assessment

	Chargeable <u>Income</u> GH¢	Tax <u>Charged</u> GH¢	Tax <u>Paid</u> GH¢	Tax <u>Outstanding</u> GH¢
Balance at 31.12.2015				406,416
2016	8,791,868	2,197,967	2,628,388	(430,421)
2016 (Tax Audit)	-	3,741,314	2,596,000	1,145,314
2017	8,791,868	1,985,600	1,800,000	185,600
2018	(878,302)	-	1,134,249	(1,134,249)
2019	3,497,516	791,324	250,000	541,324
	<u>20,202,950</u>	<u>8,716,205</u>	<u>7,024,388</u>	<u>713,983</u>

**Tax charged for Group:**

Company	(791,324)
Subsidiary	(580,809)
<b>Total per Group</b>	<u><b>(1,372,133)</b></u>

**8. AVAILABLE-FOR-SALE-INVESTMENT****(a) Details of listed securities**

	Group		Company	
	2019	2018	2019	2018
GCB Bank Shares	<u>1,483,636</u>	<u>1,265,454</u>	<u>1,483,636</u>	<u>1,265,454</u>

**(b) Fair value movement of investments**

	Group		Company	
	2019	2018	2019	2018
Balance at 01/01	1,265,454	1,832,727	1,265,454	1,832,727
Fair value movement	<u>218,182</u>	<u>(567,273)</u>	<u>218,182</u>	<u>(567,273)</u>
	<u><b>1,483,636</b></u>	<u><b>1,265,454</b></u>	<u><b>1,483,636</b></u>	<u><b>1,265,454</b></u>

**11. INVENTORY**

	Group		Company	
	2019	2018	2019	2018
Stock of raw materials	2,644,848	2,476,894	750,333	1,422,397
Work in Progress	283,940	277,909	-	-
Spare Parts	116,439	187,197	71,572	132,644
Finished Goods	416,598	268,936	-	-
Stationery	11,398	27,397	11,398	27,397
Fuel and lubricants	33,241	36,450	33,241	36,450
	<u><b>3,506,464</b></u>	<u><b>3,274,783</b></u>	<u><b>866,544</b></u>	<u><b>1,618,887</b></u>



## 12A. CASH AND CASH EQUIVALENT

	Group		Company	
	2019	2018	2019	2018
Bank balance	1,726,343	1,770,003	1,572,257	1,468,953
Cash in hand	200,428	265,478	200,428	256,391
Short term investments	687,813	1,634,282	687,813	659,565
	<u>2,614,584</u>	<u>3,669,763</u>	<u>2,460,498</u>	<u>2,384,909</u>

## 12B. RECONCILIATION OF CASH AND BANK BALANCES TO CASH FLOW STATEMENT

	Group		Company	
	2019	2018	2019	2018
Cash and cash equivalent	<u>2,614,584</u>	<u>3,669,763</u>	<u>2,460,498</u>	<u>2,384,909</u>
	<u>2,614,584</u>	<u>3,669,763</u>	<u>2,460,498</u>	<u>2,384,909</u>

## 13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019	2018	2019	2018
Trade debtors	34,646,064	33,077,256	29,253,742	28,973,232
Staff loans	43,661	72,679	43,661	72,679
Prepayments	56,922	3,690	56,922	3,690
Sundry receivables	231,631	346,646	148,224	230,421
G-PAK Limited - Transactions	-	468,239	433,870	468,239
G-PAK Limited - FHI Transactions	100,000	-	100,000	-
G-PAK Limited - Print Supplies	-	(1,238)	-	(1,238)
G-PAK Limited - Textbooks	204,163	458,904	204,163	458,904
Provision for impairment	(1,517,560)	(1,497,176)	(1,517,560)	(1,497,176)
	<u>33,764,881</u>	<u>32,929,000</u>	<u>28,723,022</u>	<u>28,708,752</u>

## 14. TRADE AND OTHER PAYABLES

	Group		Company	
	2019	2018	2019	2018
Trade and other payables	10,030,012	9,682,418	6,608,810	6,913,445
Staff accrued expenses	1,414,154	1,598,200	1,414,154	1,598,200
Deposits	53,489	50,939	53,489	50,939
Sundry payables	1,994,937	1,645,153	1,150,157	961,368
Accrued audit fees	62,904	86,164	44,423	65,000
	<u>13,555,496</u>	<u>13,062,874</u>	<u>9,271,033</u>	<u>9,588,952</u>

## 15. STATED CAPITAL

The Company is registered with 100 million ordinary shares of no par value of which 43 million shares have been issued as follows:

	No. of Shares (Million)	Value of Shares	
		2019 GHC	2018 GHC
Authorised Share Capital	<u>100</u>		
Issued and fully paid			
Issued for cash at 1 GHP/share	20	200,000	200,000
Issued for cash at 10 GHP/share	23	2,300,000	2,300,000
	<u>43</u>	<u>2,500,000</u>	<u>2,500,000</u>

**16. STATUTORY RESERVE**

The Board of Directors approved the transfer of 10% of 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 Regulations of Graphic Communications Group Limited.

**17. REVALUATION RESERVE**

	Group		Company	
	2019	2018	2019	2018
Balance b/f	1,200,909	1,768,182	1,200,909	1,768,182
Revaluation Surplus/(Impairment)	218,182	(567,273)	218,182	(567,273)
Balance c/f	<u>1,419,091</u>	<u>1,200,909</u>	<u>1,419,091</u>	<u>1,200,909</u>

**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 GHC1,949,847 was transferred to Income Surplus on the 31st December 2011 and GHC137,158 was transferred from 2012 to 2016. In 2014 a further GHC833,296 was written off to cater for net book value of the cluster of buildings which were pulled down to pave way for the construction of the new press building. The annual transfer of GHS 137,158 has also been transferred to Income Surplus for 2019.

**19. BORROWINGS**

	Group		Company	
	2019	2018	2019	2018
	GHC	GHC	GHC	GHC
GCB Loan (PU Panel)	<u>1,252,274</u>	<u>1,922,857</u>	<u>1,252,274</u>	<u>1,922,857</u>
	<u>1,252,274</u>	<u>1,922,857</u>	<u>1,252,274</u>	<u>1,922,857</u>

## 9A PROPERTY, PLANT AND EQUIPMENT - COMPANY

	New Press Building GH¢	Land & Buildings GH¢	Plant & Machinery GH¢	New Press Plant/Mach. GH¢	Motor Vehicles GH¢	I. T. Equipment GH¢	Other Off. Equipment GH¢	Furniture & Fittings GH¢	Totals GH¢
<b>COST</b>									
At 1st Jan. 2019	5,948,880	4,937,029	(0)	11,731,210	6,811,262	4,477,400	1,304,256	956,915	36,166,951
Additions	-	-	-	166,769	801,522	518,119	265,219	209,344	1,960,974
Disposal	-	-	-	-	(936,695)	-	-	-	(936,695)
At 31st Dec. 2019	<u>5,948,880</u>	<u>4,937,029</u>	<u>(0)</u>	<u>11,897,979</u>	<u>6,676,089</u>	<u>4,995,519</u>	<u>1,569,474</u>	<u>1,166,259</u>	<u>37,191,230</u>
<b>DEPRECIATION</b>									
At 1st Jan. 2019	1,160,402	2,079,584	(0)	7,760,217	4,049,498	3,018,377	1,047,597	771,991	19,887,666
Charge for the Year	170,891	182,683	-	1,183,175	969,576	250,654	165,098	94,643	3,016,720
Disposal	-	-	-	-	(755,538)	-	-	-	(755,538)
At 31st Dec. 2019	<u>1,331,293</u>	<u>2,262,267</u>	<u>(0)</u>	<u>8,943,392</u>	<u>4,263,536</u>	<u>3,269,031</u>	<u>1,212,694</u>	<u>866,634</u>	<u>22,148,847</u>
<b>NET BOOK VALUE</b>									
At 31st Dec. 2019	<u>4,617,587</u>	<u>2,674,762</u>	<u>-</u>	<u>2,954,588</u>	<u>2,412,553</u>	<u>1,726,488</u>	<u>356,780</u>	<u>299,625</u>	<u>15,042,382</u>
At 31st Dec. 2018	<u>4,788,478</u>	<u>2,857,445</u>	<u>-</u>	<u>3,970,993</u>	<u>2,761,764</u>	<u>1,459,022</u>	<u>256,659</u>	<u>184,923</u>	<u>16,279,285</u>

## 10 INVESTMENT PROPERTY - COMPANY

	Investment Property GH¢
<b>COST</b>	
At 1st Jan. 2019	554,156
Additions	-
Disposal/Transfer	-
	<u>554,156</u>
	<u>554,156</u>
<b>DEPRECIATION</b>	
At 1st Jan. 2019	219,255
Charge for the Year	18,447
Disposal/ Adjustment	-
At 31st Dec. 2019	<u>237,702</u>
	<u>237,702</u>
<b>NET BOOK VALUE</b>	
At 31st Dec. 2019	<u>316,454</u>
	<u>316,454</u>
At 31st Dec. 2018	<u>334,902</u>
	<u>334,902</u>

## 9B PROPERTY, PLANT AND EQUIPMENT - GROUP

COST	New Press Building GH¢	Land & Buildings GH¢	Plant & Machinery GH¢	New Press Plant/Mach. GH¢	Motor Vehicles GH¢	I. T. Equipment GH¢	Other Off. Equipment GH¢	Furniture & Fittings GH¢	Totals GH¢
At 1st Jan. 2019	5,948,879	4,937,029	4,299,622	12,233,343	7,315,546	4,481,389	1,866,145	1,102,972	42,184,927
Additions	-	-	1,497,523	166,769	1,068,914	525,319	331,089	215,144	3,804,759
Disposal	-	-	-	-	(936,695)	-	-	-	(936,695)
At 31st Dec. 2019	5,948,879	4,937,029	5,797,145	12,400,113	7,447,765	5,006,708	2,197,234	1,318,117	45,052,990
DEPRECIATION									
At 1st Jan. 2019	1,160,402	2,079,584	2,362,503	8,066,825	4,173,132	3,018,963	1,353,583	830,675	23,045,667
Charge for the Year	170,891	182,683	376,848	1,085,299	1,095,353	252,192	237,482	117,832	3,518,581
Disposal	-	-	-	-	(755,538)	-	-	-	(755,538)
At 31st Dec. 2019	1,331,293	2,262,267	2,739,351	9,152,125	4,512,947	3,271,155	1,591,065	948,507	25,808,710
NET BOOK VALUE									
At 31st Dec. 2019	4,617,586	2,674,762	3,057,794	3,247,988	2,934,818	1,735,553	606,169	369,610	19,244,281
At 31st Dec 2018	4,788,477	2,857,445	1,937,119	4,166,518	3,142,414	1,462,426	512,562	272,297	19,139,259

## GRAPHIC COMMUNICATIONS GROUP LIMITED

## STATEMENT OF CHANGES IN EQUITY

Group	Stated capital GH¢	Revaluation Reserve GH¢	Statutory Reserve GH¢	Capital Surplus GH¢	Retained Earnings GH¢	Total equity GH¢
Year ended 31 December 2019						
Balance at 1 January 2019	2,500,000	1,200,909	4,459,057	1,574,894	28,401,570	38,136,430
Profit for the year					1,407,795	1,407,795
Transfer to Statutory Reserve			140,779		(140,779)	-
Transfer from Capital Surplus				(137,158)	137,158	-
Fair value of Available-for-Sale Assets		218,182				218,182
Prior Year Adjustment					910,650	910,650
<b>Balance at 31 December 2019</b>	<b>2,500,000</b>	<b>1,419,091</b>	<b>4,599,836</b>	<b>1,437,736</b>	<b>30,716,393</b>	<b>40,673,056</b>

## Company

Company	Stated capital GH¢	Revaluation Reserve GH¢	Statutory Reserve GH¢	Capital Reserve GH¢	Retained Earnings GH¢	Total equity GH¢
Year ended 31 December 2019						
Balance at 1 January 2019	2,500,000	1,200,909	4,125,644	1,574,894	26,117,763	35,519,210
Profit for the year					1,216,176	1,216,176
Transfer to Statutory Reserve			121,618		(121,618)	-
Transfer from Capital Surplus				(137,158)	137,158	-
Fair value of Available-for-Sale Assets		218,182				218,182
Prior Year Adjustment					104,426	104,426
<b>Balance at 31 December 2019</b>	<b>2,500,000</b>	<b>1,419,091</b>	<b>4,247,262</b>	<b>1,437,736</b>	<b>27,453,905</b>	<b>37,057,994</b>



## GRAPHIC COMMUNICATIONS GROUP LIMITED

COMPUTATION OF TAX LIABILITY FOR THE YEAR 2019

Net Profit Per Financial Statements		2,007,500
Less :		
Unrealised Foreign Exchange Gain	-	
Dividend Received	80,291	
		<u>80,291</u>
		1,927,209
Add Back:		
Depreciation	3,035,167	
Increase in Provision for Doubtful Debts	20,384	
Scholarships	16,797	
Donations	<u>2,537</u>	
		<u>3,074,885</u>
Adjusted Profit		5,002,094
Less Capital Allowances for 2019		<u>2,007,403</u>
<b>CHARGEABLE INCOME</b>		<b>2,994,691</b>
Tax thereon at 25%		<u>748,673</u>
Profit on Disposal of Assets	426,510	
Tax thereon at 10%	42,651	
		<u>42,651</u>
		<u>791,324</u>

CAPITAL ALLOWANCE FOR THE YEAR 2019

DEPRECIABLE ASSETS	ICT <u>CLASS 1</u>	MV & P/M <u>CLASS 2</u>	Equip, F/F <u>CLASS 4</u>	Buildings <u>CLASS 5</u>	<u>TOTAL</u>
Balance b/f 1/1/19	506,527	2,718,130	1,040,542	4,696,052	8,961,252
Disposals	-	(936,695)	-	-	(936,695)
Additions	<u>518,119</u>	<u>968,291</u>	<u>474,563</u>	<u>-</u>	<u>1,960,974</u>
	<u>1,024,647</u>	<u>2,749,727</u>	<u>1,515,106</u>	<u>4,696,052</u>	<u>9,985,530</u>
Capital Allowances	409,859	824,918	303,021	469,605	2,007,403
Total Capital Allowance				2,007,403	

## GRAPHIC COMMUNICATIONS GROUP LIMITED

TAXATION - 2019

Year of Assessment	Chargeable <u>Income</u> GH¢	Tax <u>Charged</u> GH¢	Tax <u>Paid</u> GH¢	Tax <u>Outstanding</u> GH¢
Balance at 31.12.2015				406,416
2016	8,791,868	2,197,967	2,628,388	(430,421)
2016 (Tax Audit)	0	3,741,314	2,596,000	1,145,314
2017	8,791,868	1,985,600	1,800,000	185,600
2018	-	-	1,134,249	(1,134,249)
2019	2,994,691	791,324	250,000	541,324
	<u>20,578,428</u>	<u>8,716,205</u>	<u>8,408,637</u>	<u>713,983</u>