

# **GRAPHIC COMMUNICATIONS GROUP LIMITED**

## **CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2021**

Audit Service, Ghana

P. O. Box M96

Ministries

Accra



*Transparency, probity  
and accountability*

**GRAPHIC COMMUNICATIONS GROUP LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2021**

**ANNUAL REPORTS AND FINANCIAL STATEMENTS**

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**GRAPHIC COMMUNICATIONS GROUP LIMITED  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2021  
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-Badu (Rtd)  
Charles Ntiamoah Amoako  
Samuel Essel  
Franklin Sowa  
Richard Osei Owusu Afriyie  
Stephen Sah

**REGISTERED OFFICE**

No. 3 Graphic Road  
P. O. Box 742  
Accra

**AUDITORS**

Audit Service  
P. O. Box M96  
Ministries – Accra

**REGIONAL & DISTRICT OFFICES**

Kumasi, Cape Coast, Sunyani Ho, Takoradi  
Koforidua, Bolgatanga, Wa, Tamale, 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 31<sup>ST</sup> DECEMBER 2021**

### **REPORT OF THE DIRECTORS**

#### **TO THE MEMBERS OF GRAPHIC COMMUNICATIONS GROUP LIMITED**

The directors present their report and the audited financial statements of Graphic Communications Group Limited for the year ended 31 December 2021, which disclose the state of the affairs of the Group.

The directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 31 December 2021, the Statement of Profit or Loss and Other Comprehensive Income, the statement of changes in the Equity and the statement of Cash Flow for the year then ended, and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants, Ghana.

The directors are required to ensure that adequate accounting records are maintained so as to disclose at reasonable adequacy, the financial position of the Group. They are also responsible for steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. They must present financial statements for each financial year, which give a true and fair view of the affairs of the Group, and the results for that period. In preparing these financial statements, they are required to:

- ❖ Select suitable accounting policies and apply them on a consistent basis using reasonable and prudent estimates.
- ❖ State whether or not the Companies Act, 2019 (Act 992) and International Financial Reporting Standards (IFRS) have been adhered to and explain material departures thereto.
- ❖ Use the going concern basis unless it is inappropriate.

The Board acknowledge its responsibility for ensuring the preparation of the annual financial statements in accordance with IFRS and the responsibility of external auditors to report on these financial statements. The Board is responsible for ensuring the maintenance of adequate accounting records and an effective system of internal controls and risk management.

Nothing has come to the board's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business.

The financial statements are prepared from the accounting records on the basis of consistent use of appropriate records supported by reasonable and prudent judgements and estimates that fairly present the state of affairs of the Group. The financial statements have been prepared on a going concern basis and there is no reason to believe that the

Group will not continue as a going concern in the next financial year. The directors confirm that in preparing the financial statements, they have:

- ❖ Selected suitable accounting policies and applied them consistently,
- ❖ Made judgements and estimates that are reasonable and prudent,
- ❖ Followed the International Financial Reporting Standards, and
- ❖ Prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the authority and to enable them ensure that the financial statements comply with the Companies Act, 2019 (Act 992). They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Financial result

The financial results of the company are summarized as follows:

	<b>2021</b>	<b>2020</b>
	<b>GH¢</b>	<b>GH¢</b>
Revenue	64,254,548	55,945,161
Total operating costs	(67,299,231)	(57,886,039)
	-----	-----
Loss for the year	(3,044,683)	(1,940,878)
Other comprehensive income	360,727	(320,000)
	-----	-----
Total comprehensive income	(2,683,955)	(2,260,878)
	=====	=====

### Accounts and Dividend

The detailed financial results for the year are set out in the attached Financial Statements. The Directors do not recommend the payment of dividend for the year ended 31st December, 2021. (2020: Nil)

### Going Concern

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

### Subsidiary

In accordance with the Companies Act, 2019, Act 992, the Directors report that on 31<sup>st</sup> December 2021, G-PAK Limited was a wholly-owned subsidiary of Graphic Communication Group Limited.

**Events after reporting date**

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the authority.

**Directors' interest in contracts**

To our knowledge none of the directors had any interest in contracts entered into during the year under review.

**Independent Auditors**

Ghana Audit Service were the independent auditors for the year under review. Audit incidental expenses charged for the year was GH¢45,220 (2020: GH¢44,422).

**Nature of Business**

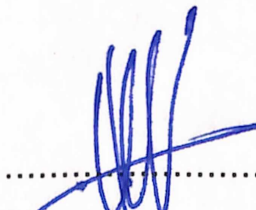
The principal activities of Graphic Communications Group Limited is to print and publish newspapers and provide advertisement services, whereas the subsidiary G-Pak Limited is to provide pre-press, press and post press services. There was no change in the nature of the business during the year.

**Change in Directors**

There was no change in directors during the year.

**Approval of the financial statements**

The financial statements of the Group as indicated above were approved by the Board of Directors on .....and are designed on its behalf by:

  
.....  
**Chairman**  
19/9.....2022

  
.....  
**Managing Director**  
19/09/.....2022



# **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 11 to 25. These Financial Statements comprise the Statement of Financial Position as at 31st December, 2021, 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 accompanying Consolidated Financial Statements give a true and fair view of the financial position of the Company as at 31st December, 2021 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), the Public Financial Management Act, 2016 (Act 921) and Public Financial Management Regulations 2019, (LI2378).

#### ***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 Communications 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) the Public Financial Management Act, 2016 (Act 921) and Public Financial Management Regulations 2019, (LI2378) 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 process.



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

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

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

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

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**

**DEPUTY AUDITOR-GENERAL/CAD**

*for:* **AUDITOR-GENERAL**

**Dated**.....11 October 2022.....

## GRAPHIC COMMUNICATIONS GROUP LIMITED

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2021

	Notes	Group		Company	
		2021 GHC	2020 GHC	2021 GHC	2020 GHC
Revenue	1	64,254,548	55,945,161	48,000,554	45,550,749
Cost of sales	2	<u>(35,440,641)</u>	<u>(27,973,404)</u>	<u>(23,273,281)</u>	<u>(20,403,198)</u>
<b>Gross profit</b>		<b>28,813,907</b>	<b>27,971,757</b>	<b>24,727,273</b>	<b>25,147,551</b>
Other income	3	2,676,797	1,477,228	2,614,148	1,439,631
Selling and distribution expenses	4	(9,138,049)	(7,671,640)	(9,138,049)	(7,671,640)
Administration expenses	5	<u>(23,846,552)</u>	<u>(22,411,110)</u>	<u>(20,614,419)</u>	<u>(19,862,469)</u>
<b>Operating profit</b>		<b>(1,493,898)</b>	<b>(633,765)</b>	<b>(2,411,048)</b>	<b>(946,928)</b>
Finance costs	6	(1,230,607)	(1,122,278)	(1,227,607)	(1,117,278)
<b>Loss before tax</b>		<b>(2,724,505)</b>	<b>(1,756,042)</b>	<b>(3,638,655)</b>	<b>(2,064,205)</b>
Income tax expense	7	<u>(320,178)</u>	<u>(184,836)</u>	<u>-</u>	<u>-</u>
<b>Loss for the year</b>		<b>(3,044,683)</b>	<b>(1,940,878)</b>	<b>(3,638,655)</b>	<b>(2,064,205)</b>
Transfer to Statutory Reserve		-	-	-	-
		<b>(3,044,683)</b>	<b>(1,940,878)</b>	<b>(3,638,655)</b>	<b>(2,064,205)</b>
Other comprehensive income for the year	8	<u>360,727</u>	<u>(320,000)</u>	<u>360,727</u>	<u>(320,000)</u>
<b>Total comprehensive income</b>		<b><u>(2,683,955)</u></b>	<b><u>(2,260,878)</u></b>	<b><u>(3,277,927)</u></b>	<b><u>(2,384,205)</u></b>

## GRAPHIC COMMUNICATIONS GROUP LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021

Assets	Notes	Group		Company	
		2021 GHC	2020 GHC	2021 GHC	2020 GHC
<b>Non-current assets</b>					
Property, Plant and Equipment	9	14,595,806	16,322,793	10,974,326	12,751,571
Investment property	10	188,343	298,007	188,343	298,007
Intangible assets		1,601	4,001	-	-
Investment in subsidiary		-	-	3,867,148	3,867,148
Equity available for sale investment	8	1,524,363	1,163,636	1,524,363	1,163,636
Deferred tax asset		-	-	-	-
<b>Total non-current assets</b>		<b>16,310,113</b>	<b>17,788,437</b>	<b>16,554,181</b>	<b>18,080,362</b>
<b>Current assets</b>					
Inventories	11	6,246,921	4,695,184	914,806	1,299,675
Held-to-maturity investment		44,140	185,011	-	-
Trade and other receivables	14	37,445,201	33,784,065	29,434,273	27,000,010
Cash and cash equivalent	12	3,501,877	2,789,982	3,032,736	2,664,030
Current tax asset		2,663,563	1,863,286	2,663,563	1,863,286
<b>Total current assets</b>		<b>49,901,702</b>	<b>43,317,527</b>	<b>36,045,377</b>	<b>32,827,000</b>
<b>Total assets</b>		<b>66,211,815</b>	<b>61,105,964</b>	<b>52,599,558</b>	<b>50,907,362</b>
<b>Equity and Liabilities</b>					
		Group		Company	
		2021 GHC	2020 GHC	2021 GHC	2020 GHC
<b>Capital and reserves</b>					
Stated Capital	16	2,500,000	2,500,000	2,500,000	2,500,000
Statutory reserve	17	4,599,836	4,599,836	4,247,262	4,247,262
Revaluation Reserve	18	1,459,818	1,099,091	1,459,818	1,099,091
Capital Surplus	19	1,163,420	1,300,578	1,163,420	1,300,578
Income Surplus		24,375,570	27,332,328	20,252,131	23,779,779
<b>Total equity</b>		<b>34,098,643</b>	<b>36,831,833</b>	<b>29,622,630</b>	<b>32,926,710</b>
<b>Non-current liabilities</b>					
Borrowings	20	-	837,130	-	837,130
Deferred tax liabilities		2,024,017	2,040,071	1,416,881	1,416,881
<b>Total non-current liabilities</b>		<b>2,024,017</b>	<b>2,877,200</b>	<b>1,416,881</b>	<b>2,254,011</b>
<b>Current liabilities</b>					
Bank overdraft	13	5,068,802	4,857,775	5,068,802	4,857,775
Trade and other payables	15	24,446,013	16,152,350	16,491,245	10,868,867
Current tax liabilities	7	574,339	386,806	-	-
<b>Total current liabilities</b>		<b>30,089,155</b>	<b>21,396,931</b>	<b>21,560,047</b>	<b>15,726,642</b>
<b>Total liabilities</b>		<b>32,113,172</b>	<b>24,274,131</b>	<b>22,976,928</b>	<b>17,980,652</b>
<b>Total equity and liabilities</b>		<b>66,211,815</b>	<b>61,105,964</b>	<b>52,599,558</b>	<b>50,907,362</b>


 DIRECTOR

Date ..... 2022


 DIRECTOR

Date ..... 2022

## GRAPHIC COMMUNICATIONS GROUP LTD.

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Group		Company	
		2021 GHC	2020 GHC	2021 GHC	2020 GHC
<b>Operating activities</b>					
Profit before tax		(2,724,505)	(1,756,042)	(3,638,655)	(2,064,205)
<b>Adjustments for non-cash income and expenses:</b>					
Depreciation of property, plant and equipment		3,894,152	4,052,462	3,089,307	3,233,161
Loss on Disposal of Investment Property		91,216	-	91,216	-
Dividend received		(66,909)	(53,527)	(66,909)	(53,527)
Interest income		(152,336)	(44,789)	(142,851)	(7,192)
Interest expense		1,230,607	1,122,278	1,227,607	1,117,278
<b>Cash flow from operating activities</b>		<b>2,272,226</b>	<b>3,320,381</b>	<b>559,716</b>	<b>2,225,515</b>
<b>Change in:</b>					
Inventory		(1,551,737)	1,589,210	384,869	1,518,590
Trade and other receivables		(3,855,823)	(19,184)	(2,459,570)	1,723,012
Trade and other payables		8,293,664	3,249,801	5,622,378	2,750,781
Cash generated from operations		<b>5,158,329</b>	<b>8,140,208</b>	<b>4,107,392</b>	<b>8,217,898</b>
Income taxes paid		-	(778,122)	-	(778,122)
Interest expense		(1,230,607)	(1,122,278)	(1,227,607)	(1,117,278)
		-	-	-	-
<b>Net cash flows from operations</b>		<b>3,927,722</b>	<b>6,239,808</b>	<b>2,879,785</b>	<b>6,322,498</b>
<b>Cash flows from investing activities</b>					
Purchases of equipment		(2,776,296)	(1,234,675)	(1,921,193)	(1,046,051)
Decrease in held to maturity investments		140,871	243,180	-	-
Dividend income		66,909	53,527	66,909	53,527
Interest income		152,336	7,192	142,851	7,192
Proceeds from disposal		37,483	139,285	37,483	139,285
<b>Net cash used in investing activities</b>		<b>(2,378,697)</b>	<b>(791,491)</b>	<b>(1,673,949)</b>	<b>(846,047)</b>
<b>Cash flows from financing activities</b>					
Borrowings		(837,130)	(415,144)	(837,130)	(415,144)
Bank overdraft		(5,068,802)	(4,857,775)	(5,068,802)	(4,857,775)
<b>Net cash used in financing activities</b>		<b>(5,905,932)</b>	<b>(5,272,919)</b>	<b>(5,905,932)</b>	<b>(5,272,919)</b>
<b>Net decrease/(increase) in cash and cash equiv:</b>		<b>(4,356,907)</b>	<b>175,398</b>	<b>(4,700,096)</b>	<b>203,532</b>
Balance at 1 January		2,789,982	2,614,584	2,664,030	2,460,498
<b>Cash and cash equivalents at end of year</b>		<b>(1,566,925)</b>	<b>2,789,982</b>	<b>(2,036,066)</b>	<b>2,664,030</b>

## GRAPHIC COMMUNICATIONS GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR  
ENDED 31ST DECEMBER 2021

### 1. REVENUE

#### (a) Net Revenue

	2021		2020	
	Group		Company	
	GHS	GHS	GHS	GHS
Calender sales	11,362,146	5,737,689	-	-
Label Sales	2,875,866	2,346,231	-	-
Printing of Commercial Bks	2,015,982	2,310,493	-	-
Daily Graphic Sales	11,921,561	14,897,840	11,921,561	14,897,840
The Mirror Sales	926,628	984,414	926,628	984,414
Graphic Sports Sales	46,795	129,258	46,795	129,258
Graphic Showbiz Sales	-	34,149	-	34,149
Junior Graphic Sales	729,160	452,312	729,160	452,312
Advertising Sales	35,590,938	23,239,351	35,590,938	23,239,351
Graphic Business Sales	26,301	8,008,876	26,301	8,008,876
Sales Returns	(1,240,828)	(2,195,451)	(1,240,828)	(2,195,451)
	<u>64,254,548</u>	<u>55,945,162</u>	<u>48,000,554</u>	<u>45,550,749</u>

#### (b) Sales Returns

	2021		2020	
	Group		Company	
Daily Graphic Sales	921,004	1,571,206	921,004	1,571,206
The Mirror Sales	145,803	226,525	145,803	226,525
Graphic Sports Sales	-	24,393	-	24,393
Graphic Showbiz Sales	-	18,231	-	18,231
Junior Graphic Sales	77,474	57,631	77,474	57,631
Advertising Sales	96,516	287,079	96,516	287,079
Graphic Business Sales	32	10,385	32	10,385
	<u>1,240,828</u>	<u>2,195,451</u>	<u>1,240,828</u>	<u>2,195,451</u>

**2. COST OF SALES**

	Group		Company	
	2021	2020	2021	2020
Opening Stock of Materials	1,846,508	1,894,515	-	-
Purchases	16,731,476	10,778,361	7,723,064	6,060,905
Closing Stock of Materials	(1,984,912)	(1,846,508)	-	-
Other Direct Expenses	3,504,631	1,367,459	1,694,958	486,205
Staff Emoluments	13,074,566	12,954,384	11,320,974	11,643,453
Power and Water	945,137	700,117	760,780	600,459
Maintenance - Machinery	1,151,556	782,712	647,838	403,323
FHI 360 Distribution Cost	294,039	333,102	-	-
Depreciation	1,573,891	1,775,149	1,038,042	1,188,852
Textbooks Printing Cost	87,625		87,625	
Maintenance - Factory Building	14,326	17,708	-	20,000
Other Stock Movement	(1,798,202)	(803,596)	-	-
	<u>35,440,641</u>	<u>27,953,404</u>	<u>23,273,281</u>	<u>20,403,198</u>

**3. OTHER INCOME**

	Group		Company	
	2021	2020	2021	2020
Third Party Printing	9,009	-	9,009	-
Dividend income	66,909	53,527	66,909	53,527
Interest income	6,045	14,152	-	7,192
Sundry incomes	202,041	286,319	156,398	286,319
Rent income	75,085	257,041	75,085	257,041
Exchange gain	27,948	-	20,427	-
Graphic Events Sponsorship	1,408,864	327,153	1,408,864	327,153
Investment Income	146,290	30,637	142,851	-
Courier services	50,734	7,717	50,734	7,717
Online adverts	116,969	120,399	116,969	120,399
Content Marketing	70,728	171,178	70,728	171,178
Graphic Newsplus Sales	151,419	19,124	151,419	19,124
Revenue from Ghana Year Book	140,190	-	140,190	-
Graphic Corporate in Ghana	30,000	52,700	30,000	52,700
Revenue from Graphic @ 70	170,000	100,000	170,000	100,000
Graphic Clinic Income	4,564	-	4,564	-
	<u>2,676,797</u>	<u>1,439,948</u>	<u>2,614,148</u>	<u>1,402,351</u>

**4. SELLING AND DISTRIBUTION EXPENSES**

	Group		Company	
	2021	2020	2021	2020
Deliveries and Postages	409,278	337,127	409,278	337,127
Fuel and Lubricants	941,257	1,055,476	941,257	1,055,476
Motor Vehicle Expenses	452,735	336,362	452,735	336,362
Staff Emoluments	4,575,174	4,118,623	4,575,174	4,118,623
Wrappers	261,246	104,721	261,246	104,721
Depreciation	869,915	1,048,398	869,915	1,048,398
Marketing, Research & P.R	1,126,700	466,078	1,126,700	466,078
Newsplus Expenses	205,413	195,615	205,413	195,615
Graphic @ 70 Loyalty Promo	271,495	-	271,495	-
Graphic Corporate in Ghana Expenses	24,835	9,240	24,835	9,240
	<u>9,138,049</u>	<u>7,671,640</u>	<u>9,138,049</u>	<u>7,671,640</u>



**5. GENERAL AND ADMINISTRATIVE EXPENSES**

	Group		Company	
	2021	2020	2021	2020
Wages and Salaries	9,462,992	7,834,789	8,258,905	6,960,778
Depreciation	1,450,343	1,224,782	1,181,351	995,912
Power and Water - Indirect	707,868	527,102	584,964	460,663
Printing and Stationery	486,429	162,669	486,429	162,669
Communication Expenses	631,993	359,448	623,343	352,338
Medicals	962,977	711,365	951,440	705,107
Consultancy	433,305	335,349	433,305	335,349
Protocol	1,500	2,145	1,500	2,145
Audit Fee	66,951	43,195	44,423	22,750
Bank Charges	235,557	159,776	123,229	124,519
Other staff costs	849,702	523,047	695,139	522,047
Business Promotion	846,901	499,761	226,023	33,417
Recruitment expense	33,604	16,008	33,604	16,008
Cleaning and Sanitation	519,439	432,002	490,819	402,702
Board Allowance/Expenses	396,979	443,503	329,390	386,973
Staff Training/Seminars	1,694,392	453,135	1,685,268	439,428
Repairs and maintenance	1,047,324	1,251,165	940,621	1,179,412
Travelling and transport	184,723	112,727	184,723	112,727
Donations	73,412	49,950	56,356	37,800
Foreign Travel	10,773	-	10,773	-
Rent	346,929	223,251	346,929	223,251
Insurance	318,380	361,758	277,471	314,587
Retirement/Death Benefits	(266,865)	2,393,225	(266,865)	2,393,225
Sundry expenses	(83,934)	736,959	(179,921)	650,386
Security Services	507,035	640,854	507,035	640,854
Bad Debts provision	122,523	(34,838)	122,523	(34,838)
Bad Debts Written Off	-	401,228	-	-
Graphic @ 70 Expenses	131,611	360,244	131,611	360,244
Exchange Loss	191,587	21,805	33,943	-
Fuel Cost	1,956,884	1,731,063	1,774,852	1,628,374
Input VAT	274,633	85,412	274,633	85,412
Long service award	249,885	348,231	249,885	348,231
Scholarship scheme	721	-	721	-
	<b>23,846,552</b>	<b>22,411,110</b>	<b>20,614,419</b>	<b>19,862,469</b>

**6. FINANCE COST**

	Group		Company	
	2021	2020	2021	2020
Interest on overdraft	933,988	965,942	930,988	960,942
Interest on PU Panel Loan	296,620	156,336	296,620	156,336
	<b>1,230,607</b>	<b>1,122,278</b>	<b>1,227,607</b>	<b>1,117,278</b>

**7. TAXATION - 2021**

Year of Assessment	<u>Chargeable Income</u> GH¢	<u>Tax Charged</u> GH¢	<u>Tax Paid</u> GH¢	<u>Tax Outstanding</u> GH¢
Balance at 31.12.2018				(1,626,487)
2019	2,994,692	791,324	250,000	541,324
2020			778,122	(778,122)
2021	-	-	800,278	(800,278)
	<u>2,994,692</u>	<u>791,324</u>	<u>1,828,400</u>	<u>(2,663,563)</u>

**Tax charged for Group:**

Company	-
Subsidiary	<u>(320,178)</u>
<b>Total per Group</b>	<u><b>(320,178)</b></u>

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

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
GCB Bank Shares	<u>1,524,363</u>	<u>1,163,636</u>	<u>1,524,363</u>	<u>1,163,636</u>

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

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Balance at 01/01	1,163,636	1,483,636	1,163,636	1,483,636
Fair value movement	<u>360,727</u>	<u>(320,000)</u>	<u>360,727</u>	<u>(320,000)</u>
	<u><b>1,524,363</b></u>	<u><b>1,163,636</b></u>	<u><b>1,524,363</b></u>	<u><b>1,163,636</b></u>

**11. INVENTORY**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Stock of raw materials	2,750,579	3,009,402	765,667	1,162,894
Work in Progress	2,584,345	1,079,878	-	-
Spare Parts	239,474	82,779	49,163	58,014
Finished Goods	572,547	444,358	-	-
Stationery	40,592	32,873	40,592	32,873
Fuel and lubricants	59,384	45,894	59,384	45,894
	<u><b>6,246,921</b></u>	<u><b>4,695,184</b></u>	<u><b>914,806</b></u>	<u><b>1,299,675</b></u>

**12A. CASH AND CASH EQUIVALENT**

	Group		Company	
	2021	2020	2021	2020
Bank balance	671,413	522,603	501,300	396,651
Cash in hand	370,930	237,247	370,930	237,247
Short term investments	<u>2,459,534</u>	<u>2,030,132</u>	<u>2,160,506</u>	<u>2,030,132</u>
	<b><u>3,501,877</u></b>	<b><u>2,789,982</u></b>	<b><u>3,032,736</u></b>	<b><u>2,664,030</u></b>

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

	Group		Company	
	2021	2020	2021	2020
Cash and cash equivalent	<u>3,501,877</u>	<u>2,789,982</u>	<u>3,032,736</u>	<u>2,664,030</u>
	<b><u>3,501,877</u></b>	<b><u>2,789,982</u></b>	<b><u>3,032,736</u></b>	<b><u>2,664,030</u></b>

**13. BANK OVERDRAFT**

	Group		Company	
	2021	2020	2021	2020
GCB Bank Overdraft	<u>5,068,802</u>	<u>4,857,775</u>	<u>5,068,802</u>	<u>4,857,775</u>
	<b><u>5,068,802</u></b>	<b><u>4,857,775</u></b>	<b><u>5,068,802</u></b>	<b><u>4,857,775</u></b>

**14. TRADE AND OTHER RECEIVABLES**

	Group		Company	
	2021	2020	2021	2020
Trade debtors	38,835,599	34,857,703	31,106,919	28,218,220
Staff loans	30,412	17,461	30,412	17,461
Prepayments	16,562	8,562	16,562	8,562
Sundry receivables	282,967	322,686	-	178,114
G-PAK Limited - Transactions	(53,884)	86,028	(53,884)	86,028
Provision for impairment	<u>(1,665,735)</u>	<u>(1,508,374)</u>	<u>(1,665,735)</u>	<u>(1,508,374)</u>
	<b><u>37,445,920</u></b>	<b><u>33,784,065</u></b>	<b><u>29,434,273</u></b>	<b><u>27,000,010</u></b>

**15. TRADE AND OTHER PAYABLES**

	Group		Company	
	2021	2020	2021	2020
Trade and other payables	19,275,441	12,265,734	13,966,861	8,125,974
Staff accrued expenses	166,610	2,628,201	166,610	2,628,201
Deposits	56,789	56,089	56,789	56,089
Sundry payables	2,956,958	1,157,903	310,769	14,180
Provision for retirement benefits	1,945,793	-	1,945,793	-
Accrued audit fees	<u>44,423</u>	<u>44,423</u>	<u>44,423</u>	<u>44,423</u>
	<b><u>24,446,013</u></b>	<b><u>16,152,350</u></b>	<b><u>16,491,245</u></b>	<b><u>10,868,867</u></b>

**16. 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	
		2021	
		GHC	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	<u>23</u>	<u>2,300,000</u>	<u>2,300,000</u>
	<b><u>43</u></b>	<b><u>2,500,000</u></b>	<b><u>2,500,000</u></b>

**17. STATUTORY RESERVE**

The Board of Directors do not recommend any transfer to statutory reserve, as required by section 42 of the Regulations of the company, because no profit was made.

**18. REVALUATION RESERVE**

	Group		Company	
	2021	2020	2021	2020
Balance b/f	1,099,091	1,419,091	1,099,091	1,419,091
Revaluation Surplus/(Impairm	<u>360,727</u>	<u>(320,000)</u>	<u>360,727</u>	<u>(320,000)</u>
Balance c/f	<u><b>1,459,818</b></u>	<u><b>1,099,091</b></u>	<u><b>1,459,818</b></u>	<u><b>1,099,091</b></u>

**19. 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 2021.

**20. BORROWINGS**

	Group		Company	
	2021	2020	2021	2020
	GHC	GHC	GHC	GHC
GCB Loan (PU Panel)	<u>-</u>	<u>837,130</u>	<u>-</u>	<u>837,130</u>
	<u><b>-</b></u>	<u><b>837,130</b></u>	<u><b>-</b></u>	<u><b>837,130</b></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. 2021	5,948,880	4,937,029	(0)	11,934,161	6,750,466	5,448,341	1,719,251	1,229,949	37,968,077
Additions		2,700	120,006	347,480	962,156	301,638	137,479	49,734	1,921,193
Disposal/Write-off	-	(1,201,114)	-	-	(130,561)	-	-	-	(1,331,676)
At 31st Dec. 2021	<u>5,948,880</u>	<u>3,738,615</u>	<u>120,006</u>	<u>12,281,641</u>	<u>7,582,062</u>	<u>5,749,978</u>	<u>1,856,730</u>	<u>1,279,683</u>	<u>38,557,594</u>
<b>DEPRECIATION</b>									
At 1st Jan. 2021	1,502,184	2,444,950	(0)	10,132,244	5,164,879	3,629,535	1,387,475	955,240	25,216,507
Charge for the Year	170,891	176,684	-	1,038,042	869,915	547,583	172,460	95,285	3,070,860
Disposal/Write-off	-	(573,537)	-	-	(130,561)	-	-	-	(704,098)
At 31st Dec. 2021	<u>1,673,075</u>	<u>2,048,098</u>	<u>(0)</u>	<u>11,170,285</u>	<u>5,904,233</u>	<u>4,177,118</u>	<u>1,559,934</u>	<u>1,050,525</u>	<u>27,583,268</u>
<b>NET BOOK VALUE</b>									
At 31st Dec. 2021	<u>4,275,805</u>	<u>1,690,517</u>	<u>120,006</u>	<u>1,111,356</u>	<u>1,677,829</u>	<u>1,572,860</u>	<u>296,796</u>	<u>229,158</u>	<u>10,974,326</u>
At 31st Dec. 2020	<u>4,446,696</u>	<u>2,492,079</u>	<u>-</u>	<u>1,801,918</u>	<u>1,585,588</u>	<u>1,818,806</u>	<u>331,776</u>	<u>274,709</u>	<u>12,751,571</u>

## 10 INVESTMENT PROPERTY - COMPANY

	<b>Investment Property GH¢</b>
<b>COST</b>	
At 1st Jan. 2021	554,156
Additions	-
Disposal/Transfer	<u>(175,415)</u>
At 31st Dec. 2021	<u>378,741</u>
 <b>DEPRECIATION</b>	
At 1st Jan. 2021	256,149
Charge for the Year	18,447
Disposal/Adjustment	<u>(84,199)</u>
At 31st Dec. 2021	<u>190,397</u>
 <b>NET BOOK VALUE</b>	
At 31st Dec. 2021	<u>188,343</u>
 At 31st Dec. 2020	 <u>298,007</u>

## 9B PROPERTY, PLANT AND EQUIPMENT - GROUP

	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. 2021	5,948,879	4,937,029	5,843,465	12,436,295	7,615,747	5,459,530	2,382,660	1,394,857	46,018,462
Additions		253,994	586,863	347,480	968,256	301,638	174,398	143,667	2,776,296
Disposal	-	(1,201,114)	-	-	(130,561)	-	-	-	(1,331,676)
At 31st Dec. 2021	<u>5,948,879</u>	<u>3,989,909</u>	<u>6,430,328</u>	<u>12,783,775</u>	<u>8,453,442</u>	<u>5,761,167</u>	<u>2,557,058</u>	<u>1,538,523</u>	<u>47,463,082</u>
<b>DEPRECIATION</b>									
At 1st Jan. 2021	1,502,184	2,444,950	3,267,109	10,340,976	5,610,129	3,631,659	1,837,556	1,061,105	29,695,669
Charge for the Year	170,891	176,684	535,849	1,038,042	1,076,599	549,983	205,730	121,927	3,875,705
Disposal	-	(573,537)	-	-	(130,561)	-	-	-	(704,098)
At 31st Dec. 2021	<u>1,673,075</u>	<u>2,048,098</u>	<u>3,802,958</u>	<u>11,379,018</u>	<u>6,556,167</u>	<u>4,181,642</u>	<u>2,043,286</u>	<u>1,183,032</u>	<u>32,867,276</u>
<b>NET BOOK VALUE</b>									
At 31st Dec. 2021	<u>4,275,804</u>	<u>1,941,811</u>	<u>2,627,370</u>	<u>1,404,757</u>	<u>1,897,275</u>	<u>1,579,526</u>	<u>513,772</u>	<u>355,491</u>	<u>14,595,806</u>
At 31st Dec 2020	<u>4,446,695</u>	<u>2,492,079</u>	<u>2,576,356</u>	<u>2,095,318</u>	<u>2,005,618</u>	<u>1,827,871</u>	<u>545,104</u>	<u>333,752</u>	<u>16,322,793</u>

## GRAPHIC COMMUNICATIONS GROUP LIMITED

## STATEMENT OF CHANGES IN EQUITY

Group	Stated capital	Revaluation Reserve	Statutory Reserve	Capital Reserve	Retained Earnings	Total equity
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
<b>Year ended 31 December 2021</b>						
Balance at 1 January 2021	2,500,000	1,099,091	4,599,836	1,300,578	27,332,328	36,831,833
Profit for the year					(3,044,683)	(3,044,683)
Transfer to Statutory Reserve			-		-	-
Transfer from Capital Surplus				(137,158)	137,158	-
Fair value of Available-for-Sale Assets		360,727				360,727
Prior Year Adjustment					(49,234)	(49,234)
<b>Balance at 31 December 2021</b>	<b>2,500,000</b>	<b>1,459,818</b>	<b>4,599,836</b>	<b>1,163,420</b>	<b>24,375,570</b>	<b>34,098,644</b>
<b>Company</b>						
	Stated capital	Revaluation Reserve	Statutory Reserve	Capital Reserve	Retained Earnings	Total equity
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
<b>Year ended 31 December 2021</b>						
Balance at 1 January 2021	2,500,000	1,099,091	4,247,262	1,300,578	23,779,779	32,926,710
Profit for the year					(3,638,655)	(3,638,655)
Transfer to Statutory Reserve			-		-	-
Transfer from Capital Surplus				(137,158)	137,158	-
Fair value of Available-for-Sale Assets		360,727				360,727
Prior Year Adjustment					(26,152)	(26,152)
<b>Balance at 31 December 2021</b>	<b>2,500,000</b>	<b>1,459,818</b>	<b>4,247,262</b>	<b>1,163,420</b>	<b>20,252,131</b>	<b>29,622,630</b>



## GRAPHIC COMMUNICATIONS GROUP LTD.

COMPUTATION OF TAX LIABILITY FOR THE YEAR 2021

Net Profit Per Financial Statements		(3,638,655)
Less :		
Unrealised Foreign Exchange Gain	-	
Dividend Received	66,909	
		<u>66,909</u>
		(3,705,564)
Add Back:		
Depreciation	3,089,307	
Bad Debt Provision	122,523	
Scholarships	-	
Donations	<u>12,106</u>	
		<u>3,223,936</u>
Adjusted Profit		(481,628)
Less Capital Allowances for 2021		<u>1,720,102</u>
<b>CHARGEABLE INCOME</b>		<b>(2,201,730)</b>
Tax thereon at 25%		<u>-</u>
Profit on Disposal of Assets	-	
Tax thereon at 10%	-	<u>-</u>
		<u>-</u>

ALLOWANCE FOR THE YEAR 2021

DEPRECIABLE ASSETS	ICT	MV & P/M	Equip, F/F	Buildings
	<u>CLASS 1</u>	<u>CLASS 2</u>	<u>CLASS 4</u>	<u>CLASS 5</u>
Balance b/f	640,565.73	1,424,757.67	1,140,440.67	3,803,801.72
Disposals	-	(130,561)	-	(1,201,114)
Additions	<u>301,638</u>	<u>1,429,642</u>	<u>187,213</u>	<u>2,700</u>
	<u>942,203</u>	<u>2,723,839</u>	<u>1,327,653</u>	<u>2,605,387</u>
Capital Allowances	376,881.30	817,151.67	265,530.70	260,538.72
<b>Total Capital Allowance</b>				<b>1,720,102</b>
Balance c/f 31/12/2021	565,321.96	1,906,687.24	1,062,122.79	2,344,848.52