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# NOTICE OF TENTH ANNUAL GENERAL MEETING (AGM)

NOTICE IS HEREBY GIVEN THAT the Tenth Annual General Meeting of the Graphic Communications Group Limited (GCGL) shall take place at the **GCGL Conference Room (Upper Terrace)** at 10.30 a.m. on Thursday, July 18, 2013 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, 2012.
2. To declare dividend for the year ended 31st December, 2012
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 24th day of June, 2013.

**By order of the board**

Cecilia Davis  
Company Secretary.



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

# GCGL OVERVIEW: 2012 Highlights

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## OUR PERFORMANCE

### Financial Highlights - GH¢'000

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Turnover	Gross Profit	Profit Before Tax
<b>41,787</b>	<b>25,289</b>	<b>9,056</b>

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<b>Shareholder's Fund</b>	Profit After Tax	Dividend
<b>26,622</b>	<b>7,091</b>	<b>600</b>

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### Non-Financial Highlights

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Employees	Newspapers Published	Regional Offices
<b>422</b>	<b>6</b>	<b>12</b>

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# OUR BRANDS

## Daily Graphic

**Daily Graphic** is the group's flagship newspaper, established in 1950. It is an influential newspaper, setting the agenda for national discourse. It has a rich content covering politics, business, education, women, personality profiles, international politics, among other things. More than two million people read the newspaper every day and it controls over 65 per cent of the newspaper market in Ghana. Daily Graphic's readership profile includes politicians, chief executives, diplomats, researchers, traditional authorities.

**Editor: Ransford Tetteh**

## The Mirror

**The Mirror** comes out on Saturdays and is the leading weekend newspaper in Ghana. The Mirror is for family reading, with pages on family health, relationships, family law, fashion, interior decor and kids. Articles on lifestyle and tourism, apart from entertainment and sports, also feature regularly. The Mirror controls about 70 per cent of the weekend newspaper market. 1.6 million people read the paper during weekends, women forming 65 per cent of this number. The paper's key readership is made up of women, health experts, business executives relaxing at weekends and policy makers.

**Editor: Janet Quainoo (Mrs)**

## Graphic SPORTS

**Graphic Sports** is the most authoritative sports newspaper in Ghana and has won the Sports Newspaper of the Year award several times from the Ghana Journalists Association. It is published three times a week on Mondays, Wednesdays and Fridays. Graphic Sports covers all major aspects of sports. Being the market leader of sports newspapers in Ghana, the paper holds about 60 per cent of the sports newspaper market and has a readership of over 700,000 each publication. Key readers of Graphic Sports are sports administrators, footballers, students, health-conscious people, politicians and people with interest in sports generally.

## Graphic SHOWBIZ

**Graphic Showbiz** is an arts and entertainment newspaper, which comes out on Mondays and Thursdays. It publishes tourism, showbiz personalities and culture. The paper also critiques music, movies and drama

performances, in addition to publishing TV programmes and event reviews. With a readership of about 500,000 per edition, the Graphic Showbiz controls about 70 per cent of its market in Ghana. The newspaper's readers are made up of the young at heart, women, business executives, social commentators, movie enthusiasts and decision makers.

**Editor: Nanabanyin Dadson**

## Junior Graphic

**Junior Graphic** is a paper for the youth from upper primary to senior high school. The paper's main objective is to help build the habit of reading and writing in children. Junior Graphic's contents are, therefore, designed to fit a supplementary reader. Thus it teaches selected academic subjects. It also publishes letters and short stories by schoolchildren, in addition to a counselling page for them. All this is to promote quality education for overall quality human resource development. The Junior Graphic also provides an avenue for children to contribute to discussions on national issues. The paper is read by schoolchildren from five to 19 years, teachers, parents, consultants in education and educational policy makers. One million people read the newspaper every week.

**Editor: Mavis Kitcher (Mrs)**

## Graphic Business

**Graphic Business** was launched on August 26, 2008 as a weekly. The paper's segments of news analysis, comment, corporate news, news extra, companies and markets, management, ICT and transport business offer quality business information, comprehensive enough to help business executives be on top of the economy and take smart business decisions. It is published on Tuesdays.

**Editor: Lloyd Evans**

## Graphic Online

GraphicOnline is the web version of GGCL's newspapers. It affords internet surfers worldwide the opportunity to read all the newspapers in GGCL's stable. This global reach also affords advertisers the value of increased exposure of their adverts. Thus, GraphicOnline gives local advertisers the advantage of getting their messages to Ghanaians abroad and it is also a perfect platform for businesses with international dimension.

**Editor: Isaac Yeboah.**

# Graphic

## OUR VISION

**T**O be a dominant multimedia group in West Africa telling the African story.

## MISSION

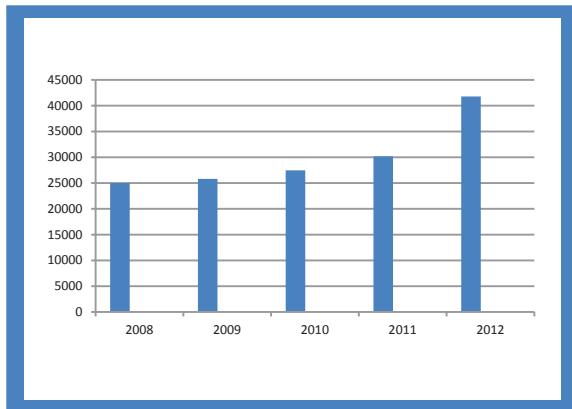
**T**o empower our audience and consumers everywhere with authentic information and excellent products through visionary leadership and strong brands.

## HISTORY

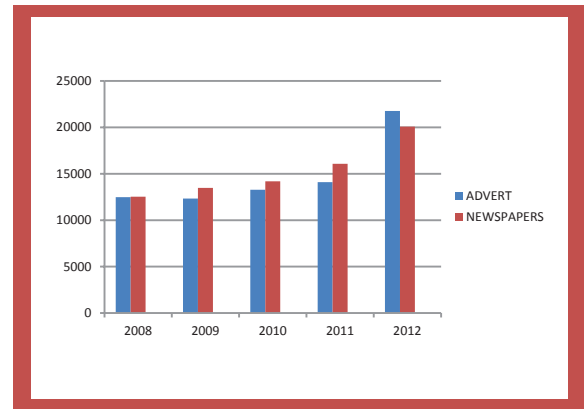
**G**raphic communications Group Ltd (GCGL) was formed in 1950 in the then Gold Coast by the Daily Mirror Group in the United Kingdom, with Cecil King Jnr as the first head of the company. Its original name was West African Graphic Company Limited.

# FINANCIAL HIGHLIGHTS

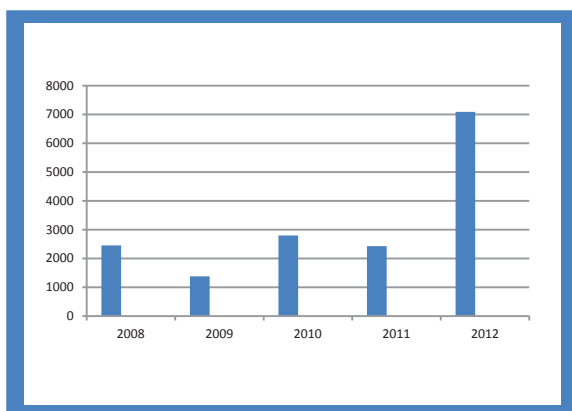
**TURNOVER(GH¢'000)**



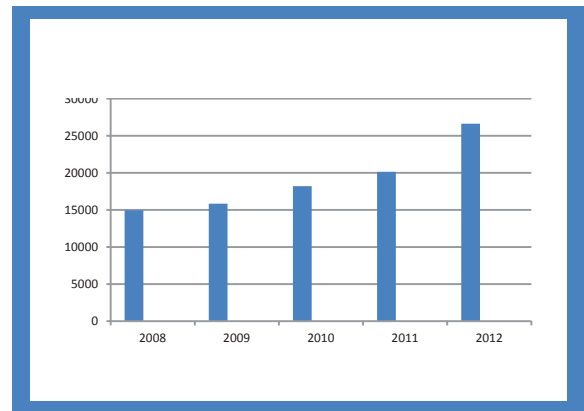
**TURNOVER ANALYSIS(GH¢'000)**



**PROFIT AFTER TAX(GH¢'000)**



**SHAREHOLDER'S FUND(GH¢'000)**



## FIVE-YEAR FINANCIAL SUMMARY

	2012 GH¢'000	2011 GH¢'000	2010 GH¢'000	2009 GH¢'00	2008 GH¢'000
<b>TURNOVER</b>	41,787	30,179	27,466	25,813	25,008
Cost of Sales	16,498	12,958	11,193	11,837	10,731
<b>Gross Profit</b>	<b>25,289</b>	<b>17,221</b>	<b>16,273</b>	<b>13,976</b>	<b>14,277</b>
<b>Deduct</b>					
Distribution Expenses	5,906	4,519	3,835	3,479	3,194
Admin. & General Exps.	10,615	8,396	6,953	6,507	7,137
Finance Charges	554	1,326	2,091	2,516	743
	17,075	14,241	12,879	12,502	11,074
<b>Operating Profit</b>	<b>8,214</b>	<b>2,979</b>	<b>3,393</b>	<b>1,473</b>	<b>3,202</b>
Add Other income	842	522	419	443	399
Profit Before Taxation	9,056	3,501	3,812	1,916	3,601
Exceptional Item	-	(1,000)	-	-	-
Taxation	(1,965)	(72)	(1,011)	(537)	(1147)
<b>Profit After Taxation</b>	<b>7,091</b>	<b>2,428</b>	<b>2,800</b>	<b>1,379</b>	<b>2,454</b>
Dividend (GH¢)	600,000	500,000	440,000	400,000	600,000
Ord. Shares Issued (m)	43	43	43	43	43
Earning per Share(¢)	0.165	0.057	0.065	0.032	0.0573
Dividend per Share (¢)	0.014	0.012	0.010	0.009	0.014

# CORPORATE **INFORMATION**

<b>BOARD OF DIRECTORS</b>	<p>Dr Doris Yaa Dartey            Mr Kenneth Ashigbey            Professor Kwame Karikari            Hajj Muhammad Amir Kpakpo Addo            Mr Ben Assorow            Mr Gideon Quarcoo            Mr Gerald Ankrach            Nana Asantewaa Afadzinu            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</p>	<p>Chairperson (Reappt. 31/05/2013)            Member (Appt. 01/11/2011)            Member (Appt. 31/05/2013)            Member (Appt. 31/05/2013)            Member (Appt. 31/05/2013)            Member (Appt. 31/05/2013)            Member (Appt. 31/05/2013)            Member (Appt. 31/05/2013)            Chairperson (Retd. 31/05/2013)            Member (Retd. 31/05/2013)            Member (Retd. 31/05/2013)            Member (Retd. 31/05/2013)            Member (Retd. 31/05/2013)            Member (Retd. 31/05/2013)            Member (Retd. 31/05/2013)</p>
<b>EXECUTIVE MANAGEMENT</b>	<p>Mr Kenneth Ashigbey            Ms Peggy Addo            Mr Kwesi Adjei Kersi            Mr Yaw Boadu Ayebofoah            Mr Kwabena Baah-Adade            Mr Hope Adusu            Mr Ransford Tetteh            Mr Erasmus Adu Akuffo-Badoo            Mrs Cecilia Davis</p>	<p>Managing Director            Director, Human Resource &amp; Admn.            Director, Technical Services            Director, Newspapers            Director, Finance            Ag. Director, Marketing            Editor, Daily Graphic            Chief Internal Auditor            Solicitor Secretary</p>
<b>AUDITORS</b>	<p>John Kay &amp; Co.            7th Floor Trust Towers            Farrar Avenue            Adabraka- Accra            P.O. Box 16088, Airport- Accra</p>	
<b>REGISTERED OFFICE</b>	<p>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></p>	
<b>BANKERS</b>	<p>Ghana Commercial Bank Limited            Ecobank Ghana Limited            Stanbic Bank Ghana Limited</p>	



# PROFILES OF BOARD OF DIRECTORS



**DORIS YAA DARTEY (PhD)**

**D**R Doris Yaa Dartey, a distinguished communications professional and educator with considerable experience in journalism, is the new board chairperson.

Having served as a director of the company for the last two years, Dr Dartey's elevation is largely seen as a recognition of her sterling performance during the period as the chairperson of the Editorial Committee of the Graphic Board.

A former assistant professor at the University of Dayton, lecturer at GIJ and GIMPA and an administrator at Ohio University, Dr Dartey has had extensive experience in higher educational administration, as well as in designing successful organisational development and communication interventions.

She has undertaken assignments for donor-funded projects and institutions, including the Nordic Development Fund (NDF), the African Development Bank, the African Union Commission, UNESCO, UNIFEM, GIZ, CIDA, JICA, FAO, the World Bank, STAR-Ghana and the EPA. The subject matter emphasis of her consulting and media-related work are environment, sanitation, organisational assessment, media and corporate research.

Dr Dartey is a practising journalist

with television and newspaper presence. She writes the long-running WatchWoman column and has hosted GTV's flagship current affairs programmes. Dr Dartey is currently the Vice-Chairperson of Editors Forum, Ghana; member of the Ghana Journalists Association; member of the Ghana Association (APR) of Writers; and accredited member of the Institute of Public Relations.

She holds a doctoral degree in Organisational Communications, Master of Arts in International Affairs, and Graduate Diploma in Women Studies — all from Ohio University. She had her foundation education at the University of Cape Coast and the University of Ghana. She has served on regional boards of the American Red Cross and Habitat for Humanity.

Dr Dartey has two main hobbies: to sit quietly in crowded places to reflectively observe people as they hurry in a mad rush to tackle one life issue or another; and to spend quality time with her grandchildren.



**MR KENNETH ASHIGBEY**

**M**R Kenneth Ashigbey is the Managing Director of Graphic Communications Group Ltd, Ghana's leading media organisation, where he is

responsible for providing strategic leadership and vision.

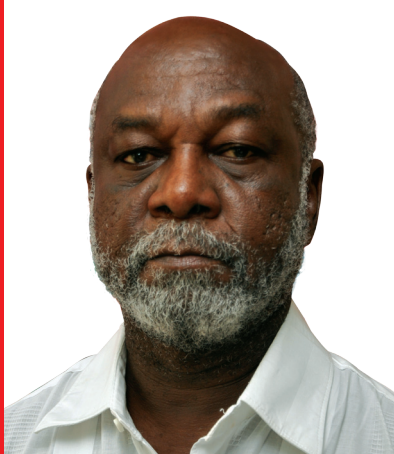
Mr Ashigbey previously worked at various top management levels in other reputable organisations. He was the Chief Operating Officer of the Multimedia Group Ltd (Multi TV) between 2010 and 2011.

Earlier, between 2003 and 2006, he had worked with this same Group but as its Chief Technology Officer and the General Manager of Joy FM. In between the periods he worked for the Multimedia Group, he became the Managing Director of the Optimum Media Prime (OMP), a communications, independent media and event management company.

Mr Ashigbey has also worked as the Senior Projects Engineer at Fanel Ltd, and worked on the design and installation of electrical building services for three of the multi storey office complex buildings in the capital.

He is currently pursuing a doctorate degree in Business Administration at the Swiss Management Centre. He holds a Master of Business Administration from the Leicester University (UK) and a Bachelor of Science in Electrical/Electronic Engineering from the Kwame Nkrumah University of Science and Technology.

Mr Ashigbey is a Project Management professional. He is a Senior Member of the Ghana Institution of Engineers. He is also a member of the Institute of Public Relations – Ghana and the Ghana Journalists Association.



PROF KWAME KARIKARI

**P**ROF. Kwame Karikari is the Executive Director of the Media Foundation for West Africa (MFWA), a press freedom/freedom of expression advocacy and promotion organisation based in Accra, Ghana. The MFWA covers all 15 countries in the Economic Community of West African States (ECOWAS) and Mauritania. The MFWA engages in media law reform, legal defence of journalists, press freedom monitoring and protection for persecuted journalists. He has, for several years, been a professor in journalism and mass communication at the School of Communication Studies at the University of Ghana. He has also been involved in training journalists in several countries in Africa over the years. He has practised as a journalist for many years and served as the Director General of the public Ghana Broadcasting Corporation in the early 1980s. He has also been an activist pursuing social justice and human rights cases in Africa, including democratic reforms in Ghana. He serves on the boards of a number of African and international rights organisations and on the editorial boards of academic publications. He was educated at the City College of New York and Columbia University in New York.



SIR BENEDICT BATABE ASSOROW

**S**IR Benedict Assorow has worked as a communications expert and journalist all his life since graduating from the Ghana Institute of Journalism in 1978. He holds a Master of Arts degree in Missiology and Communications from the Gregorian University in Rome, Italy. Sir Assorow has worked extensively with the Catholic Church in various capacities, including serving as acting Editor of the National Catholic weekly, The Standard, and is currently the Director of Communications of the Symposium of Episcopal Conferences of Africa and Madagascar (SECAM). Having held directorship on the boards of a number of companies including the Ghana Broadcasting Corporation (GBC) from 2004 to 2009, Sir Assorow brings to the Graphic board his rich experience and expertise as a veteran media practitioner. He holds a number of positions in both public and private organisations including chairman of the Elections Committee of the Ghana Journalists Association (GJA). Conferred the Knighthood of St Gregory the Great which goes with the title "Sir", Sir Benedict received a Papal Medal for the role he played in representing the Vatican at the World Summit on Information Society (WSIS) in February 2005 in Accra. Pope (Emeritus) Benedict XVI appointed Sir Assorow as one of his consultants on Communications. Sir Assorow is also a member of both local and international associations, notable among them being the Ghana Journalists Association, the Institute of Public Relations, the International Journalists Organisation (IOJ), the International Public Relations Association (IPRA) and the World Catholic Association of Communications and International Catholic Union of the Press (UCP)



GIDEON QUARCOO

**C**URRENTLY the Chief Executive Officer of the Ghana Export Promotion Authority (GEPA), Mr Gideon Quarcoo is a veteran organisational development and management development professional. Also, a communications consultant with considerable experience in large-scale organisation change and renewal, Mr Quarcoo has been involved in capacity development, project management, training programme design and development, as well as leadership in training in both the public and private sectors. His present job schedule includes providing leadership and direction for Ghana's primary national export institution charged with overseeing the development, promotion and growth of the export sector for non-traditional exports. A former Deputy Minister of Communications, Mr Quarcoo has distinguished himself in empowering people in harnessing and applying Information and Communications Technology towards creating a knowledge- and technology-driven society. He has served on a number of boards of private and public organisations and is still a member of the boards of the Ghana Civil Aviation Authority, Ghana Telecom University Council and the Ghana-India Kofi Annan Centre of Excellence in Advanced Information Technology Institute. He is a product of Emerson University, Boston in the USA.



**MUHAMMAD AMIR KPAKPO ADDO**

**M**UHAMMAD Addo holds a joint LLB Honours degree in Shariah and Common Law from the International Islamic University, Islamabad, Pakistan. He is currently the Principal Research Officer of the Commission on Human Rights and Administrative Justice (CHRAJ), having previously worked as Assistant Legal Officer in the Directorate of Legal Services at the Ministry of Defence.

Before returning to Ghana from Pakistan, he had worked as a Programme Co-ordinator of International Leadership Training Programme at Dawah Academy, Islamic University, Pakistan.

Mr Addo was awarded “Ambassador For Peace” by the Inter-Religious and International Federation for World Peace in 2008 and has since 2006 been a fellow of the DANIDA Fellowship Programme, Denmark.

He served as a member of the National Media Commission from 2006 to 2009 and the National Population Council (2000-2005). He is currently a member of the Ghana AIDS Commission, the Ghana Education Service Council and the Islamic Progress Advisory Committee of the Ghana Broadcasting Corporation.

He has also held the positions of Deputy Secretary General, Ghana Muslims Representative Council, General Secretary of the Ghana Conference of Religions for Peace (GCRP) and Executive Secretary, Federation of Muslim Councils (FMC).



**GERALD NII ADJABENG ANKRAH**

**H**ARDWORKING and enterprising, Gerald is credited with the massive transformation of the Ghana Independent Broadcasters Association (GIBA) into a vibrant and efficient organisation. His principle in life is that “every work worth doing is worth doing well”, which has been the secret behind his success story at GIBA. Appointed director of News Times Corporation in May 2011, Gerald also served as the Project Director for the body that was responsible for the publication of the Code of Conduct for GIBA members for Election 2012.

He holds a Bachelor of Science degree in Economics from the Ghana Institute of Management and Public Administration (GIMPA) and had previously worked as Head of Finance and Administration with Metropolitan Television Limited and an administrator at Danafco Engineering. He has also served in various capacities at Wade Adams Group, Plant Pool Limited and Osei, Wiredu and Associates.

He has served as a resource person for the National Media Commission in the review of the “Guidelines for Local Language Broadcasting” and has succeeded in making GIBA self-sustaining and self-supporting.



**NANA ASANTEWA AFADZINU**

**N**ANA Asantewa obtained an LLB and BL from the University of Ghana and the Ghana School of Law in 1994 and 1996 respectively.

After practising with a commercial law firm, Hesse and Larsey, Nana worked as a Legal Officer with the Secretariat of the African Commission on Human and Peoples’ Rights in Banjul, The Gambia; and the African Society of International and Comparative Law in Accra.

Nana spearheaded the establishment of a legal division for the Women’s Initiative for Self Empowerment (WISE) and volunteered as its legal counsel. She was the Coordinator of the National Coalition on Domestic Violence Legislation in Ghana and is a member of the Ghana Bar Association (GBA), International Federation of Women Lawyers (FIDA), the Pan-African Lawyers Association (PALU), African Women Lawyers Association (AWLA), the Network for Women’s Rights in Ghana (NETRIGHT), and the Gender Violence Survivors Support Network (GVSSN).

Previously a visiting scholar at Columbia University’s Human Rights Advocate Training Programme, Nana completed her Masters in Law degree at New York University in 2004 and has worked with the Media Foundation for West Africa and the Centre for the Study of Human Rights, Columbia University, in establishing a West and Central Africa Human Rights Institute. She is currently the Executive Director of the West Africa Civil Society Institute (WACSI) and having previously served on a number of boards including the Ghana News Agency, she brings to the Graphic Board her rich experience.

# CORPORATE **PROFILE**

**T**HE company published its first newspaper, the *Daily Graphic*, on October 2, 1950 and followed it up in 1953 with the weekly Sunday Mirror, now called *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 the Graphic Corporation.

In response to market demands, the company added *Graphic Sports* (1985) and *Graphic Showbiz* (1998) to its publications.

In 1999, the company took advantage of the Statutory Corporations (Conversion to Companies) Act, 1993, Act 461, to change from a corporation to an autonomous private 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 Nsempa* (2007) and *Graphic Business* (2008). However, the company no longer publishes *Graphic Advertiser* and *Graphic Nsempa*.

Graphic entered Ghana's newspaper market in 1950 with the letterpress printing technology, which was common to its competitors. Twenty-six years later, in 1976, it installed the first web offset colour printing machine in Ghana. This was the semi-automatic Harris web offset press manufactured in the USA. The company bought two production lines. One was a four-unit press and the other a two-unit press. However, both could be set to work together if the company needed to print more pages at the same time.

Again, in 1995, Graphic led the newspaper industry in Ghana with an upgraded version of the web offset colour machine, the Heidelberg Harris press.

## **OUR REPUTATION**

### **Quality news**

Graphic has a reputation for credible news, a quality which has made the company's professional approach



*GCGL administrative staff being taught by a consultant at one of the training sessions organised by the Human Resource Department for the company's employees*



*President John Dramani Mahama displaying a framed copy of the redesigned Daily Graphic after the launch*

to journalism the standard in Ghana. 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. Thus, in Ghana, newspaper simply means “Graphic”.

### **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 the capacity to print 75,000 copies an hour in full colour. The GGCL 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 to Ghana.

The company’s editorial set-up is a modernized network of Mac computers with industry-standard editorial and graphics software.

The company also has a website ([www.graphic.com.gh](http://www.graphic.com.gh)) that brings timely news to readers and delivers audience to advertisers.

### **EMPLOYEES OF HIGH CALIBRE**

The company employs personnel of high calibre 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.

## HONOURS

Many awards – personal and corporate – testify to the company’s reputation for excellence.

### ***CIMG Media Organisation of the Year***

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

### ***GJA Best Designed Newspapers***

In 2005 and 2006, the GJA adjudged the company 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 with outstanding performance.

### ***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.

### ***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. Also our journalists have won the other awards of the GJA a countless number of times.

## CORPORATE SOCIAL RESPONSIBILITY



*Nanabanyin Dadson, the Editor of Graphic Showbiz, presenting an award to the Overall Best Student in Journalism (Degree) at the African University College of Communications (AUCC) as part of the company’s sponsorship of the university’s ninth congregation held in 2012*

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

The fund helps genuinely needy Ghanaians who need medical treatment but cannot have it because the cost is above their means. Since 1989, the company and its collaborators have helped about 160 needy patients to pay for the treatment of illnesses such as throat cancer, heart surgery and neurosurgery.



Residents of Adabraka and its environs being screened during the Graphic/ABL Health Screening Exercise at Additrom School Complex, Adabraka, Accra

### **Free Medical Care**

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



GCGL vendors and agents being registered with the National Health Insurance Scheme (NHIS) at the expense of company as part of its social responsibility programme

### **Scholarship Scheme**

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

### **Junior Graphic**

The *Junior Graphic* is a social responsibility tool to help children cultivate the habit of reading and writing. It is also a platform for children to share their opinions on public discussions of national issues and hopefully influence public policy, especially those that affect them. To further this objective, the *Junior Graphic* has instituted The *Junior Graphic* Spelling Competition (JGSC) for schools in which *Junior Graphic* Fan Clubs have been formed. The JGSC is to verify whether children are reading the newspaper. Because of its social responsibility role, the *Junior Graphic* is not profit oriented, so its cover price is heavily subsidised by the company.

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

The company sponsors this excellence award, 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*.



*Dr Hannah Ayertey (middle) and Dr Adusah (2nd left), both of the Korle-Bu Teaching Hospital, admiring a cheque from the Graphic Needy Trust Fund after receiving it from Dr Henry Aidoo (left), Resident Medical Doctor of GCGI, for Mr Patrick Addadey (right), a throat cancer patient the fund sponsored*

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

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

### **Daily Graphic Governance Dialogue**

The Daily Graphic Governance Dialogue was launched on November 28, 2006 to provide a forum for the 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.

### **Graphic Sports Keep Fit Clubs Competition**

The Graphic Sports Keep Fit Clubs Competition is an annual event first held in 2009. It is a vehicle for promoting healthy lifestyles among publics. Aerobic experts lead participants through physical exercises at the event, while the participants also listen to talks by experts on how to live healthily.



*Participants in the fourth Graphic Sports Keep Fit Clubs Competition on a health walk*



*Award winners at the 2012 GCGI second-half-year staff awards and end-of-year party display their awards at the end of the ceremony. With them are some executive managers, including the Managing Director, Mr Kenneth Ashigbey (arrowed).*

### **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.



# CORPORATE PROFILE



## BRIEF DESCRIPTION OF THE G-PAK LIMITED

G-Pak Limited is one of the key commercial and packaging printing companies in Ghana. It was established in 1976 (then called Graphic Packaging Limited) as a key strategic business unit of the GCGL.

## OUR POLICY

We at G-Pak are committed to exceeding customers' expectations by ensuring quality printing services on time, every time. We aim to be leaders in the printing industry and will achieve our goals by involving our co-workers, contractors and customers in our movement for excellence.

## PRE-PRESS

Our pre-press system includes high grades of Apple Mackintosh and Microsoft computers supported by high resolution scanners. We also use a computer-to-film process, which uses films in developing plates, and computer-to-plate (CTP), which eliminates filming and manual processing of plates from the production work flow. This creates a direct dot and reduces dot gain to the minimum, thereby printing the highest quality of images onto all kinds of suitable substrates.

## PRESS

### Heidelberg CD 102

The company has five-colour Heidelberg CD 102 press with in-line coating and drying facilities. The machine also has a computersed print control panel for general controls and diagnostics which ensures that output is of excellent print quality on both paper and boards. Maximum format is 76cmx 102cm and the machine can run at a consistent speed of 15,000 sheets per hour. Also, the Heidelberg CD 102 has a spectrophotometer image controller which helps printers maintain consistent print during long runs. This press, capable of printing high quality products, is currently being used for the printing of books.



The range of paper and boards used on our presses is between 45-400gsm.

### **Heidelberg SM(X) Machines**

We also have the state-of-the-art Heidelberg SM 74 and SX Press with a print capacity of 15,000 impressions per hour. This is also capable of printing on a wide range of paper and boards between 45-400gsm.

### **KBA WEB PRESS**

This new press is the first of its kind in the West African sub-region and is capable of printing 75,000 copies of 64 pages (colour) per hour. This has a capacity for both newspaper and book printing.

### **FINISHING**

Our finishing line comes with modern machines that give a perfect touch to all our products. We have a guillotine with a hoist jogger and a lifter that automates the cutting process and runs a software system that assists the operator with a precise programmable cutting.

We also have a newly installed Perfect binder and saddle stitcher with integrated six gathering stations. Other features include a stacker that can count and pack books in the desired quantities, a Muller Martini book binding machine and two high-speed Stahl machines.

We also have a complete folder gluer machine that is able to fold and glue boxes and perform one-side and three-side gluing all at the touch of a button.

In addition, G-Pak has a large format laminator capable of laminating large quantities of printed covers within a short time and a three-way knife trimmer to give the books a perfect finish at the press of a button.



labels  
skillets  
calendars  
books  
annual reports  
funeral programmes  
magazines  
posters  
brochures  
newspapers  
newsletters



## OUR PRODUCTS

We offer a wide selection of products that are tailor-made to your needs. These include: **Skillets (pharmaceutical boxes, soaps, tea boxes, and custom made boxes); Labels (we are able to print all kinds of labels on self-adhesive paper, polypropylene and paper) Commercial printing (newspapers, magazines, books, annual reports, calendars, directories, brochures, newsletters, leaflets, stationery, folders and all other print related materials.**



G-PAK, which is also a publishing company with nine book titles to its credit, has been hugely capitalized and 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 utilization of modern printing technologies and state-of-the-art machinery.

## OUR QUALITY

Our quality policy is to continually strive to reach out to our market to the delight of our customers and stakeholders through efficient utilisation of resources, providing training and development, motivating employees, and sharing together a commitment for quality products and services that meet both local and international standards.



The company has a Safety, Health, Environment and Quality (SHEQ) Unit headed by a senior manager to monitor the total quality management system to ensure higher quality of printed products. We are mindful of the impact of our operations on the environment. Our overall Environmental Management Plan (EMP) for 2011-2014 has been approved by the Environmental Protection Agency (EPA) for implementation, following the successful implementation of the 2007-2010 plan.

## OUR AWARDS

We have won an array of international awards, including the prestigious Arts Gallery Awards in the USA for Best Quality Print.



## POWER

The entire factory and offices run a power back-up system and an automatic stand-by power plant that ensures our production cycle is uninterrupted at all periods.



## DISTRIBUTION

G-Pak has the capacity to deliver products nationwide using tried and tested distribution channels used by our parent company, the GCGL, in circulating newspapers in less than 24 hours. We are capable of delivering books to various destinations as added service to our customers.

We are one of the few printing and publishing companies with the capacity to handle all jobs on hand in-house (One Stop Shop).

## WHY CHOOSE G-PAK?

We at G-Pak have responded to the need for high quality, low-cost print solutions and fast turnaround time, while ensuring the quality of our work is immaculate. We focus on providing our clients with all the services and processes that are needed to make their products easily available to their end users.

We are the trusted and most preferred choice in commercial, books and packaging printing; we have built our reputation through years of nurtured commitment to deliver on quality and on our promises to exceed customer expectation. Our entire factory and work site are monitored by CCTV and you are assured of the confidentiality of all your works.

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

# CHAIRPERSON'S STATEMENT

**D**EAR Shareholder, Ladies and Gentlemen: I have the pleasure to welcome you all to our tenth Annual General Meeting. The year 2012, though challenging, brought significant progress to the company. The board, management and staff worked tirelessly in the year under review to achieve very good results for the Graphic Communications Group Limited.

## GLOBAL ECONOMY

In 2012, the market environment of the newspaper industry continued to be characterised by global economic, political and demand uncertainties. In the Eurozone, which happens to be our major trading area for GCGL operations, the fiscal crisis continued and a double-dip recession threatened the UK and other major European economies. The bulk of our inputs, namely, newsprint, plates, inks and spares, is purchased from the Euro zone countries.

Global growth dropped to 3.2 per cent in 2012 from 3.9 per cent in 2011. Global inflation pressure, which slowed down from 3.9 per cent in 2012 due to weak demand, is forecast to reach 3.5 per cent in 2013.

## GHANAIAN ECONOMY

In 2012, we operated in a domestic condition that witnessed a GDP growth of 7.1 per cent. Inflationary pressures were subdued in 2012, as depicted by trends in consumer prices, ending at 8.8 per cent in December 2012.

The Bank of Ghana Policy Rate was raised to 15 per cent in June 2012 from 12.5 per cent and was maintained for the rest of the year, but the benchmark 91-day treasury bill rate rose from 10.7 per cent in December 2011 to 22.4 per cent in December 2012. During the second half of 2012, stability was restored in the foreign exchange market, following heightened volatility in the first half of the year, with the cedi experiencing a year-to-date depreciation of 17.5 per cent against the US dollar as of December 2012.



## TRENDS IN THE MEDIA INDUSTRY

The media landscape continued to change significantly during the year under review, making competition in the industry very keen. 2012, being an election year, saw the number of newspapers on the newsstands, as well as radio stations, increasing. Outdoor advertising continued to grow, posing greater challenges to the other sectors of the industry.

The keen competition in the media industry requires that the company adopt strategies that would respond to the peculiar needs of the market. Broadly, the company is focusing on operational efficiency and new product development to maintain its lead in the media industry.

The company did well during the period and maintained its competitiveness in the advertising market with a 70 per cent share of the newspaper advertising market.

## 2012 FINANCIAL PERFORMANCE

The year 2012 also saw another impressive performance by the company.

- Turnover increased from GH¢30.2 million in 2011 to GH¢41.8 million in 2012, representing a 38.4 per cent increase.
- Net profit after tax also increased from GH¢2.4 million in 2011 to GH¢7.1 million in 2012, an increase of 195.8 per cent.
- Shareholder funds increased from GH¢20.1 million in 2011 to GH¢26.6 million in 2012, an increase of 32.3 per cent.

## DIVIDEND

The Board of Directors recognises that our shareholder deserves a fair return on its investment and has, therefore, recommended a dividend of GH¢600,000 for 2012, an increase of 20 per cent over the GH¢500,000 paid in 2011.

## CORPORATE GOVERNANCE

The company is committed to strong corporate governance practices that allocate rights and responsibilities among the shareholder, the Board and Executive management to provide for effective oversight and management of the company in a

manner that enhances the shareholder's value.

The Board of Directors ensured the proper maintenance of good internal control procedures and systems, adherence to rules and regulations and compliance with legal requirements through scheduled meetings of the board and its committees.

The board has the following committees: Finance and Audit, Editorial, Strategy & Operations, and Legal & Administration. The committees review the company's policies, strategic direction, operational procedures, financial management processes, legal, editorial and administrative matters and make recommendations to the board.

## OUTLOOK FOR 2013

To maintain our strength and competitive edge, we need to operate responsively to the needs of our customers.

A new Design Centre would be set up very soon within the Marketing Department to assist clients with artwork and designs for their advertisements. We will continue to uphold high standards in our re-designed newspaper brands and strengthen our online presence. We will also endeavour to work towards achieving our vision and living our mission. All these measures are in response to meeting the challenges ahead and growing or increasing market demands in line with our revised five-year strategic plan to become the biggest and most influential media organisation in the West African sub-region.

## APPRECIATION

On behalf of the board, I wish to express my sincere appreciation to you, dear shareholder, for your interest in the company; to our numerous customers for their loyalty; to the employees for their dedication to duty, and finally to my fellow directors for your invaluable support.

Thank you.

Dr Doris Yaa Dartey  
Board Chairperson

# MANAGING DIRECTOR'S REPORT



## INTRODUCTION

**A**S I look back on 2012, I see a year of significant achievement for the company, despite the implications of the energy crisis and the increase in crude oil prices on the economy. This was a year in which, as a newspaper company, we extended the coverage of the campaigning, voting and the aftermath of the presidential and parliamentary elections by not only providing news after the event but also ensuring immediacy and currency of the news as it happened via [www.graphic.com.gh](http://www.graphic.com.gh).

This was a year of inflection that also saw growth of single copy sales of newspapers.

The company's steady growth in assets and earnings continued in the year 2012. We achieved our targets and ended the year with a stronger balance sheet. The year's performance has, therefore, laid a solid foundation for the achievement of our targets in our revised five-year strategic plan.

The Board also ensured that the company met all its financial obligations, especially corporate taxes, VAT, import duties and loan repayment. In 2012, the company paid GH¢4.7 million to the government by way of corporate taxes, VAT, PAYE and import duties.

## FINANCIAL PERFORMANCE

The performance in 2012 was a marked improvement over that of 2011. The company's turnover increased from GH¢30.2 million in 2011 to GH¢41.8 million in 2012, representing a 38.4 per cent increase. This is the highest growth in the past five years

Net profit after tax grew by 195.8 per cent from GH¢2.4 million in 2011 to GH¢7.1 million in 2012. This is also an unprecedented growth in profits in the recent history of the company.

The good results achieved in turnover and profitability were achieved on the back of increasing cost of production and foreign exchange losses. There was a significant increase in world market

prices of newsprint, ink, plates, crude oil and other raw materials needed for the production of the company's newspapers.

Out of the 2012 turnover, advertising and newspaper sales contributed 52 per cent and 48 per cent, respectively.

Our flagship newspaper, the *Daily Graphic*, maintained its leadership position by contributing 82 per cent of our total newspaper sales.

## EDITORIAL

The year 2012 was a very challenging and interesting one, since it was an election year. The country adopted biometric registration with verification. We also lived up to our constitutional mandate of providing equal access for all the political parties, though most of the smaller political parties could not take full advantage of the opportunities offered them. We moved beyond just reporting the events of the campaign to focusing on issues and holding town hall meetings where we offered platforms for the electorate to hold the candidates to account. For the first time in the history of the country, a sitting President, Prof. John Evans Atta Mills, died

and was replaced by his vice, Mr John Dramani Mahama.

As an election year, a lot of attention was devoted to the electoral process and the Electoral Commission(EC). It started with the announcement of the opening of registration of voters, which was carried out in phases. Then there was the display of the register.

The EC equally opened nominations for parliamentary and presidential candidates. For the first time, eight persons filed to contest the presidential polls, while three others, including Nana Konadu Agyemang Rawlings of the National Democratic Party, were disqualified.

The EC also introduced a legislative instrument to create 45 new constituencies to bring the total to 275. The exercise attracted debate on the floor of Parliament, in public discourse and at the Supreme Court. All these found expression in our newspapers.

On the election itself, there were challenges with the biometric registration, prompting the



*Prof. Naana Jane Opoku Agyemang, the immediate past GCGL Board Chairperson; Mrs Cecilia Davis, Solicitor Secretary of the GCGL, Mr Adu Anane Antwi, a former Board Member of the GCGL, and Mr Mohammed Affum (side facing camera), a former Board Member of the GCGL, at the 9th Annual General Meeting (AGM) of the company*



extension of voting in some electoral areas for a days. For the first time in our history, Graphic gave real-time coverage of the election reporting from the opening of polls, in pictures, video and text on [www.graphic.com.gh](http://www.graphic.com.gh) to the declaration of results at the polling stations, through the collation centres to the EC headquarters for the presidential results.

Then the New Patriotic Party complained to the EC about its observations and asked for a delay in the declaration of results. The EC dismissed the complaint, necessitating the party petitioning the Supreme Court to annul the results.

All these were given adequate coverage in our newspapers and on our website.

The health status of Prof. Mills became a public issue, especially when he travelled abroad for medical check-up. However, on July 24, Prof. Mills suddenly died. His death and burial gained extensive coverage in our newspapers.

In the evening of the day of the death of Prof. Mills, his vice, Mr Mahama, was sworn in as President. He later nominated the then Governor of the Bank of Ghana, Paa Kwesi Amisshah-Arthur, to serve as the Vice-President of Ghana.

Months after Prof. Mills's death, former Vice-President Aliu Mahama also died.

#### **KEY AREAS OF COVERAGE INCLUDED:**

- Biometric registration of voters
- Display of voters register
- Creation of new constituencies
- Elections
- Election petition
- Deaths of Prof. Mills and Alhaji Mahama
- Swearing in of Mr Mahama as President.

#### **Graphic Website, [www.graphic.com.gh](http://www.graphic.com.gh)**

We have, as a multimedia organisation, re-launched our website to bring in some freshness and professionalism to meet the expectations of target audience in this ever-expanding new media and the feedback has been phenomenal. It is the fastest growing news and media website in Ghana. It had its highest hits on the 7th and 8th of December during the elections and has since maintained high ratings with average monthly 207,000 unique IP visits to the [www.graphic.com.gh](http://www.graphic.com.gh). The website is currently

being redesigned internally to accommodate the express and non-express needs of our audience and clients.

#### **PRODUCTION**

The newly installed KBA Comet Press was employed full scale to do production of newspapers for the entire year. It did 385 production runs, converting over 7,400 tonnes of paper into products.

Conversion was very efficient, with an overall yield of 98.2 per cent. Print quality was superb. Contract printing for other newspaper companies and other organisations improved capacity utilisation to about 54 per cent.

We continue to explore possibilities to increase utilisation of the installed capacity of the press. To this end, we are converting the press from a pure newspaper press to include book printing capacity, enhancing the plant's capabilities by investing in a Quarterfold accessory. This will make the plant ready for book and magazine printing. We plan to complete this enhancement by October 2013.

Maintenance, which is key to running a production line as pertains now, has been paramount in our planning. In the later part of the year, we initiated the purchase of spare parts and planned post-installation technical visits by the manufacturers for 2013. The purpose is to carry out necessary inspection and adjustments and also further train our in-house engineering and production teams on the machines as part of refresher interventions to improve our human resource.

#### **SALES AND MARKETING OPERATIONS**

We achieved a 38.4 per cent turnover growth in the midst of competition from many partisan newspapers that challenged our market share during the election year. Cover price increase also reduced single copy sales volumes slightly.

However, our enhanced print quality and colour capacity enabled us to organise several supplementary pages on special occasions to increase advertising revenue. In the process, we produced an increased number of pages of the newspaper per edition to deliver more value for money to our readers. Additional income also came from newspaper printing contracts we secured to

utilise excess capacity on our new printing facilities. To understand our readers better and increase customer satisfaction, readers of all our brands were given the opportunity to send a feedback during our first-ever in-paper readership surveys. That activity contributed to show us the direction to redesign the *Daily Graphic* in particular.

In order to satisfy our customers and deliver on our mandate as a state-owned newspaper with a true nationwide reach and distribution in terms of the timely delivery of products to the northern sector of the country, we have, as a policy, been airlifting the newspapers to meet the desired expectations of our readers.

We continued a hand-holding relationship to drive customer loyalty among our newspaper agents and vendors. Apart from the scholarships we offer their children who qualify for senior high school, we also registered them for free onto the NHIS.

### **GRAPHIC EVENTS**

Among others, the third Graphic Business Forum was held successfully to influence national agenda in ICT, as well as the oil and gas industry. Also, just before the presidential and parliamentary elections, we organised a series of town hall meetings in Ho, Takoradi, Kumasi and Tamale to shape up the key issues and set the agenda towards Election 2012. The events were streamed live on our re-launched [www.graphic.com.gh](http://www.graphic.com.gh).

### **CORPORATE SOCIAL RESPONSIBILITY**

We have continued to assist a number of people to get needed medical care through our needy fund initiative, while our annual free health screening for the Adabraka community was also not skipped in 2012. We held it in collaboration with Accra Brewery Limited.

Towards the promotion of excellence in journalism, we have continued to sponsor the overall best student awards of the Ghana Institute of Journalism and the African University College of Communications.

As part of our contribution to the promotion of reading and improving teaching and learning in deprived areas, we, in collaboration with two of our newsprint suppliers, Elof Hansson and Esswell

of Sweden, are supplying free copies of the *Junior Graphic* to 200 least developed schools throughout the country. This is apart from the subsidy that the business offers on each copy of the *Junior Graphic*.

Our doors were opened throughout the year to receive several batches of young people in school groups on visits to learn about the newspaper publishing and printing industry. We also offered industrial internship to a lot of students from tertiary institutions.

### **TRAINING, DEVELOPMENT AND INDUSTRIAL RELATIONS**

During the year under review, training programmes were selected to concentrate on technical and specialised areas. Some of the departments that benefited from those programmes were Newspapers, Technical Services, Finance, Marketing, HR/Administration and Public Affairs. A programme was organised for employees who were preparing for retirement.

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 each other as partners in development. Negotiations for a wage opener were conducted and concluded peacefully in only two sittings.

The staff strength as of the end of December 2012 was 422.

### **SCHOLARSHIP SCHEME**

Thirteen (13) children of members of staff were added onto the scholarship scheme to pursue various senior high school programmes. The company also paid the school fees for continuing students on the scholarship scheme. The total number of students on the scheme for the 2012/2013 academic year is fifty-nine (59).

### **WORKLOAD ANALYSIS**

In April, management engaged the services of a consultant, on the approval of the Board of Directors, to undertake a workload analysis for the organisation. The assignment took a period of three (3) months to complete. The consultants ,on completion, presented an establishment list for

the company. They also developed a redundancy/recruitment plan.

In the course of the year, we concluded a review of the strategic plan of the business that elapsed in 2012 and developed a new strategic plan spanning the next five years, 2013 to 2017.

## AWARDS

During the year under review, the performance of the company was highly acknowledged through professional excellence. Four of our journalists received GJA awards for exceptional performance in various categories; Features (Print), Parliamentary Reporting, Best Investigative Journalism, Best Report on Small and Medium-scale Enterprise.

The Daily Graphic won the SuperBrands' Excellence in Branding award.

## SUBSIDIARY (G-PAK LIMITED)

G-Pak made a sales revenue of GH¢1.90 million in 2012, showing an increase of 36.7 per cent on the 2011 revenue of GH¢1.39 million. The company registered a net profit of GH¢44,390 in 2012, compared with a net loss of GH¢184,157 in 2011.

G-Pak installed a new two-colour SX74 Litho perfecting press from Heidelberg, Germany, to complement the work of the existing Flexo press. The new two-colour press will be very competitive for short-run jobs.

With the GCGL installing the *quarterfold* on the KBA Press that can print books at high speed and quality and G-Pak's finishing capacity and the capacity of other local printers, we would want to renew our appeal to the government, our shareholder, to increase the local content of printing jobs, as there currently exists in Ghana the capacity to print all government supplied textbooks to high quality standards, in good time and at very competitive prices.

## OUTLOOK FOR 2013

The general outlook for 2013 is bright, in spite of the expected increase in competition in the newspaper industry and increase in cost of production. The increasing cost of production will lead to higher

prices for our newspapers, which could result in a fall in the circulation of many papers but advertising sales are expected to be very strong due to our superb print quality.

The political environment is expected to remain stable and the economy will continue to grow, enabling business generally to also grow.

However, downside risks include energy sector challenges and uncertainty relating to the implementation of fiscal consolidation measures in periods of pressure on utilities and fuel subsidies.

We assure all our stakeholders that we will pursue prudent corporate policies in the coming year to further increase revenue and profit. Priority will be placed on product innovation and improvement through research and aggressive marketing and improvement in our delivery times to the market.

We will continue to invest in customer service orientation programmes for our staff, streamline ICT and our operations to deliver reliable services to our customers, strengthen the human resource management framework and implement efficiency-improvement, productivity-enhancement and cost-reduction programmes. We will also implement the Balance Scorecard framework to ensure flawless execution of our strategy.

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

Also, I sincerely thank management and staff, customers and other stakeholders for their strong commitment and contributions which made us achieve the very high performance in 2012.

Thank you.



Kenneth Ashigbey  
Managing Director

# REPORT OF THE DIRECTORS TO THE MEMBERS OF GCGL

The directors present their report and the financial statements of the company for the year ended 31 December 2012.

## NATURE OF BUSINESS

The Graphic Communications Group Limited is the leading newspaper printing and publishing company in Ghana. There was no change in the nature of business of the company during the year.

## DIRECTORS' RESPONSIBILITY STATEMENT

The company's directors are responsible for the preparation and fair presentation of the financial statements, which comprise the balance sheet as of 31 December 2012, profit and loss and income surplus accounts and cash flow statement for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with Ghana National Accounting Standards and in the manner required by the Companies Act, 1963 (Act 179).

The directors' responsibility includes: designing; implementing and maintaining internal control 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; and making accounting estimates that are reasonable in the circumstances.

## FINANCIAL RESULTS

The financial results of the company for the year ended 31 December 2012 are summarized as follows:

	<b>2012</b>	<b>2011</b>
	<b>GH¢'000</b>	<b>GH¢'000</b>
Profit before Tax but after exceptional items (at 31/12)	<b>9,056</b>	2,501
Taxation	<b>(1,965)</b>	(73)
	-----	-----
	<b>7,091</b>	2,428
Income surplus (at 01/01)	<b>13,664</b>	10,029
	-----	-----
	<b>20,755</b>	12,457
Transfer to Statutory Reserve	<b>(709)</b>	(243)
Transfer from Capital Reserve	<b>137</b>	1,950
Proposed Dividend	<b>(600)</b>	(500)
	-----	-----
Income Surplus (at 31/12)	<b>19,583</b>	13,664
	=====	=====

## SUBSIDIARY COMPANY

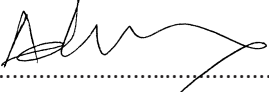
The company owns 100 per cent shares in G-Pak Limited, a company incorporated in Ghana.

## ACCOUNTS AND DIVIDEND

The detailed financial results for the year are set out in the attached financial statements. The directors recommend the payment of GH¢600,000 (2011: GH¢500,000) as dividend to the shareholder of Graphic Communications Group Limited. The directors consider the state of the company's affairs to be satisfactory.

## APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the company were approved by the board of directors on June 18, 2013 and signed on its behalf by:

  
.....  
**DIRECTOR**  
*Dr Doris Yaa Dartey*

  
.....  
**DIRECTOR**  
*Mr Kenneth Ashigbey*

# REPORT OF THE AUDITORS TO THE SHAREHOLDER OF GCGL

We have audited the accompanying financial statements of the Graphic Communications Group Limited, which comprise the balance sheet as of 31 December 2012, profit and loss and income surplus accounts and cash flow statement for the year then ended and the notes to the financial statements, which include a summary of significant accounting policies as set out on pages 29 to 34.

## **Directors' Responsibility for the Financial Statements.**

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with Ghana National Accounting Standards and in the manner required by the Companies Act, 1963 (Act 179) of Ghana and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

## **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion, proper books of account have been kept, and the financial statements which have been prepared therewith give a true and fair view of the state of the company's affairs as of 31 December 2012, and of the profit and loss accounts and cash flow statements for the year then ended in accordance with Ghana National Accounting Standards and in the manner required by the Companies Act, 1963 (Act 179)

## **Report on Other Legal and Regulatory Requirements**

### **Compliance with the requirements of Section 133 of the Companies Code, 1963 (Act 179)**

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.

In our opinion, proper books of account have been kept and the balance sheet, profit and loss and income surplus accounts are in agreement with the books of account.



JOHN ARMSTRONG YAO KLINOGO

PRACTICE NO. 100280

JOHN KAY AND CO.

CHARTERED ACCOUNTANTS

ACCRA

June 19, 2013

## Balance Sheet as of 31st December, 2012

	NOTES	2012 GH¢	2011 GH¢
FIXED ASSETS	2	20,910,548	21,178,410
INVESTMENTS	3	1,544,010	1,544,010
		<b>22,454,559</b>	<b>22,722,420</b>
<b>CURRENT ASSETS</b>			
Stocks	4	1,756,887	681,410
Trade Debtors	5	7,780,688	5,380,454
Sundry Debtors	6	158,224	68,471
Inter-Company Balance	7	1,352,054	1,078,694
Taxation	8	-	1,121,045
Short-term Investments	9	391,152	351,497
Bank & Cash	10	1,438,096	267,376
		<b>12,877,101</b>	<b>8,948,947</b>
<b>CURRENT LIABILITIES</b>			
Trade Creditors	11	3,079,015	1,583,640
Sundry Creditors and Accruals	12	3,145,985	3,471,738
Bank Overdraft	13	-	1,693,089
Proposed Dividend	14	600,000	630,000
Loans and Borrowings	15	1,301,881	2,860,767
Taxation	8	583,256	-
		<b>8,710,137</b>	<b>10,239,234</b>
<b>NET CURRENT ASSETS</b>		<b>4,166,965</b>	<b>(1,290,287)</b>
<b>LONG TERM LIABILITIES</b>			
Loans and Borrowings	15	-	1,300,881
		-	1,300,881
<b>NET ASSETS</b>		<b>26,621,523</b>	<b>20,131,252</b>
<b>FINANCED BY:</b>			
Stated Capital	16	2,500,000	2,500,000
Capital Surplus	17	2,468,844	2,606,002
Statutory Reserve Fund	18	2,069,594	1,360,564
Income Surplus		19,583,085	13,664,686
		<b>26,621,523</b>	<b>20,131,252</b>

The attached notes form part of the accounts

  
.....  
**DIRECTORS**

  
.....  
**DIRECTORS**

## Profit and Loss Account

for the year ended 31st December, 2012

	NOTE	2012 GH¢	2011 GH¢
TURNOVER	19	41,787,040	30,179,406
Cost of Sales		(16,497,667)	(12,958,537)
Gross Profit		<b>25,289,373</b>	<b>17,220,869</b>
Deduct:			
Distribution Expenses		(5,906,442)	(4,519,325)
Admin. & General Exps		(10,614,913)	(8,395,795)
Operating Profit	20	<b>8,768,018</b>	<b>4,305,749</b>
Add Other Income		842,040	522,136
Profit Before Interest and Taxation		9,610,058	4,827,885
Finance Charges		(554,434)	(1,326,148)
Profit Before Taxation		9,055,625	3,501,737
Exceptional Item	21	-	(1,000,000)
Taxation		(1,965,356)	(72,818)
Profit After Taxation		<b>7,090,268</b>	<b>2,428,919</b>

## Income Surplus Account

for the year ended 31st December, 2012

	2012 GH¢	2011 GH¢
Balance at 1st January	13,664,686	10,028,812
Transfer from Profit & Loss Account	7,090,268	2,428,919
	<b>20,754,954</b>	<b>12,457,731</b>
Transfer to Statutory Reserve	(709,027)	(242,892)
Transfer from Capital Surplus	137,158	1,949,847
Proposed Dividend	(600,000)	(500,000)
Balance at 31st December	<b>19,583,085</b>	<b>13,664,686</b>

# Cash Flow Statement

## for the year ended 31st December, 2012

	2012 GH¢	2011 GH¢
<b>OPERATING ACTIVITIES</b>		
Operating Profit (before interest and tax)	9,610,058	4,827,885
Depreciation	2,567,391	1,242,162
Loss/(Gain) on Asset Disposal	(51,150)	(21,603)
Exceptional Item	-	(1,000,000)
Dividend Received	(18,735)	(18,735)
Interest Received	(22,495)	(19,328)
Interest and Charges Paid	(554,134)	(1,326,148)
Corporation Tax Paid	(261,055)	(837,826)
<b>Operating Profit Before Working Capital Changes</b>	<b>11,269,881</b>	<b>2,846,407</b>
Decrease/(Increase) in Stocks	(1,075,477)	(409,942)
(Increase)/Decrease in Trade Receivables	(2,400,234)	(506,410)
(Increase)/Decrease in Other Receivables	(89,753)	(21,886)
Increase/(Decrease) in Trade Payables	1,495,375	945,387
(Decrease)/Increase in Other Payables	(325,753)	1,688,889
<b>Net Cash Flow From Operating Activities</b>	<b>8,874,039</b>	<b>4,542,445</b>
<b>INVESTING ACTIVITIES</b>		
Payment to Acquire Fixed Assets	(2,299,828)	(1,693,254)
Proceeds from Asset Disposal	51,150	76,435
Press Machine in Progress	-	-
Investment in Subsidiary Company	(273,360)	11,362
Dividend Received	18,735	18,735
Interest Received	22,495	19,328
<b>Net Cash flow from Investing Activities</b>	<b>(2,480,808)</b>	<b>(1,567,394)</b>
<b>FINANCING ACTIVITIES</b>		
Long-Term Loan from Banks	(2,859,767)	(2,816,160)
Dividend Paid	(630,000)	(510,000)
<b>Net Cash Flow From Financing Activities</b>	<b>(3,489,767)</b>	<b>(3,326,160)</b>
Net Increase in Cash & Cash Equivalents	2,903,464	(351,109)
Cash and Cash Equivalents at 1st January	(1,074,215)	(723,107)
Cash and Cash Equivalents at 31st December	1,829,248	(1,074,216)
Analysis of Cash & Cash Equivalents		
Cash and Bank Balance	1,438,096	267,376
Bank Overdraft	-	(1,693,089)
Short-term Investments	391,152	351,497
<b>Cash and Cash Equivalents at 31st December</b>	<b>1,829,248</b>	<b>(1,074,216)</b>



# Notes to the Accounts

## for the year ended 31st December, 2012

### 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 asset 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**

Transactions 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, 2012

### 2 FIXED ASSEST MOVEMENTS

	New Press Building GH¢	Land & Buildings GH¢	Plant & Machinery GH¢	New Press Machine GH¢	Motor Vehicles GH¢	Computers/ Printers/ Softwares GH¢	Other Office Equipment GH¢
<b>COST</b>							
Balance as of 1st Jan	4,007,910	6,390,345	2,755,004	10,649,918	1,479,463	1,346,439	282,930
Transfer from Capital WIP							
Additions for the year	97,064	5,429	21,423	-	1,643,664	292,065	174,243
Disposals for the year	-	-	-	-	(202,866)	-	-
Balance as at 31st Dec	4,104,973	6,395,774	2,776,427	10,649,918	2,920,260	1,638,504	457,173
<b>DEPRECIATION</b>							
Balance as of 1st Jan	120,237	1,276,818	1,827,421	177,499	1,282,109	966,488	139,165
Charge for the Year	123,149	191,873	277,643	1,064,992	584,052	256,887	52,558
Release on disposals	-	-	-	-	(202,866)	-	-
Balance as at 31st Dec	243,386	1,468,691	2,105,064	1,242,490	1,663,295	1,223,376	191,724
<b>NET BOOK VALUE</b>							
At 31st Dec. 2010	3,861,587	4,927,082	671,363	9,407,427	1,256,965	415,128	265,449
At 31st Dec. 2009	3,887,672	5,113,526	927,583	10,472,419	197,354	379,951	143,764

# Notes to the Accounts

## for the year ended 31st December, 2012

3	INVESTMENTS	NOTES	2012 GH¢	2011 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>
4	<b>STOCKS</b>			
	Newsprint		1,267,934	433,345
	Ink		68,462	17,142
	Others		420,491	230,923
			<b>1,756,887</b>	<b>681,410</b>
5	<b>TRADE DEBTORS</b>			
	Deposits		507,570	110,792
	Adverts		4,884,453	3,365,765
	Newspapers		2,388,665	1,903,897
			<b>7,780,688</b>	<b>5,380,454</b>
6	<b>SUNDRY DEBTORS</b>			
	Staff Loans		126,679	57,175
	Prepayments		31,545	11,296
			<b>158,224</b>	<b>68,471</b>

7 **INTER-COMPANY BALANCE**  
This represents the outstanding balance on invoices for raw materials issued, electricity and rent due from G-Pak Limited, a wholly-owned subsidiary.

8	TAXATION	Chargeable Income GH¢	Tax Charged GH¢	Tax Paid GH¢	Tax Outstanding GH¢
	Year of Assessment				
	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)
	2012	7,840,965	1,965,356	261,055	1,704,301
		<b>19,093,985</b>	<b>4,732,508</b>	<b>3,690,385</b>	<b>583,256</b>

# Notes to the Accounts

## for the year ended 31st December, 2012

<b>9</b>	<b>SHORT -TERM INVESTMENTS</b>	<b>2012</b>	<b>2011</b>
		<b>GH¢</b>	<b>GH¢</b>
	Ecobank - Treasury Bills	65,473	55,986
	G.C.B. SISO/Special Call	4,417	2,990
	Gold Coast Securities - Premium Interest Account	44,943	37,046
	Debt Service Reserve	189,634	172,474
	Merban Investment - Treasury Bills	86,685	83,002
		<b>391,152</b>	<b>351,497</b>
<b>10</b>	<b>CASH AND BANK BALANCES</b>	<b>2012</b>	<b>2011</b>
		<b>GH¢</b>	<b>GH¢</b>
	Ghana Commercial Bank - Foreign	50,282	150,572
	Ghana Commercial Bank - Cedi	908,953	3,913
	Ecobank Ghana Ltd. - Cedi	331,579	-
	Stanbic Bank Ghana Ltd. - Cedi	80,574	-
	Cash Balance	66,709	112,891
		<b>1,438,096</b>	<b>267,376</b>
<b>11</b>	<b>TRADE CREDITORS</b>		
	Suppliers	2,270,601	1,011,189
	Newspaper Deposits	548,851	298,885
	Adverts Deposits	259,563	273,566
		<b>3,079,015</b>	<b>1,583,640</b>
<b>12</b>	<b>SUNDRY CREDITORS AND ACCRUALS</b>	<b>2012</b>	<b>2011</b>
		<b>GH¢</b>	<b>GH¢</b>
	Sundry Creditors	1,065,985	1,802,317
	Accruals	2,080,000	1,669,421
		<b>3,145,985</b>	<b>3,471,738</b>
<b>13</b>	<b>BANK OVERDRAFT</b>		
	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 of December 31, 2012 none of the facilities had been utilised.		
		<b>2012</b>	<b>2011</b>
		<b>GH¢</b>	<b>GH¢</b>
	Ghana Commercial Bank - No. 1	-	760,291
	Ecobank Ghana Ltd.	-	846,352
	Stanbic Bank Ghana Ltd.	-	86,446
		-	<b>1,693,089</b>

# Notes to the Accounts

## for the year ended 31st December, 2012

	<b>2012</b>	<b>2011</b>
	<b>GH¢</b>	<b>GH¢</b>
<b>14 DIVIDEND PAYABLE</b>		
Balance at 1st January	630,000	640,000
Dividend Proposed	600,000	500,000
Dividend Paid	(630,000)	(510,000)
Balance at 31st December	<b>600,000</b>	<b>630,000</b>
<b>15 LOANS AND BORROWINGS</b>		
	<b>2012</b>	<b>2011</b>
	<b>GH¢</b>	<b>GH¢</b>
Ecobank Ghana Limited	661,830	2,647,593
Stanbic Bank Limited	640,051	1,514,055
	<b>1,301,881</b>	<b>4,161,648</b>
Current Portion	<b>1,301,881</b>	<b>2,860,767</b>
Long-Term Portion	-	<b>1,300,881</b>

### 16 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.

### 17 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). A Portion of the capital surplus realised amounting to GH¢1,949,847 was transferred to Income Surplus on 31st December, 2011, while GH¢137,158 was transferred to Income Surplus on 31st December, 2012.

### 18 STATUTORY RESERVE FUND

The Board of Directors approved the transfer of 10 percent 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.

# Notes to the Accounts

## for the year ended 31st December, 2012

<b>19</b>	<b>TURNOVER</b>	<b>2012</b>	<b>2011</b>
		<b>GH¢</b>	<b>GH¢</b>
	Newspapers	20,022,860	16,081,100
	Advertisement	21,764,180	14,098,306
		<b>41,787,040</b>	<b>30,179,406</b>
<b>20</b>	<b>OPERATING PROFIT</b>	<b>2012</b>	<b>2011</b>
	Was stated after charging	<b>GH¢</b>	<b>GH¢</b>
	Audit Fees	45,000	38,000
	Depreciation	2,567,391	1,242,163
	Directors Fees	195,541	129,159
	Donations	11,800	6,175
		<b>2,819,732</b>	<b>1,415,497</b>

### 21 EXCEPTIONAL ITEM

A charge of GH¢1,000,000 was made in 2011 for the cost of business restructuring. This cost comprises redundancy and severance cost.

## GCGL REGIONAL AND DISTRICT OFFICES

### Ashanti Region

P.O. Box 2109, Kumasi  
Tel: 032-2025387  
Fax: 032-2038955  
Location: Graphic Nsempa House  
Opposite Zion School

### Brong Ahafo

P.O. Box 129, Sunyani  
Tel: 035-2027244  
Fax: 035-2027174  
Location: Cocoa House

### Western Region

P.O. Box 216, Takoradi  
Tel: 031-2024320  
Tel/Fax: 031-2023013  
Location: Liberation Road,  
Near Ghana Commercial Bank

### Upper East Region

P.O. Box 526, Bolgatanga  
Tel: 038-2022495  
Fax: 038-2022494  
Location: Ghana Commercial Bank  
Building

### Northern Region

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

### Tema Zone

P.O. Box 1411, Tema  
Tel: 030-3910000/3202698  
Fax: 030-3204281  
Location: Kristal Plaza, near  
Evergreen Supermarket Community 4

### Central Region

P.O. Box 425, Cape Coast  
Tel: 033-2132550  
Fax: 033-2132179  
Location: Ghana Commercial Bank  
Building, Ministries Area

### Volta Region

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

### Eastern Region

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

### Upper West Region

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

### Obuasi

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

### Akim Oda

P.O. Box 65, Akim Oda  
Tel: 034-292-2317  
Location: Goil Filling Station,  
Post Office Road

# NOTES

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