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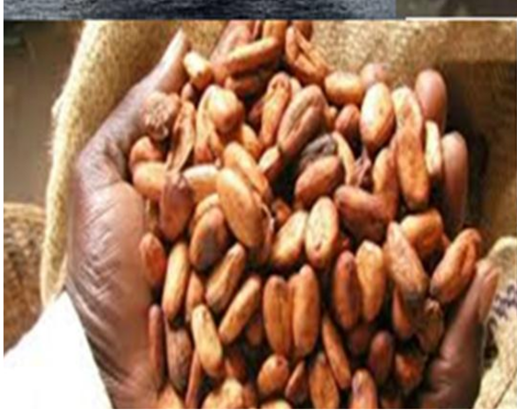
MINISTRY OF FINANCE, GHANA

SOE ANNUAL AGGREGATE REPORT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ACRONYMS

ADB	Agricultural Development Bank
AGM	Annual General Meeting
BD	Budget Division
BOST	Bulk Oil Storage and Transportation Company Limited
BRT	Bus Rapid Transit
CAGD	Controller and Accountant-General's Department
DMD	Debt Management Division
ECG	Electricity Company of Ghana
GAPTE	Greater Accra Passenger Transport Executive
GAS	Ghana Audit Service
GCGL	Graphic Communications Group Limited
GHS	Ghana Cedi
GNPC	Ghana National Petroleum Corporation
GPHA	Ghana Ports and Harbours Authority
GoG	Government of Ghana
GOIL	Ghana Oil Company Limited
GCGL	Graphic Communications Group Limited
GRIDCo	Ghana Grid Company Limited
GWCL	Ghana Water Company Limited
JVC	Joint Venture Company
LLC	Limited Liability Company
MMTL	Metro Mass Transit Limited
MoF	Ministry of Finance
NIB	National Investment Bank
NITA	National Information Technology Agency
PMMC	Precious Minerals Marketing Company Limited
PBC	Produce Buying Company
PEU	Public Enterprise Unit
PID	Public Investment Division
PURC	Public Utilities Regulatory Commission
SEC	State Enterprises Commission
SOE	State-Owned Enterprise
SSNIT	Social Security and National Insurance Trust
STC	State Transport Company
TDC	TDC Development Company Limited
TOR	Tema Oil Refinery
UMAT	University of Mines and Technology
VALCO	Volta Aluminium Company Limited
VRA	Volta River Authority

ACKNOWLEDGEMENT

The preparation of this Aggregated Annual Report on Financial Performance and Governance of the State-Owned Enterprises (SOEs) is a result of the collaborative efforts of the entire staff of the Public Investment Division who worked to collect and collate the required data as well as prepare the initial draft of the Report.

The Director of PID, Mr. David Collison provided the required leadership and direction for the process. The document was prepared by a Technical Committee composed of representatives from Ministry of Finance (MoF), Controller and Accountant-General's Department (CAGD), the Ghana Audit Service (GAS) as well as the State Enterprises Commission (SEC) who worked under direct supervision of the Head of the Public Entities Unit (PEU), Mr. Edward A. Borteye with support from Mr. Oteng Karikari, who put the whole report together.

I would like to express my deep gratitude to the Technical Committee for their dedication towards the preparation of this report. My special thanks go to Messrs. Yusif Geoffrey, Nii Odartey Lamptey, Nana Yaw Osei, and Mr. Isaac Fraikue who worked for long hours to put together the financial analysis section of this Report.

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Finally I wish to extend my thanks to SOEs for their assistance in providing the necessary information for the Report as well as their feedback during the Validation and Dissemination Workshops.

PATRICK NOMO
CHIEF DIRECTOR

FOREWORD

State-Owned Enterprises (SOEs) are instruments for governments to create societal and public value. The importance of SOEs is manifested through their contribution to economic development, job creation, skills development, delivery of services to citizens as well as creating of stability during crisis within supply chains. In Ghana, SOEs are expected to play an important role in the economy through the provision of essential infrastructure and related services. Specifically, SOEs are expected to support Government's efforts to ensure the security of supply and the efficient and competitive provision of key economic infrastructure; facilitate the development of advanced manufacturing capability through strategic investment; and to assist in rectifying economically stifling market or regulatory failures.

Government's vision is to strategically put SOEs at the forefront of its long-term development agenda, through the creation of strong and globally competitive SOEs. This vision requires enhanced coordination and focus of resources, particularly within the SOEs sector to maximise the synergies and complementarities that can be leveraged to advance their collective interest as well as long-term development prospects of our country. Government has set, within the context of its "Sowing Seeds for Growth and Jobs" Agenda, ambitious strategic goals to address our country's most pressing challenges of poverty reduction, job creation, infrastructure development, and economic growth. The need for SOEs, working in partnership with Government in a private sector led economy to achieve these goals has become increasingly more important. In this regard, Government intends to leverage the advantages that strong SOEs have in being able to act as a vehicle for government investments in other strategic public entities and projects to stimulate growth and development.

Government recognises that a strong and resilient macroeconomic environment is critical to the performance and viability of businesses including SOEs. Hence, Government's current economic management programme, which aims, among others, to achieve macroeconomic stability, is at the heart of our strategy for improving the long term financial and commercial prospects of SOEs in Ghana. Government has therefore introduced various innovative policy initiatives in the 2017 Budget and Financial Statement to help improve the business environment, instill fiscal discipline and promote investment in critical sectors of the economy to set the stage for job-creation opportunities, ease hardships and secure a bright future for our families. These policy initiatives are intended to address economic imbalances, and create the requisite fiscal space for Government to adequately finance our development.

Additionally, these measures are expected to create the enabling environment for businesses including private companies and SOEs to thrive. Some of the specific initiatives that are expected to directly or indirectly impact the SOE sector include:

a) accommodating existing legacy debt of SOEs in the energy sector with proceeds from the Energy Sector Levy Act (ESLA);
b) ensuring that revenue streams from ESLA are appropriately used to guarantee steady cash flow for the payments of all debts;
c) divesting Government shares in selected SOEs to ensure efficient use of public assets;
d) enhancing the credit risk assessment for SOEs;

These interventions are being implemented to forestall the accumulation of debt by SOEs as well as ensure their financial viability through improvement in their technical and commercial performance. The ultimate aim is to help clean the books of the SOEs concerned to enable them borrow on the strength of their own Balance Sheets and improve their operations.
Government has also initiated and institutionalized the SOE Policy Dialogue, an annual platform aimed at building a close and collaborative relationship among the key stakeholders in the State-Owned Enterprises (SOEs) sector. This platform is expected to engender the necessary interactions and sharing of ideas/ experience to enhance the financial performance and governance of the SOE sector.

KEN OFORI-ATTA
MINISTER FOR FINANCE

STATEMENT FROM EXECUTIVE CHAIRMAN, STATE ENTERPRISES COMMISSION (SEC)

The State Enterprises Commission (SEC) was established under the Provisional National Defence Council Law (PNDC) 170 of 1987 to promote within the framework of Government policy, the efficient and profitable operation of Statutory Corporations (State-Owned Enterprises (SOEs)). However, the impact of SEC on the performance of the SOEs has not been felt in the sector, leading to its diminished importance over the years. Presently, Government holds varying equity interests in about Eighty-Four (84) companies, comprising forty-four (44) wholly-owned State-Owned Enterprises (SOEs) and Forty (40) Joint Venture Companies (JVCs). Many of these companies have been underperforming compared to their own objectives, while others are incurring losses. Furthermore, the expected returns to Government from the SOEs and JVCs have not been commensurate with the level of investments that have been channeled into them.

Majority of these public enterprises operate in critical sectors of the economy and are important to the management of public finances and public policy more broadly. To date, these companies provide vital services and products as well as employment to the people of Ghana. Notwithstanding their importance, many of these companies have been underperforming compared to their own objectives, while others are incurring losses. My vision is to substantially improve the governance and efficient management of all SOEs and other companies with government equities and, to administer the State’s interest to generate profitable return on investments to boost our economy as well as provide high standards of service to the people. It is also my vision to guide and assist, at least, two (2) SOEs to develop to the level of Fortune 500 listed companies within the next 10 years. This will entail the redesign and re-engineering of the current structure of SEC to one that place emphasis on the need to streamline and centralize government’s oversight and management of SOEs in a transparent manner that raises the corporate governance standards to new enviable levels on the international stage.

The new SEC will be more sensitive to the challenges of the SOEs and will help to remedy them with speed. It will help on the issues of good governance and facilitate the smooth operation of the SOE. SEC will be proactive, innovative in building beneficial relationships to bring continuous improvements in SOEs operations. There will be a unified, centralised and digitised Performance Monitoring and Evaluation Framework for the effective, real time tracking of all SOEs operations. SEC intends to initiate and operationalise a model inter-SOEs trading arrangements that will be backed by law, so as to maximise SOEs’ operational and financial opportunities. The amendment to the Public Procurement Act, 2003 (Act 663) will ensure business-to-business (B-2-B) trading activities amongst SOEs.

It is imperative that those at the receiving end of the services and products of SOEs be part of the process of assessing the performance of our SOEs and to assist the New SEC monitor and evaluate their impact on the lives of our people. In this regard, stakeholders particularly customers of SOEs are encouraged to make effective use of the channels of communication including the social media outlets to provide feedback on your experiences with the SOEs and how the services and performance of SOEs as well as SEC can be enhanced. As citizens too, it is equally important we take our individual and collective responsibilities for patronizing the goods and services of our own Ghanaian SOEs seriously and, most importantly, honouring our obligations for services provided promptly in order to keep our SOEs in business for our mutual benefit.

HON. STEPHEN ASAMOAH BOATENG

EXECUTIVE SUMMARY

The Ministry of Finance (MoF) initiated the preparation of this Annual Aggregate Report as part of its obligations under the PFM Act, which enjoins the Minister for Finance to, among others, ensure the efficient management of SOEs and public corporations. This Report, which covers 18 SOEs, is also intended to enhance the oversight role of the Ministry, and also build its capacity for effective monitoring of the SOE sector.

There are currently about 84 SOEs operating in various sectors of the economy, with 44 being wholly government owned SOEs. 34 of the 44 are commercial SOEs, with 25 operating as Limited Liability Companies under the Companies Code (CC) and 9 being Statutory Corporations. In addition, there are 10 subvented agencies and 40 other companies in which Government either minority or majority stakes including 10 mining companies in which Government has up to 10% carried interest each.

By the end of 2016, there were a total of 31,089 people employed by the 18 SOEs, with each SOE employing an average of 1,727 people. The total net assets of GoG in the 18 SOEs amounted to **GHS 29,565 million**. The total on-lent loans outstanding to the sector totaled **GHS 6,004.70 million** whereas GoG support to 6 of the SOEs was **GHS 7,276 million**.

The financial performance of the 18 SOEs was mixed with five (5) SOEs making losses in 2016. The rest made profits in 2016, with 7 of them making profits in the last 3 years. The SOEs achieved a net loss of GHS **791 million**, which translates into an average net loss of GHS 44 million for each SOE. The total loss of 5 SOEs was **GHS 1,795 million** against total profit of **GHS 1,004 million** by the rest.

The financial indicators of the individual SOEs show a disturbing trend of low liquidity and overly high leverage for some of them. Eight (8) of them did not have adequate liquid resources to cover their short term financial obligations thereby resorting to bank overdrafts, which came at huge costs to them. Five (5) SOEs were overly leveraged with debt to equity ratios above 200%, which threatens their commercial viability and survival. Government may therefore want to, as part of its strategy for SOE sector, explore the possibility of securing long term loans to recapitalise the operations of SOEs that have shown promising potential.

In contravention of Section 95 of the PFM Act, 2016 (Act 921) which requires the SOEs to submit their audited financial statements to the Minister of Finance not later than four months after each financial year, all the SOEs except Ghana Re and COCOBOD are yet to finalise the auditing of their financial statements, with 5 SOEs in arrears for both 2015 and 2016. There were also instances of partial disclosure of financial information by some SOEs, indicating the need for the Ministry to increase its current efforts aimed at sensitizing SOEs in particular and the general public on the provisions and requirements of the PFM Act around financial reporting and disclosure by SOEs and public corporations.

The sector was well-governed in 2016. All the 18 SOEs under review had duly constituted Boards and management overseeing their management and operations. In 2016, the average membership of the Board of the 18 SOEs was 8. Their management teams, on the average were made up of 13 members. The membership of the Boards and management of SOEs was heavily skewed in favour of men. A review of the board and management composition of the 18 SOEs reveal that, out of a total of 146 and 262 board and management members, only 27 and 39 representing 18% and 15% respectively were women. In 2016, the Board and management of an SOE had only 1 and 2 females respectively against 7 and 12 males. Again, the Board Chairpersons of all the SOEs and majority of Chief Executives of 18 SOEs are men. The only exceptions with the Chief Executives were GIHOC Distilleries Company Limited and Ghana Reinsurance Company, which had women Managing Directors.

Overall, 2016 proved a very challenging year for the SOEs sector especially the energy/ utilities sub-sector. The performance of the sector mirrored the challenging developments experienced by the global and Ghanaian economies in 2016. While some of the companies delivered outstanding performance, the net result for the sector as a whole was negative due to the below par performance of some of the key players.

It is against this background that current efforts by Government to refinance the legacy debt of the energy SOEs as well as improve the corporate governance practices of SOEs are timely as they are laudable. The proposal from the State Enterprises Commission for Government to extend some form of stimulus package to deserving SOEs is worthy of serious consideration. Finally, the engagement of the SOEs by MoF with the view to collaboratively working to address the specific challenges faced by the SOEs is not only necessary but will also contribute in a big way to enhancing the performance of SOEs and their contribution to the economy.

1 INTRODUCTION

The State Owned Enterprises (SOEs) sector in Ghana is huge and diverse, with companies fully and partially owned by Government operating across different sectors of the Ghanaian economy. The contributions of SOEs to our national development process through employment creation and supporting the pursuit of public policy objectives in strategic sectors of the economy goes without saying.

However, because most of the SOEs tend to underperform and receive Government support in the form of guarantees and subsidies, they sometimes pose serious fiscal risks to public finances. Hence the effective monitoring, as well as improvements in the accountability and transparency of the SOE sector are imperative and worthwhile objectives for the Government.

The Public Financial Management (PFM) Act, 2016 (Act 921), which provides a comprehensive financial management framework for the entire public sector, contains general and specific provisions that require the Minister for Finance to ensure the efficient management of SOEs and public corporations. The Act enjoins the Minister and Chief Director of the Ministry, under sections 4 and 6, to among others, manage Government property, financial assets, and other contingent liabilities as well as supervise and monitor the financial operations and performance of all covered entities.

The Act also provides that the management of public funds, assets and liabilities, and fiscal risks shall be conducted in a prudent way, with a view to maintaining fiscal sustainability. In addition, the PFM Act makes specific provisions to regulate the operations and management of SOEs as well as their financial reporting and disclosure.

As part of efforts to ensure the effective management of fiscal risks from SOEs and public corporation, in line with the provisions of the PFM Act, MoF has initiated the establishment of the necessary mechanisms to ensure the systematic monitoring, identification, assessment and mitigation of potential fiscal risks from SOEs and public corporations.

The preparation and publication of this Annual Aggregate Report is a critical part of MoF's efforts. This Report is also intended to enhance the oversight role of the Ministry in the management of SOEs, and build its capacity for effective monitoring of the SOE sector.

The current framework for managing and overseeing Government's equity interests in SOEs is fragmented, with various institutions handling different aspects of the role. As a result, there is no comprehensive centralized source of information on the operations, financial management and performance, and governance of SOEs. This Report is intended to help fill the gap and improve the availability and accuracy of information on the SOEs sector.

Being the maiden edition, the 2016 Annual Report only focuses on eighteen (18) SOEs selected from different sectors including energy, water, agriculture, finance, communication, manufacturing, housing, mining and transport. The preponderance of energy sector SOEs was informed by its strategic importance to the economy as well as the peculiar challenges associated with the sector. In spite of this, efforts were made to cover as many sectors as possible in the Report. The scope of the Report would be expanded in subsequent editions.

The Report has five (5) main sections. In addition to the Introduction, section 2 provides an overview of the SOEs sector in general. Section 3 interrogates the contributions of the sector to Ghana's economy, focusing on its contribution to job creation and payment of dividend and surplus to Government as well as the financial support it receives from Government. The section also discusses the Graphic Communications Group Limited (GCGL) as a model for sustainable value creation in the SOE sector.

Section 4 focuses on the 18 individual SOEs covered under the Report, highlighting their operational and financial results for the past three (3) years as well as the key challenges that hampered their performance. The section also discusses the SOE Excellence Awards which has been re-introduced by the State Enterprises Commission (SEC) to encourage higher performance and the pursuit of excellence among SOEs. Section 5 throws more light on current corporate governance reforms being implemented by Government with the support of the World Bank. Section 6 closes the Report with discussions on the main findings and conclusions of the Report.

2 OVERVIEW OF THE SOE SECTOR

The Ghanaian economy has been stable for over three decades and expanding, combining improvements in macroeconomic management, progress in social intervention and strong export growth in the last decade. Economic growth has pushed Ghana into the Lower Middle-Income bracket and accelerated poverty reduction. Successive governments in recent times have adopted private sector led economic development agenda and strategy.

In spite of this, SOEs continue to be a key feature of Ghana's economy. From a high of around 300 SOEs in the mid-1980s (including joint ventures), the SOE sector currently consists of about 84 entities with 44 being wholly government owned. Of these, 34 are classified as commercial SOEs and the remaining 10 as subvented agencies. The 34 commercial SOEs have less public sector involvement and operate more independently from Government. They are expected to cover their operational and capital expenditures, and contribute to Government revenue through dividends and taxes.

Of the 34 commercial SOEs, 25 are Limited Liability Companies operating under the Companies Code and 9 are Statutory Corporations established by their own founding acts. The 10 subvented agencies are funded completely by Government budgets, and primarily carry out public service functions and regulatory activities. These are the weakest income earners among all SOEs, and contribute substantially to Government's huge wage bills. These agencies are currently not operating on a commercial basis.

In addition to the 44 wholly-owned SOEs, Government owns both minority and majority stakes in another 40 companies including 10 mining companies in which Government has carried interest (Annex 1 lists companies with Government interest). By the end of 2015, more than 32,500 people were employed by 40 wholly-owned SOEs, representing 2 percent of total formal employment. Between 2007 and 2012, the average annual growth in total personnel was about 10 percent.

Currently, multiple institutions including the Ministry of Finance, the State Enterprises Commission (SEC) and sector Ministries manage government's ownership interests in these companies. This fragmentation in the state's ownership structure coupled with the absence of a clearly defined ownership framework has limited government's ability to effectively manage its equity investments, thereby leading to the inefficiencies and poor performance of many SOEs.

The SEC was established in 1987 under PNDC Law 170, to fill the role of a central agency with oversight responsibility for Government's interests in SOEs. The broad mandate of the SEC was to promote efficient and profitable operation of SOEs, utilising the tools of corporate planning, performance contracting, monitoring and evaluation.

The SEC is charged with promoting, within the framework of Government policy, the efficient and profitable operation of SOEs through the performance contracting system where the SOEs sign individual performance contracts with the Government of Ghana annually. The performance of the SOEs is monitored and evaluated. The targets for the key performance indicators are monitored quarterly to ascertain whether they are on track or not. At the end of the contract year their respective performances are evaluated and reported on (Annex 2 lists the typical indicators monitored under the performance contract). SEC also runs training programmes for boards and managements of SOE periodically to ensure they are performing professionally.

In line with trends in international best practices on effective management of the state's shareholdings, and in response to the challenges of the evolving landscape of the SOE sector, Government has initiated the establishment of a centralized agency with expanded oversight of Government's commercial interests. The centralized agency (Single Entity) would combine an advisory role with effective portfolio management of the assets and liabilities of companies in which Government has full ownership, controlling or minority stake.

Cabinet has approved for SEC to be used as the foundation or starting point for the Single Entity. The establishment of the Single Entity will centralize the management/oversight of Government's equity investments (refer to Chapter 5 for details of ongoing corporate governance reforms in SOE sector).

3 CONTRIBUTION OF THE SOE SECTOR

3.1 GoG Equity Investments in SOEs

The total GoG interest in the 18 SOEs covered by this report amounted to **GHS 29,565 million** (refer to table 1 for details). By the end of December, 2016, ECG had the biggest net **assets (GHS 5,917million)**, with TOR having the worst negative net worth **(GHS 1,067 million).**

Table 1: Details of Net Assets and Loans to SOEs

No	SOE	Net Assets GHS'm	GoG Support GHS'm
1	ECG	5,917	264
2	COCOBOD	852	3,186
3	GWCL	2,011	3,499
4	TOR	(1,067)	213
5	GRIDCO	2,237	52
6	GPHA	6,356	62
7	VRA	3,539	Not specified
8	GNPC	1,953	Not specified
9	GCGL	39	Nil
10	TDC	132	Nil
11	VALCO	1021.5	Nil
12	GIHOC	18	Nil
13	PMMC	(14)	Nil
14	GACL	4,971	Nil
15	BOST	749	Nil
16	Ghana Re	259	Nil
17	NIB	583	Nil
18	Tema Ship Yard	8.2	Nil
	Total	**29,565**	**7,276.00**

Source: Based on data from Debt Management Division, MoF

3.2 Fiscal Support to the SOE Sector

Government, as part of its efforts to support the SOE sector and make them more efficient in their service delivery to the Ghanaian public, has in the past provided guarantees and subsidies to SOEs as well as borrowed on behalf of the SOEs and on-lent to them.

In 2016, six (6) SOEs disclosed the amount of their indebtedness to the GoG, which totaled **GHS 7,276 million**. These are ECG, COCOBOD, GWCL, TOR, GRIDCo, and GPHA. Even though, VRA and GNPC indicated that they had received support from GoG, they did not provide details of the Government support they received in their financial statements. The remaining seven did not receive any of the above facilities.

3.3 Contingent Liabilities and On-Lending Loans

Government's policy on on-lending and guarantees aims at recovering loans advanced to SOEs for commercially viable projects, through an escrow mechanism. Accordingly, Government has developed a rigorous credit risk management framework which critically assesses SOEs to ensure that SOEs can service on-lent loans from their cash flows to reduce the debt burden on the taxpayer. The table 2 below shows the new loans on-lent to SOEs in the last 5 years.

Table 2: New On-Lent Facilities

Project Description	Amount
Tamale Airport Phase I	US$ 100,000,000.00
Acquisition of 200 MRT Huanghai Buses, Spare parts and Ancillary serves for MMTL	US$ 40,030,463.00
Kotokuraba Market redevelopment Project	RMB 200,000,000.00
GRIDCo: Kpando-Kajebi substation project	EUR 11,933,885.00
GWCL: Kpong water project	US$ 270,000,000.00
STC: Supply of 290 Scania Buses	US$ 16,305,719.90
Bui Power Authority - Bui Hydroelectric power project	US$ 343,853,060.70
Environmental Monitoring Laboratory for UMAT	EUR 7,840,723.00
Prepayment meters and accessories for ECG	US$ 80,000,000.00

Source: Based on data from Debt Management Division, MoF

Table 3 shows the disbursed outstanding debt of all government loans on-lent to the SOEs, as at end December, 2016. The total on-lent loans outstanding amounted to **GHS 6,004.70 million**. The SOEs are required to escrow a portion of their receivables towards the repayment of these loans.

Table 3: Disbursed Outstanding Debt of loans on-lent to SOEs

Name of SOE	Loan Amount (USD' millions)	Principal repayment (USD' millions)	Disbursed Outstanding Debt (USD' millions)	Disbursed Outstanding Debt (GHS' millions)
GWCL	1,003.33	269.81	733.52	3,068.46
ECG	85.3	3	82.3	344.3
VRA	224.51	149.12	75.39	315.39
GRIDCO	13.13	-	13.13	54.91
MMTL	40.03	1	39.03	163.27
ADB	23.78	0.51	23.27	97.35
GACL	100	-	100	418.32
SCANIA/STC	16.31	-	16.31	68.21
UMAT	8.62	-	8.62	36.08
BUI POWER	343.85	-	343.85	1,438.41
TOTAL	**1,858.86**	**423.44**	**1,435.42**	**6,004.70**

Source: Based on data from Debt Management Division, MoF

3.4 Transfer of Dividend and Surpluses to GoG

Government, as a shareholder, expects SOEs to pay dividend and/ or surplus. For commercial SOEs, the payment of dividend/ surplus is a key indicator of their performance under SEC's current performance monitoring system. By the end of 2016, five (5) SOEs had made transfer of surpluses and dividends from their operations over the three years to Government. These were TDC Development Company Limited; Graphic Communications Group Limited; Ghana Ports and Harbours Authority; National Investment Bank; and Ghana Reinsurance Company Limited.

However, three (3) companies recorded consistent losses throughout the period, making it impossible for them to pay dividend or surplus to Government. These were TOR, PMMC and VALCO. BOST was awaiting the auditing of its 2016 financial statements to pay dividend to Government. GRIDCo and GACL have dividend policies which exempt them from paying dividend to Government for 10 and 5 years respectively with effect from 2008 and 2016.

3.5 Timely Submission of Audited Accounts

By the end of May, 2017, only two (2) out of the eighteen (18) SOEs, namely Ghana Reinsurance Company Limited and COCOBOD had submitted their audited financial statements to the Ministry. 5 of the SOEs had arrears of annual audited financial statements for both 2015 and 2016 (refer to table 4 below for details). Ongoing audits commissioned by the Auditor-General in respect of 2016 financial year for the other 11 SOEs are yet to be completed and/ or published.

Table 4: List of SOEs with 2015 Audit Arrears

No	SOE	Audit Firm	Year of Audit Arrears
1	Bulk Oil Storage & Transportation	PWC/ SEAC	Arrears of 2015 and 2016 Audit
2	ECG	S E AC/ Egala	
3	Ghana Ports & Harbours Authority	Ernst& Young	
4	Ghana Water Company Ltd	Deloitte/ SEAC	
5	PSC Tema Shipyard	Egala & Associates	

Source: Based on data from the Ghana Audit Service

Box 1: ***Graphic Communications Group Limited (GCGL)- Sustainable Value Creation***

The Graphic Communications Group Limited (GCGL), a state-owned enterprise (SOE), is the leading and largest newspaper publishing company in Ghana. It was established in 1950 by the then Daily Mirror Group of the United Kingdom.

GCGL publishes and distributes all the popular national newspapers. There is the Daily Graphic which is the flagship and printed every day except on Sundays. There are the Graphic Mirror, Graphic Sports, Graphic Business and the Junior Graphic for its junior readers. In response to market demands, the company added Graphic Sports in 1985 and Graphic Showbiz in 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 autonomy for the company. Also, as part of the change, the company renamed itself the Graphic Communications Group Ltd and redefined its vision to become a multimedia organisation.

Throughout this period, the company kept improving on its print quality by buying the state-of-the-art press of the time. It started in 1950 with the letterpress printing technology, which was the printing technology available at the 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. In 2011, the company again changed its printing machine with the installation of the KBA Comet press, which is the first of its kind in Ghana. The KBA Web offset and other ancillary infrastructure, which cost GCGL 10 million dollars, can print 75,000 copies per hour in full colour. Alongside the installation of this printing machine, the company also switched from the printing technology that required the use of films to one that requires no film, which is technically called computer-to-plate (CTP).

GCGL has now diversified is operations by adding on other products such as Graphic Courier Services, Graphic Print Supplies and the creation of a subsidiary in 1973 called G-Pak which does packaging. The company has also gone into social media by launching the online news platform to attract those into social media, especially the youth who need to be encouraged to read the news. There is the Graphic News App, called “G Apps” which is the electronic replica of the Graphic newspapers designed for smartphones, ipads, and tablets and comes in PDF. The company intends to continue with the diversification programme by adding television and other digital media in the not too long future.

GCGL, since the last five years has increased its net worth from GHS 18 million in 2011 to GHS 41 million in 2016. It has also increase its revenue from GHS 30 million 2011 to GHS 62 million in 2016. Profitability, over the five year period have increased by 143% and corporate taxes paid is about GHS 9.8 million not to mentioned Value Added taxes, import duties and levies on our imported raw materials and essential spare parts.

Graphic has a well-motivated staff and has been operating the Balanced Score Card performance management system in all facets of its operations. The company is also operating an Oracle ERP for its management information system. However, the implementation has been constrained by some problems which will be finally resolved in July 2017.

The performance of the company has attracted both international and locals awards. The Company has dominated the GJA awards over the years, awards from CIMG and international awards from Business Initiative Directing in Spain on International Quality award Gold category as well as award from Chartered Institute of Purchasing and Supplies. It is also a corporate socially responsible citizen by investing in education, health and environment and engages in corporate philanthropy.

Source: Based on data from the Graphic Communications Group Limited

4 ANALYSIS OF INDIVIDUAL COMPANIES[1]

4.1 Volta River Authority

The Volta River Authority (VRA) is a statutory corporation whose mandate covers the generation and supply of electricity from both hydro and thermal sources. As part of their mandate, the Authority oversees the construction and operation of the Akosombo dam and hydroelectric generating station. Government of Ghana (GoG) is the only shareholder with 100% shareholding.

In 2016, VRA was governed by a 9-member board composed of 8 males and 1 female. The management team consisted of 18 males and 5 females. By the end of 2016, the company had staff strength of 2,232.

Operations

Actual energy demand and supply for 2016 fell by 8.5% against the revised target of 929GWh. This is attributed to reduction in consumption due to high tariff charge beyond 600kWh, reduction in energy consumption by Compagne Ivorianne d'electricite and some mining companies in Ghana.

Financials

Revenue for the Volta River Authority (VRA) increased from 2.03 billion Cedis in 2015 to 2.54 billion in 2016 signifying an increase of 24.64%. From a net profit position of GHS 376 million in 2014, VRA recorded a net loss of GHS 1.3 billion in 2015 signifying a drop of 461.17%. The company was able to cut its net loss by 31.22% to GHS 934 million in 2016.

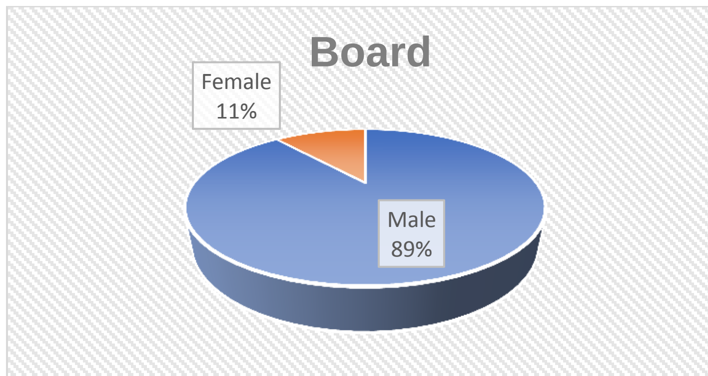
A net loss margin of 36.78% was recorded in 2016. The current ratio of 0.66 also indicates that the company had difficulties settling its short-term liabilities. The gearing ratio of 2.62 also indicates that the Volta River Authority may be overly leveraged. It is also worth noting that VRA has received a 3.5% haircut on loans from local banks.

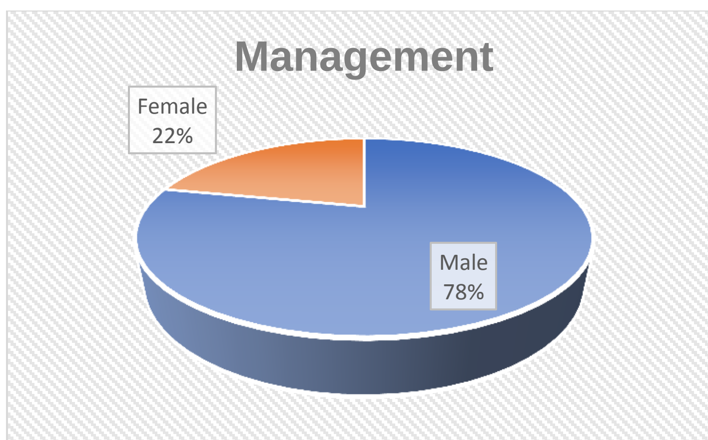
Key Challenges

Some challenges to VRAs operations include its high indebtedness and liquidity constraints, inadequate supply of natural gas, inadequate thermal generation to complement hydro generation due to lack of funds to purchase fuel and tariff governance, amongst others.

Indicator	**2016 GHc'M**	**2015 GHc'M**	**2014 GHc'M**
Revenue	2,539	2,037	2,039
Net Profit	(934)	(1,358)	376
Total Assets	12,813	11,178	9,253
Current Assets	5,012	4,405	3,809
Current Liabilities	7,595	5,612	3,376
Total Liabilities	9,275	7,584	5,097
Equity	3,539	3,593	4,156
Ratios			
Net Profit Margin	-36.78%	-66.67%	18.44%
Return on Equity	-26.39%	-37.80%	9.05%
Current Ratio	0.66	0.78	1.13
Gearing	2.62	2.11	1.23

Gender Distribution





[1] The financial analyses for 2016 are based on unaudited financial statements. All the tables in this section are based on the financial statements, some of which are unaudited.

4.2 Bulk Oil Storage and Transportation Company

The Bulk Oil Storage and Transportation Company Limited (BOST) is a Public Limited Liability Company mandated to engage in strategic storage, management and distribution of bulk petroleum stocks and other business incidental thereto, through depots sited at strategic locations across Ghana. GoG is the only shareholder with 100% shareholding.

In 2016, it was governed by an 8-member board, composed of 7 males and 1 female. The management team of BOST was made up of 25 males and 6 females. By the end of 2016, the company had staff strength of 351.

Operations

BOST has storage tanks across the country and 5 depots located at Accra Plains, Kumasi, Akosombo, Mami Water, Buipe and Bolgatanga. It has a total storage capacity of 442,000 metric tons.

In 2016, BOST imported 22 cargoes of refined products which amounted to about 700, 000 metric tons of gasoline and gasoil. The company also imported eight (8) million barrels (8 Cargoes) of crude oil for processing by Tema Oil Refinery.

Projects initiated/continued by BOST in 2016 include:

a) Head Office Building (ROLIDER);
b) Natural Gas Interconnected Transmission System (NGTIS) FEED (PENSPEN);
c) Accra Plains Depot (APD) Administration Building-RedSea Housing Limited;
d) BOST Terminal Upgrade-HoneyWells S.A;
e) Tema Akosombo Petroleum Pipeline (TAPP)-Frontiers Pipeline Services; and
f) 16 Acre Land Acquisition- Generation Investment Ltd.

Financials

Net profit for BOST fluctuated for the period, 2014 - 2016. The company reported a net loss of GHS 89 million in 2014. This, however, increased to a net profit of GHS 109 million in 2015 signifying an increase of 222%. The net profit dropped to GHS 82 million in 2016 indicating a decrease of 24.78%. The current ratio of 1.12 recorded in 2016 points to the fact that the company was capable of covering its current liabilities. The gearing ratio of 2.76, however, shows that the company was highly reliant on debt finance for its operations. The return on equity was also 11%.

Overall, though the company recorded improved performance of profitability from loss in 2014 to 42% net profit in 2016, total revenue dropped by 51% in 2016 compared with 2015. The decline in its performance also translated into a deterioration of its liquidity position.

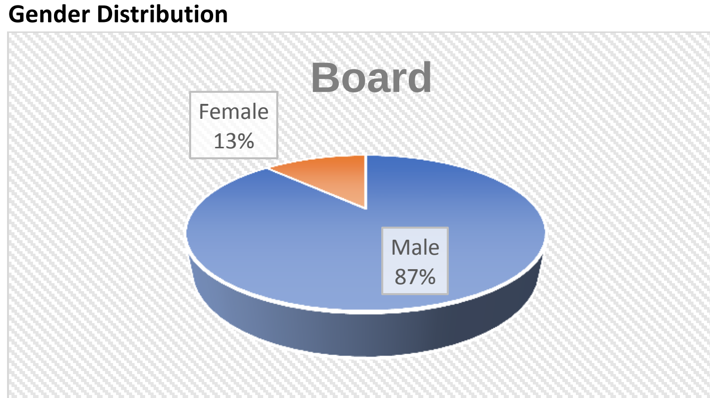
Key Challenges

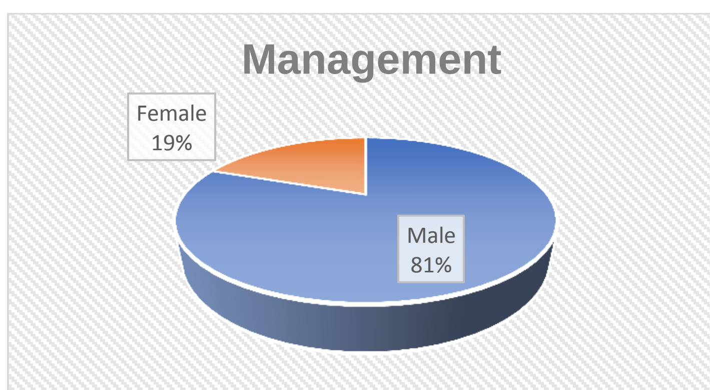
The operations and performance of BOST were constrained by the following challenges:

a) Delay in receiving payment for product sold on credit;
b) Depreciation of the Ghana Cedis affect the payment to suppliers who quote in US Dollars;
c) Lack of adequate laycan for product supply.

Indicator	2016 GHc'M	2015 GHc'M	2014 GHc'M
Revenue	3,152	1,841	363
Net Profit	88	109	-89
Total Assets	2,819.0	1,871.0	1,399.0
Current Assets	1,550	871	393
Current Liabilities	1,385	1,207	222
Total Liabilities	2,069.00	505	841
Equity	749.00	662.00	552.00
Ratios			
Net Profit Margin	42%	6%	(25%)
Return on Equity	11%	16%	(16%)
Current Ratio	1.12:1	2.1:1	1.8:1
Gearing	2.76	0.76	1.52

Gender Distribution





4.3 Tema Oil Refinery (TOR)

The Tema oil refinery was created in 1963 as the Ghana Italian Petroleum (GHAIP), it was 100% owned by the Ente Nationalie Indrocarburi (ENI) group of Italy until the Government of Ghana (GoG) bought all the shares and became the sole shareholder in 1977. By the end of 2016, GoG was the only shareholder with 100% shareholding.

In 2016, TOR was governed by a 9-member board, composed of 7 males and 2 females. However, the day to day operations were managed by a team of 9 managers led by a Managing Director. The management team was made up of 8 males and 1 female. By the end of 2016, the company had staff strength of 735.

Operations

For FY2016, TOR processed 6 million barrels (bbl) of crude oil on behalf of BOST on Tolling basis. During the period, the Crude Distillation Units (CDUs) operated for 222 days and was down for 144 days while the RFCC operated for 179 days and was down for 187 days.

Financials

The company reported revenue of GHS 283 million in 2014, which dropped to GHS 185 million in 2015 signifying a decrease of 52.97%. Revenue rebounded in 2016 to GHS 212 million, representing an increase of 15%. The refinery exhibited signs of distress as it recorded losses over the three years. The company reported a net loss of GHS 550 million in 2015, and 519 million in 2016. A net loss margin of 245% was recorded in 2016. The current ratio of 0.16 reported in 2016 pointed to the fact that the company was constrained in meeting its current liabilities. Despite GoG support to revamp the operations of the refinery, efficiency on its return on equity, though on a decline, remain fragile.

Key Challenges

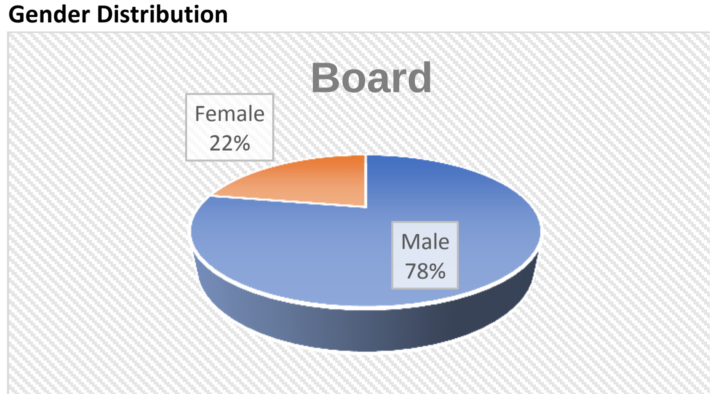
1. **Liquidity:** high indebtedness and liquidity constrains and inadequate supply of natural gas
2. **Exchange losses:** the company incurred an unrealized exchange loss of GHc258.7 million in FY 2016.
3. **Storage constraints:** about 40% of the storage tanks are out of operations.

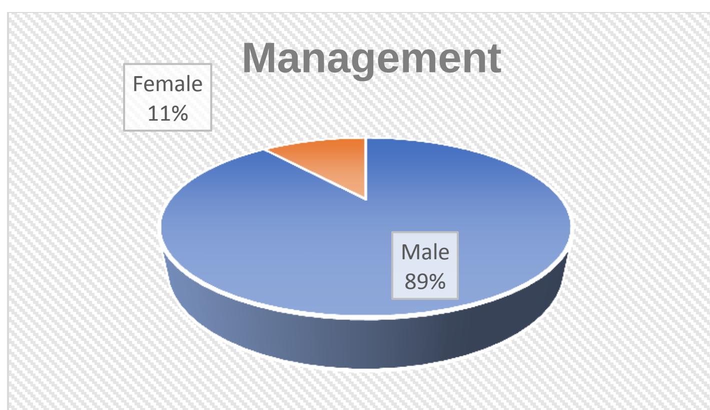
The strategies adopted by the company to address the challenges and/ or mitigate their effect on their operations include:

a) Storage constraints: initiated the process for awarding the contract for repairing the tanks of the company;
b) Exchange rate losses: the losses arose out of the legacy debt a chunk of which is denominated in US dollars. TOR paid US$ 40 million of its indebtedness to some local banks and thus reduced the exchange losses.

Indicator	**2016 GHc'M**	**2015 GHc'M**	**2014 GHc'M**
Revenue	212	185	283
Net Profit	(519)	(550)	(927)
Total Assets	1,266	1,455.0	1,811
Current Assets	301	427	326
Current Liabilities	1,861	2,471.00	2,090
Total Liabilities	2,333	2,926.00	1,828
Equity	(1,067)	(1,471.00)	(936)
Ratios			
Net Profit Margin	(245%)	(297%)	(328%)
Return on Equity(Debt)	(49%)	(37%)	(99%)
Current Ratio	0.16:1	0.17:1	0.16:1
Gearing	(2.2):1	(2):1	(2):1

Gender Distribution





4.4 Ghana Grid Company (GRIDCo)

The Ghana Grid Company (GRIDCO) is a Limited Liability Company mandated to provide power transmission services for wholesale suppliers and bulk customers, in an open and transparent manner. GoG is the only shareholder with 100% shareholding. In 2016, the company was governed by an all-male 8-member board. The management team was made up of 13 members with 1 female. By the end of 2016, the company had staff strength of 929.

Operations

GRIDCo's operations in 2016 were generally influenced by the power generation shortage. Actual energy transmitted was 13,077 GWh as against projected figure of 14,921 GWh. Average transmission loss amounted to 4.4% on power transmitted.

Financials

GRIDCo saw a steady increase in its revenue from 2014 through to 2016. The company reported revenue of GHS 396 million in 2014 and GHS 472 million in 2015 representing a change of 19.19%. Revenue again increased from GHS 472 million in 2015 to GHS 674 million in 2016 representing a change of 42.79%. Net profit also increased exponentially from a loss of GHS 42 million in 2014 to a net profit of GHS 54 million in 2016.

The profit margin decreased from 10% in 2015 to 8% in 2016, a reduction of 20%. Assessment of the gearing ratio showed that the company was quite highly leveraged with a 0.75 in 2014 to 1.06 in 2016 debt to equity ratio. Notwithstanding this performance, no transfer of dividend or surplus was received from the company. GRIDCo has a dividend policy of not paying dividend for the first ten (10) years of operationalization (2008-2017). This is to enable the Company to reinvest profit in power system infrastructure to improve power reliability and availability.

Key Challenges

The key challenges are:

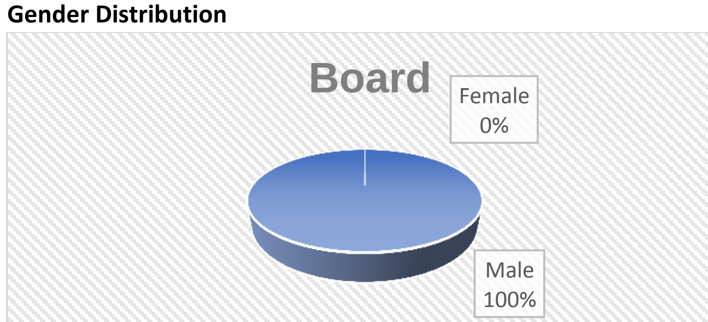
a) ***Generation shortage***: Power generation shortage experienced in the country in 2016 affected the operations and liquidity of GRIDCo.
b) ***High Receivables from ECG and VALCO:*** ECG and VALCO contribute about 80% of GRIDCo's Transmission Service Charge (TSC) revenue. The indebtedness of ECG and VALCO stood at GHC540.4 million and US$20.84 million respectively as at Dec ember 31, 2016. ***Debt service obligations:*** Total of US$18.727 m out of 2016 total debt service of US$ 94 m was outstanding as at December 31, 2016, due to liquidity challenges.
c) ***Exchange losses:*** Depreciation of the cedi resulted in huge exchange loss of GHC 74.1 million.
d) ***Transmission Losses:*** Due to inadequacy of major load centers and erratic generation mix.
e) ***High Payables:*** Liquidity challenges resulted in high trade and other payables balances, which stood at GHC484.8 million, as at December 2016.
f) ***Project Implementation:*** Cash flow challenges significantly impaired smooth implementation of ongoing and new projects. Payment of Right of Way (ROW) compensation was a major challenge.

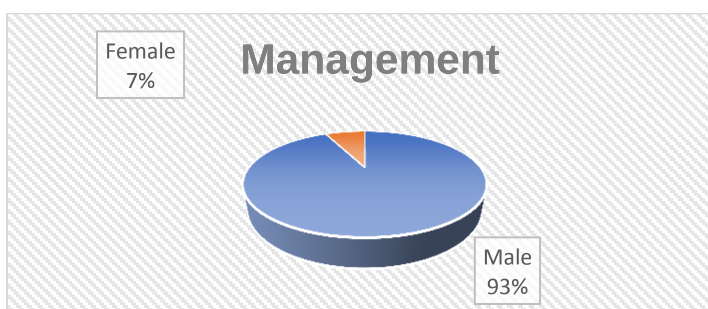
The strategies adopted by GRIDCo to address its challenges include:

a) actively support ongoing stakeholder initiative towards ensuring that outstanding indebtedness in the power sector is settled, including those of ECG and VALCO;
b) intensify efforts to reduce transmission losses, such as transmission infrastructures system improvements programmes;
c) adopt hedging and other measures to reduce exchange losses;
d) implement effective cost management practices to reduce operational; expenditures

Indicator	2016 GHc'M	2015 GHc'M	2014 GHc'M
Revenue	674	472	396
Net Profit	54	45	(42)
Total Assets	4,605	3,662	3,032
Current Assets	932	633	531
Current Liabilities	929	496	287
Total Liabilities	2,369	1,651	1295
Equity	2,237	2,012	1,737
Ratios			
Net Profit Margin	8%	10%	(11%)
Return on Equity	2.4	2.2	(0.24%)
Current Ratio	1:1	1.28:1	1.85:1
Gearing	1.06	0.82	0.75

Gender Distribution





4.5 Electricity Company of Ghana Limited

Electricity Company of Ghana Limited (ECGL) is a limited liability company mandated to distribute electricity in six administrative regions in the southern Ghana. The services of ECG are mainly restricted to customers in the southern part of Ghana, with over three (3) million customers. GoG is the only shareholder with 100% shareholding.

In 2016, ECG was governed by a 9-member board, composed of 7 males and 2 female. Its management team was made up of 1 Managing Director and 13 Directors. All the management team members were male. By the end of 2016, the company had staff strength of 6,197.

Operations

ECG buys bulk power at 33kv and 11kv at various bulk supply points and distributes to customers through its transmission and distribution networks. The sales revenue of ECG increased from GHS 3,243.45 million in 2015 to GHS 6,156.42 million in 2016 even though its energy sales increased from GWh 5,847.37 to GWh 7,113.50 over the same period. System losses increased from 22.71% in 2015 to 23.6% in 2016.

Financials

ECG has seen its revenue increase steadily since 2014. The company has also come from a position of negative returns from 2014 through 2015 to positive returns in 2016. Revenue increased from GHS3.08 billion in 2014 to GHS3.334 billion in 2015, an increase of 7.79%.

Revenue increased further from GHS3.33 billion in 2015 to GHS5.43 billion in 2016, signifying a significant increase of 67.37%. ECG reported an impressive increase in its profitability, moving from a loss of GHS238 million in 2015 to a net profit of GHsGHS277 million 2016. The company also had a net profit margin of about 5% in 2016.

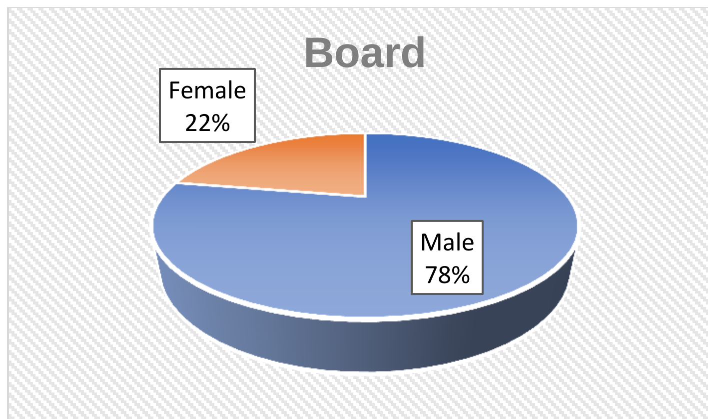
Return on equity also improved marginally from 1% in 2015 to 5% in 2016. In terms of liquidity, however, the current ratio of 0.69 indicates that the company faced challenges settling its short-term liabilities. However, the current ratio for 2016 was a marked improvement over the 2014 and 2015 figures. ECG had a debt to equity ratio of 4.68%.

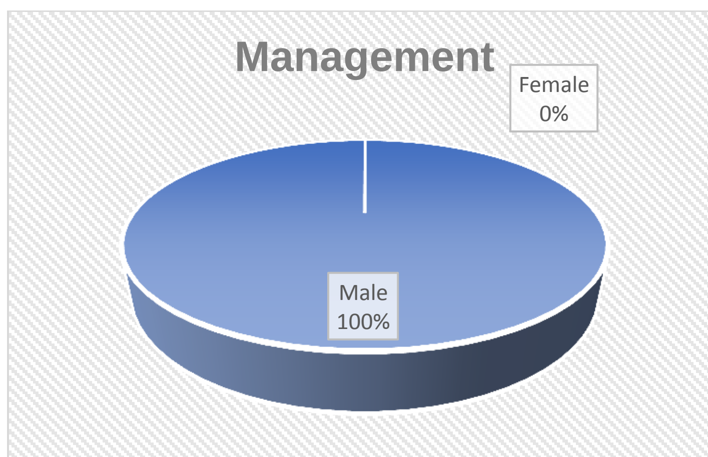
Key Challenges

Some constraints cited by ECG include customers' unwillingness to pay, inadequate capital, high currency fluctuations and high system losses. To address this, ECG intends to adopt a number of strategies which include extending the prepayment of metering system to all urban communities, create more integrated business support enclaves to support operations and strengthen the performance management system.

Indicator	**2016 GHc'M**	**2015 GHc'M**	**2014 GHc'M**
Revenue	5,434	3,334	3,078
Net Profit	277	(238)	(38)
Total Assets	15,368	11,944	9,446
Current Assets	4,770	2,952	1,834
Current Liabilities	6,927	4,915	3,165
Total Liabilities	9,452	7,164	5,129
Equity	5,917	4,781	4,317
Ratios			
Net Profit Margin	5.09%	-7.14%	-1.23%
Return on Equity	4.68%	-4.98%	-0.87%
Current Ratio	0.69	0.6	0.58
Gearing	0.08	0.09	0.09

Gender Distribution





4.6 Ghana National Petroleum Corporation

GNPC was established as a strategic commercial vehicle for state participation in the oil and gas industry and it is mandated to undertake the exploration, development, production and disposal of petroleum. Government of Ghana is the only shareholder with 100% shareholding. In 2016, it was governed by a 7-member board, constituting of 6 males and 1 female. The management team was made up of 23 members with 5 of them being female. By the end of 2016, the company had staff strength of 306.

Operations

The highlights of GNPC's operations for 2016 are given below:

a) Reserve position as at end of 2016 was 1,253 mmboe (3.38%) above the target (1,212 mmboe). This was made up of 899mmbbl of oil and 2.052TCF of gas (354mmboe);
b) Total oil and gas production from the 2 producing fields (Jubilee & TEN) was 26.98mmbbls and 38.42 bcf respectively. The achieved average daily oil production rate of 88,247.64 bopd was 4% below the revised average daily production target of 91,986bopd.
c) Six (6) cargoes totaling 5.86mmbbls were lifted by GNPC – (5 from Jubilee and 1 from TEN). Revenue realized from the liftings was US$275.23 million with an average price of US$48.58/bbl.
d) Supplied 275,069.76MT of HFO to Karpowership Ghana Company Limited for power generation.
e) Signed and ratified 3 Petroleum Agreements in March 2016 including Springfields over the West Cape Three Points Block 2; Swaoco over the Onshore Offshore Keta Delta; and ENI over the Offshore Cape Three Points Block 4
f) Secured US$500 million Letter of Credit (backed by World Bank) with HSBC and Standard Chartered Bank as part of security package for the (OCTP) Sankofa Gye Nyame Gas Project;

Financials

The Corporation's realized revenue surged slightly by 5% from GHS483.63 million in 2015 to GHS507.86 million in 2016. Notwithstanding the increase, net profit decreased from GHS378.942 in 2015 to GHS104.13 million in 2016. The substantial decline of 73% may be attributed to increased operating cost on the Jubilee field due to the FPSO turret bearing issues as well as the prevailing low oil price.

Total assets grew by 18% from GHS2.98 billion in 2015 to GHS3.53 billion for 2016. On the other hand, Equity position stood at GHS1.95 billion in 2016 compared to GHS2.13 billion for 2015, a decrease of about 8%. A current ratio of 3.89 was recorded, indicative of the Corporation's ability to quickly pay back its short and long-term obligations. At 81%, the debt to equity ratio of GNPC due to partner funding in respect of the TEN project indicates that the company is quite highly leveraged.

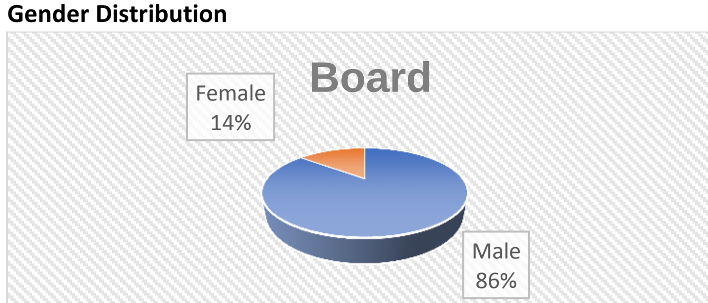
Key Challenges

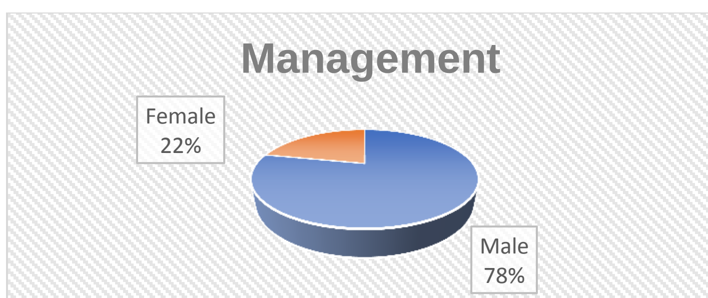
Some challenges to operations over the period include:

a) Jubilee FPSO turret issues affecting oil and gas production rate and revenues – Shut down from Oct. to Dec (≈75days).
b) Sustained period of low oil prices affected revenues and investments as well as fund raising efforts from the capital markets.
c) Effect of ITLOS ruling still affected the Corporation and its partners' ability to drill exploratory wells in the affected areas.
d) Declaration of Force Majeure at the Jubilee Terminal affected the 2 extra (non-Unipec) cargoes from Jubilee which affected GNPC and GH Group revenues.
e) Dis-functional gas system due to non-payment by Ghana Gas for delivered gas.

Indicator	**2016 GHc'M**	**2015 GHc'M**	**2014 GHc'M**
Revenue	508	484	575
Net Profit	104	379	602
Total Assets	3,529	2,984	2,470
Current Assets	1,250	482	875
Current Liabilities	321	68	298
Total Liabilities	1,576	856	722
Equity	1,953	2,128	1,749
Ratios			
Net Profit Margin	20.50%	78.35%	104.68%
Return on Equity	5.33%	17.8%	34.42%
Current Ratio	3.89	7.09	2.94
Gearing	0.81	0.40	0.41

Gender Distribution





4.7 Ghana Ports and Harbours Authority

Ghana Ports and Harbours (GPHA) is a statutory corporation charged with the governance, maintenance and operation of the ports in Ghana. GoG is the only shareholder with 100% shareholding.

In 2016, the Authority was governed by an 11-member board, composed of 10 males and 1 female. The management team is made up of 123 members with 23 of them being female. By the end of 2016, the company had staff strength of 3,684.

Operations

GPHA reports of static volumes in both vessel and cargo traffic and fluctuations in container traffic over the past years. Port efficiency has recorded an improvement with a decline in the average vessel turn-around time although there are capacity constraints for the berthing of vessels.

Vessel traffic declined from 1,822 in 2015 to 1830 in 2016. Cargo traffic also increased from 16,844,662 in 2015 to 19,459,834. Container traffic also increased from 840,595 to 942,463 TEU's. In line with recent trends, ship and labour productivity also improved, partly attributed to the investments in cargo handling equipment.

Financials

The revenue for GPHA increased from GHS 514 million in 2014 to GHS 736 million in 2015, signifying an increase of 43.19%. In 2016 the revenue further increased to GHS 894 million (an increase of 21.47%). In 2014, GPHS had an abnormal profit of GHS 5.01 billion on account of a revaluation exercise conducted by the company. The profits recorded in 2015 and 2016 were GHS 382 million and GHS 894 million respectively.

Analysis of the current ratio of the company showed that the liquidity position was fairly stable over the period. The gearing ratios for the period also pointed to the fact that GPHA did not over rely on debt for its operations. Net profit margins, however, steadily declined over the period. The company has been regular in the transfer of dividend and surpluses into the consolidated fund. GPHA paid GHS 20.55 million as corporate tax.

Key Challenges

The main challenges faced by GPHA in its operations include:

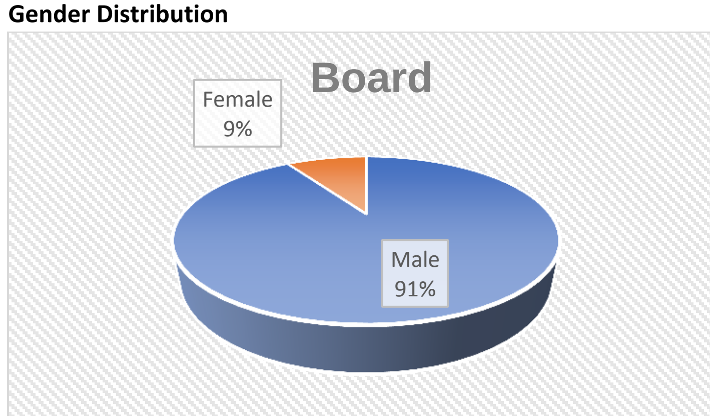
a) Cumbersome and slow cargo clearance procedures;
b) Cash flow challenges arising from cost of operations, debt payment etc;
c) Capacity constraints in both Tema and Takoradi ports.

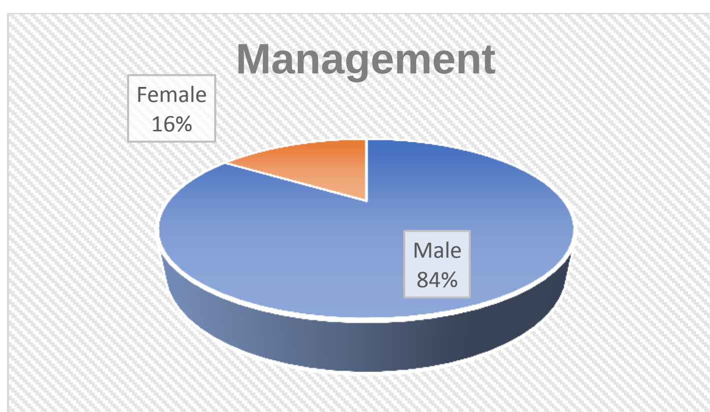
Some of the strategies adopted to deal with the challenges include:

a) Implementation of port expansion projects;
b) Development and implementation of a performance management and productivity programme;
c) Redevelopment of dry dock and slipway facilities at the Tema Shipyard and Dry Dock Company Limited.

Indicator	**2016 GHc'M**	**2015 GHc'M**	**2014 GHc'M**
Revenue	894	736	514
Net Profit	82	100	53.18
Total Assets	9,989.0	8,971.0	8,480.0
Current Assets	498	400	307
Current Liabilities	513.00	232	143
Total Liabilities	3,633	2,699	2,603
Equity	6,356	6,273	5,877
Ratios			
Net Profit Margin	9.2%	13.6%	10.3%
Return on Equity	1.3%	1.6%	0.90%
Current Ratio	0.97:1	1.72:1	2.14:1
Gearing	0.57:1	0.43.:1	0.44:1

Gender Distribution





4.8 PSC Tema Ship Yard (PSC)

The Tema Shipyard is one of the largest shipyards and dry-docks on the African Continent. Tema Shipyard is equipped with suitable workshops for ship maintenance and heavy steel fabrication. The facilities enable services in maintenance, repairs and metal engineering works: ranging from Ship Repairs, Shipbuilding, Dry-docking to Heavy Steel Fabrication, General Engineering, Metalock Repairs and Non-Destructive Testing (NDT).

In June, 2016, the Ministry of Transport acting on a Cabinet decision handed over PSC Tema Shipyard to Ghana Ports and Harbours Authority (GPHA). GPHA was requested to partner with a strategic industry player to upgrade, manage and operate the facility. GoG is the only shareholder with 100% shareholding.

In 2016, the company was governed by a 7-member Board, composed of 5 males and 2 females. The management team was made up of 12 members with 11 of them being men. By the end of 2016, the company had staff strength of 282.

Operations

The performance of the various locations of operation for the company is given below:

a) Dock 1 – US$ 3,234,258.78
b) Dock 2 - US$ 836,086.47
c) Workshop - US$ 10,810.34
d) Fitting Out Quay - US$ 2,691,740.94
e) Covered Space - US$ 205,020.04

The details of the vessel types they repaired in 2016 are given as follows: tub boats (5); offshore supply vessels (3); tankers (6); barge (2); cargo (2); dredger (1); and jack up (2).

Financials

The company's revenue grew by 43% from GHS17.6 million in 2015 to GHS 25.1 million in 2016. There was also a turnaround in its profitability, having moved from net loss positions in 2014 and 2015 to a net profit of GHS5 million in 2016. However, with the growing levels of debt and the gearing ratios, the equity finance seems to be inadequate to sustain the company in the industry. With the withdrawal of the partners, it is expected that GoG through the GPHA will provide additional capital to bail out the company.

Key Challenges

The key challenges that hampered the operations and performance of the company are:

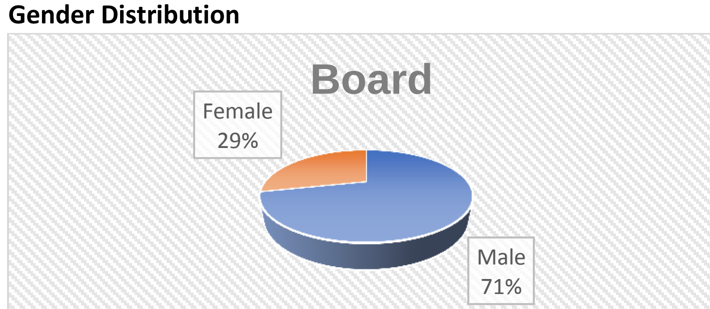
a) Lack of funds to develop the shipyard to meet its critical obligations;
b) Delays in the procurement of a strategic investor for the shipyard;
c) Transfer of legal title to GPHA; and
d) Unfriendly working environment.

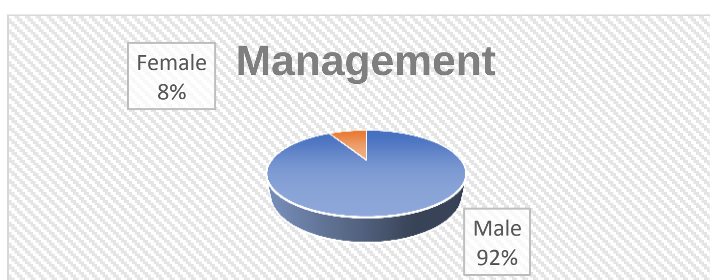
The strategies adopted by the company to address the challenges include:

a) Initiation of the procurement process for a strategic investor to help upgrade, manage, operate and inject working capital into operations of the company;
b) Procurement of emergency equipment by GPHA to enhance the company's operations;
c) Organisational restructuring

Indicator	**2016 GHc'M**	**2015 GHc'M**	**2014 GHc'M**
Revenue	25.1	17.6	22.2
Net Profit	5	(2.7)	(1.5)
Total Assets	30.7	23.8	18.8
Current Assets	25	17.8	13.9
Current Liabilities	21.5	19.50	11.8
Total Liabilities	22.5	20.5	12.8
Equity	8.2	3.3	6
Ratios			
Net Profit Margin	19.47%	(15.22%)	(6.73%)
Return on Equity	59.8%	(81.4%)	(25%)
Current Ratio	1.16:1	0.91:1	1.18:1
Gearing	2.75	6.24	2.14

Gender Distribution





4.9 Ghana Airport Company Limited

Ghana Airport Company Limited (GACL) is a statutory corporation mandated, together with its subsidiaries, to acquire, establish, develop, maintain, manage, control or operate airport facilities or services and any other lawful activity. The activities include facilities for airlines, passengers and cargo operations, rescue fire-fighting service, security service and other airport related services.

GACL has a total of 5 subsidiaries and associate companies with shareholding as follows: Air Commerce Forex Bureau Limited (100%); Airport Clinic (Ghana) Limited (100%); Aviation Social Centre (100%); ServeAir Ghana Limited (31%); and Ghana Airport Cargo Centre Limited (18%).

Government of Ghana is the only shareholder with 100% shareholding. In 2016, it was governed by a 9-member board, constituted of 6 males and 3 females. The management team of GACL was made up of 6 males and 3 females. By the end of 2016, the company had staff strength of 1,154.

Operations

Total aircraft movements were projected to reduce from 37,611 in 2015 to 36,322 in 2016, representing a 3.4% change. The reduction was on account of a significant reduction in domestic aircraft movements which declined from 16,978 to 14, 354. International aircraft movements increased marginally (0.4%) from 23,257 to 24,234.

Total passenger movements saw a 7.2% decline between 2014 and 2016. This was due to improvement in road transportation infrastructure from Accra to Kumasi, which significantly reduced the traveling time by road. Freight movements stalled on its impressive 2014 performance.

Financials

Revenue for GACL dropped from GHS309 million in 2014 to GHS277 million in 2015, representing a 11.55% drop. The revenue, however, increased from GHS277 million in 2015 to GHS363 million in 2016, indicating a change of 31.05%.

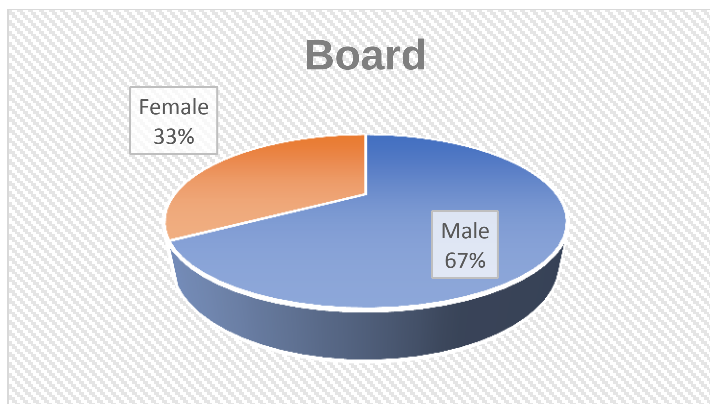
Despite the increase in revenue from 2015 to 2016, net profit dropped by 13% during the same period. The profit margin also decreased by 13% in 2016. The company's current ratio for 2016 was 6.6, which is indicative of its strong liquidity position. Return on Equity for the company was 8.52% in 2016 whereas the debt to equity ratio was 47% giving an indication that the company was not overly leveraged.

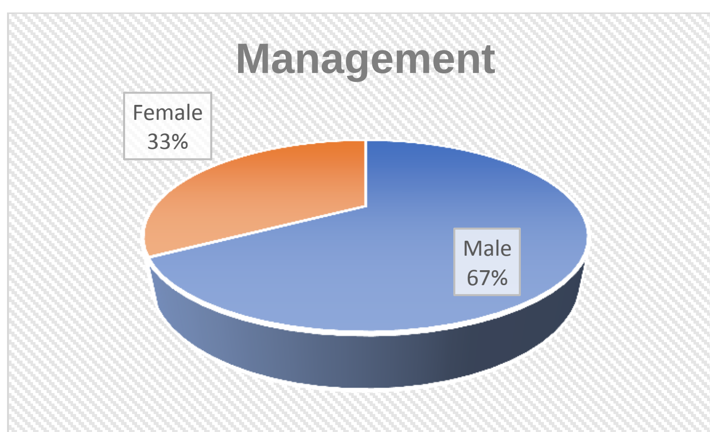
Key Challenges

Some of the main constraints to their operations include the absence of an appropriate legal framework to govern their operations, volatile fuel prices and high airfares amongst other external and internal vulnerabilities. Some strategies to be adopted in ensuing years are to encourage the use of public private partnerships in most airport projects, extend flight routes and deploy ICT infrastructure.

Indicator	**2016 GHc'M**	**2015 GHc'M**	**2014 GHc'M**
Revenue	363	323	286
Net Profit	154	177	185
Total Assets	5,845	2,180	1,775
Current Assets	450	377	115
Current Liabilities	57	58	97
Total Liabilities	874	526	293
Equity	4,971	1,654	1,481
Ratios			
Net Profit Margin	42.42%	55.00%	65.00%
Return on Equity	8.52%	10.7%	12.49%
Current Ratio	6.6	6.5	1.19
Gearing	0.47	0.32	0.20

Gender Distribution





4.10 Ghana Cocoa Board (COCOBOD)

The Ghana Cocoa Board was established in 1947 with the main objective of supporting the production, purchase and promotion of cocoa, coffee and shea, as well as promoting scientific research to improve crop yield and species. The company is 100 percent state owned by the Government of Ghana. In 2016, it was governed by a 9-member Board constituting 8 males and 1 female. The senior management of the company was made up of 30 males and 3 females. By the end of 2016, the company had staff strength of 8,669.

Operations

COCOBOD has put in place a number of initiatives aimed at boosting cocoa production which includes the Cocoa Rehabilitation Programme, Youth in Cocoa Initiative and the Mass Spraying and Disease Control Programme. The highlights of COCOBOD's operations for 2016 include:

a)	Cocoa Purchases	-	778,043
b)	Gradings & Sealing (Tonnes)	-	775,444
c)	Evacuation (Tonnes)	-	771,989
d)	Producer Price per Tonne (GH¢)	-	6,800.00
e)	Shipment (Tonnes)	-	542, 217
f)	Beans Processed (Tonnes)	-	201,869
g)	Average F.O.B. Price (US$)	-	3,073.19
h)	Hybrid Seed Pod Production	-	4,642,707
i)	Cocoa Seedlings Raised	-	30,106,528

Financials

Despite the increase in revenue over the three (3) preceding years, profits dropped sharply in 2014 from a GHS 2,161 Million to a loss of GHS229 Million in 2016. This significant drop in profit has resulted in a negative net profit margin of -2%. Return on equity has also dropped significantly from 198% to -27%.

These sharp drops in profits can be attributed to direct costs which increased over 100% between 2014 and 2016. The liquidity position of the company has improved from 1.27 times to 1.80 times. Gearing has increased from 65% to 78% from 2014 to 2016 which is considerably high. This may be due to the annual receivables backed credit facility contracted by the Board which has become the main source of pre-financing cocoa purchase in Ghana.

Key Challenges

Some constraints to COCOBODS operations include decline in world prices of cocoa, unfavourable weather conditions, incidence of pest and diseases as well as the smuggling of cocoa and subsidized agro chemicals to other countries.

The strategies adopted by COCOBOD to address the challenges include:

a) Ensuring the maintenance of producer prices at remunerative levels that will cover the cost of production and allow reasonable profit margins for farmers.

b) Payment of GH¢7,520 as producer price per tonne and a bonus of GH¢80 per tonne for the 2016/17 season.

c) Regulate operations of Licensed Buying Companies dealing in cocoa, coffee and sheanut.

d) Enhance productivity through effective pests and disease control, soil management (fertilizer application) and husbandry practices through efficient extension delivery

e) Provide warehousing facilities at the take-over centres for adequate storage space.

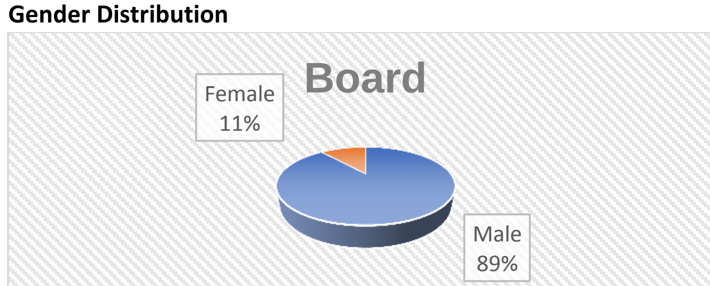
f) Continue with the forward sales strategy, taking advantage of developments on the world cocoa market to achieve best prices for Ghana cocoa.

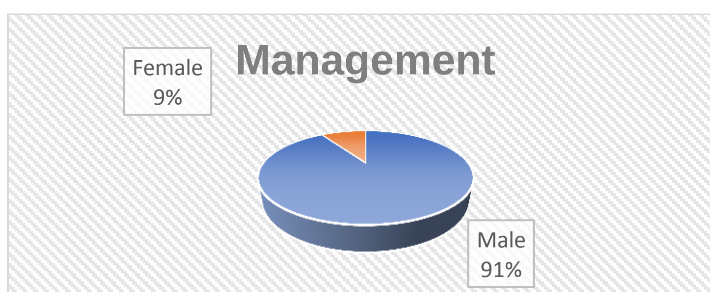
g) Collaborate with providers of special cocoa schemes (certification, traceability, organic, etc.) for niche markets.

h) Collaborate with security agencies to intensify border patrols and public campaign to educate farmers on smuggling and issues of child labour in cocoa production.

Indicator	2016 GHc'M	2015 GHc'M	2014 GHc'M
Revenue	9,201	7,534	6,030
Net Profit	(229)	(11)	2,161
Total Assets	5,465	5,715	4,903
Current Assets	2,948	3,217	2,309
Current Liabilities	1,638	2,493	1,818
Total Liabilities	4,613	4,634	3,810
Equity	852	1,081	1,092
Ratios			
Net Profit Margin	-2%	-0.15%	36%
Return on Equity	-27%	-1.02 %	198%
Current Ratio	1.8	1.3	1.3
Gearing	0.78	0.66	0.65

Gender Distribution





4.11 Ghana Water Company Limited (GWCL)

The Ghana water Company Limited was established as a utility company, fully owned by the state to provide potable water supply to all urban communities within the country. Government of Ghana is the only shareholder with 100% shareholding.

In 2016, it was governed by a 9-member board, consisting of 8 males and 1 female. Of the seventeen (17)-member management team, two (2) were women. By the end of 2016, the company had staff strength of 3,585.

Operations

The company produces and treats an average of 782,460m3 of water per day against an average demand of 1,090,200.00m3, leading to a shortfall in daily water supply of 307,740m3.

Water production for 2016 was about 4% short of the target volumes which is attributed to the activities of illegal mining, the frequent power interruptions during the year and prompt repairs of burst and leakages and mechanical breakdown. Billing also increased by 139.8% due to Improvement in internal arrangements as well as the automatic price adjustments by PURC.

Financials

Revenue for GWCL witnessed a steady growth over the last three years. It grew from GHS 277 million in 2014 to GHS 384 million in 2015. There was a significant jump (137%) in revenue from 2015 (GHS 384 million) to 2016 (GHS 910 million). This culminated into the movement of the company from net loss positions in 2014 (GHS 69 million) and 2015 (GHS 115 million) to a net profit of GHS 104 million in 2016. This trend id also reflected in the net profit margin indicator.

Despite the increase in revenue from 2015 to 2016, the company's current ratio for 2016 was 0.65 shows the company's weak liquidity position. GWCL experienced a rising debts from GHS 484 million in 2014 to GHS 1,459 million in 2016, representing about 201% increase. However available earnings to service these debts were not sufficient due to repeated losses in 2014 and 2015. As a result, liquidity was relatively low in all the three years. Risk factors accounting for the performance are associated with loss control and debt collection in the supply and distribution of water.

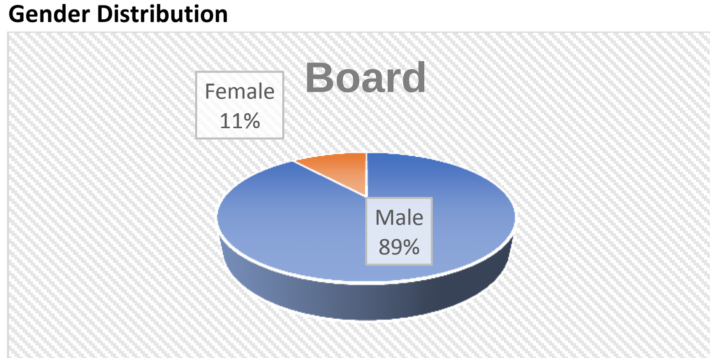
Key Challenges

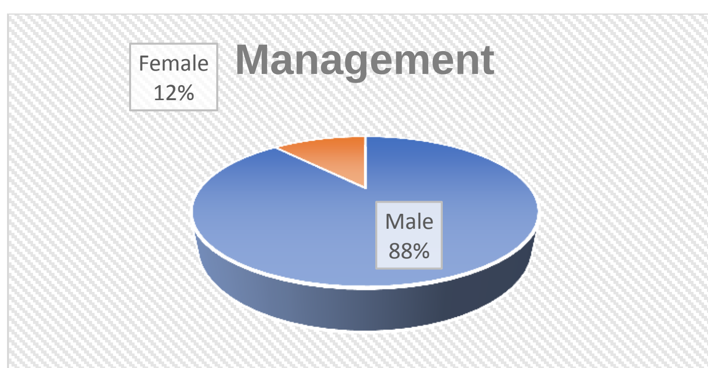
Some constraints to their operations include inefficiencies in collections, frequent burst and leakages in some regions and inadequate and unsteady flow of investment funds. Other challenges include:

a) Water theft through customer vices such as meter by-passes, illegal connections, tampering of meters to reduce recorded consumption, and non-payment of bills;
b) Inadequate capacity of the water production and distribution facilities to meet the demand of its customers;
c) Increasing depletion of sources of raw water and increasing cost of production due to climate change and activities of small scale miners;
d) Inadequacy of current tariffs to cover costs.

Indicator	2016 GHc'M	2015 GHc'M	2014 GHc'M
Revenue	910	384	277
Net Profit	104	(115)	(69)
Total Assets	3,470	2,681	2,186
Current Assets	707	366	269
Current Liabilities	1,094	618	0.28
Total Liabilities	1,459	745	484
Equity	2,011	1,936.00	1,702
Ratios			
Net Profit Margin	11%	(30%)	(25%)
Return on Equity	9%	(6%)	(4%)
Current Ratio	0.65	0.59	0.72
Gearing	0.13	0.38	0.28

Gender Distribution





4.12 GIHOC Distilleries Company Limited

GIHOC Distilleries Company Limited was the first modern distillery to be established in West Africa. It was established by the pre-independence Industrial Development Corporation (IDC) in 1958 as the State Distilleries Corporation for the manufacture of alcoholic beverages.

In 1980, GIHOC was re-registered and incorporated as a Limited Liability Company and a wholly owned subsidiary of GIHOC, under the Companies Code, 1963 (ACT 179). Following the closure of GIHOC, and subsequently the repeal of the statute incorporating it in 1993, GIHOC Distilleries became and has since remained a Limited Liability Company, wholly owned by the Government of Ghana.

In 2016, it was governed by a 5-member Board constituting 2 males and 3 females. The senior management team of the company was made up of 5 males and 2 females. By the end of 2016, the company had staff strength of 156.

Operations

The principal activity of GDCL is the blending and bottling of a variety of alcoholic beverages under different brand names. The alcoholic beverages GIHOC produces include gins, schnapps, brandy, bitters, liqueur, vermouth and cocktail. The company has a blending and bottling capacity of 25 million litres per annum per 8 hours run per day.

Financials

GIHOC reported a revenue growth of 28.07% from 2014 to 2015. The company's revenue increased from GHS57 million to GHS73 million. The revenue, however, declined from GHS73 million in 2015 to GHS52 million in 2016. In spite of this, net profit increased to GHS 660,000.00 in 2016 from a loss of GHS 800,000.00 in 2015.

The net profit margin recorded for GIHOC in 2016 was 1.27%. While this was quite low compared to the 2015 performance (5.26%), it was an improvement on the 2015 figure of -1.10%. Return on equity also improved from -5% in 2015 to 3.67% in 2016. The current ratio of 1.13 also indicates that GIHOC was capable of covering its short-term liabilities. The debt to equity ratio at 1.44% also indicates that the company is highly leveraged.

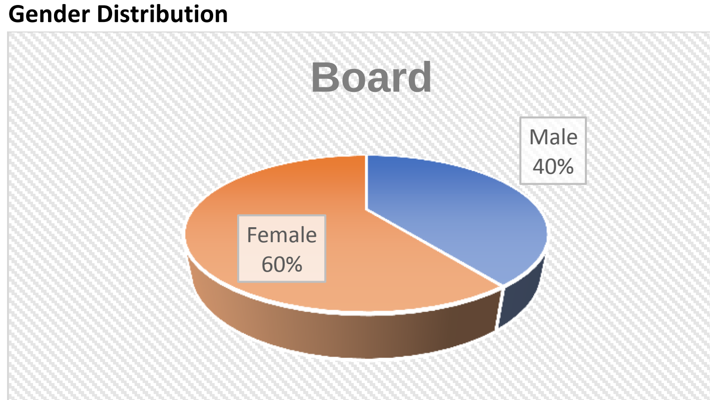
Key Challenges

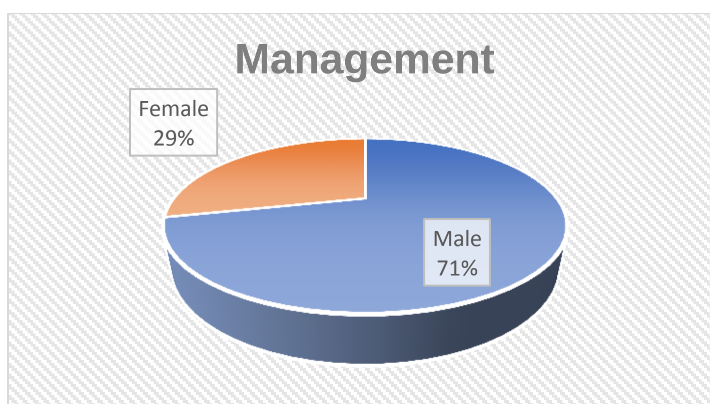
The major constraints faced by GIHOC in its operations for 2016 include:

a) Pirating of the company's product by customers. The effect is twofold: loss of business through reduced production volume and sales, and change of perception on the quality of the products by patrons;
b) Increasing rate of finance cost;
c) Unpredictability of the exchange rate regime making pricing decisions very difficult;
d) Increasing rate of inflation and economic down turn; and
e) Influx of cheaper competitive brands on the market.

Indicator	**2016 GHc'M**	**2015 GHc'M**	**2014 GHc'M**
Revenue	52	73	57
Net Profit	0.66	(0.8)	3
Total Assets	43	41	40
Current Assets	17	13	13
Current Liabilities	15	14	0.56
Total Liabilities	26	25	22
Equity	18	16	18
Ratios			
Net Profit Margin	1.27%	-1.10%	5.26%
Return on Equity	3.67%	-5%	16.67%
Current Ratio	1.13	0.93	23.21
Gearing	1.44	1.56	1.22

Gender Distribution





4.13 Graphic Communications Group Ltd

Graphic Communications Group Ltd was established in 1950 by the Daily Mirror Group of United Kingdom under the leadership of Cecil King. It was nationalized in 1965 by the government under LI 709. However, in 1999 it was converted into a limited liability company under the company's act of 1963. GoG is the only shareholder with 100% shareholding.

In 2016, the company was governed by a 9-member board, consisting 7 males and 2 females. The executive management of GCGL is made up of 6 males and 2 females. By the end of 2016, the company had staff strength of 385.

Operations

Graphic stated in 1950 with the production of its flagship newspaper Daily Graphic (mass paper) in 1950. Other newspapers produced by GCGL are the Mirror (family paper), Graphic Sports (Sports Paper), Graphic Showbiz (Arts and Entertainment), Junior Graphic (Basic Schools) and the Graphic Business (Business Community and Business Schools).

Financials

GCGL reported revenue of GHS 57 million in 2014. Revenue increased by 5.26% and 3.33% to GHS 60 million and GHS 62 million respectively in 2015 and 2016. Net profit increased from GHS 2 million in 2015 to GHS 11 million in 2016 representing an exponential increase of 450% in 2016.

The net profit margin also increased significantly from 3% in 2015 to 17.74% in 2016. Return on equity also increased impressively from 6% in 2015 to 28.21% in 2016. The current ratio of 3.34 reported in 2016 indicated that the company was adequately capable of covering its short-term liabilities. The gearing ratio of 5% to 7% points out that the company has quite a low level of leverage on its books, an indication of a sound financial position.

Key Challenges

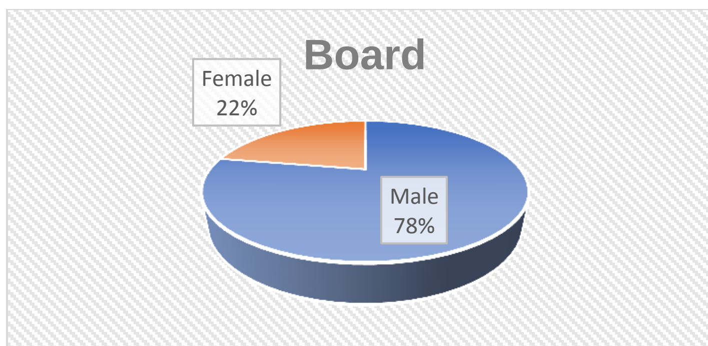
For FYs 2015 and 2016, the company's operations were adversely affected by the depreciation of the cedi against major foreign currencies since most of its inputs are imported. Again, the Oracle ERP for its management information system had some implementation problems which are expected to be resolved in 2017.

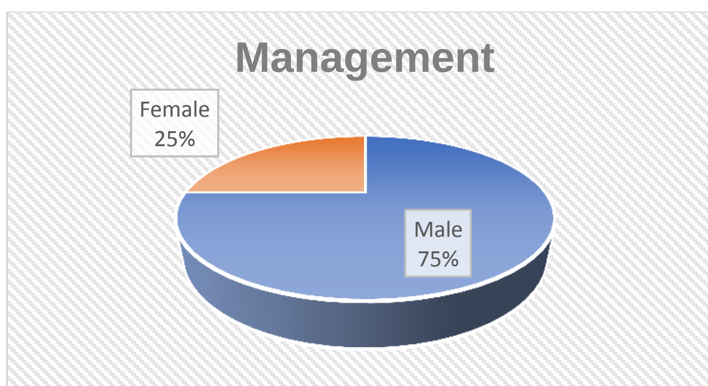
The strategies adopted by the company to address the challenges include:

a) To mitigate the effect of the cedi depreciation to the major currencies, the company intends to hedge its cost of inputs through blanket orders which constitute about 90% of material cost.
b) Cost optimization strategy by implementing the recommendations of an energy audit conducted by the Energy Commission to reduce the cost of energy by 30%.
c) Multi- Skilling in reducing labour cost in the areas of production, transport, editorial and marketing.
d) Budgetary control through minimizing discretionary expenses.

Indicator	**2016 GHc'M**	**2015 GHc'M**	**2014 GHc'M**
Revenue	62	60	57
Net Profit	11	2	6
Total Assets	66	52	49
Current Assets	45	31	26
Current Liabilities	13	7	6
Total Liabilities	27	19	18
Equity	39	33	31
Ratios			
Net Profit Margin	17.74%	3%	11%
Return on Equity	28.21%	6%	19%
Current Ratio	3.46	4.4	4.3
Gearing	0.07	0.02	0.05

Gender Distribution





4.14 TDC Development Company Limited

TDC is a real estate development and management entity in Ghana, established in 1952 by the Tema Development Corporation Ordnance 1952 (No. 135 of 1952) and was charged with the duty of securing the layout and development of the new town and port of Tema. The 1952 Ordinance has since gone through a series of amendments. Currently, TDC has been converted into a Limited Liability Company known as TDC Development Company Limited.

Government of Ghana is the only shareholder with 100% shareholding. In 2016, TDC was governed by a seven-member board made up of 6 males and 1 female. The management of the TDC is made up of twelve (12) senior officials, with 11 and 1 of them being male and female respectively. By the end of 2016, the company had staff strength of 389.

Operations

The company's operations within the Acquisition Area involves the construction of roads and public buildings; planning, preparation and execution of housing schemes; development of industrial and commercial sites; and the provision of public utilities and street lights.

Financials

The TDC Development Company Limited saw a decline in its revenue from GHS48 million to GHS38 million resulting in net profit margin and return on equity dropping from 42% to 15% and 17% to 4% respectively. The liquidity position also saw a decline from 3.2 to 2. The gearing position of the company, which remained unchanged from 2014 to 2015, increased from 0.23 in 2015 to 0.33 in 2016.

Key Challenges

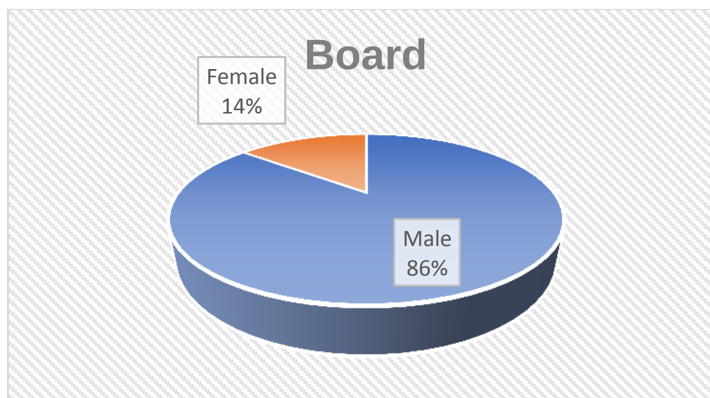
Some constraints to their operations include the exhaustion of the Tema Acquisition Area land bank, rampant encroachment on the Company's land bank and overlapping roles with the Metro and Municipal Assemblies. To address some of these strategies, TDC intends to extend operations beyond the Tema Acquisition Area, regularise encroached plots and take legal action against encroachers and also publish by-laws of TDC on land acquisition or purchase of TDC lands.

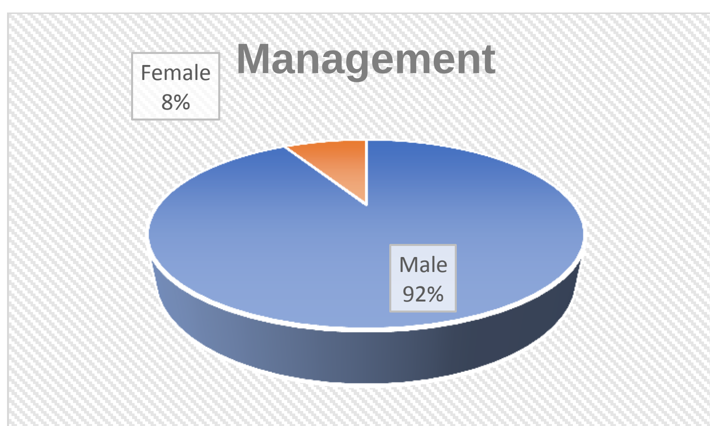
Other challenges include:

a) Encroachment of TDC lands, interference by some traditional authorities and activities of armed land guards;
b) Proliferation of unauthorised structures;
c) Tenants' unwillingness pay commercial rents;
d) Court injunctions on operational sites and the slow pace in delivering judgment by law courts on land/property cases involving TDC;
e) Unstable energy supply environment;
f) Scarcity of long-term, low interest construction finance.

Indicator	**2016 GHc'M**	**2015 GHc'M**	**2014 GHc'M**
Revenue	38	40	48
Net Profit	6	7	20
Total Assets	197	160	149
Current Assets	124	107	112
Current Liabilities	63	36	33
Total Liabilities	65	37	34
Equity	132	123	115
Ratios			
Net Profit Margin	15%	18%	42%
Return on Equity	4%	6%	17%
Current Ratio	2	2.9	3.2
Gearing	0.33	0.23	0.23

Gender Distribution





4.15 Precious Minerals Marketing Company (PMMC)

The Precious Minerals Marketing Company was incorporated as a State-Owned Enterprise in 1989. Prior to its incorporation, the company operated as the Ghana Diamond Marketing Board between 1963 and 1989. PMMC trades in gold, diamonds, precious and semi-precious stones, and the production of jewellery. Currently, the company has discontinued the purchase and export of gold and concentrating on the assay of licensed gold miners' exports.

Government of Ghana is the only shareholder with 100% shareholding. In 2016, the company's Board comprised of six (6) members, all of whom were men. The senior management team of the company was made up of 5 males and 2 females. By the end of 2016, the company had staff strength of 54.

Operations

The company's operations cut across buying, selling, grading, assaying, valuing, and processing of precious minerals to include appointing licensed buyers for the purchase of minerals mined by small scale miners.

Financials

Revenues were on a steady decline, significantly by 83% from GHS136 million to GHS23 million in 2016. The PMMC over the three years financed its operations mainly with short term bank facilities as its current assets were woefully inadequate to meet the growing short-term obligations. This was further aggravated by the adverse gearing. The company pays an amount of GHS 880,000 per month as interest on overdraft facilities.

Key Challenges

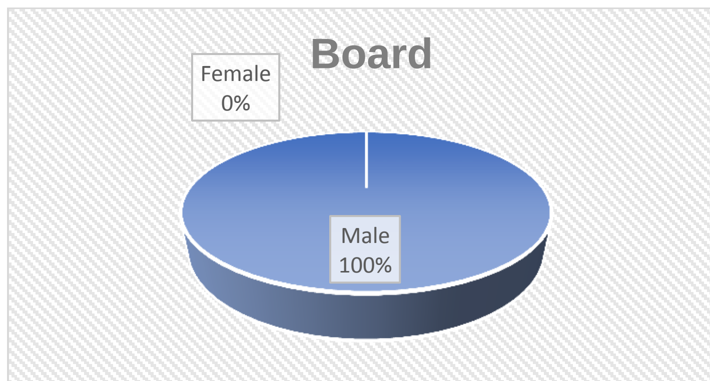
PMMC recorded a decline in gold exports, rough diamond exports, jewellery sales and polished diamond sales attributed to PMMC's deemphasizing its gold purchase and export operations, fluctuations in world market prices for rough diamond, introduction of 3% withholding tax, shut down of the jewellery department and lack of funds to import bigger polished diamond stones.

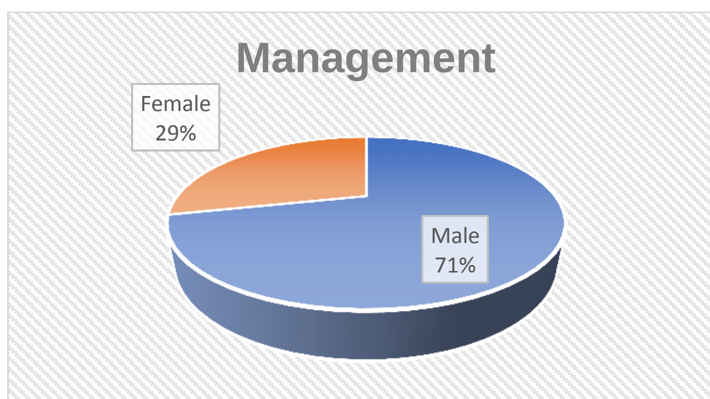
The strategies adopted by the company to address the challenges include:

a) Exploring the possibility of securing long term capital to forestall the company's reliance on short term facilities which leads to high finance costs;
b) Entering into a joint agreement with an investor, Aditan Enterprise from Indian to expand and enhance their jewellelry operation;
c) Adopting prudent cost control measures to increase profitability;
d) Lobbying for the inclusion of large scale gold mining companies to assay their gold through the National Assay Centre managed by PMMC to increase the company's revenue; and
e) Seeking for one or two banks to take over the company's debts in a new arrangement that would lessen the pressure of the company's operations.

Indicator	2016 GHc'M	2015 GHc'M	2014 GHc'M
Revenue	23	52	136
Net Profit	(5)	(20)	(7)
Total Assets	34	39.0	50.0
Current Assets	7	13	22
Current Liabilities	16	44	35
Total Liabilities	47	48	38
Equity	(14)	(9)	12
Ratios			
Net Profit Margin	(22%)	(38%)	(5%)
Return on Equity	(36%)	(222%)	(58%)
Current Ratio	0.44	0.30	0.62
Gearing	(3.35)	(5.53)	3.17

Gender Distribution





4.16 Volta Aluminium Company Limited

The Volta Aluminium Company Limited (VALCO) is a Limited Liability Company whose mandate is to smelt alumina to produce aluminium ingots for both local and international markets. GoG is the only shareholder with 100% shareholding. In 2016, the company was governed by a 6-member board consisting of 5 males and 1 female. The senior management team of the company was made up of 12 males and no female. By the end of 2016, the company had staff strength 544.

Operations

The highlights of the company's operations in 2016 include:

a) Operation of only one-line level (i.e. 20% of installed capacity);
b) Operations were hampered by insufficient and erratic power as a result of power generation shortfalls in the country. The situation was further worsened in March when the Smelter electric power went down for 4.37 hours, resulting in a near shutdown; about 10 cells (10% of the already low operating capacity) were cut-out among other strenuous efforts made to sustain the operations;
c) Operational performance was far below planned targets which translated into production volume of 37,322 tons against a plan of 40,201 tons - a shortfall of 2,879 tons in the volume of production with corresponding revenue loss of $4.6 million.

Financials

VALCO has recorded consistent losses in the last three years. This has resulted negative profit margin and return on equity. Liquidity position of the company has also worsened from a strong position of 1.2 times to less moderate of 0.9 times.

The under-performance can be attributed to:

a) The uneconomical one cell line operation which negatively affects production volumes;
b) Insufficient and erratic power supply;
c) Globally uncompetitive power price charged the Smelter, when electric power is a core component in VALCO's production, and
d) Long depressed Aluminium Metal Prices (LME). VALCO is a price taker.

Key Challenges

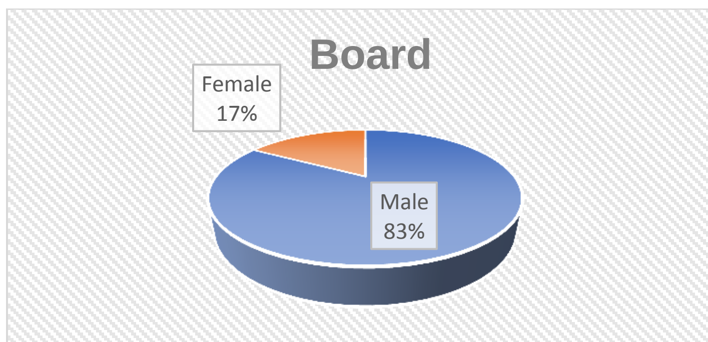
The operations of VALCO in 2016 were adversely affected by erratic and insufficient power as well as the globally uncompetitive power price at which the Company had to purchase power. The net effect of these two factors, plus the fact that the company was compelled to operate only 20% of its capacity, certainty continued to make VALCO a loss-making operation. This situation can be easily reversed if VALCO gets the right support by way of power to operate at least 40% of its capacity and, at an all-inclusive power price of 3.5 cents/kwh.

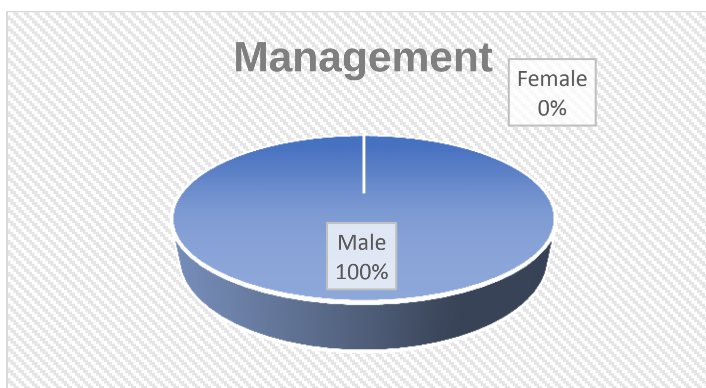
The strategies adopted by the company to address the challenges include:

a) Working with Ministry of Energy for additional power to operate up to 2 cell lines (40%) at globally-competitive price in the short term;
b) Upgrading the cell technology to modern standards;
c) Securing long-term semi-captive power on Joint Venture (JV) basis to operate at full capacity and beyond;
d) Intensifying its Systems Improvements and Innovation Strategies so as to keep its costs under control.

Indicator	**2016 US$'M**	**2015 US$'M**	**2014 US$'M**
Revenue	$61	$61	$80
Net Profit	-$24	-$24	-$10
Total Assets	$327	$335	$353
Current Assets	$83	$83	$90
Current Liabilities	$96	$80	$71
Total Liabilities	$99	$82	$73
Equity	$227	$253	$279
Ratios			
Net Profit Margin	-39%	-39%	-13%
Return on Equity	-11%	-9%	-4%
Current Ratio	0.9	1.035	1.2
Gearing	0.30	0.24	0.21

Gender Distribution





4.17 Ghana Reinsurance Company Limited

The Ghana Reinsurance Company Limited commenced operations in 1972 as the Ghana Reinsurance Organisation and was incorporated as a Private Limited Liability Company on June 16, 1995. With over forty (40) years of operation as a reinsurance service provider the company has lived up to its promise of being a "reinsurer of choice" on the African continent. It currently has two regional offices in Kenya and Cameroon.

It is the leading local reinsurance company with 50.98% share of the General Business reinsurance market premium and 82.64% share of the Life business as at December, 2016. In 2016, the company's Board comprised of 4 males and 2 females. The senior management team of the company was made up of 2 males and 3 females. As at the end of 2016, the company had staff strength of 67.

Operations

The company is authorized to carry out the following businesses:

- Undertaking reinsurance of any class of business, including life insurance both within and outside Ghana.
- Reinsurance of part of undertaking by any insurer being risk that the company has authority to reinsure against and to retrocede any part of such risk.

Financials

Despite difficult market conditions the company continues to grow in premium income. Over the past five-years; gross premium moved from GHS 67.82m in 2012 to GHS 142.40m in 2016 (CAGR – 20%). The company's composite gross premium income (GPI) grew by 13.42% from GHS 125.55 million in 2015 to GHS 142.40 million in 2016.The growth in GPI was mainly due to enhanced service quality, prompt response and good claims payment record. The overall result for FY 2016 was a profit before tax of GHS49.15 million as well as profit after tax of GHS 30.08 million compared to GHS 31.78 million and GHS 28.66 million respectively in 2015.

Key Challenges

The key challenges that hampered the operations and performance of the company are:

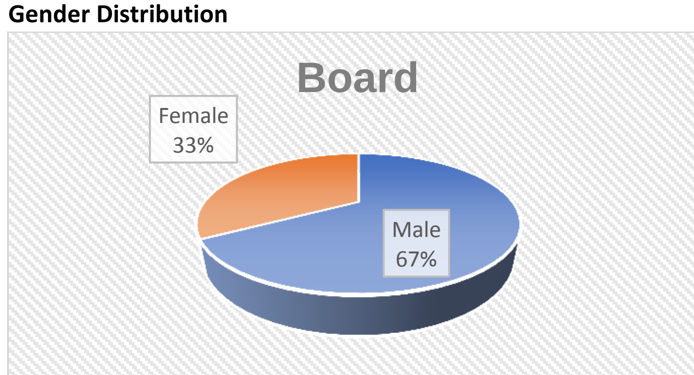
a) Shareholding structure and rating status linked to sovereign rating;
b) Intense competitive market;
c) Introduction of "local content" laws in overseas market in which the company operates

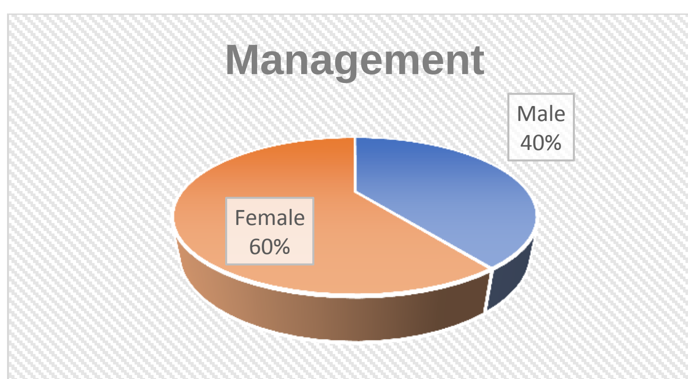
The strategies adopted by the company to address the challenges include:

a) Raising additional capital;
b) Diversifying the company's business portfolio;
c) Widening the scope of strategic partnerships in selected markets

Indicator	2016 GHS'M	2015 GHS'M	2014 GHS'M
Revenue	142	125	104
Net Profit	30	28	43
Total Assets	405	382	324
Current Assets	315	289	232
Current Liabilities	134	136	95
Total Liabilities	146	145	103
Equity	259	237	220
Ratios			
Net Profit Margin	21%	23%	41%
Return on Equity	12%	12%	20%
Current Ratio	2.4	2.1	2.4
Gearing	0.05	0.03	0.04

Gender Distribution





4.18 National Investment Bank (NIB)

The National Investment Bank Ghana Limited was incorporated in 1963 as an autonomous joint state-private institution through an act of parliament (Act 163). Prior to its incorporation, the Bank operated as the Gold Coast Industrial Development Corporation (GCIDC) post the Second World War, and as the Ghana Industrial Corporation (GIDC) post-independence. GoG has 52.57% shareholding in the bank. The company's board had twelve (12) members as at December, 2016. Three of these were women. The Senior Management team of the bank was made up of 5 males and no female. By the end of 2016 the Bank had staff strength of 1,370.

Operations

The Bank's operations include providing finance for medium to long term loans with or without security; acquiring interest by investing in, purchasing, or subscribing for shares or securities in businesses; receive deposits from individuals, businesses and corporations; and undertake research into the economic and technical feasibility of industrial, agricultural, commercial and other projects or enterprises.

Financials

The banks revenues for the period under review recorded a growth rate of over 100% from GHS 315 million to GHS 644 million in 2016 even though this is a significant growth in revenue, profits margins is on the decline from 30% in 2014 to 14% in 2016. This development can be attributed to an increase in interest expense by over 380% from GHS 84 million in 2014 to GHS 400 million in 2016; other drivers include increase in operating expenses and impairment losses.

The return on equity also recorded a decline in 2016 at 15%. The liquidity position of the bank remained an average of .6 times over the three years under review. Gearing of the bank is has also increased from 29 % in 2014 to 167 % this is an indication of its dependence on external capital for operations. However, the NIB was among the few SOEs that paid dividend to GoG during the period under review.

Key Challenges

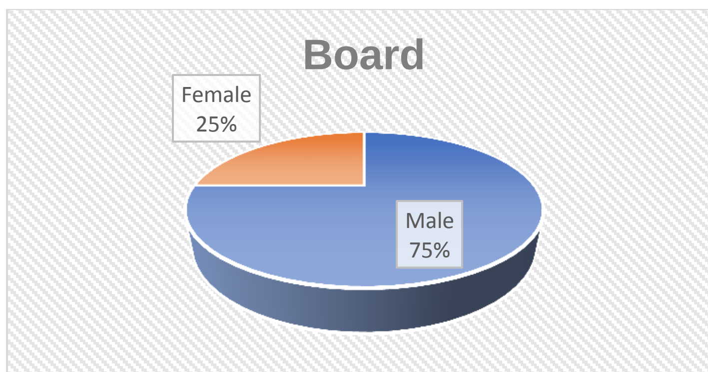
The key challenges that hampered the operations and performance of the company include high dependency on public sector entities for deposit; inadequate credit lines; pending court case; macroeconomic instability; growth trends in energy and utility costs; stiff competition from savings and loans companies with regard to deposit mobilization; and increasing trend in E-crime.

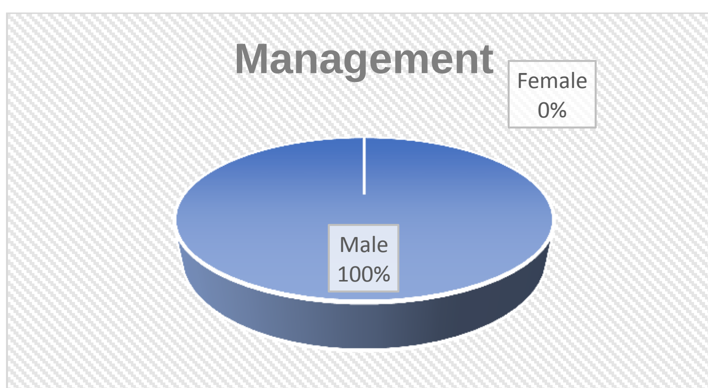
The strategies adopted to address the challenges include:

a) Aggressive deposit mobilization to meet target through branch expansion; individual and department targets; and Branchless banking with the use of POS.
b) Recovery of past-due loans to shore up liquidity, Interest income, profitability and improve portfolio quality;
c) Intensification of visibility of NIB on the market to earn trust;
d) Aggressive treasury sales and foreign exchange trading;
e) Acquisition of intelligence software to improve financial reporting;
f) Robust liquidity management to minimize rising cost of funds.

Indicator	**2016 GHc'M**	**2015 GHc'M**	**2014 GHc'M**
Revenue	644	562	315
Net Profit	89	123	200
Total Assets	4,099	2,904	2,331
Current Assets	1969	1,072	1,145
Current Liabilities	2,731	2732	1,707
Total Liabilities	971	781	139
Equity	583	543	485
Ratios			
Net Profit Margin	11%	22%	63%
Return on Equity	15%	234%	41%
Current Ratio	0.7	0.5	0.6
Gearing	1.67	1.44	0.29

Gender Distribution





Box 2: SOEs Excellence Awards

The State Enterprises Commission (SEC) has re-introduced the state-owned enterprises (SOEs) Excellence Awards which is expected to kick off on 25 June 2017, with the theme “Leading SOEs to Enhanced Sustainability and Higher Productivity’.

The purpose of the Excellence Awards is to help boost productivity and efficiency of the SOEs in service delivery to its clientele which includes government itself. The “awards” is being revived to encourage innovation and excellence through the recognition of the efforts of the SOEs that have successfully embarked on good initiatives for improved service delivery towards the public, their trade partners and stakeholders.

The awards will be an annual event for the SOEs as part of steps being put in place to reawaken the service and value delivery consciousness amongst SOEs on the one hand, and amongst the employees of the SOEs on the others plans in place for a wider recognition event where outstanding staff and individual SOEs will also be recognized and awarded.

The performance or non-performance of the SOEs affects the socio-economic growth of the country, hence the need to appraise, recognize and award those who are excelling, while also challenging others to seek to be better every day.

Some awards at stake are, Public Service Innovation, Presidential Prize for the SOE of the Year, Chief Executive of the Year, Employee of the Year, Good Corporate Governance Innovation, Disability Inclusive Organizational Structure, Human Resource Innovation, Technology Innovation, and Operational Excellence award.

With the exception of the Public Service Innovation award, all other awards will be decided on by a panel of judges put together by the commission. Meanwhile the Public Service Innovation award which seeks to recognize an SOE for providing improved access, delivering efficient, effective and seamless customer or public service while maintaining a strong service ethic will be decided by the general public through sms voting.

The SOEs include Electricity Company of Ghana, Ghana Water Company Ltd, Graphic Communications Group Ltd, GIHOC Distilleries Company Limited, Ghana Cocoa Board, TDC Development Company Limited, Ghana Grid Company Limited and Volta River Authority.

The event is being supported by a host of organizations including Unibank and Fidelity banks.

Source: Based on data from the State Enterprises Commission

5 CORPORATE GOVERNANCE REFORMS

5.1 Background

SOEs have historically been a key feature of Ghana's economy, and the management of public finances and public policy. Ghana's post-Colonial economy was dominated by SOEs as a result of the government's rigorous industrialization and self-reliance strategy which led to the setting up of a number of public companies and corporation to create jobs and provide various services. By the end of 1980s, government had accumulated a large portfolio of state-owned enterprises whose poor performance had become a threat to the economic and financial stability of the country. This necessitated various reforms to improve the performance of SOEs. These reforms began as part of broader structural adjustment programs which aimed to reduce the financial burden of SOEs and improve their efficiency.

Privatization was a key component of the reform strategy. Supported by the World Bank, Government through the Divestiture Implementation Committee (DIC) approved the divestiture of nearly 200 SOEs. Nearly 80 of these were privatized and another 40 were liquidated or wound down. Sector wide reforms as well as managerial and operational improvements were introduced for SOEs remaining in the state portfolio. For these SOEs, the goal was to build corporate planning into their operations, put in place performance agreements, and address serious accounting backlogs. The State Enterprises Commission (SEC) was established as an oversight body for SOEs and guidelines for financial transfers from the government to SOEs were instituted by the Ministry of Finance.

The reform initiatives, on the whole, were seen to be overly ambitious and wide reaching public sector reform proved difficult to implement. The divestiture program in particular suffered from both policy-related issues and practical difficulties, including: lack of a clear and comprehensive policy and commitment to privatization; perceptions about the lack of transparency in implementation; slowness in moving from negotiated sales to privatization methods that would foster capital market development and encourage broad public participation in the process; and financial costs of workforce restructuring associated with sales and closures of public enterprises.

Currently, there are 84 entities in the SOE sector with 44 being wholly-owned. They are concentrated largely in critical sectors of the economy such as energy, finance, and infrastructure. They, however, tend to underperform, and pose serious fiscal risks to Ghana's public finances. A recent study by the World Bank concluded that SOE underperformance tends to have high economic and financial costs for our economy and results in inefficient service delivery, wasted resources, financial losses, and an accumulation of debt. SOEs accounted for half of all public-sector arrears and were partly responsible for the unusual fiscal deficits in 2012 and 2013, with an estimated total debt of about US$1.5 billion by December 2015.

5.2 Why Corporate Governance?

Corporate governance is concerned with the processes, systems, practices and procedures that govern institutions. It dictates the means by which corporations are directed and managed with a view to increasing shareholder value and meeting the expectations of stakeholders. A well-defined and functioning corporate governance system helps firms including SOEs to attract investment, raise funds and strengthen the foundation for their financial performance

In Ghana, it is widely recognised that some of the challenges and issues that adversely affect the commercial and technical performance of SOEs as well as their financial sustainability and survival are the direct and indirect consequences of poor corporate governance practices. Government has therefore prioritized improvement in the governance of SOEs within the context of its reform agenda by initiating keys reforms as part of its efforts to set SOEs on a more efficient and sustainable path and improve service delivery as well as contribute to our economic development process.

In this regard, Government, with the support of the World Bank, commissioned a review of corporate governance practices and culture of the SOE sector as a whole to determine the gaps and opportunities for improvement. The review was further focused on key SOEs, as well as economic and financial regulators. The review reports concluded that SOEs underperformance stems from a variety of factors, including fundamental problems in their governance. SOEs are still run like government departments rather than as modern, autonomous and professionally run companies. They face a number of governance problems that affect their performance and ability to compete.

Specifically, the reports found that corporate governance challenges in SOEs arise from the underlying rules, processes and institutions that govern the relationship between SOEs and government as their owner. Common problems identified include:

a) Multiple and often conflicting objectives;
b) Lack of a clear framework for State oversight of the SOE sector;
c) Deficient Boards and Management that lack autonomy in commercial decision-making;
d) Weak disclosure practices to hold SOEs accountable for results;
e) Lack of commitment to good corporate governance.

The collective impact of these weaknesses result is the lack of autonomy of SOEs in operational matters as well as accountability and transparency in the use of scarce public assets. The result has been insufficient delivery of critical public services, negative cash positions, and inefficient operations, which undermine the viability of the SOEs. Improving SOE governance therefore required actions on a number of different fronts including:

a) Improving the legal and regulatory framework;
b) Strengthening the state's ownership role;
c) Professionalizing SOE boards; and
d) Enhancing transparency and disclosure

5.3 Corporate Governance Reforms Strategy

Government has adopted a multi-prong strategy, based on the four main areas listed above, for implementing various corporate governance reforms in the SOE sector. The strategy is ultimately intended to ensure healthy and functional SOEs that run on better organisational, operational, technical and financial best practices. The four (4) main pillars of Government's current strategy for enhancing corporate governance in the SOE sector are discussed below.

Improving the Legal and Regulatory Framework

A comprehensive and modern SOE framework is a necessary foundation for good corporate governance and important for making the broad policy directions of the State and the "rules of the game" clear for everyone. Establishing such a framework involves updating the Companies Code and bringing all commercial SOEs under the Code. Listing of large SOEs on the stock exchange would subject them to the more stringent listing requirements of the exchange. In parallel, a sound ownership framework for how the State governs SOEs would be established to fill in critical regulatory gaps in State ownership.

The State ownership framework would help:

a) Define SOE objectives, including the separation of commercial and non-commercial or policy objectives, identification and separation of the costs of non-commercial or policy objectives, and financing of the costs directly from the budget in a timely and transparent manner;
b) Delineate the roles and responsibilities of the State as shareholder vis-a-vis the board of directors and management; and
c) Establish rules and regulations on core ownership matters such as board nominations, performance monitoring, and transparency and accountability, above and beyond what is required in the Companies Code.

Strengthening the State's Ownership Role

Improving the State's role as owner is critical to bringing a clear ownership focus and insulating SOEs from excessive political interference while holding them accountable for results. In this regard, how the State organizes and exercises its ownership rights is critical. Hence Government, as part of efforts to address the challenges associated with the current decentralized and fragmented ownership framework, has initiated steps to establish a Single Entity to manage its assets and liabilities in SOEs and JVCs. Under this centralized model of State ownership, the Single Entity would be delegated the State's ownership rights with enhanced supervisory powers. The role of line Ministries would be refocused more on policy-making and less on their day-to-day role in commercial decision-making. This pillar of the strategy also involves improving the ways in which the Government exercises its key ownership functions, in particular in nominating and appointing SOE boards, improving performance monitoring, and promoting good governance practices.

Professionalizing SOE Boards

The underlying assumption of this pillar is that the appointment of board members, executives and management with the requisite expertise, technical skills and experience will significantly improve the performance of SOEs. Government's strategy is to improve the mechanisms for the composition of SOE boards with the view to professionalizing them. Mandatory training on corporate governance is expected to help keep SOE boards and management professional and task oriented.

Enhancing Transparency and Disclosure

The need for enhanced transparency and disclosure of financial and operations results at the SOE level cannot be over-emphasised. This requires such measures as completing the transition to International Financial Reporting Standards, adopting accounting and auditing requirements, which will make SOEs more accountable and comparable with international organizations. It also requires substantial capacity building for the SOEs and key stakeholders as they transition to international standards.

Disclosure regulations would also be put in place to compel SOEs to publish financial information as well as non-financial information, such as company objectives, non-commercial obligations, names and background of board members, board remuneration, and policies on related party transactions. Annual reports would be published in their entirety on company and government websites, along with this consolidated report for the SOE sector as a whole. Additionally, public participation in the monitoring of public entities is being nurtured, in order to strengthen the accountability of SOEs.

5.4 Implementation of SOE Corporate Governance Reforms Strategy

Government recognises that the effective and efficient implementation of its strategy is critical to improving SOE performance and competitiveness, increasing financial discipline and access to new sources of capital, achieving higher levels of transparency and accountability, and improving the broader governance environment in Ghana. Given the growing recognition of the importance of SOE in Ghana development process, Government is leaving no stone unturned to expedite action on its strategy.

In this regard, Government has adopted a comprehensive Action Plan with specific activities to implement the reforms strategy. Given the comprehensive and complex nature of the reforms, a staggered approach has been adopted for the implementation of the Action Plan in order to forestall any implementation challenges. Hence, initial efforts have focused on rapidly establishing the Single Entity and piloting key corporate governance practices in 5 key SOEs including VRA, GNPC, ECG, TDC and GWCL.

The key corporate governance practices being piloted in the key SOEs relate to:

a) the implementation of selected activities by SOE Boards including holding Annual General Meetings (AGMs);
b) the endorsement of commitment by SOE Boards towards good corporate governance including the designation of a corporate governance champion; and
c) the enhancement of transparency and disclosure activities including strengthening the capacity of internal audit departments.

The Single Entity would be equipped with the requisite powers and capacity to coordinate the implementation of the Action Plan. The immediate focus of the Single Entity relative to the implementation of the Action Plan would be:

a) the development of key policies for the sectors within which the SOEs operate including ownership policy, board nomination policy and financing policy, which will provide the foundation for the nationwide implementation of the corporate governance reforms;
b) the amendment of Acts establishing relevant SOEs to incorporate corporate governance sections; and
c) the listing of some SOEs on the Ghana Stock Exchange and conversion of others into Limited Liability Companies.

Government is fully committed to the implementation of the reforms discussed above because they are expected to significantly improve the corporate governance practices of the SOEs and thereby forestall the poor corporate governance practices and operational inefficiencies which tend to threaten the technical and commercial performance, and long-term survival of SOEs.

6 FINDINGS AND CONCLUSIONS

The analyses above show that SOEs continue to be a key feature of Ghana's economy and public finances. By the end of 2016, the total GoG interest in the 18 SOEs covered by this report amounted to **GHS 29, 565 million**. In addition to the total on-lent loans outstanding to the SOE sector which amounted to **GHS 6,004.70 million**, six (6) of the SOEs disclosed that they had received Government support to the tune of **GHS 7,276 million**.

Again, three (3) new on-lent facilities that were initiated in 2016 whose execution commenced in 2017 amounted to US$ 1,095,961,144.93 and 34,448,082 Euros. The amount of loan on-lent to the SOE exposes government to significant fiscal risks and makes it imperative that the Ministry intensifies its monitoring of the sector.

There were a total of 31,089 people employed by the 18 SOEs. Hence, each SOE employed about 1,727 on the average, with COCOBOD having the most employees (8,669) and PMMC, the least (54). This shows that efficiently managed and high performing SOEs can be a critical tool for Government in its job creation agenda.

6.1 Financial Performance

The financial performance of the 18 SOEs was mixed with five (5) SOEs making losses in in 2016. These are VRA, TOR, PMMC, VALCO, and COCOBOD. The rest made profits in 2016 with seven (7) of them making profits throughout the period, 2014 -2016. These are GPHA, BOST, GACL, GCGL, TDC, Ghana Re, and NIB.

The total loss of the 5 SOEs was **GHS 1,795 million** whereas the total profit of the remaining 13 SOEs amounted to **GHS 1,004 million**. Hence the 18 SOEs achieved a net loss of **GHS 791 million**. This translates into an average net loss of GHS 44 million for each of the 18 SOEs.

However, in spite of its strong financial performance, BOST was awaiting the auditing of its 2016 financial statements to pay dividend to Government. GRIDCo and GACL have dividend policies which exempt them from paying dividend to Government for 10 and 5 years respectively with effect from 2008 and 2016.

A cursory look at the financial indicators of the individual SOEs shows a disturbing trend of low liquidity for some of them. It is clear that for eight (8) of them whose current ratio was less than 1 meeting their short term obligations was a challenge. For these SOEs, a resort to bank overdrafts, together with its associated increased their finance costs, was inevitable. PMMC, for instance, is currently paying an average of GHS 880,000 as interest on its overdraft facilities.

Most of these SOEs are in the energy sector and include VRA, TOR, ECG, GPHA, GWCL, PPMC, VALCO and NIB. Government may therefore want to, as part of its strategy for SOE sector, explore the possibility of securing long term loans to recapitalise the operations of SOEs that have shown promising potential.

In terms of gearing, five (5) were overly leveraged with debt to equity ratios above 200%. Given the relatively high interest rates and low returns (IRR) of the SOEs concerned, the significantly high leverage poses serious threats to their commercial viability and survival. These are VRA, BOST, TOR, PSC Tema Shipyard and PMMC.

6.2 Financial Reporting

With the exception of Ghana Re submitted audited financial statements for 2016, all the SOEs were yet to finalise the auditing of their financial statements. Five of them had not completed the auditing of their 2015 financial statements at the end of June, 2017. These are BOST, ECG, GPHA, GWCL and PSC Tema Shipyard. This is contrary to Section 95 of the PFM Act, 2016 (Act 921) which requires the SOEs to submit their audited financial statements to the Minister of Finance not later than four months after each financial year.

Another serious issue identified is the partial disclosure of financial information by some SOEs. For instance, VRA and GNPC did not provide details of the Government support they received in their 2016 financial statements.

These issues are indicative of the need for the Ministry of Finance to increase its current efforts aimed at sensitizing

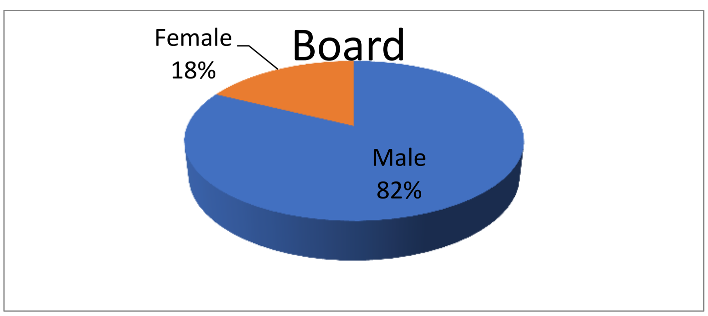
SOEs in particular and the general public on the provisions and requirements of the PFM Act around financial reporting and disclosure by SOEs and public corporations. In this regard, this Annual Report, by highlighting non-compliant SOEs, would help to improve financial reporting and disclosure; and transparency of the SOE sector.

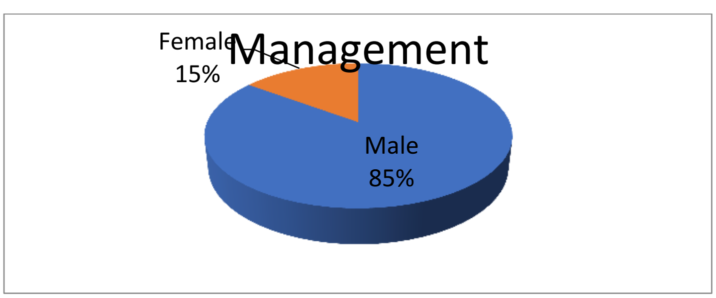
6.3 Governance of the SOEs Sector

The sector was well-governed in 2016. All the 18 SOEs under review had duly constituted Boards and management overseeing their management and operations. In 2016, the average membership of the Board of the 18 SOEs was 8. Their management teams, on the average were made up of 13 members.

The membership of the Boards and management of SOEs was heavily skewed in favour of men. A review of the board and management composition of the 18 SOEs reveal that, out of a total of 146 and 262 board and management members, only 27 and 39 representing 18% and 15% respectively were women.

In 2016, the Board and management of an SOE had only 1 and 2 females respectively against 7 and 12 males. Again, the Board Chairpersons of all the SOEs and majority of Chief Executives of 18 SOEs are men. The only exceptions with the Chief Executives were GIHOC Distilleries Company Limited and Ghana Reinsurance Company, which had women Managing Directors.





Overall, 2016 proved a very challenging year for the SOEs sector especially the energy/ utilities sub-sector. The performance of the sector mirrored the challenging developments experienced by the global and Ghanaian economy in 2016. While some of the companies delivered outstanding performance, the net result for the sector as a whole was negative due to the below par performance of some of the key players.

It is against this background that current efforts by Government to refinance the legacy debt of the energy SOEs as well as improve the corporate governance practices of SOEs are timely as they are laudable. It is also critical for Government to consider reintroducing the clearing house mechanism for settling inter-SOE debt and indebtedness of Government to SOEs.

The proposal from the State Enterprises Commission for Government to extend some form of stimulus package to deserving SOEs is worthy of serious consideration.

Finally, the engagement of the SOEs by MoF with the view to collaboratively working to address the specific challenges faced by the SOEs is not only necessary but will also contribute in a big way to enhancing the performance of SOEs and their contribution to the economy.

ANNEXES

Annex 1: List of Companies with Government Equity

No	Name	GoG Shareholding	Sector Ministry
COMPANIES LIMITED BY LIABILITY/GUARANTEE			
1	Ghana Post Company Ltd.	100%	Ministry of Communications
2	Ghana Publishing Company	100%	Ministry of Communications
3	Graphic Communications Group Ltd	100%	Ministry of Communications
4	Electricity Company of Ghana	100%	Ministry of Power
5	Ghana Grid Company	100%	Ministry of Petroleum
6	Architectural Engineering Services Ltd.	100%	Ministry of Water Resources, Works & Housing
7	State Housing Company Ltd.	100%	Ministry of Water Resources, Works & Housing
8	Bulk Oil & Storage Company	100%	Ministry of Petroleum
9	Ghana Gas Company Limited	100%	Ministry of Petroleum
10	Tema Oil Refinery	100%	Ministry of Petroleum
11	Ghana Cylinder Manufacturing Company Limited	100%	Ministry of Trade and Industry
12	Ghana Heavy Equipment Ltd.	100%	Ministry of Trade and Industry
13	Ghana Supply Company Limited	100%	Ministry of Trade and Industry
14	Ghana Trade Fair Company Limited	100%	Ministry of Trade and Industry
15	GIHOC Distilleries	100%	Ministry of Trade and Industry
16	Ghana National Procurement Agency	100%	Ministry of Trade and Industry
17	Precious Minerals Marketing Company	100%	Ministry of Lands Forestry and Mines
18	Volta Aluminum Company Ltd.	100%	Ministry of Trade and Industry
19	Ghana Airports Company Limited	100%	Ministry of Transport
20	Ghana Railway Company Limited	100%	Ministry of Transport
21	PSC Shipyard (subsidiary of GPHA)	100%	Ministry of Transport
22	Volta Lake Transport Company	100%	Ministry of Transport
23	Ghana Water Company Limited	100%	Ministry of Water Resources & Sanitation
24	Social Investment Fund	100%	Ministry of Local Government & Rural Development
25	Ghana Reinsurance Company	100%	Ministry of Finance
STATUTORY CORPORATIONS			
1	Volta River Authority	100%	Ministry of Power
2	Tema Development Corporation	100%	Ministry of Water Resources, Works & Housing
3	Ghana National Petroleum Corporation	100%	Ministry of Petroleum

4	Ghana Civil Aviation Authority	100%	Ministry of Transport
5	Ghana Ports and Harbours Authority	100%	Ministry of Transport
6	Ghana Cocoa Board	100%	Ministry of Finance
7	Ghana Exim Bank	100%	Ministry of Finance
8	Ghana Infrastructure Investment Fund	100%	Ministry of Finance
9	Venture Capital Trust Fund	100%	Ministry of Finance
JOINT VENTURE COMPANIES			
1	Kumasi Abattoir Comp. Ltd.	41%	Ministry of Agriculture
2	Twifo Oil Palm Plantation	40%	Ministry of Agriculture
3	Accra Abattoir Comp. Ltd.	32.83%	Ministry of Agriculture
4	Aveyime Rice Project	30%	Ministry of Agriculture
5	Ghana Rubber Estates Limited	25%	Ministry of Agriculture
6	PBC Ltd.	36.69%	Ministry of Agriculture
7	WESTEL (Zain)- Airtel (owned by GNPC)	33%	Ministry of Communications
8	Vodafone (Ghana Telecom)	30%	Ministry of Communications
9	Standard Chartered Bank	21,102 Shares	Ministry of Finance
10	African Reinsurance Corporation	11000 shares	Ministry of Finance
11	National Investment Bank	52.57%	Ministry of Finance
12	SIC Life Company	80%	Ministry of Finance
13	Agricultural Development Bank	32.29%	Ministry of Finance
14	SIC Company Limited	40%	Ministry of Finance
15	Ghana Commercial Bank	21.36%	Ministry of Finance
16	First Savings and Loans Limited	2%	Ministry of Finance
17	Ghana Oil Company Ltd.	51.10%	Ministry of Petroleum
18	Shelter- Afrique	44,723	Ministry of Works & Housing
19	Cocoa Processing Company	48.38%	Ministry of Agriculture
20	Ghana Libya Arab Holding Company	40%	Trade and Industry
21	Ghana Agro-Food Company Limited	25%	Trade and Industry
22	GCNET	20%	Ministry of Finance
23	GHACEM Limited	5%	Ministry of Trade and Industry
24	Metro Mass Transport	45%	Ministry Transport
25	Intercity STC Company	20%	Ministry Transport

COMPANIES WITH GOVERNMENT CARRIED INTEREST			
1	Abosso Goldfields (Ghana) Limited	10%	Ministry of Lands, and Natural Resources
2	Perseus Mining (Ghana) Limited	10%	Ministry of Lands, and Natural Resources
3	Ghana Manganese Company Limited	10%	Ministry of Lands, and Natural Resources
4	Mensin Gold Bibiani Limited	10%	Ministry of Lands, and Natural Resources
5	Owere Mines Limited	10%	Ministry of Lands, and Natural Resources
6	Golden Star (Bogoso/Prestea) Limited	10%	Ministry of Lands, and Natural Resources
7	Golden Star (Wassa) Limited	10%	Ministry of Lands, and Natural Resources
8	Med Mining Limited	10%	Ministry of Lands, and Natural Resources
9	Great Consolidated Diamonds Limited	10%	Ministry of Lands, and Natural Resources
10	Kinross Mining (formerly Chirano Gold Mines)	10%	Ministry of Lands, and Natural Resources
11	Adamus Resources Limited	10%	Ministry of Lands, and Natural Resources
12	Ashanti AngloGold Ltd.	1.66%[1]	Ministry of Lands, and Natural Resources
13	Ghana Bauxite Company Limited	20%	Ministry of Lands, and Natural Resources
14	Goldfields Ghana Ltd.(Tarkwa)	10%	Ministry of Lands, and Natural Resources
15	Newmont Ghana Gold Limited	10%[2]	Ministry of Lands, and Natural Resources
SUBVENTED AGENCIES			
1	Ghana Highway Authority	100%	Ministry of Transport
2	Ghana Broadcasting Corporation	100%	Ministry of Communications
3	Ghana Meteorological Agency	100%	Ministry of Communications
4	Ghana News Agency	100%	Ministry of Communications
5	News Times Corporation	100%	Ministry of Communications
6	National Theatre of Ghana	100%	Ministry of Chieftancy, Culture and Religious Affairs
7	Community Water & Sanitation Agency	100%	Ministry of Water Resources, Works & Housing
8	Grains & Legumes Development Board	100%	Ministry of Agriculture
9	ICOUR	100%	Ministry of Agriculture
10	Irrigation Development Authority	100%	Ministry of Agriculture

Note:
[1] AngloGold Ashanti Company: Government has carried interest of 1.66% in the group instead of Ghana's operations.
[2] Newmont Ghana Gold Limited per their investment agreement has a 100% shareholding. However, government has a 10% interest in the Net Cash Flow as stated in Section 12 of the investment agreement.

Annex 2: List of Indicators Monitored under SEC's Performance Contract System

NO.	INDICATOR
Financial/ Financial Group of Indicators	
a)	Total Revenue
b)	Operating Profit
c)	Net Profit Before Tax
d)	Projected Tax
e)	Net Profit After Tax
f)	Other Income
g)	Provision for Dividend
Efficiency/ Productivity Group of Indicators	
a)	Ratio of Staff Cost to Total Revenue
b)	Ratio of Administrative Cost to Total Revenue
c)	Labour Productivity
d)	Staff Strength
Dynamic Effects Group of Indicators	
a)	Submission of Budgeted Training Programme
b)	Implementation of Budgeted Training Programme
c)	Submission of Updated Corporate Plan
d)	Submission of Maintenance Programme
e)	Implementation of Maintenance Programme
f)	Submission of Safety Management Programme
g)	Implementation of Safety Management Programme
h)	Submission of Research Programme
i)	Implementation of Research Programme
Management Improvement/ Projects	
	Submission of Quarterly Progress Reports
	Conformance to SEC reporting format
	Submission of Previous Year's Audited Financial Statements
	Submission of Draft Performance Contract and Budget for the Proceeding Year
	Submission of Approved Board of Directors' Minutes
	Submission of Board Evaluation Report
	Submission of Filled-Out SOE Database Forms
	Accuracy and completeness of Filled-out SOE Database Forms
	Holding of Annual General Meeting
	Submission Procurement Plan
	Implementation of Capital Projects