

ANNUAL REPORT



SECURITIES AND EXCHANGE
COMMISSION

2002

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INTRODUCTION

The Securities and Exchange Commission (SEC), formerly the Securities Regulatory Commission was created by the Securities Industry Law, 1993, (PNDCL 333), as a statutory body corporate as part of Ghana's reforms towards a market economy.

Its creation followed upon the establishment of a formalised securities market in Ghana with the opening of the Ghana Stock Exchange in 1990.



The Mission of the SEC is to promote the orderly growth and development of an efficient, fair and transparent securities market in which investors and the integrity of the market are protected through the proactive implementation of the Securities Laws.

The Commission was formally inaugurated in September 1998. Prior to that date, the functions of the Securities and Exchange Commission as prescribed by the Securities Industry Law, 1993, (PNDCL 333), were carried out by the Governor of the Bank of Ghana, as the sole securities regulator.

CHAIRMAN'S STATEMENT

I am pleased to present to you the 2002 Annual Report and Accounts of the Securities and Exchange Commission, Ghana.

The year under review was a very eventful one with the economy performing better than the previous year and the stock market enjoying one of its best performing years, in terms of returns, since its inception in 1990. The Commission also continued to pursue its goal of ensuring and promoting an orderly, fair and transparent securities market in Ghana.

LISTED EQUITIES MARKET

The Ghana Stock Exchange performed remarkably well during the year 2002, making it the third best performing year in the history of the Ghana Stock Exchange.

Measured by the GSE All- Share Index, the market went up from 955.95 points in December 2001 to 1395.31 points by the end of December 2002 recording a percentage change in index of 45.96%. The index reached an all-time high of 1395.31 on December 30, 2002.

On the primary market, several new and additional listings were recorded, including the cross-border listing of Trust Bank Limited of Gambia.

On the secondary market, total volume of shares traded decreased by 11.18 million shares from 55.30 million shares in 2001 to 44.12 million shares. This represented a decrease of 25.34%. Total value traded also decreased by 3.20% from ¢92,276.14million in 2001 to ¢89,410.66 million in 2002.

LISTED BONDS MARKET

The number of corporate bonds listed, as at the beginning of the year was six (6) as compared to five (5) for the same period in 2001. However, one corporate bond, the HFC – B bond was retired in September 2002 bringing the total number of listed corporate bonds to five (5) as at the end of 2002.

The total number of Government bonds listed in 2002 was twenty-two (22) as compared to seventeen (17) for 2001.

OPERATIONAL REVIEW

The Commission completed the review of the SEC draft Regulations 2003 which was to be forwarded to Parliament for passage as a Legislative Instrument. Areas covered by the draft Regulations included: Qualification of Directors and other Executive Officers, Licenses, Capital Requirements and Fees, Registers of Interest in Securities, Financial and Compliance Requirements of Dealers and Investment Advisers, Reporting by Stock Exchanges, Dealers and Investment Advisers, Appeals to the Commission, Advertisements, Transaction Levy, and Disclosure of Information by Issuers of Securities.

The Commission also announced, during the year, the establishment of an Administrative Hearings Committee (AHC) as mandated under Act 590 to, inter alia, examine and determine complaints, disputes and violations related to or arising out of any matter to which PNDCL 333 and Act 590 (the Law) applies.

The AHC is a quasi-judicial body set up to help address the complaints of investors that relate to the operations of the AHC as provided for under the Law and any Rules and Regulations made thereunder. It is composed of the chairman of the Commission (who also acts as the AHC chairman) and four (4) other members of the SEC elected by the members.

The Commission continued with its market surveillance activities to ensure compliance with the Law by licensed operators. This included on-site and off-site inspections of licensed stockbrokers and investment advisers.

The year also witnessed the licensing of the first mutual fund in Ghana by the Securities and Exchange Commission since the passage of the Unit Trust and Mutual Fund Regulations, (L.I 1695) in 2001. This is in addition to the two unit trust schemes already in operation. The Commission is optimistic that in the coming year, more applications would be approved to help deepen the market in Ghana.

INVESTOR EDUCATION

The Commission continued with its public education programmes during the year. A number of educational materials (Brochure on “Investors’ Guide to Unit Trusts and Mutual Funds” and “Guidelines on Best Practices of Corporate Governance”) were published for the benefit of the general public.

The Commission also undertook in conjunction with the Ghana Stock Exchange and selected market operators, a thirteen-week radio discussion/phone-in programme dubbed “Investment Hour” on one of the FM radio stations in Accra to educate as well as answer questions from the general public on issues relating to the Securities Industry. In addition to the above, the Commission continued to participate in other radio discussion programmes aimed at educating the public.

The Commission also organized various workshops for market operators to provide continuing education on the activities of the Commission. Specific workshops involved the SEC draft Regulations and the role of Trustees and Custodians of Collective Investment Schemes.

HIV / AIDS AWARENESS

The Commission held a one-day HIV/AIDS awareness workshop for the staff of the Commission. The aim of the workshop was to sensitize staff on the dangers and effects of HIV/ AIDS in Ghana. Speakers at the programme were from the Bank of Ghana HIV/AIDS awareness campaign team and the National HIV/AIDS Commission in Ghana.

INFORMATION TECHNOLOGY


The Commission's IT Plan, initiated in 2001, which included network and data communication, intranet development & installation, and computer software & application development, ended in mid 2002.

The Plan was designed to integrate the use of state of the art information technology into the activities of the Commission and to ensure that the Commission's user public have accurate, timely, and relevant information to make informed decisions on investments. It also comprised of the development of the Commission's website which is hosted under the domain name secghana.org with a corporate broadband Internet connectivity for all staff and email communication for both in-house and external use.

The website has sections that include publications, highlights of laws and regulations, departments, frequently asked questions, ability to lodge complaints and make enquiries, contacts, related links, securities industry news and latest developments in SEC Ghana.

A number of software were also acquired and developed to help facilitate the Commission's operations. These included an Accounting package, a Payroll system, an HR system and an application software specifically designed to assist the Commission in its oversight activities.

I would like to take this opportunity to commend my fellow Commissioners, management as well as staff of the Commission for their co-operation and dedication to the development of the Commission. I am convinced that with the continued hard work of all, the Commission will continue to pursue its mandate in providing adequate protection for investors through effective regulation and oversight of the securities industry.



Professor G.K.A. Ofori-Amaah
(Chairman)

COMMISSIONERS AND OFFICERS

The Securities Industry Law 1993, (PNDCL 333) as amended, provides that the Commission be composed of the following:

- i. A Chairman
- ii. The Director-General
- iii. The two Deputy Directors-General
- iv. A representative of the Bank of Ghana not below the rank of a Director
- v. A representative of the Ministry of Finance not below the rank of a Director
- vi. The Registrar General or his representative
- vii. Four other persons including either a judge of the Superior Court or a Lawyer qualified to be appointed a judge of the Superior Court.

The Commissioners of the SEC hold office for 3 years and are appointed by the President acting in consultation with the Council of State. They are eligible for re-appointment at the end of their three-year term.

The Commission currently has ten (10) members. They are:

Professor G.K.A. Ofori –Amaah	- Chairman
Dr. Charles Asembri	- Director General
Mrs. Eudora Koranteng	- Deputy Director General
Dr. Nii K. Sowa	- Member
Ms. Elsie Addo	- Member
Mrs. Amma Gaisie	- Member (Rep. of Registrar General's Dept.)
Mr. Francis Badasu	- Member (Rep. of Bank of Ghana)
Mr. K.B. Oku-Afari	- Member (Rep. of Ministry of Finance)
Ms. Dorothy Gyamfi	- Member
Mr. P.K. Buabeng	- Member

SECRETARIAT OF THE COMMISSION

The Commission operates through a secretariat, which is organized on a departmental structure. The organization structure of the Commission reflects the basic functions it is called upon to perform under the Law (See Appendix 1).

The Commission currently has a staff of twenty (20) made up of 10 key officers and 10 supporting staff. The key officers of the Commission are as follows:

Dr. Charles Asembri	Director General
Mrs. Eudora Koranteng	Deputy Director General
Mr. Ekow Acquaaah-Arhin	Head, Accounting and Market Surveillance
Mr. Adu Anane Antwi	Head, Corporate Finance and Investment Management
Ms Gladys Quaye	Manager, Human Resource and Administration
Mr Emmanuel Mensah-Appiah	Asst. Manager, Accounts
Mr. Mark Anthony Made	Legal Officer/Board Secretary
Ms. Patricia Asaam	Legal Officer
Mr. Alex Amankwah-Poku	Asst. Manager, Information Technology
Mr. Robert Dowuona Owoo	Asst. Manager, Research and Market Development

OPERATIONAL REVIEW

LEGAL AND ENFORCEMENT DEPARTMENT

The main duties and responsibilities of the department include the following:

- ?? Reviewing and Drafting Rules and Regulations*
 - ?? Providing legal advisory services*
 - ?? Processing of complaints (AHC)*
 - ?? Investigations*
 - ?? Referral of offences for prosecution*
 - ?? Processing of applications for Dealers and Investment Advisers Licences*
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Goals and Achievements

Review of Regulations

The Legal and Enforcement Department worked with the Corporate Finance and Investment Management Department to complete the review and passage of SEC draft Regulations into Law.

Specific areas covered by the draft Regulations include:

1. Qualification of Directors and other Executive Officers of Operators
2. Requirements for Licensing
3. Registers of Interest in Securities
4. Financial and Compliance Requirements of Dealers and Investment Advisers
5. Reporting by Stock Exchanges, Dealers and Investment Advisers
6. Appeals to the Commission
7. Advertisements

8. Transaction Levy
9. Disclosure of Information by Issuers of Securities

Establishment of Administrative Hearing Committee

In 2000, the Securities Industry Law, PNDCL 333 was amended by the coming into force of the Securities Industry (Amendment) Act, 2000 Act 590. Among other things, Act 590 provided for the establishment of an Administrative Hearings Committee (AHC) to, inter alia, examine and determine complaints, disputes and violations related to or arising out of any matter to which PNDCL 333 and Act 590 (the Law) applies.

The Department assisted in the establishment and effective operation of the Administrative Hearings Committee (AHC) as required under Act 590. The AHC is a quasi-judicial body. It is composed of the chairman of the SEC (who also acts as the AHC chairman) and four (4) other members of the SEC elected by the members.

Under the provisions of the Law, any member of the public may make complaints to the SEC, provided the complaint is an issue related to or arising from a matter to which the Law applies. The complaint, containing all relevant details should be addressed to the Director-General. Upon receipt of the complaint, the Director-General will cause the matter to be investigated. Within thirty (30) days of the receipt of the complaint, the Director-General shall either settle the matter or refer it together with his findings to the AHC for determination. The AHC will, however, not entertain any complaint, which is a subject matter before a court unless the parties to the action so agree.

To facilitate the effective operations of the AHC, the AHC has adopted procedures to guide it in its activities to ensure that parties appearing before the

Committee are given a fair hearing (Copies of these procedures may be obtained from the offices of the SEC).

A complainant or other party to a matter referred to the AHC has the right of appearance before the AHC. A person appearing before the AHC may appear in person or be represented by a lawyer or other expert of his choice.

A matter before the AHC has to be determined within thirty (30) days from the date that the matter or complaint is referred to the AHC unless there is delay caused by the complainant, his representative or witness. A decision arrived at by the Committee has to be submitted to the Commission for its review and approval. In doing so the Commission may;

- a) Confirm the decision of the AHC,
- b) Remit the issue to the AHC for further consideration, or
- c) Modify the decision of the AHC.

A decision taken by the AHC and confirmed by the Commission shall be communicated in writing to the parties concerned.

Without prejudice to the penalties prescribed under the Law, the AHC may impose the following sanctions;

- a) Suspension of licence,
- b) Revocation of licence,
- c) Fines,
- d) Nullification and voiding of irregular transactions,
- e) Censure and warnings,
- f) Any other sanction, which may be prescribed by the SEC from time to time.

A party who is dissatisfied with the decision of the AHC may appeal to the High Court.

Licensing

In the course of the year, two (2) banks were licensed by the Commission to provide custodial services in Ghana.

In addition, the Department provided the needed legal assistance in the review of all applications for the operation of Collective Investment Schemes and other applications for licenses.

Other Activities

The Department further gave presentations in conjunction with the Research and Marketing Department and other departments in workshops for trustees and custodians for the effective operation of Collective Investment Schemes.

The workshop was organized to sensitize existing and prospective trustees and custodians on their roles in Collective Investment Schemes. Under the Securities Industry (Amendment) Act, Act 590, only banks, insurance companies or other financial institutions or a wholly owned subsidiary of any of them approved by the Commission can act as a trustee or custodian of a unit trust or mutual fund.

ACCOUNTING AND MARKET SURVEILLANCE DEPARTMENT

The main duties and responsibilities of the department include the following:

- ?? Ensuring compliance with the securities laws, regulations and procedures by the stock exchange and all exchange related entities either licensed by or registered with the Commission.*
 - ?? Reporting on the financial and systemic stability of the stock exchange and all exchange related entities. Handling of investor complaints.*
 - ?? Financial administration and management of the finances and funds of the Commission, including budgeting, budgetary control and payroll management.*
 - ?? Ensuring the preparation of financial statements of the Commission for statutory review.*
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Goals and Achievements

On-site Inspections

In line with the Commission's fundamental obligation to "ensure orderly, fair and equitable dealings in securities", Market Surveillance undertook review visits to eleven (11) out of the fourteen (14) licensed stockbrokers during the year under review, to assure itself not only of the existence of internal control procedures and mechanism for protecting the investor and financial accountability, but that these controls and mechanisms have been operational throughout the review period.

Stockbrokers visited during the year under review were:

- ✍✍ Ecobank Stockbrokers Ltd
- ✍✍ Merban Stockbrokers Ltd
- ✍✍ New World Investments Ltd
- ✍✍ First Atlantic Brokers Ltd
- ✍✍ Worldwide Securities Ltd
- ✍✍ Gold Coast Securities Ltd
- ✍✍ CDH Securities Ltd
- ✍✍ Sterling Securities Ltd
- ✍✍ NTHC Ltd
- ✍✍ Strategic African Securities Ltd
- ✍✍ Capital Alliance Brokerage Services Ltd.

Within a month of each visit, management letters were issued to firms providing details of the instances of non-compliance or deficiencies with securities and other relevant laws, regulations, accounting standards etc, with suggestions and timeframes for remedial action. Unscheduled follow up visits were made to ascertain implementation of recommendations in the management letters.

The areas of review for 2002 *included* capital adequacy, licensing, client and trade documentation, directorship, work of Compliance Officers and information technology. The reviews revealed that compliance was generally satisfactory though there was room for improvement.

Automation of Accounting System

The Accounting and Market surveillance department also worked to ensure that the Commission's internal accounting function, including payroll was successfully automated using the Pastel Accounting software.

Activities undertaken to ensure the success of the automation included training, data entry of 2001 accounting records, comparing reports generated from the automated system with manually generated records to confirm the integrity of data capture, parallel running, integration of Persol (Payroll management software) with Pastel, and the system going live on 1st July 2002. Consequently, the Commission's Financial Statement for the year ended 2002 was generated in Pastel for audit review.

The automation has enabled the Commission to remain lean in its staffing while increasing its output, efficiency and poised to meet the expected growth in activities of the securities market.

CORPORATE FINANCE AND INVESTMENT MANAGEMENT DEPARTMENT

The main duties and responsibilities of the department include the following:

- ?? Ensuring disclosure of information by issuers of securities*
 - ?? Reviewing of prospectuses*
 - ?? Reviewing of Takeovers and Mergers Documents*
 - ?? Examining financial reports of public companies*
 - ?? Working with private –sector activity bodies to formulate accounting standards*
 - ?? Licensing of Collective Investment Schemes and Registration of fund prospectuses*
 - ?? Formulating financial reporting standards for funds*
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Goals and Achievements

The Corporate Finance and Investment Management Department worked with the Legal and Enforcement Department to complete the review and ensure the passage of SEC draft Regulations into Law.

The Department, in conjunction with the Research and Marketing Department, undertook a series of public education programmes on general capital market topics, as well as participated in workshops and educational programmes on Collective Investment Schemes. Details can be found under the goals and achievements for the Research and Market Development Department.

Review of Offer Documents and Financial Statements

As part of its activities, the department reviewed four (4) offer documents received from prospective market operators, with the Commission granting approval to three (3) by the end of the year. Companies whose offer documents and/or listing applications were reviewed and approved were:

- ?? Home Finance Company (Rights Issue)
- ?? Cocoa Processing Company (Initial Public Offering)
- ?? Golden Development Holding Company Ltd. (Initial Public Offering)
- ?? Trust Bank of Gambia Ltd (Listing by Introduction)

Sixteen (16) Financial Statements of Public Companies were also reviewed during the year to ascertain disclosure of information about Directors, Officials and Registered Office. Out of the number, two of the companies were found not to be in compliance as to the disclosure of location of registers and were asked to disclose that to the Commission and ensure the disclosure of same in subsequent financial statements.

Inspection and Licensing

The department in the course of the year paid inspection visits to one (1) of the two (2) Unit Trust Schemes operating in the industry. A new Mutual Fund was also licensed during the year making it the first Mutual Fund to be licensed by the SEC to operate in the industry.

Other applicants for Collective Investment Scheme licenses were asked to update their application documents in line with the Unit Trust and Mutual Funds Regulations, 2001 (LI 1695). Out of the total applications, four (4) Regulations, two (2) Scheme Particulars, and one (1) Trust Deed were updated and work on their review commenced.

RESEARCH AND MARKET DEVELOPMENT DEPARTMENT

The main duties and responsibilities of the department include the following:

- ?? General research in the fields of finance and capital market development*
 - ?? Investor Education*
 - ?? Analyzing data on market activities that may require attention by the Commission*
 - ?? Analyzing potentially significant market developments*
 - ?? Supplying information for presentations by staff of the Commission*
 - ?? Preparation of all Commission publications*
 - ?? General Public Relations*
 - ?? Marketing*
 - ?? Publicizing the role of the Commission*
 - ?? Coordinating media relations and monitoring media coverage of issues related to the Commission and the securities industry*
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Goals and Achievements

Publications

In fulfilling its role of publicizing the role of the Commission as well as undertaking investor education, the Department in the year under review developed and published various brochures and educational materials for the benefit of the general public. Publications include:

- ?? Brochure on “Investors’ Guide to Unit Trusts and Mutual Funds”
- ?? The Commission’s Annual Report for 2001

?? Guidelines on Best Practices of Corporate Governance

Radio Discussion Programs

The Department also organized with the support of other departments of the Commission, the Ghana Stock Exchange as well as selected market operators, a thirteen-week radio discussion/phone-in program dubbed 'Investment Hour' on one of the FM radio stations in Accra to educate as well as answer any enquiries that the general public may have on issues relating to the securities industry in Ghana. Topics discussed included:

- ?? Stock Market in Ghana & its benefits to the economy
- ?? The instruments on the Market and how the Market works
- ?? Overview of Capital Markets Regulation (Why the need for regulations?)
- ?? The role of the Investment Adviser, the Broker and the Registrar in the capital market
- ?? Getting listed on the Ghana Stock Exchange and its benefits (Listing requirements and procedures)
- ?? The investor and the stock market
- ?? Investor Protection (Supervision and Enforcement)
- ?? On site inspection visits – Looking over the broker's shoulder
- ?? Collective Investment Schemes
- ?? The Securities and Exchange Commission

In addition to the above, the Commission participated in other radio discussion programmes aimed at educating the populace on matters relating to the securities industry in Ghana.

Workshops

The Department, in conjunction with the Corporate Finance and Investment Management and the Legal departments, organized various workshops for market operators to provide continuing education on the activities of the Commission. Specifically these workshops were on the SEC draft Regulations and on the role of Trustees and Custodians of Collective Investment Schemes for two groups of Financial Institutions (Insurance Companies and Banks).

The Department also assisted staff in the preparation of presentations to various groups. Papers presented by staff of the Commission included:

TOPIC	VENUE / GROUP
The Ghana Stock Exchange	Ghana Institute of Management Seminar
Overview of Financial Markets	Ghana Institute of Management Seminar
Capital Market Instruments	Ghana Institute of Management Seminar
Securities Issuance and Trading	Ghana Institute of Management Week
Overview of Capital Market Regulations	School of Administration, Legon
Bond Market Practices and Risks	National Banking College
Accounting Scandals: The Role of the SEC in Ensuring Transparent Financial Reporting	ICAG Continuing Professional Education
Corporate Governance, The Role of the Internal Auditor	Internal Auditors Conference organized by the ICAG
Investing in the Capital Market – Why you should be a part	Lions Club, Accra
Issuance and Trading of Securities	National Banking College
Regulation of Capital Markets in Ghana	Executive MBA Class of the School of Administration, Legon
Promoting Investments and Deepening the Capital Market	Commonwealth – Ghana Investment Conference

TOPIC	VENUE / GROUP
The Role of Investment Advisers	Workshop on Investment and Finance for the Golden Age of Business
Privatization and Capital Market Development	West African Institute for Financial and Economic Management Regional Course, Freetown, Sierra Leone
Regulation and Supervision of Capital Markets	West African Institute for Financial and Economic Management, Regional Course, Freetown, Sierra Leone
Adopting A Code of Best Practice for Corporate Governance in Ghana: The Way Forward.	The African Capital Market Forum (ACMF)

ARTICLES PUBLISHED

The following articles were also written by staff of the Commission and published in various print media in Ghana.

1. “Auditors must give assurance to Investors”
2. “Corporate Governance now becomes a slogan for Firms”
3. “Corporate Accounting Scandals”

INFORMATION TECHNOLOGY DEPARTMENT

The main duties and responsibilities of the department include the following:

The key functions include:

- ?? Providing leadership on management information for the Commission*
 - ?? Developing the Commission's IT architecture and responsible for the Network Information System*
 - ?? Overseeing the development and implementation of the Commission's automated information and filing systems, records registry and electronic surveillance facility*
 - ?? Providing MIS technical assistance, guidance and training*
 - ?? Responsible for client-server applications involving multiple commercial off-the-shelf solution and a custom-built application*
 - ?? Monitoring, maintaining and upgrading IT equipment*
 - ?? Responsible for maintaining a secure email, Internet, database and file services for the Commission*
 - ?? Establishing and maintaining the Commission's web site*
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The SEC IT development programme involving the supply of computer hardware, network and data communication, intranet development & installation, and computer software & application development, which were initiated in 2001, ended in mid 2002. The activities carried out were aimed at integrating the use of state of the art information technology into the activities of the Commission to ensure that the Commission's user public have accurate, timely, and relevant information to make informed decisions on investments.

Activities carried out included the purchase of computer hardware and installation of a local area network (LAN) at the office premises, intranet development and deployment of software.

These IT activities have led to the implementation of a functional internal communications network – Local Area Network (LAN) which has facilitated the use of an electronic mailing system and information sharing within the Commission. Internal information sharing within the commission was thus enhanced within the programme year.

The Commission's website was also developed and hosted under the domain name secghana.org with a corporate broadband Internet connectivity for all staff and email communication for both in-house and external use with the ability for in-house update.

The website has sections that include publications, highlights of laws and regulations, departments, frequently asked questions, ability to lodge complaints and make enquiries, contacts, related links, securities industry news and latest developments in SEC Ghana.

As part of the IT development plan some software was acquired to help boost the Commission's operations. These included:

?? An Accounting package

?? A Payroll system

?? An HR system

An application software was also specifically designed to assist the Commission in its oversight activities within the securities industry. This software keeps a database of licensed operators in terms of their historical data, licences when acquired, information on directors, shareholding structure among others. It has

also been designed to capture information on the financials of licensees and public companies and to generate various reports for management decision-making.

Relevant IT training was provided for staff in handling the automation of activities in the Commission. Some in-house IT seminars were also held as a refresher to staff. IT user support, troubleshooting and maintenance were performed on a regular basis as part of a continuous process.

OTHER ACTIVITIES OF THE COMMISSION

1) **POLICY DECISIONS OF THE COMMISSION**

The Commission in the course of the year under review issued the following circulars/ directives to Licensed Dealing Members/Stockbrokers and Investment Advisers aimed at creating a transparent, fair and equitable market, which will provide the needed integrity and generate confidence in both local and foreign investors alike.

a) **APPOINTMENT OF DIRECTORS OF LICENCED DEALING MEMBERS/STOCKBROKERS TO BOARDS OF PUBLIC COMPANIES**

In the course of the year, it came to the notice of the Commission that some directors or executive officers of Licensed Dealing Members (LDMs) had also been appointed as directors of listed and other public companies limited by shares.

The Commission was of the view that this practice was not in the interest of the investing public as it could give rise to conflict of interest, insider trading, and other types of market manipulation.

The Commission therefore on 31st May 2002, pursuant to its functions under section 9 (d), (f) (g) and (i) of the Securities Industry Law 1993, PNDCL 333 as amended, directed all LDMs/Stockbrokers (hereinafter referred to as “Licensed Operators”) and public companies limited by shares as follows:

- i) Henceforth, no director or executive officer of a Licensed Operator shall concurrently serve on the board of a public company (listed or unlisted).
- ii) No public company shall accept the appointment of any person who is a director or executive officer of a Licensed Operator.

- iii) Any director or executive officer of a Licensed Operator currently serving on the board of a public company (listed or unlisted) shall take steps to resign as a director of that company by the 15th of July 2002, and thereafter notify the Commission accordingly.

**b) ACQUISITION OF SECURITIES OF PUBLIC COMPANIES BY
LICENSED DEALING MEMBERS/STOCKBROKERS AND
INVESTMENT ADVISERS**

The Commission in the course of its surveillance activities noticed an emerging trend whereby Licensed Dealing Members (LDMs) acquired shares of public companies to the extent of gaining a controlling interest in such companies.

The Commission was of the view that although under PNDCL 333, LDMs were allowed to deal as principals, the absence of a prescribed limit to an acquisition by an LDM may give rise to market manipulations, which would not create the necessary atmosphere for the orderly growth and development of the capital market.

The Commission therefore issued a directive, effective date 1st July 2002, pursuant to its functions under sections 9 (b) (d) (f) (g) and (i) of Securities Industry Law 1993, PNDCL 333, to all LDMs/Stockbrokers and Investment Advisers (hereinafter referred to as "Licensed Operators") as follows:

- i) A Licensed Operator may acquire the securities of a public company provided such acquisition shall not in aggregate constitute a percentage that would trigger a takeover offer as provided under the GSE Rules or any other Code or Legislation, currently in force.

- ii) Where a Licensed Operator acquires 5% or more of the securities of a public company, such fact shall be disclosed to the Commission. Any additional acquisition of up to 2% or more shall also be disclosed to the Commission.
- iii) A Licensed Operator shall also disclose to the Commission, a disposal of securities of up to 2% or more after the initial acquisition of 5% or more of securities of a public company.
- iv) Upon the occurrence of any acquisition or disposal for which a disclosure has to be provided to the Commission as stipulated under (i) - (iii) above, the disclosure shall reach the Commission before the next trading session following the trading session at which the acquisition or disposal was made.

c) APPROVAL OF INVITATIONS TO THE PUBLIC

The Commission, by virtue of Section 9 of the Securities Industry Law 1993, PNDCL 333 as amended, which empowered it to “examine and approve invitations to the public”, directed that all invitations to the public (in the form of prospectuses, or otherwise titled) should be forwarded to the Commission for due approval prior to the launch of the offer.

To facilitate the review process, the Commission requested that all prospectuses or offer documents be submitted to the Commission at least six (6) weeks prior to the date scheduled for launching the offer.

2) SEC/ICAG MEETING

The Commission in the year under review held discussions with the Institute of Chartered Accountants, Ghana (ICAG) on issues of relevance to the accounting profession and the securities market in Ghana.

Issues discussed included:

1. Use of common applicable accounting standards.
2. Improving the quality of External Auditors' work.
3. Registration by the Commission of Accountants/Auditors of companies/ individuals who submit financial reports to the Commission.
4. Corporate Governance.
5. Continuing Professional Education of the Accountant
6. Composition of the Public Accountants & Auditors Committee (PAAC).
7. Formulation of rules on the auditor's independence.

3) HIV/AIDS AWARENESS DAY

HIV/AIDS represents the foremost threat to development in Ghana and the rest of Africa, and an ominous threat in much of the rest of the developing world.

The impact of AIDS on the labor force has hit both the public and private sectors. The epidemic is eroding productivity at just the time when countries need to become more competitive to cope with rapid globalization.

In the private sector, this raises the costs of doing business and deters investment. In the public sector, it depletes the already scarce supply of qualified managers and policy makers on which every country critically depends. The loss of such key officials is further reducing scarce capacity, which is weakening the prospects for good governance.

It was for this reason that the Commission held a one-day HIV/AIDS awareness workshop for the staff of the Commission. Speakers at the programme were from the Bank of Ghana HIV/AIDS awareness campaign team and the National HIV/AIDS Commission in Ghana.

ECONOMIC REVIEW 2002

The policy objective of the Government of Ghana in 2002 sought to further consolidate gains made in 2001 and to achieve a continued reduction in inflation and a strengthening of economic growth.

The economy in 2002 was, however, characterized by challenges, which included higher than expected expenditures on wages and salaries, accelerated payments of arrears relating to both non-statutory and statutory payments, higher than anticipated subsidies to utility companies and substantial shortfalls in expected foreign inflows.

In spite of these challenges and a general slowdown in major industrialized economies, significant progress was made resulting in increase in domestic revenue mobilization, reduction in inflation and the building up of external reserves to more comfortable levels as cushion against short-term shocks.

Overall, the government managed to maintain a reasonable level of macroeconomic stability, which resulted in positive growth in almost all sectors of the economy, except for the services sector, which recorded a negative growth.

SUMMARY OF KEY MACROECONOMIC INDICATORS

INDICATOR	2002	2001
Real GDP Growth (%)	4.50	4.20
End of Year Inflation	15.20	21.30
Cedi / US Dollar Exchange (¢)	8,438.82	7,321.94

Source: 2003 Budget Statement

OVERALL GROWTH

The fiscal year 2002 showed an overall Gross Domestic Product (GDP) growth rate of 4.5 per cent as compared to the real growth of 4.2 per cent achieved in 2001. The increase of 0.3 per cent was due to strong out-turns in the production of crops and livestock.

SUMMARY OF SECTOR PERFORMANCE

SECTOR	2002	2001
Agricultural (%)	4.40	4.00
Industrial (%)	4.70	2.90
Services (%)	4.70	5.10

Source: 2003 Budget Statement

SECTOR PERFORMANCE

Two sectors of the economy (Agriculture and Industry sectors) both recorded positive growth in the year 2002, whilst the Services sector recorded a negative growth.

Agriculture Sector

The performance of the agriculture sector in 2002 was 4.4 per cent in output as compared to the 4.0 per cent growth rate in 2001. This was mainly due to bumper harvests particularly in the crops and livestock sub sector.

Industry Sector

The Industry sector also experienced a growth rate of 4.7 per cent. This represents an increase in output of 1.8 percentage point as against 2001 growth rate of 2.9 per cent. The strong performance was due to the good performance of the Mining and Quarrying sub-sector.

Services Sector

The services sector experienced a decline in growth rate of 0.4 percentage points. Provisional figures for the sector indicated a growth rate of 4.7 per cent as against 5.1 per cent growth rate in 2001. The decline in growth rate was largely due to poor performance of the Government Services sub-sector.

INFLATION

The relatively tight monetary policy adopted in 2001 by the Government which involved moving away from Central Bank Financing of its deficits towards a Non-Bank financing option continued in the year under review.

The continuation of this policy, together with strong performances of key Government sectors, and the slow pace of depreciation of the cedi led to a fall in the year-end inflation rate. The rate of inflation decreased from 21.3 per cent in 2001 to 15.2 per cent at year-end 2002.

Compared to year-end 2001 average inflation rate of 32.9%, the average yearly inflation rate for 2002 was 14.8%

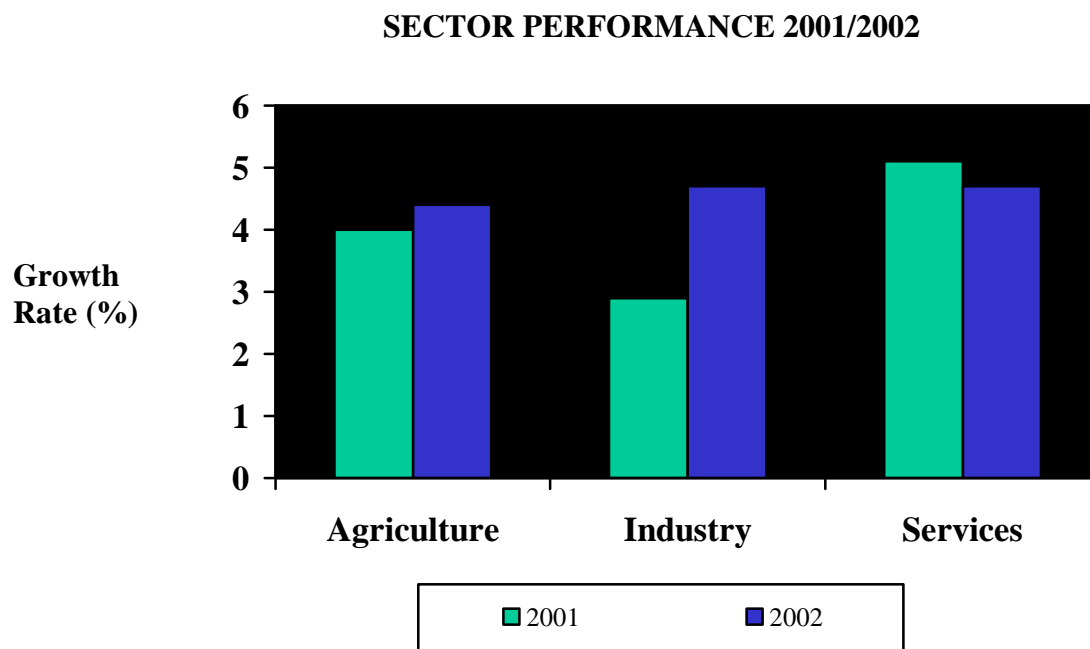
EXCHANGE RATE

The rate of depreciation of the cedi increased in the year under review on both the inter-bank market and the forex bureaux market as compared 2001.

On the inter-bank market, the cedi depreciated by 13.2 per cent from ¢7,321.94 to the US dollar at the end of 2001 to ¢8,438.82 to the US dollar at the end of 2002. This compares with the 3.7 per cent depreciation in 2001.

On the forex bureaux market, the rate of depreciation was higher at 15.7 per cent. The cedi closed the year at ¢8,681.82 to the US dollar as against. At the end of 2001, the exchange rate of the cedi to the dollar was ¢7322.73.

The increased rate of depreciation is likened to the shortfalls in donor assistance and increased speculation on the part of market participants.



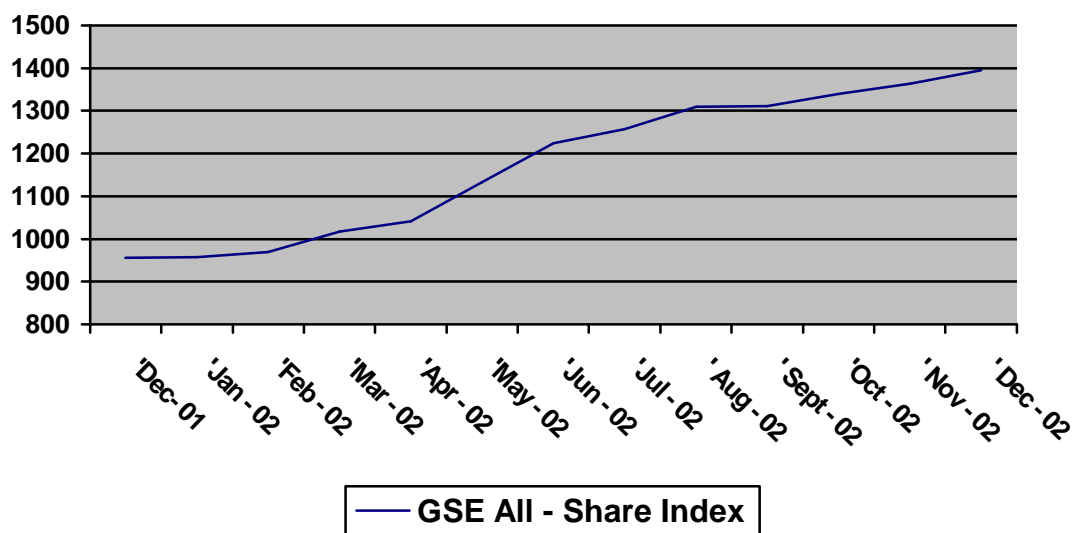
STOCK MARKET REVIEW 2002

MARKET ACTIVITIES FOR 2002

The Ghana Stock Exchange performed remarkably well during the year 2002 making it the third best performing year in the history of the Ghana Stock Exchange after 1998 and 1994.

Market Performance

The GSE All- Share Index increased from 955.95 points in December 2001 to 1395.31 points by the end of December 2002 recording a percentage change in index of 45.96%. The index reached an all-time high of 1395.31 on December 30, 2002.



Turnover

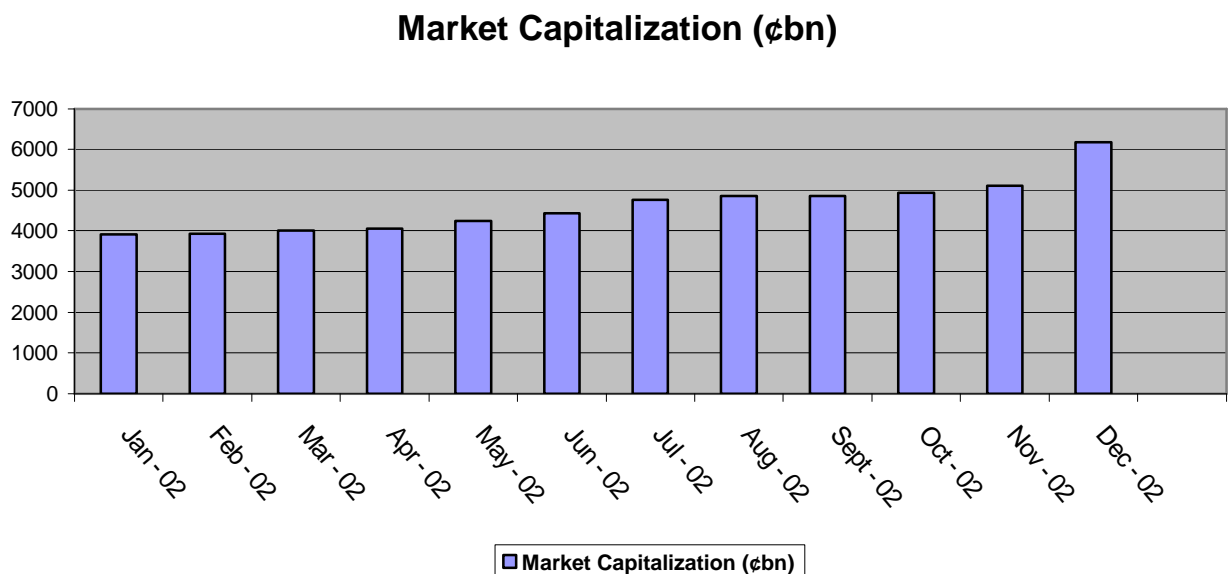
The total volume of shares traded was 44.12 million shares for the year 2002 as compared to 55.30 million shares for the year 2001. This represents a decrease of 25.34%.

Total value traded also decreased by 3.20% from ₵92,276.14million during the year 2001 to ₵89,410.66 million for the year 2002.

Market Capitalization

Market capitalization of companies on the stock exchange increased from ₵3,904.03 billion in 2001 to ₵6,183.84 billion in 2002. This represents an increase of 36.87%.

As at the end of December 2002, Ashanti Goldfields Company Limited had the highest market capitalization value (₵3,434.91Billion) followed by the Ghana Commercial Bank (₵580.14Billion) and the Standard Chartered Bank (₵505.01Billion).



THE MARKET AT A GLANCE

	Jan-Dec 2002	Jan-Dec 2001	% Change
No. of Listed Companies	24	22	8.33%
No. of Listed Bonds			
Corporate	5	5	-
Government	22	17	22.73%
New Listings			
Equities	2	0	-
Bonds – Corporate	1	1	-
Government	5	17	-240%
EQUITIES			
Turnover			
Volume (Million)	44.12	55.30	-25.34%
Value (¢m)	89,410.66	92,276.14	-3.20%
Total Market Capitalization (¢bn)	6,183.84	3,904.03	36.87%
Total No. of Listed Issued Share (m)	1,692.04	1,603.53	5.23%
GSE All-Share Index			
End of Period	1,395.31	955.95	
% Change in index (year to date)	45.96%	11.42%	
BONDS			
Turnover Value			
Corporate Bonds (US\$)	804,699	873,132	-8.50%
GGILBs (¢ m)	22,226	-	
CAPITAL RAISED			
Equities (¢b)	19.63	0	
Bonds - Corporate	\$3.03Mil	£1.2Mil	
- Government (¢b)	323.22	1,003.72	

Source: Ghana Stock Exchange Market Statistics (Dec. 2002)

MARKET INDICATORS BY MONTH (2001/2000)

<i>Month</i>	GSE All Share Index			Market Capitalization (¢ billion)		
	<i>2002</i>	<i>2001</i>	<i>%Change</i>	<i>2002</i>	<i>2001</i>	<i>%Change</i>
January	957.34	857.21	11.00	3,906.72	3,649.77	7.00
February	969.89	876.19	10.00	3,931.05	3,695.11	6.00
March	1,018.02	899.26	13.00	4,004.92	3,722.34	7.00
April	1,041.05	897.88	15.00	4,054.84	3,719.73	9.00
May	1,132.68	894.53	26.00	4,243.50	3,713.37	14.00
June	1,223.69	932.47	31.00	4,429.34	3,785.26	17.00
July	1,257.08	1,024.34	22.00	4,756.51	3,959.29	20.00
August	1,309.71	949.57	37.00	4,858.77	3,815.84	27.00
September	1,310.67	956.04	37.00	4,861.38	3,904.20	24.00
October	1,339.76	961.01	39.00	4,939.65	3,913.85	26.00
November	1,362.65	958.54	42.00	5,108.53	3,911.95	30.00
December	1,395.31	955.95	45.00	6,183.84	3,904.03	58.00

Source: Ghana Stock Exchange Market Statistics (Dec. 2002)

EQUITY LISTINGS FOR 2002

Listings	Description	Issue Price ¢	No. of Shares (Mil)
New Listings			
Sam Woode Limited (SWL)	IPO	250	21.8
Trust Bank Limited (The Gambia) (TBL)	Introduction	4,100	30.0
Additional Listings			
Home Finance Co. Ltd (HFC)	Rights Issue	780	22.6
Ashanti Goldfields Co. Ltd (AGC)	Rights Issue		13.95

Source: Ghana Stock Exchange Market Statistics (Dec. 2002)

TOP 10 EQUITIES RANKED BY VOLUME AND VALUE

Trading Volume			
Equity	Rank	Volume Traded	% of Total Market
GCB	1	9,290,900	21.06
BAT	2	9,260,200	20.99
UNIL	3	6,666,200	15.11
GGL	4	4,616,500	10.46
HFC	5	2,856,200	6.47
SSB	6	2,236,400	5.07
ALW	7	2,229,600	5.05
GBL	8	1,612,800	3.66
MLC	9	1,502,300	3.40
SPPC	10	1,301,200	2.95

Source: Ghana Stock Exchange Market Statistics (Dec. 2002)

Trading Value			
Equity	Rank	Value Traded (¢Mil)	% of Total Market
UNIL	1	20,997.87	23.48
GCB	2	19,209.96	21.49
SCB	3	13,129.50	14.68
ALW	4	8,981.85	10.05
SSB	5	7,112.06	7.95
BAT	6	6,556.25	7.33
GGL	7	4,303.15	4.81
HFC	8	2,714.25	3.04
AGC	9	1,980.77	2.22
GBL	10	1,433.17	1.60

Source: Ghana Stock Exchange Market Statistics (Dec. 2002)

BOND MARKET

The number of corporate bonds listed, as at the beginning of the year was six (6) as compared to five (5) for the same period in 2001. However, one corporate bond, the HFC – B bond was retired in September 2002 bringing the total number of listed corporate bonds to five (5) as at the end of 2002.

The total number of Government bonds listed year 2002 was twenty-two (22) as compared to seventeen (17) for the same period 2001.

Turnover on the bonds during the period under review were:

	Jan- Dec 2002	Jan – Dec 2001
Corporate bonds	- US\$804,699	US\$873,132
GGILBs	- c22,226Million	-

BOND LISTINGS FOR 2002

Type of Bond	Issuer	Maturity	Coupon Rate %
Corporate Bonds			
HFC-G, 8s06	HFC	2006	8
Government Bonds			
GGILB	Government of Ghana	5/1/05	5
GGILB	Government of Ghana	10/1/05	5
GGILB	Government of Ghana	17/1/05	5
GGILB	Government of Ghana	24/1/05	5
GGILB	Government of Ghana	14/3/05	5

Source: Ghana Stock Exchange Market Statistics (Dec. 2002)

LICENSED STOCKBROKERS AND THEIR ADDRESSES

CAL BROKERS LTD.
45 INDEPENDENCE AVENUE
PO Box 14596
ACCRA.
Tel: 231102 / 222345
Email: calbrokers@calbank-gh.com

CAPITAL ALLIANCE CO. LTD
E310/9 INDEPENDENCE AVENUE
PO Box 9544
ACCRA
TEL: 769261 / 769755/776153
Email: darsalam@Ghana.com

CDH SECURITIES LTD.
3RD FLOOR, TOWER BLOCK
SSNIT PENSION HOUSE
PO Box 14911
ACCRA
TEL: 667425-8
Email: cdh2@ncs.com.gh

DATABANK BROKERAGE LTD
5TH FLOOR TOWER BLOCK
SSNIT PENSION HOUSE
PMB, MINISTRIES POST OFFICE
ACCRA
TEL: 669110 / 669417
Email: info@databankgh.com
Website: www.databankgh.com

ECOBANK STOCKBROKERS LTD.
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PO Box 16746
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Email: ecobankgh@ecobank.com

FIRST ATLANTIC BROKERS LTD.
NO. 1 SEVENTH AVENUE
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Email: fambl@ghana.com

GOLD COAST SECURITIES LTD.
18-8TH AVENUE RIDGE
PO Box GP 17187
ACCRA
TEL: 302374/5/256342
Email: GCS@goldcoas.com

MERBAN STOCKBROKERS LTD.
MERBAN HOUSE 44 KWAME NKRUMAH
AVENUE
PO Box 401
ACCRA
TEL: 666331 – 5 / 257131 - 5
Email: Merban_Services@merbangh.com

NEW WORLD INVESTMENTS LTD.
3RD FLOOR, MOBIL HOUSE
PO Box CT 2868
CANTONMENTS
ACCRA
TEL: 660163
Email: newworld@ghana.com
Website: www.newworld.com.gh

NTHC LTD
MARTCO HOUSE, ADABRAKA
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AIRPORT
ACCRA
TEL: 238492 – 3
Email: nthc@ghana.com

SDC BROKERAGE SERVICES LTD
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POST OFFICE SQUARE
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GOLD COAST SECURITIES LTD.
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Email: hfcamp@ncs.com.gh
Website: www.ghana.com.gh/hfc

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TEL: 660163/676979
Email: newworld@ghana.com
Website: www.newworld.com.gh

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MARTCO HOUSE, ADABRAKA
PO Box KIA 9563
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TEL: 238492 – 3
Email: nthc@ghana.com

SDC BROKERAGE SERVICES LTD
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ACCRA
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Email: Sterling@africaonline.com.gh

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TEL: 770212 – 3
Email: ghana@cdcgroup.com

WORLDWIDE SECURITIES LTD.
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STATEMENT OF ACCOUNTS

BALANCE SHEET

AND

ACCOUNTS

31ST DECEMBER 2002

**JACOB ARTHUR AND PARTNERS
(CHARTERED ACCOUNTANTS)
P. O. BOX DS 1450
DANSOMAN
ACCRA.**

SECURITIES AND EXCHANGE COMMISSION

REPORT OF THE AUDITORS

31ST DECEMBER 2002

We have audited the financial statements on pages 2 to 8 which have been prepared under the accounting policies set out on page 5 .

Respective Responsibilities of Directors and Auditors

The financial statements are the responsibility of the Commission. Our responsibility is to express an independent opinion on these financial statements based on our audit.

Basis of Opinion

We have conducted our audit in accordance with Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amount and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Commission in the preparation of the financial statements and of whether the accounting policies are appropriate to the Commissions circumstance, consistently applied and adequately disclosed.

We planned and performed the audit so as to obtain all the information and explanations which we require in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion proper books of account have been kept by the Commission and the financial statements which are in agreement therewith comply with section 7 of the Securities Industries Law 1993, and give a true and fair view of the financial standing of the Commission as at 31st December 2002 and of its excess of expenditure over income for the year then ended.

JACOB ARTHUR & PARTNERS
(CHARTERED ACCOUNTANT)

POLYGRAM HOUSE
ACCRA

JUNE 10, 2003.

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31ST DECEMBER 2002

		<u>2002</u>	<u>2001</u>
<u>INCOME</u>		¢	¢
Ghana Govt. Subvention		1,826,172,739	1,497,342,003
NBFI Support		1,583,028,837	630,839,050
Other Income	2	<u>156,232,073</u>	<u>188,248,972</u>
TOTAL INCOME		3,565,433,649 =====	2,316,430,025 =====
<u>EXPENDITURE</u>			
Personnel Emoluments	3	924,383,662	718,968,834
Administration	4	989,419,094	766,656,854
Service Activity	5	544,001,796	583,700,809
Depreciation of Assets	6	<u>375,801,767</u>	<u>178,175,449</u>
		2,833,606,319 =====	2,247,501,946 =====
EXCESS OF INCOME OVER EXPENDITURE FOR THE YEAR		731,827,330 =====	68,928,079 =====

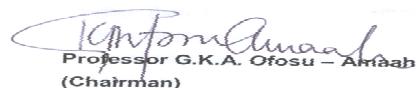
The Notes on pages 51 to 54 form an integral part of these accounts.

BALANCE SHEET AS AT 31ST DECEMBER 2002

<u>EMPLOYMENT OF FUNDS</u>	<u>NOTES</u>	<u>2002</u> ¢	<u>2001</u> ¢
<u>FIXED ASSETS</u>	12	1,506,606,404	590,334,103 =====
<u>CURRENT ASSETS</u>			
Sundry Debtors	7	109,653,176	370,646,833
Cash and Bank Balances	8	663,928,632	574,424,813
Prepayment	9	43,860,807	45,453,208
		817,442,615 =====	990,524,854 =====
<u>CURRENT LIABILITIES</u>			
Accrued Charges	10	92,593,153 =====	81,230,421 =====
<u>NET CURRENT ASSETS</u>		724,849,462	909,294,433
<u>NET ASSETS</u>		2,231,455,866 =====	1,499,628,536 =====
<u>FUNDS EMPLOYED</u>			
General Fund	11	2,231,455,866 =====	1,499,628,536 =====



.....
(DIRECTOR-GENERAL)
SECURITIES & EXCHANGE
COMMISSION



Professor G.K.A. Ofose - Amaah
 (Chairman)

.....
(CHAIRMAN)
SECURITIES & EXCHANGE
COMMISSION

The Notes on pages 51 and 54 form an integral part of these Accounts.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2002

	<u>2002</u> ¢	<u>2001</u> ¢
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
NET SURPLUS	731,827,330	68,928,079
Prior Year Adjustments	-	(10,536,626)
Depreciation	<u>375,801,767</u>	<u>178,175,449</u>
<u>OPERATING SURPLUS BEFORE WORKING CAPITAL CHANGES</u>	1,107,629,097	236,566,902
 (Increase)/Decrease in Debtors and Prepayments	 262,586,058	 (305,885,765)
Increase/(Decrease)/Increase in Creditors	<u>11,362,732</u>	<u>17,988,339</u>
<u>NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES</u>	1,381,577,887	(51,330,524)
<u>INVESTMENT ACTIVITIES</u>		
Purchase of Fixed Assets	<u>(1,292,074,068)</u>	<u>(46,833,820)</u>
<u>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENT</u>	89,503,819 =====	(98,164,344) =====
 <u>ANALYSIS OF CASH AND CASH EQUIVALENT</u>		
Cash and Bank Balances 1 st January	574,424,813	672,589,157
Cash and Bank Balances 31 st December	<u>663,928,632</u>	<u>574,424,813</u>
<u>NET CASH INFLOW/(OUTFLOW)</u>	89,503,819 =====	(98,164,344) =====

NOTES FORMING PART OF THE ACCOUNTS AS AT 31ST DECEMBER 2002

1. ACCOUNTING POLICIES

- a) **GENERAL:** The accounts have been prepared under the historical cost convention and do not take into consideration changing money values.
- b) **DEPRECIATION:** Depreciation is provided on a straight line basis at rates calculated to write off the cost of each fixed asset over its estimated useful economic life to the Commission.

The rates applied were:

Motor Vehicles	20%
Furniture, Fixtures and Fittings	10%
Office Equipment	15%
Telephone Equipment	15%
Motor Bicycles	25%

c) **FOREIGN CURRENCIES**

Transactions denominated in Foreign Currencies are translated into cedis and recorded at the rate of exchange ruling at the date of the transactions. Balances denominated in foreign currencies are translated into cedis at the rate of exchange ruling on the Balance Sheet date. All differences arising on translation are dealt with in the Income and Expenditure Account.

	<u>2002</u>	<u>2001</u>
	¢	¢
2. <u>OTHER INCOME</u>		
Course Fees	11,466,000	-
Interest on Staff Loans	445,784	445,785
Licenses and Fees	132,750,000	149,500,000
Foreign Exchange Gains	11,570,289	4,879,927
Vehicle Insurance Claim	-	2,645,000
Bidding Documents	-	<u>30,778,260</u>
	156,232,073	188,248,972
	=====	=====
3. <u>PERSONNEL EMOLUMENTS</u>		
Established Posts	924,383,662	718,968,834
	=====	=====

	<u>2002</u>	<u>2001</u>
	¢	¢
4. <u>ADMINISTRATION ACTIVITY EXPENSES</u>		
Electricity and Water	83,570,478	54,323,500
Telecommunication & Internet Services	78,225,246	79,618,819
Security Service	41,983,064	41,503,125
Office Cleaning & Sanitation	3,640,000	654,900
Printing, Stationery & Office Supplies	76,585,762	60,159,994
Entertainment & Refreshments	60,293,925	108,747,142
Publications and Library Books	16,779,475	8,318,000
Subscriptions and Membership Fees	61,772,522	57,421,228
Rent of Office	19,496,320	19,697,320
Travelling and Transport	3,485,000	4,099,200
Running Costs of Official Vehicles	83,312,986	58,913,237
Maintenance of Official Vehicles	66,592,896	52,074,972
Maintenance of Furniture and Fittings	324,000	-
Maintenance of Equipment	21,158,083	21,820,933
Insurance of Vehicles	38,795,270	34,062,348
Bank Charges	1,276,553	698,653
Medical Insurance and Expenses	42,136,633	44,547,192
Audit Fees including VAT	14,625,000	13,500,000
Donations and Contributions	1,300,000	3,956,000
Social Security Contributions	72,005,988	56,026,041
Casual Labour and Overtime	29,424,893	6,750,000
Board Members' Fees and Sitting Allowances	155,500,000	29,450,000
Honoraria and Protocol	13,815,000	10,000,000
Maintenance of Residential Equipment	3,320,000	314,250
	989,419,094	766,656,854
	=====	=====
5. <u>SERVICE ACTIVITY EXPENSES</u>		
Foreign Travel Cost	314,912,679	359,191,644
Staff Training	192,878,853	155,646,715
Advertisement	36,210,264	68,862,450
	544,001,796	583,700,809
	=====	=====
6. <u>DEPRECIATION EXPENSES</u>		
Motor Vehicles	123,355,459	116,311,859
Motor Bicycles	1	1,994,999
Furniture, Fittings and Fixture	10,409,439	7,942,655
Office Equipment	233,686,884	51,535,936
Household Equipment	8,349,984	390,000
	375,801,767	178,175,449
	=====	=====

6.

		<u>2002</u>	<u>2001</u>
7.	<u>SUNDRY DEBTORS</u>	¢	¢
	Staff Debtors	105,537,176	79,103,167
	Accounts Receivable (Ghana Govt.)	-	291,543,666
	USAID	<u>4,116,000</u>	<u>-</u>
		109,653,176	370,646,833
		=====	=====
8.	<u>BANK AND CASH BALANCES</u>		
	Cash on Hand	654,062	3,079,950
	Bank of Ghana (Dollar Account)	186,509,849	115,301,777
	Bank of Ghana (Cedi Account)	420,308,008	452,003,438
	Accountable Imprest	6,496,713	4,039,648
	ECOBANK Ghana Ltd. (Cedi Account)	<u>49,960,000</u>	<u>-</u>
		663,928,632	574,424,813
		=====	=====
9.	<u>PREPAYMENTS</u>		
	Insurance Prepaid (Vehicle and Medical)	43,860,807	45,453,208
		=====	=====
10.	<u>ACCRUED CHARGES</u>		
	Provision for Electricity Accrued	40,000,000	30,000,000
	Electricity Company of Ghana	1,819,463	1,059,447
	Ghana Water Company Limited	1,076,865	1,311,408
	Ghana Telecom Limited	5,983,334	6,114,874
	PAYE (IRS)	15,960,210	10,048,459
	SSNIT	8,403,281	6,433,073
	Audit Fees including VAT	14,625,000	13,500,000
	Tax on Commissioners' Fees	4,725,000	322,000
	State Enterprises Commission	<u>-</u>	<u>12,441,160</u>
		92,593,153	81,230,421
		=====	=====
11.	<u>GENERAL FUND</u>		
	Balance at 1 st January	1,499,628,536	1,441,237,083
	Prior Year NBFI Grant	<u>-</u>	<u>(10,536,626)</u>
	Restated Balance at 1 st January	1,499,628,536	1,430,700,457
	Surplus for the year	<u>731,827,330</u>	<u>68,928,079</u>
	Balance at 31 st December	2,231,455,866	1,499,628,536
		=====	=====

MOVEMENT IN FIXED ASSETS

<u>COST/VALUATION</u>	<u>MOTOR VEHICLES</u>	<u>MOTOR BICYCLES</u>	<u>FURNITURE, FIXTURES & FITTINGS</u>	<u>OFFICE EQUIPMENT</u>	<u>HOUSEHOLD EQUIPMENT</u>	
Balance at 1/1/2002	616,777,299	7,980,000	79,426,550	343,572,905	2,600,000	1,4
Additions	0	0	24,667,848	1,214,339,657	53,066,563	1,;
Balance at 31/12/2002	616,777,299	7,980,000	104,094,398	1,557,912,562	55,666,563	2,;

DEPRECIATION

Balance at 1/1/2002	299,993,190	7,979,999	32,532,634	118,801,828	715,000	.
Charges for the year	123,355,459	1	10,409,439	233,686,884	8,349,984	;
Balance at 31/12/2002	423,348,649	7,980,000	42,942,073	352,488,712	9,064,984	;

NET BOOK VALUE

AS AT 31/12/2002 ¢	193,428,650	0	61,152,325	1,205,423,850	46,601,579	1,;
AS AT 31/12/2001 ¢	316,784,109	1	46,893,916	224,771,077	1,885,000	;