



**ANNUAL REPORT
&
AUDITED ACCOUNTS**

2013

VISION STATEMENT

To facilitate a vibrant economy in Ghana, driven by a well-integrated business environment with world class capacity for competition, technological innovations, business growth, economic diversity and development.

MISSION STATEMENT

To help transform Ghana into the Gateway to West Africa by creating an attractive and conducive business environment through the provision of competitive Free Zone incentives and operation of an efficient “one-stop-shop” for the promotion and enhancement of domestic and foreign investment.

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1.0 OVERVIEW OF GHANA FREE ZONES BOARD

1.1 INTRODUCTION

The *Free Zone Act (1995), Act 504*, was passed on 31st August, 1995 for the promotion of economic development, to provide for the regulation of activities in free zones and for related purposes. There is established by this Act a Board which is the Ghana Free Zones Board.

1.2 FUNCTIONS OF THE BOARD

The functions of the Board are stipulated as follows:

- ❑ Grant licenses to applicants;
- ❑ Assist applicants for licenses under Act 504 by providing services for obtaining other relevant licenses, permits and facilities;
- ❑ Examine and recommend for approval, proposals relating to the development and activities of the free zones;
- ❑ Monitor the activities, performance and development of Free Zone Developers and Enterprises to ensure compliance to the Free Zone Act and any other laws relevant to free zone activities;
- ❑ Register and keep records and data on the programmes of developers, operators and enterprises in free zones;
- ❑ Perform such other functions as are incidental to the foregoing.

1.3 CONCEPT

The Ghana Free Zones Programme is private sector driven. Government's role is limited to facilitating, regulating and monitoring activities of Free Zone Enterprises and Developers.

The Programme is designed primarily to promote processing and manufacturing of goods and services through the establishment of Export Processing Zones (EPZs), structured either as enclaves or single-factory enterprise schemes. The Programme also encourages the development of commercial and service activities in and around seaports and airports.

Under the Ghana Free Zones Programme, the whole of Ghana is accessible to potential investors to locate in and produce goods and services primarily for export.

1.4 PURPOSE

The main objective of the Free Zones Programme is the promotion of economic development through the following means:

- ❑ Attraction of foreign direct investment;
- ❑ Creation of employment opportunities;
- ❑ Increase in foreign exchange earnings;
- ❑ Provision of business opportunities for foreign and local investors to undertake joint-ventures;
- ❑ Enhancement of technical and managerial skills/expertise of Ghanaians;
- ❑ Transfer of technology and diversification of exports.

1.5 STRATEGY

The main strategy of the Board is to market Ghana as a destination of choice for investments that have potential to generate exports. Other strategies include:

- ❑ Provision of attractive incentives to facilitate the setting up of factories and businesses in Ghana.
- ❑ Elimination of all bureaucratic and procedural obstacles in the establishment and/or operational phase of free zones projects.
- ❑ Encouraging and supporting the linkage of local and foreign free zone investments through joint venture arrangements.
- ❑ Facilitation of transactions between free zone investors and local industries to maximize the value addition of exportable commodities in the national economy.
- ❑ Promotion of skills development and improved expertise of Ghanaian employees in free zone enterprises.
- ❑ Encouraging the development and growth of the export sector, through emphasis on value addition to local resources.

1.6 ACHIEVEMENTS

1.6.1 Registration of Companies

Since the inception of the free zones programme, a number of companies have been licensed under the scheme in order to benefit from the incentives that render them competitive and also give them the opportunity to reach a large international market. The Ghana Free Zones Board has progressively registered new companies each year. Total number of registered free zone companies as at 2013 was 332; the yearly distribution from 1996/97 to 2013 is as follows:

YEAR	NO. OF COMPANIES
1996/97	8
1998	11
1999	6
2000	11
2001	14
2002	25

2003	37
2004	23
2005	21
2006	29
2007	28
2008	26
2009	7
2010	20
2011	25
2012	17
2013	30
Total	338

1.6.2 Employment Generation

Total employment generated under the Free Zone Programme as at the end of 2013 was 31,005, the yearly distribution of which is as follows:

YEAR	EMPLOYMENT
1996/97	3,483
1998	3,968
1999	5,523
2000	6,895
2001	7,445
2002	9,459
2003	14,071
2004	23,928
2005	28,334
2006	25,773
2007	28,880
2008	28,595
2009	28,936
2010	29,798
2011	30,080
2012	30,383
2013	31,005

1.6.3 Production Value

Annual production value of Free Zones Companies in 2013 was **US\$1,126.31M**. The yearly figures from 1996/97 to 2013 are as follow:

YEAR	PRODUCTION (US\$M)
1996/97	1.40
1998	158.50
1999	162.20
2000	134.40
2001	103.60
2002	222.50
2003	286.50
2004	348.70
2005	602.90
2006	506.60
2007	478.60
2008	1,116.00
2009	821.00
2010	1,329.00
2011	1,195.67
2012	1,069.11
2013	1,126.31
Total	9,712.99

1.6.4. Total Export

Annual total export value of licensed Free Zone Enterprises from 1998 to 2013 amounted to **US\$24,203.11**. The breakdown is given below:

YEAR	VALUE (US\$M)
1998	145.40
1999	184.08
2000	165.07
2001	291.03
2002	174.30
2003	414.01
2004	627.40
2005	509.99
2006	522.81
2007	779.90
2008	1,286.91
2009	1,667.57
2010	1,690.70
2011	1,966.72
2012	1,830.30

2013	12,268.18
Total	24,203.11

1.6.5 Capital Invested

During the year under review US\$279.45M was invested in various sectors of the free zone programme. The cumulative amount of capital invested in free zones since the inception of the programme in 1996/97 to the end of 2013 stands at **US\$2,684.90M**. The breakdown of investments over the years is as follows:

Table V

YEAR	VALUE (US\$M)
1998	117.18
1999	80.63
2000	43.82
2001	163.52
2002	41.51
2003	160.54
2004	131.32
2005	185.90
2006	151.83
2007	114.03
2008	315.84
2009	214.83
2010	212.33
2011	224.64
2012	247.51
2013	279.45
Total	2,684.90

1.7 MEMBERS OF THE BOARD



Hon. Haruna Iddrisu
(Minister of Trade & Industry)
Chairman



Mr. Kwadwo Twum Bofo
Executive Secretary



Mrs Florence Hutchful
Member



Mrs. Gifty Anku
Member



Alhaji Mahama Adams
Member



Ms. Anita De Sosoo
Member



Mr. Kwabena Yeboah
Member



Ms. Eugenia Jackson-Cofie
Member



Mr. William Adotei Addo
Member



Ms. Katherine Oduro
Member

2.0 EXECUTIVE SUMMARY

Upon assumption of office as president of the country, HE John Dramani Mahama appointed a nine (9) member new governing board to steer the affairs of GFZB for a four (4) year tenor. The new board under the chairmanship of the minister of trade and industry, (Hon. Haruna Iddrisu) had Four (4) gentlemen and five (5) ladies.

The new governing board was inaugurated on 27th November 2013 in accordance with the Free Zones Act, 1995 (Act 504) and held its first meeting. The Board took a major decision to revamp the Human Resource capacity of the Secretariat by replacing the existing organizational organogram with a new one and introduced the Administration department to supervise the Human Resource, Transport and Logistics / Stores units of the Board. An Administrator was hired to head the Administration department. The Monitoring and Operational Audit departments were restructured and merged into one department named Compliance department. A new deputy Executive Secretary was appointed to fill that vacancy following the secondment of the deputy Executive Secretary to GEPA.

The year under review saw the Ghana Free Zone Board (GFZB) adopting innovative and improved strategies of attracting export oriented investments into Ghana.

The staff strength of the Board as at 31st December 2013 stood at Sixty - Five (65) highly qualified employees. The number is made up of Twenty-Seven (27) female and Thirty-Eight (38) male staff members. This includes the Executive Secretary & his deputy, Heads of Departments/Managers, Senior Officers and Junior Officers.

The Marketing, Promotion & PR department disseminated literature on the Ghana Free Zones Programme to potential local and foreign investors to educate them about the Ghana Free Zones Programme and how local companies in particular could benefit from the programme. The department collaborated with various governmental trade promotion agencies to project Ghana as the preferred investment destination with guarantees to potential local and international investors.

The Ghana Free Zones Board licensed Thirty (30) companies to operate under the Free Zone programme during the period under review. The areas of operation included cashew processing, assembling of mobile phones, lap tops, electronic equipment, oilfield support services, salt refinery, duty free shops, development of oil and gas free port complex and production of wood briquettes.

The estimated capital investment by these companies amounts to Seven Hundred and Eighty Nine million, Two Hundred and Seventy one Thousand, Three Hundred and Twenty Three US dollars, Seventy Seven cents (US\$ 789,271,323.77).

The Legal department with assistance from the Attorney General's Department ably represented GFZB in all civil suits in which it was a party. The Department drafted contracts and agreements involving GFZB. All land related transactions were handled by the department.

Total capital invested in 2013 alone by Free Zone Enterprises amounted to US\$279.45 Million while the cumulative capital invested since the inception of the Programme i.e. 1996/7 to 2013 stood at US\$2,684.90 Million

The value of production by Free Zone Enterprises for the year under review amounted to US\$1,126.31 Million while the value of export for the same year amounted to US\$12,268.18 Million.

Total employment figures as at the end of the year 2013 was 31,005 comprising 30,111 nationals and 894 expatriates. Total value of salary/wages for the year under review was US\$83,283,783.56 with Ghanaian employees earning US\$59,107,875.82 and expatriates earning US\$24,175,907.74

Total duties/levies paid on sales into the local market as at the end of 2013 amounted to US\$7,730,918.39 whilst a total of US\$1,397,683.00 was spent on training Ghanaian employees.

Also, Free Zone Enterprises paid a total amount of US\$9,908,332.56 in Social Security contributions whilst US\$11,592,132.81 was paid as income tax in respect of their employees during the year under review.

Total expenditure in 2013 amounted to Nine Million and Seventy-Three Thousand, Two Hundred and Thirty-One Ghana Cedis (GH¢9,073,231) as against Seven Million, Two Hundred and Sixty-Nine Thousand, Seventy-Eight Ghana Cedis (GH¢7,269,078) in 2012. The marginal increase in expenditure was mainly due to increase in administrative & other expenses.

Excess income over expenditure was Six million, Five Hundred and Sixty-Nine thousand, Seven Hundred and Sixty-Nine Ghana Cedis (GH¢6,569,769) in 2013 as against Five million, Five Hundred and Fifty-Four thousand, Six Hundred Ghana Cedis (GH¢5,554,600) in 2012.

Constraints which hindered the board smooth operations during the reporting year are: Inactive online application submission and tracking on the GFZB website, lack of a clear Legislative Instrument on various penalty points to be applied whenever Free Zones enterprises fail to comply with the rules and regulations of the Free Zones which is making it very difficult for the department to apply the necessary sanctions, lack of adequate and continuous capacity building programmes on regulatory and monitoring activities to enhance the performance of staff of the department in their watchdog roles.

3.0 REVIEW OF OPERATION

3.1 ADMINISTRATION DEPARTMENT

The Administration department among other things has the mandate to advise management on general administrative policies including staff recruitment, transport, welfare, medical, pension, security policies, collation and production of the annual budget to the board, facilitate staff appropriate training, staff performance appraisal mechanism to enhance and determine the potential of individual staff for promotional and target setting purposes. Its directly supervises the operations of the Human Resources, Transport and Stores Units.

3.1.1 HUMAN RESOURCE UNIT

The HR unit continues to focus on strategic employees management tailored at supporting the unique goals, corporate culture, and objectives of the organization.

The success of GFZB as an organization does not only rely on hiring qualified candidates, but also effective human resource planning and management is required at all stages to ensure employee growth and satisfaction. Employee satisfaction is vital to the success of any organization because of its direct impact on productivity and creativity. The combination of high satisfaction and maximum productivity amounts to employee engagement. To achieve this among others, the HR team decided on the following as objectives for the year 2013.

- Training and Development needs assessment
- Strategic Recruitment
- Employee Orientation
- Performance Management and appraisal
- Reward Management system
- Effective Communication/Feedback
- HR system implementations

The year saw the creation of the Administration department and the restructuring of the Monitoring and Operational Audit departments in to a Compliance department. This resulted in the creation and approval of a new organizational organogram by the governing board to accommodate the two (2) new departments. (See Appendix XIII).

3.1.2 Recruitment

GFZB recruitment strategy is to attract individuals who share its values, and believes in its course. Our selection process ensures that we carefully identify behavioral competencies in addition to mandatory technical skills. The department on behalf of the Board received Nine (9) new employees comprising a deputy Executive Secretary appointed by the President of Ghana, an administrator, three (3) Assistant Free Zones Officers, Three (3) drivers and a janitor.

The department accepted Nine (9) National service personnel to the Board to fulfill their one (1) year mandatory service to the nation for the 2013 / 2014 service year.

All of these officers successfully went through the probation period and are now confirmed staff of the GFZB.

3.1.3 Training and Development

Ghana Free Zones Board values training and capacity building of its employees both local and internal. The Board attracts and retaining passionate and highly skilled employees. To enhance productivity of employees, the company has fostered a culture of learning and ongoing professional development through the implementation of several unique training programs and opportunities for its employees both local and international.

The secretariat within this period under review provided training and development opportunities for Twenty-Three, (23) staff members to enhance their level of productivity and support staff personal development. The training programs comprise of local and international. The international training programs are well-planned with a deliberate approach for staff to gain an international perspective and approach to doing their work. This affords employees of GFZB the necessary professionalism and best practice approach to attending the investor's needs.

The in-house trainings are designed to help staff master skills that are used in everyday activities but not always covered in standard training programs.

Below is a table of training and developmental courses attended during the period under review by various employees.

Course / Programme	Beneficiaries	Duration	Institution
Monitoring and Evaluation	5 Assistant Monitoring Officers	1 week	Information Training and Outreach Center for Africa (ITOCA) , South Africa
Good corporate Governance	Monitoring and Evaluation Manager	2 weeks	Remrot Institute and Training for Africa , Dubai
Internal Audit & Role of Oversight Boards Accountability	Monitoring and Evaluation Manager	1 week	Pan-Africa , Johannesburg – South Africa

Fraudulent Reporting, Governance & Risk Management in the Public Sector			
Event Management	Immigration Officer	4 weeks	Ghana Institute of Journalism , Ghana
Public Financial Management for Non-Financial Mangers	Accounts Officer	2 weeks	Sterling Afrika , South Africa
Internal Audit & Role of Oversight Boards Accountability Fraudulent Reporting, Governance & Risk Management in the Public Sector	Internal Auditor	1 week	Pan-Africa , Johannesburg – South Africa
Dynamic Office Management and Administration	Private Secretary	1 week	London Corporate Training , London
Behavioral Management, Emotional intelligent	HR Officer	2 weeks	GTC Consult , London
Attracting Foreign Direct Investment	lawyer	1 week	Business Location International , Belgium
Advanced Professional Procurement Skills	Assistant Manager	2 weeks	Rainbow Events and Conferencing ,South Africa-Johannesburg
Public Private Partnership Masterclass Programme	Procurement Officer	1 week	InterAfrica Group , Johannesburg – South Africa
Event Management	Assistant Marketing Officer	4 weeks	Ghana Institute of Journalism , Ghana-Accra
Defensive Driving & Maintenance	2 Drivers	2 weeks	GAF-Mechanical Transport School , Ghana - Accra
Financial Risk Management	Assistant Monitoring Officer	1 week	Information Training and Outreach Centre for Africa
Project and Environment Management	Estate and Enclave Officer	1 week	Sterling Afrika Training & Consultancy ,

			South Africa-Pretoria
Assessing Impacts and Evaluation Projects	2 Application and Processing Officers	2 weeks	International management consortium
Attracting Foreign Direct Investment	Assistant Estate and Enclave Officer	1 week	Business Location International. Belgium
Project Management	Assistant Estate and Enclave Officer	2 weeks	MDPI -
IT risk , Security Management and Cyber Crime Prevention	Assistant I.T. Officer	1 week	Sterling Afrika Training and Consultancy , South Africa
I.T and Law	I.T. Officer	1 week	Astrotech , South Africa

3.1.3 Promotion

There was no promotion this year.

3.1.4 Staff Strength

Following the resignation of Three (3) employees, the GFZB staff strength stood at Sixty five (65) highly qualified staff that drives its objectives and activities at the secretariat as at 31st December 2013. The number is made up of Twenty-Seven (27) female and Thirty-Eight (38) male staff members.

3.1.5 Employee Orientation

Ghana Free Zones Board appreciates the impact that a well-structured orientation process can have on new employees, and their ability to successfully integrate into the workplace and help them start off on the right foot. The HR department has created a detailed Employee Orientation Programme that helps new employees learn about basic workplace operations, what is expected of them and what they should in return expect from the organization with the assistance of receiving departments.

3.1.6 Performance Management and Appraisal

The Secretariat continues to educate all employees the necessity to implement the performance appraisal process of employees. Supervisors and managers alike had been taken through the appraisal process to enable them assess the performance of team members.

3.1.7 Health and Safety

As part of efforts to ensure a healthy work force, the secretariat organizes annual health and fun activities to promote employee well-being and ultimately impart on productivity. A corporate health screening exercise was organized for all staff. These exercise produced a report that indicated several life style related illnesses that members of staff need to adjust their lifestyle to address.

3.1.8 Challenges

Some of the challenges faced by the department in delivering its mandates were the lack of enforceable organizational structures, late submission of training report from staff including managers, or the complete failure to submit training reports after several reminders.

3.1.9 Achievements

The HR department as part of its mandate to implements structures that will in turn support the secretariat to achieve its objectives, has worked to ensure that certain basic administrative processes were in place to enhance the smooth running of the secretariat. Among them are:

- The development of a structured orientation program that will reiterate the core values and code of conduct of the secretariat to incoming staff.
- Developed a comprehensive Employee Bio data form to capture vital information on its workforce.
- Developed a user friendly leave application form.
- Reviewing of certain HR policies
- Introduced a simple but detailed training reporting format.
- Introduced an exit interview process that when well implemented will make us a learning organization.

3.1.10 Human Resource Programme For 2014

The Department intends to continue to focus on performance management program with emphasis on performance appraisal and the restructuring of the Secretariat to ensure an engaged workforce that will give off its best.

The HR department and the secretariat at large are committed to promoting conducive working environment that promotes productivity, creativity and an engaged workforce.

- Designing and delivering training.
- Performance/ appraisal

- Rewarding and Motivating employees
- Evaluation
- Feedback
- HR system implementations
- Legal issues and Team performance

3.2 MARKETING DEPARTMENT

The Marketing department during the year under review undertook several activities as part of its strategies to achieve its set objectives for the year 2013 such as promoting Ghana as a conducive investment location for export oriented activities, projecting the image of the Ghana Free Zones Board and its offerings and managing existing relationships.

The department undertook the following activities;

3.2.1 Local Fairs / Outreach Programme

The Board participated in the 17th International Trade Fair which commenced on the 28th February to 11th March 2013 at the Trade Fair Center, Accra. The aim of the fair was to promote the Trade and Industry as Ghana's Economic Growth. The Board used this platform to market the free zones programme by setting up its exhibition stand to disseminate information about the Free Zones Programme to people who visited the stand. The department also made contacts with potential clients after the fair and encouraged them to start the registration process.

The Communications and Public Affairs Division of the Ministry of Trade and Industry invited the Board to participate in the outreach programme at Western and Volta Regions precisely Takoradi and Ho on the 6th and 10th September 2013 respectively. The aim of the programme was to create public awareness of the Ministry and its agencies, their policies, programmes, activities and the significant achievements that they have chalked over the years towards realization of the Better Ghana Agenda of Government. The Board used this platform to market the free zones programme to the local companies on how they can benefit from the free zone programme and encouraged them to start the registration process.

3.2.2 International Fairs/ Investment promotion Missions

Turkey

The Board was invited by the Ministry of Trade and Industry to join the presidential visit to Istanbul, Turkey.

The aim of the visit was to use the opportunity to discuss shared objectives in advancing trade, economic and cultural cooperation between Ghana and Turkey .The President was accompanied by Executives and Entrepreneurs drawn from various private and public sector institutions. A business and investment forum was organised as a part of President Mahama's visit to Turkey. The GFZB participated in the B2B meeting and attended to about 150 companies that expressed interest in operating in Ghana.

The department as a result has received 3 delegations since the Presidential visit to Turkey.

NETHERLANDS

The Board participated in the Nation Branding and Investment Expo 2013 in the Netherlands. The Expo offered a concrete opportunity to promote Ghana. The Board collaborated with the Ghana Netherlands Chamber of Commerce to promote Ghana. The Ghanaian delegates participated in matchmaking, seminars, industrial tour and round table discussions. The team made several significant contacts and is anticipating a follow up visit from Netherlands.

DUBAI- ANNUAL INVESTMENT MEETING

The GFZB attended the annual investment meeting in Dubai. The Annual Investment Meeting (AIM) 2013 was an initiative by the UAE Ministry of Foreign Trade which attracted Investment Executives, Trade Professionals from countries around the globe. The department collaborated with the Ministry of Trade and other private enterprises to organize activities at the Ghana Stand. The Annual Investment Meeting gave the GFZB the opportunity to market itself to potential UAE investors.

The GFZB played an important role in designing the Ghana stand and organized the Ghana Investment forum during the three day Investment programme.

The Board after the forum has received a delegation from Dubai looking to invest in Ghana.

SINGAPORE

The Board was invited by the IE Singapore office with the GIPC for an investment mission to Singapore. The GFZB mounted an exhibition and also the Executive Secretary did a presentation on doing business in Ghana. The Team interacted with various Singaporean business people who were invited for the forum mainly on Ghana. The team held a meeting with ALTELCO LTD on their interest to locate on the Tema Export Processing Zone. Since the Forum the GFZB has made follow ups and Altelco has been to Ghana to finalize arrangements to start its operations.

LONDON

The Board during the year joined the Presidential delegation to the United Kingdom. The GFZB delegation during the trip met with the Ghana business people who were mainly into exports of local Ghanaian food from Ghana and educated them on the Free Zones Programme. The delegation also joined the President at the Chatham House and met with some British business people who were invited for a special debate on Ghana. The President delivered a speech on Ghana's democratic and economic future. The team interacted with various business people from different countries who were invited by the Chatham house and the Ghana High Commission in London

The GFZB was again invited by the Ministry of Trade and Industry during the third quarter of the year to attend the Ghana Investment Round Table event in London. The Ghana Round Table was an initiative by the Africa Matters Limited in conjunction with Barclays Bank plc.

In all the missions undertaken by the Board, department did not only promote Ghana and the GFZB, it also promoted licensed Free Zone Enterprises whenever there was an opportunity. The department was interested in ensuring that the Free Zone Enterprises were linked to potential markets to enable them expand their business or simply stay in business. A classic example was during the Salon Du Chocolate Fair in France where cocoa processing companies were linked up to potential buyers who participated in the fair.

3.2.3 Promotional Materials

The department printed new brochures to meet the increasing demand of information on the free zones as well as the department's regular participation in fairs and exhibitions. The new brochures were updated with information on the economy of Ghana.

Flyers were also printed for specific programmes such as the Trade fair Exhibition and translated brochures were also printed for the Turkish mission.

The department also designed and printed attractive banners which featured the President of the Republic of Ghana's picture with a welcome note for the various missions.

To better tell the success story of the GFZB, pictures of selected successful FZE's were used as display banners and used to echo the various sectors under the free zones.

Corporate bags were designed and printed for Complimentary gift items which were distributed to potential investors who visited the GFZB stands during the local and international fairs

The department supplied its diaries and calendars to the information service department for onward transmission to Ghana missions abroad and some were directly given to selected mission that hosted investment programmes.

3.2.4 Documentary

The department during the year commenced activities on the production of the GFZB new documentary due to the significant changes in the Economy and also there has been the need to promote various sectors.

Official letters were sent to selected Free Zone Enterprises who were granted interviews as well as photographs and video recordings of factory premises and their services.

Notable among these companies were, Nestle Central& West Africa Limited, Cargill Ghana limited, Niche Cocoa Industry Limited, Rebecca Fashions Manufacturing Gh.Ltd, Hasan International among others.

The Terms of Reference for the new documentary was finalized during the year and as a result a consultant has been contracted to produce a modern documentary which would meet international standards.

3.2.5 Enquiries

The department in the year 2013 received over 1,000 enquiries. This includes telephone calls, emails and walk -ins.

The department contacted persons who had made enquires to check if there was any assistance the department could give and if they were facing any challenges with regards to their intention to acquire a license.

Lastly the department also provided information on request to institutions and individuals in Ghana and abroad for research and academic purposes.

3.2.6 Investor Aftercare

The department as part of the documentary production took the opportunity to visit some of the companies as aftercare visit.

3.2.7 Way forward

For the year 2014 the department aims to step up its promotional activities locally. It aims at educating Ghanaian companies on the benefits of operating in the zones and how local

companies can also benefit from the programme by supplying raw material to companies operating in the zones in order for the primary aim of setting up the Free Zones to create job for the locals to be achieved.

For the year 2013, The department would also participate in a number of international and local fairs. The department aims to prepare adequately for all fairs by getting the adequate promotional material in time and in right quantities.

The department would complete the production of the new documentary to enable it advertise the GFZB to the general Ghanaian public and potential investors. It would feature the new minister of trade, GFZB's day to day activities, client interactions and individual client testimonials of GFZB services and benefits.

3.3 PROJECT EVALUATION AND LICENSING DIVISION

The Application Processing Department is in charge of collating and evaluating all applications received at the Secretariat from prospective investors by ensuring compliance with the requirements specified in the Free Zone Regulations (1618).

The Ghana Free Zones Board received Thirty Nine (39) new applications from prospective investors. Out of this number, the Board approved Thirty (30), deferred Five (5) and four (4) were declined.

3.3.1 Approved Applications

The licensed companies were made up of one (1) from the developer sector, Twenty One (21) from the manufacturing sector, Four (4) from the service sector and Four (4) from the commercial sector. Details of the approved companies and their respective sectors /subsectors are attached as Appendix I.

3.3.2 Revocation of License

The Board did not revoke any license in 2013. As at the end of 2013, the number of active approved companies stood at Two hundred and Forty Eight (248).

3.3.3 Pending Applications

There are five applications pending for consideration. The companies and their nature of business are as follows:

NAME OF COMPANY	NATURE OF BUSINESS
Alteco Ghana Ltd	Import Of Glue, Sealant And All Types Of

	Adhesives
International Warehousing Company Limited	Construction, Lease And Rental Of Warehouses To Free Zone Companies
Platon Gas Oil Ghana Ltd.	Oil Refinery
Swedish Engineering Company Ltd	Manufacturing Of Machine And Engine Parts
Kad Manufacturing Limited	Manufacture Garments For Export

3.4 ESTATE & ENCLAVE DEVELOPMENT DEPARTMENT

The Estate and Enclave Development Department is mandated to spearhead the Board's leading strategy of developing declared sites for free zone operations into enclaves and industrial parks.

The Department has its key functions as the following:

Planning and monitoring of infrastructure development projects to upgrade the board's enclaves to world class industrial estates for investment growth.

1. Coordination of utility supplies and services to ensure maximum productivity by operators.
2. Enforcement of estate development and production standards to ensure good industrial harmony and environmental safety.
3. Promotion of enclave sites and industrial parks as choice locations/destinations for foreign direct investments and industrial business growth hubs/poles.
4. Management of Board's property- Secretariat building, equipment servicing (air conditioners, fire extinguishers etc).

3.4.1 ENCLAVES

TEMA EXPORT PROCESSING ZONE

Tema export processing zone has a total land size of 1,200 acres of land.

SEKONDI ENCLAVE

The Sekondi Enclave has a total land size of 2,512.85 acres. A strategic investor Hasan Int. Group has been licensed by the GFZB to develop the Sekondi Export Processing Zone.

With the Board realization of some encroachment on the Sekondi EPZ, the Lands Commission (Sekondi-Takoradi) was commissioned to resurvey the Sekondi EPZ to enable the Board determine the actual size of the area. The re-survey was to also help identify the boundaries of the various traditional chiefs whose land falls within the Sekondi EPZ. The Department will like to report that the re-surveying of the Sekondi EPZ has been completed.

Meanwhile, the Board with the support of EDAIF and Ministry of Trade and Industry has paid an amount of Gh¢ 2.5 million to the affected chiefs of the catchment area as part payment for compensation for the land acquisition.

SHAMA ENCLAVE

The Shama Export Processing is located in the Shama Ahanta East Metropolitan area in the Western Region of Ghana, which occupies an area of 3,200 acres. The land has been declared by the Government of Ghana as a free zone area. The Board plans to partner a strategic Investor to develop the area as an Oil and Gas Free Zone Enclave.

ASHANTI TECHNOLOGY PARK

The Ashanti Technology Park is located at Boankra near Kumasi in the Ashanti Region. The Park occupies an area of 1,099 acres. GFZB has committed itself to the development of the land in the Ejisu-Juaben District, declared as free zone area by the Government of Ghana, by paying part of the approved compensation to interest holders.

The Ghana Free Zones Board is positioned for partnership with investors interested in developing the Ashanti Technology Park. Participation can be through joint ventures and sector specific infrastructure development.

GFZB is presently working on finalising the necessary documentation and authorisation for these lands

3.4.2 Operational Activities

Tema Export Processing Zone

During the period of reporting, the underlisted companies were attracted to the TEPZ.

- Ridge Energy Ltd
- Steelco Ghana Ltd
- Lecaro Ltd
- Techno Ghana Ltd

- Imperial Alloys Ltd

Currently the occupancy rate at the Tema Export Processing Zone is Fifty-nine (56) with the breakdown as follows;

Multipurpose Industrial Park (MPIP)	-	Twenty-eight (28) Companies
GFZB Buffer Zone	-	Six (6) Companies
International Land Development Company (ILDC)	-	Twelve (12) Companies
Octoglow Ltd	-	Five (5) Companies
Former Business Focus Enclave	-	Five (5) Companies

a. Construction of Storm Drain at TEPZ/MPIP

The first phase of the construction of on-site storm drain at the TEPZ/MPIP which was undertaken by Messrs China Hualong Construction Co. has been completed and handed over to the Board. Funding for the first phase construction contract was provided by EDIF.

The second phase of the construction of on-site storm drain at the TEPZ/MPIP has commenced, the contractors for the project are Jasoung Ltd. Funding of the second phase construction is provided by MSME Project, under the Ministry of Trade & Industry. The Department will like to report that the overall work done is about 98%.

b. Construction of ICT Park

Information Technology Enabled Service under the Ministry of Communication is constructing a world-class ICT park as a hub for ITES companies within the Free Zones Enclave, Tema. Funding of the project is provided by MSME Project, under the Ministry of Trade & Industry. The Department will like to report that the overall work done is about 85%.

c. Water Improvement Project at the TEPZ

Water supply to the enclave is inadequate and irregular because it is tied to the Accra-Tema water supply system. From kpong-overall production to Accra-Tema meets only about 54% of the demand. This coupled with low pressure on the feed line to the enclave is erratic. The Ghana Water Company Ltd (GWCL) normally would have to shut down supply to Tema

Township to enable it boost up pressure on the enclave line and supply water to the 2million gallons reservoir.

When the enclave is fully operational, water demand is estimated to be 6million gallons a day. Currently the enclave is only about 25% full.

In this regard, the Board is expediting the building of a booster pump at the take off point of the enclave feed line at the Tema-Motorway roundabout to boost pressure for the supply to our reservoir. However, a Site has been located for the project and all stakeholders (Kpone Katamanso District Assembly and Ghana Urban Water Limited-Tema have expressed no objection to the said project and location.

d. Development of Community 21 into a World Class Residential Estate

A proposal on the above subject was presented to the Board by Vanguard Properties Development. The Governing Board of the Ghana Free Zones Board has decided to continue discussions with the said company in order to crystallize plans towards the development of the land

With reference to the above interaction, an independent valuer was contracted to value the property and come up with present market value for further action.

The present market value as presented to the Board by the Valuer is Gh¢ 26,290,800.00 as at September, 2013.

e. Tema Enclave Administration Block

The Secretariat has started the renovation works at the Multi Purpose Administration Block at the TEPZ. At the moment, 95% of the works is completed.

All computers, office furniture and other accessories have been procured awaiting installation. When completed, the office will serve as the Enclave- Tenant Relationship office providing on-site assistance to the enclave tenants.

f. Proposed Building of Ultra-Modern Office Complex

The Board has agreed to build a five (5) storey ultra-modern complex at the present location of the office.

In this regard, negotiating are far advanced to move the Secretariat to a temporary rented office close by to pave way for the demolishing and subsequent construction of the new office complex.

It is estimated that the construction of the new office will be completed within eighteen (18) months period.

3.4.3 Licensing of Companies

The Ghana Free Zones Board licensed Twenty Four (24) companies to operate under the Free Zone programme during the period under review. The areas of operation included cashew processing, assembling of mobile phones, lap tops, electronic equipment, oilfield support services, salt refinery, duty free shops, development of oil and gas free port complex and production of wood briquettes.

The estimated capital investment by these companies amounts to Seven Hundred and Eighty Nine million, Two Hundred and Seventy one Thousand, Three Hundred and Twenty Three US dollars, Seventy Seven cents (US\$ 789,271,323.77).

The companies have proposed to generate Eight Thousand, Two Hundred and Eighty Two (8,282) direct employment during the next three years of their operations.

3.5 COMPLIANCE DEPARTMENT

Following a restructuring of the Secretariat in February 2013, the Monitoring and Operational Audit Departments were merged into one Department under the name Compliance Department.

The staff strength of the Department is twelve made up of the following:

Head of Department	-	1
Compliance officers	-	8
Research officer	-	1
Secretaries	-	<u>2</u>
		<u>12</u>

3.5.1 Activities undertaken by the Compliance Department

The following is a summary of activities undertaken by the new Department from February 2013 to the end of the year.

1.1 Exemption Forms.

A total of **7,173** exemption applications valued **GH¢1,020,514** were processed.

1.2 Compliance Audit.

Seventy (75) licensed Free Zone Companies were audited during the period and a report submitted to the Monitoring Committee of the Board.

1.3 Training

To impart knowledge and acquire new skills to enhance productivity, staff from the department attended training programmes.

3.5.2 Action Taken on Prior Audit

- The department reviewed the prior period recommendations and action taken by the FZEs in implementing the issues raised.
- A total amount of **US\$17,848** was paid to the Secretariat by FZEs for various levies and penalties emanating from the compliance audit findings. It is expected that the outstanding levies and penalties will be paid in due course. An amount of **GH¢31,658** was also paid to the Ghana Revenue Authority by the FZEs for non- payment of withholding taxes.

3.5.3 Collaboration with other Front Line Agencies and Free Zone Enterprises

The Department continued with its collaborative work with other front line agencies such as Customs and Domestic Tax Revenue Divisions of the Ghana Revenue Authority and National Technical Monitoring Committee. The department shared information continuously with these agencies on the operations of licensed companies. Enquiries from clients were also given feedback.

3.6 INFORMATION TECHNOLOGY DEPARTMENT

3.6.1 Key Functions

The primary aim of the IT department at the Secretariat is to provide technological support to the whole organization wherever needed. The department also keeps on searching new tools and software which may enhance the efficiency of the organization. In addition, whenever the Board faces technological issues then the IT department is responsible to solve the problems. Other major activities that took place during the year under review include but not limited to:

- Procurement and installation of 50 license user of Trustport Antivirus software for the Board.
- Updating of the Cost of Doing Business on the GFZB website
- Operation of the GCNet System
- Regular back up of important data

- Regular update of the GFZB website to provide up-to-date investment information in the free zones.
- Ongoing update of information about the Free Zone Enterprises for monitoring and management decision making
- Providing the capacity for operating applications development, storing and securing the electronic information the Board owns, and providing direct operating assistance in software use and data management to all functional areas at the Secretariat.
- Management of the internet connectivity and operation of the corporate email system
- Management of the network infrastructure at the Secretariat

3.6.2 Software Deployment

A fifty (50) user license and three (3) server license of Trustport Antivirus software were procured for the Board. This was a revision in the MacAfee antivirus software that was previously in use at the Secretariat. The IT department also installed a trial version of a Document Management Software on one of its servers in our effort to ensure automation of most of the processes at the Secretariat. Full version of the software shall be procured in the year 2014 for the implementation of the Document Management System. This project is one attempt to ensure that the Board has electronic version of all documents at the Secretariat.

The Microsoft Office 2007 installed on all personal computers was upgraded to Microsoft Office 2010.

3.6.3 Update of Information in the Free Zone Investors Database

The department sought permission from the Board to request all free zone enterprises to complete a designed form that captures relevant information about them to update the Enterprise Database.

3.6.4 Operation of the GCnet

The accessibility of the web enabled eMDA application on any computer connected to our Local Area Network (LAN) made it possible for the electronic approval of exemption of investors' declaration very fast ensuring that the waiting period for investors was minimal. All exemption applications submitted to the Board and approved by the Compliance Manager were processed by the IT officers operating the GCnet.

On the average about thirty-eight (38) exemptions were granted through the GCNet system daily.

3.6.5 GFZB Web Portal

The Ghana Free Zones Board web portal has been used to vigorously promote the activities of the Board and attract potential export oriented enterprises to Ghana under the Free Zone Act. The web portal has so far served as a one-stop-shop for inquires and a source of useful

information about Ghana Free Zones programme as well as ability to submit Free Zone Enterprise (FZE) applications on-line.

In our bid to serve our clients better, the online chatting system on our website was activated during the last quarter of the year 2013. Some potential local and foreign investors chose to use the online chat facility to make enquiries.

3.6.6 Installation Vodafone ADSL Internet Facility at Takoradi Office

A new Vodafone ADSL internet facility was installed at the Takoradi office to equip officers to access information from the GFZB web portal and for effective communication with the Secretariat.

3.6.7 Way Forward

The IT department intends to fully incorporate document management system in its operation in year 2014 to enhance efficiency of staff.

Training for all Free Zone Enterprises on the online submission of Quarterly returns shall be intensified.

3.7 LEGAL DEPARTMENT

3.7.1 Introduction

The Legal Department offered in-house legal counsel and related services to the Governing Board and Secretariat of Ghana Free Zones Board (GFZB) during the year under review.

The department with assistance from the Attorney General's Department ably represented GFZB in all civil suits in which it was a party. The Department was also responsible for drafting contracts and agreements involving GFZB. All land related transactions were handled by the department.

3.7.2 Land Matters

The department on behalf of the Board continues to encounter challenges emanating from land related transactions.

Negotiations were initiated between GFZB and the Lands Commission to settle an amount in excess of One Million Ghana Cedis (GH¢1,000,000.00) in rent. This indebtedness has arisen mainly because Lands Commission has been consistently charging GFZB for rent on over hundred acres of land housing waste stabilization ponds at the Tema Export Processing Zone for the past thirteen years. Several appeals to Lands Commission on the subject for a waiver or reduction in rent in respect of this parcel have not yielded the desired result. Unfortunately for GFZB, the area housing the waste stabilization ponds and the adjoining parcels of land cannot be leased to free zone enterprises as a result of not being suitability for occupation due to environmental concerns. GFZB is desirous of an amicable resolution of this matter.

4.0 DATA ANALYSIS

4.1 INVESTMENT CAPITAL SCHEDULE

The total capital investment made by licensed Free Zone Enterprises during the year amounted to **US\$279.45 million**, an increase of **12.9%** over the 2012 figure of **US\$247.51 million**. The cumulative amount of investment capital in the free zones since inception of the programme in 1996/97 to the end of 2013 stands at **US\$2,684.90 million** (refer to Appendix III)

4.2 PRODUCTION SCHEDULE OF MANUFACTURING AND SERVICE ENTERPRISES

The ex-factory value of production for Free Zone Enterprises in the manufacturing and service sector during the year amounted to **US\$1,126.31 million** representing a **5.4%** increase over the 2012 figure of **US\$1,069.11 million** (Refer to Appendix IV)

4.3 IMPORT SCHEDULE OF COMMERCIAL ENTERPRISES

Commercial Free Zone Enterprises imported semi-finished and finished goods at a total value of **US\$72,304,598.41** for re-packaging and re-export to the ECOWAS region and beyond. This represents a decrease of **14.65%** over the previous year's figure of **US\$84,716,388.22** (Refer to Appendix V.)

4.4 EXPORT SCHEDULE OF ALL ENTERPRISES

Total ex-factory value of exports of all Free Zone Enterprises (manufacturing, Service and Commercial) amounted to **US\$12,268.18 million** representing an increase of **570.3%** over the 2012 figure of **US\$1,830.30 million** (Refer to Appendix VI)

4.5 EMPLOYMENT SCHEDULE OF ALL ENTERPRISES

The most important contribution of the Free Zones Programme to the economy of Ghana is employment creation. At the end of the reporting year, the employment figure of Ghanaian nationals employed by the Free Zone Enterprises reached **30,111**. This represents an increase of **2.0%** over the 2012 figure of **29,511**

The distribution of national employees according to gender indicates that **23,298** i.e **77.37%** were male whereas **6,813** i.e. **22.63%** were female.

The number of expatriates employed by Free Zone Enterprises was **894** representing **2.88%** of total employment. The total employment generated by the Free Zones Programme as at 2013 was **31,005** (Refer to Appendix VII).

Distribution of employees in the Free Zones Programme by sector is shown in the table below:

Table VI

Sector	Number employed
Developer	28
Manufacturing	28,670
Service	1,779
Commercial	528

4.6 SALARY/WAGE SCHEDULE OF ALL ENTERPRISES

The free zones programme contributes greatly to the economic empowerment of the Ghanaian workforce. Total value of salary/wages for 2013 amounted to **US\$83,283,783.56** an increase of **8.39%** over the 2012 figure of **US\$76,840,550.26**.

The total salary/wage paid to Ghanaian Nationals working with Free Zone Enterprises amounted to **US\$59,107,875.82**. This represents an increase of **1.67%** over the 2012 value of **US\$58,139,094.34**. Expatriates working under the free zones programme earned **US\$24,175,907.74** (Refer to Appendix VIII).

4.7 VAT/DUTIES PAID ON SALES INTO THE DOMESTIC/LOCAL MARKET

Total duties/levies paid on sales into the local market amounted to **US\$7,730,918.39** representing an increase of about **20.97%** on the previous year's figure of **US\$6,390,786.23** (Refer to Appendix IX).

4.8 TRAINING SCHEDULE OF ALL ENTERPRISES (GHANAIAAN NATIONALS)

Under the free zone regulations at least 1% of the total annual salary/wage bill of free zone companies should be spent on the training of Ghanaian nationals employed in the companies. In 2013, a total amount of **US\$1,397,683.00** was spent on training national employees representing **2.4%** of the total salary wage bill indicated above. Even though the minimum requirement was achieved, only **68** Free Zone Enterprises actually offered training to their employees. (Ref. Appendix X)

The Board needs to take steps in the ensuing year to ensure that more training programmes are implemented for Ghanaian staff working under the free zones.

4.9 SOCIAL SECURITY SCHEDULE OF FREE ZONE EMPLOYEES

In 2013, **143** Free Zone Enterprises contributed a total of **US\$9,908,332.56** in Social Security contributions to the Social Security and National Insurance Trust. (Ref. Appendix XI)

4.10 INCOME TAX SCHEDULE OF FREE ZONE EMPLOYEES

In the reporting year, **143** companies contributed a total of **US\$11,592,132.81** in Income Tax in respect of their employees. (Ref. Appendix XII)

5.0 FINANCIAL REVIEW

The financial position of the Board as at 31st December 2013 is as follows:

5.1 REVENUE

Total income generated in 2013 was Fifteen Million, Six Hundred and Forty-Three Thousand Ghana Cedis, (GHC15,643,000) as against 2012 amount of Twelve Million, Eight Hundred and Twenty-Three Thousand, Six Hundred and Seventy-Eight Ghana Cedis (GHC12,823,678). This represents a 22.0% increase in revenue generated over 2012. The increase was mainly due to levies and penalties on companies who do not comply with the board operational regulations, increased sales of Forms, License Fees and renewals.

5.2 EXPENDITURE

Total expenditure in 2013 amounted to Nine Million and Seventy-Three Thousand, Two Hundred and Thirty-One Ghana Cedis (GH¢9,073,231) as against Seven Million, Two Hundred and Sixty-Nine Thousand, Seventy-Eight Ghana Cedis (GH¢7,269,078) in 2012. The marginal increase in expenditure was mainly due to increase in administrative & other expenses.

Excess income over expenditure was Six million, Five Hundred and Sixty-Nine thousand, Seven Hundred and Sixty-Nine Ghana Cedis (GH¢6,569,769) in 2013 as against Five million, Five Hundred and Fifty-Four thousand, Six Hundred Ghana Cedis (GH¢5,554,600) in 2012.

The Audited Accounts is attached as Appendix XIII.

Appendices

Appendix I - Free Zone Enterprises Licensed In 2013

Name of company	Nationality	Sector	Nature of business
Green Crop Farming Gh Ltd	Ghanaian-Danish	Manufacturing	Processing of chia seeds
Microcell Ltd	Ghanaian/Lebanese	Commercial	Duty free shop
Microcell Ltd	Ghanaian/Lebanese	Service	Business Class Lounge
Halliburton International Inc	American	Service	Oilfield support services
Viking Offshore Support Services (Gh) Ltd	Ghanaian/South African	Service	Oilfield support services
Lecaro International Ltd	Dutch	Manufacturing	Production of wooden pallets
Atuabo Free Port Ltd formerly (Lonrho Ghana Ports Ltd)	Mauritius	Developer	Oil and gas free port complex
Musahamat Farms Ltd	Kuwati	Manufacturing	Production of banana
Eco Roofing Company Ltd	Korean	Manufacturing	Manufacturing of roofing sheets
Dernan Salt & Trading Company Ltd	Ghanaian/British	Manufacturing	Salt refinery
Fresh & Tasty Farms Ltd	Ghanaian	Manufacturing	Agro processing
Tecno Telecom Ghana Ltd	Ghanaian	Manufacturing	Assembling of mobile phone, lap tops, tablets, electronic equipment
Usibras Ghana Ltd	Brazilian	Manufacturing	Cashew processing
Africopa Ghana Ltd	Ghanaian	Commercial	Duty free shop
Springs and Bolts Company Ltd	Ghanaian/Indian	Manufacturing	Manufacturing of bolts, leaf suspension, and trailer suspension
Afrika Bio Energy Ltd	Italian	Manufacturing	Biomass and pellets

Cobalt Hitek Ltd	Indian	Manufacturing	Manufacturing of Welding electrodes
Imperial Alloys Ghana Ltd	Indian	Manufacturing	Manufacturing of copper rods and aluminium alloys
Samgladwin Company Ltd	Ghanaian	Manufacturing	Processing of vegetable oil
Bayswater Industries Ltd	Nigerian	Manufacturing	Salt refinery, manufacturing of seasoning cubes and monosodium glutamate
Sustainable Biomass Solutions Ltd	Ghanaian/British	Manufacturing	Wood briquettes
Crown Transport & Logistics Ltd	Ghanaian	Manufacturing	Haulage and logistics services
Itsalat International Ghana Ltd	Ghanaian/Lebanese	Commercial	Commercial Warehousing Of Mobile Phones, Camera And Accessories
International Oils & Fats Ltd	Ghanaian	Manufacturing	Fractionation and Refinery of Oils and Fats from Sheabutter
Duty Free Alliance Ltd	Ghanaian/Russian/Lithuanian	Commercial	Duty Free Shop
New Global Pharmaceuticals Ltd	Ghanaian	Manufacturing	Manufacturing of Pharmaceutical Products
Ferrofab FZE Ltd	Indian	Manufacturing	Manufacturing of Skid Pressures, Pressure Vessels, Tank & Silos, Heat Exchangers etc
Mivisa West Africa Ltd	Spanish	Manufacturing	Manufacturing of Metals Cans
Arcadia Trading Europe Ltd	British	Manufacturing	Processing of Agricultural Biomass Products
Avanash Industries (Gh) Ltd	Ghanaian	Manufacturing	Processing crude palm oil into various forms

Appendix II - Occupancy at Tema EPZ/MPIP/Buffer Zone in 2013

EXPORT PROCESSING ZONE (EPZ)

NO.	NAME OF COMPANY	ACTIVITY/PRODUCT	STATUS
1	3F Ghana Limited	Processing of Sheanuts and other oil seeds	Operating
2	Barry Callebaut	Cocoa Processing	Operating
3	Bear Machines W/A Limited	Manufacture of food processing Machine/Equipment	Test run
4	Cargill Ghana Limited	Cocoa Processing	Operating
5	Commodity Processing Industries Ltd.	Cocoa Processing	Operating
6	Decorplast Limited	Household plasticware	Test trial of equipment
7	Disctronic Manufacturing Limited	Dvd,Vcd,Cds manufacturing	Suspended Operations
8	G.C. Bio Chemicals Ltd	Chemical extraction from medicinal plants	Start Up
9	Ghana Specialty Fats Industries Ltd	Shea butter processing	Operating
10	Hufra-Compu-Techs Ltd	Machinery & mechanical precision parts	Operation Suspended
11	Global Garments	Garment manufacturing	Operation Suspended
12	Premier Quality Ltd	Garment manufacturing	Operation Suspended
13	Lucky 1888	Garment manufacturing	Operating
14	Red Sea Housing Services (Gh) Ltd	Prefabricated building	Operating
15	Sitos Gh Ltd	Warehousing/Commercial	Operating
16	ILDC	Enclave Development	Operating
17	Octoglow Ghana Limited	Enclave Development	Operating
18	Nichie Cocoa Industries Ltd	Processing of cocoa liquor	Operating

19	Rebecca Fashion	Manufacturing of synthetic hair products	Operating
20	B. D Associates	Cocoa Processing	Test trial of equipment
21.	A-Z Petroleum Products Ghana Ltd	Lubricants and tank farming	Processing Documents Land
22.	Ministry Of Communication	ICT Park	Processing Documents Land
23.	Sanbao Pharmaceuticals Ltd	Pharmaceuticals	Building Factory
24.	Blowpack Limited	Manufacturing take away container	Processing Documents Land
25.	Top Industries Ltd.	Plastic and packaging products	Operating
26.	One Ghana Logistics Ltd.	Manufacturing packaging curtains	Processing Documents Land
27.	Vehrad Transport Ltd.	Haulage/Logistics/Freight Handling	Building Factory
28.	Sikelele Ltd.	Health Products	Building Factory
29.	Lewadis	Commercial	Building Factory
30.	Home Foods Ltd.	Food Processing	Processing Documents Land
31.	Alpha Commodities Ltd.	Cocoa Processing	Processing Documents Land
32.	Polypet Ltd.	Manufacturing of plastic products	Processing Land Documents
33.	Kgm Industries	Manufacturing plastic household wares	Processing Documents Land
34.	Comet Ghana Ltd	Warehousing	Building Factory
35.	Arvnash Industries Ltd.	Furniture	Processing Documents Land
36.	Elar Ltd.	Flexible packaging materials	Processing Documents Land

37.	Uniwel Ltd	Warehousing	Processing Documents	Land
38.	Electro Abou Samra Co Ltd	General electrical rewinding motors and generators	Processing Documents	Land
39.	Potrodom Int Pvt	Exportation of cashew nuts, shear nuts etc	Processing Documents	Land
40.	Success Plastics Ltd	Manufacturing and trading in household plastic packages	Processing Documents	Land
41.	Mars International	Provision of innovative records management	Processing Documents	Land
42.	S.F International Commodity Co. Ltd	Manufacturing of coloured steel tiles	Building Factory	
43.	Railit Total Transportation Gh. Ltd	Warehousing of antiviral drugs	Operating	
44.	Lecaro International Ltd	Production of pellets and crates	Building Factory	
45.	Tecno Telecom Ghana Ltd	Assembling of mobile phones, laptops, tablets, electronic equipment	Processing Documents	Land
46.	Imperial Alloys Ghana Ltd	Production of Coppers rods and Aluminum alloys	Processing Documents	Land

MPIP OCCUPANCY

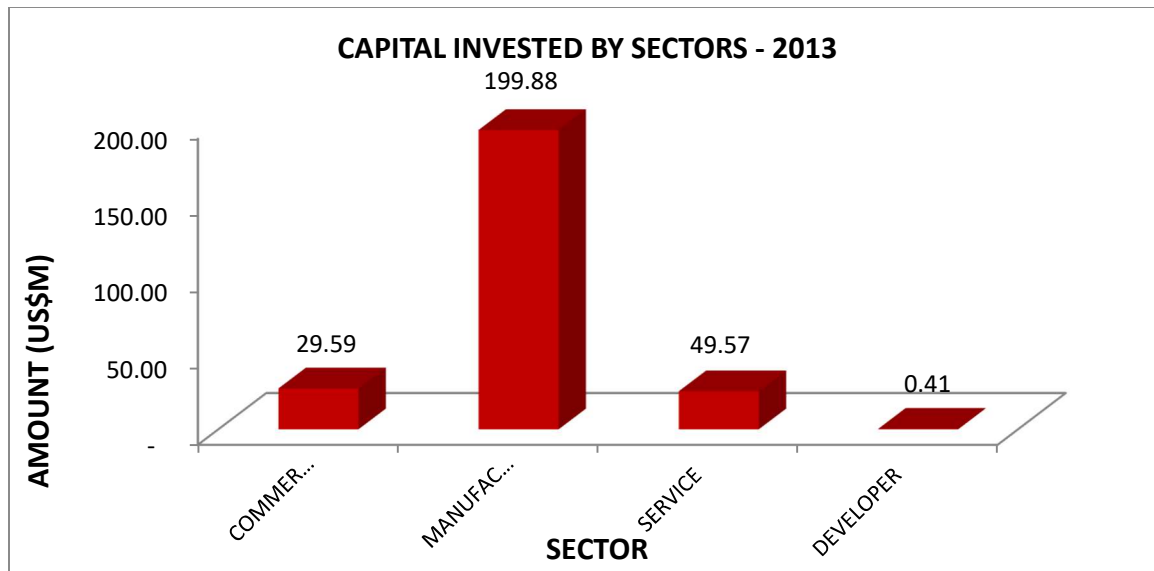
	COMPANY NAME	TYPE OF ACTIVITY	ACREAGE	OPERATIONAL STATUS
1.	RITIKA STAR LTD	WAREHOUSING	5.0	PROCESSING LAND DOCUMENTS
2.	KGM INDUSTRIES	PLASTIC HOUSEHOLD WARES	4.0	PROCESSING LAND DOCUMENTS
3.	NICHE COCOA LTD (PRESS)	PROCESSING OF COCOA LIQUOR	16.0	OPERATING
4.	TOP INDUSTRIES LTD	PLASTIC AND PACKAGING PRODUCTS	5.0	OPERATING
5.	VEHRAD TRANSPORT LTD	HAULAGE/LOGISTICS/FREIGHT HANDLING	10.17	BUILDING WAREHOUSE
6.	SIKELELE LTD	HEALTH PRODUCTS	3.0	BUILDING FACTORY
7.	COMET GHANA LTD	WAREHOUSING	3.6	OPERATING

8.	LEWADIS	WAREHOUSING	4.0	OPERATING
9.	HOMEFOODS	FOOD PROCESSING	5.0	PROCESSING DOCUMENTS
10.	AVNASH INDUSTRIES LTD	FOOD PROCESSING	15.97	BUILDING FACTORY
11.	BLACK STAR FOOD	FOOD PROCESSING	4.5	BUILDING FACTORY
12.	POLYPET LTD	PLASTIC PRODUCTS	2.0	BUILDING FACTORY
13.	ELAR LTD	FLEXIBLE PACKAGING MATERIALS	1.71	PROCESSING LAND DOCUMENTS
14.	SANBAO PHARMACEUTICALS LTD	PHARMACEUTICALS	13.75	OPERATING
15.	LUCKY 1888	GARMENTS		OPERATING
16.	GLOBAL GARMENTS	GARMENTS		SUSPENDED OPERATIONS
17.	LIBERTY AND JUSTICE SEWING	GARMENTS		OPERATING
18.	OAK BROOK LTD	GARMENTS		SUSPENDED OPERATIONS
19.	SHAPOORJI PALLONJI GHANA LIMITED	WAREHOUSING	5.0	PROCESSING LAND DOCUMENTS
20.	TOPAZ MULTI INDUSTRIES LTD	WAREHOUSING	5.0	PROCESSING LAND DOCUMENTS
21.	MELCOM LTD	FOOD PROCESSING	11.94	PROCESSING LAND DOCUMENTS
22.	SINTEX LTD	WAREHOUSING	5.0	PROCESSING LAND DOCUMENTS
23.	STEELCO LTD	ROOFING SHEETS	5.153	BUILDING FACTORY
24.	CONTINENTAL BLUE INVESTMENT LTD	CEMENT	15.0	PROCESSING LAND DOCUMENTS
25.	RIDGE ENERGY	TANK FARMS	4.157	BUILDING TANKS
26.	CENTURY INDUSTRIES LTD	WAREHOUSING	5.0	PROCESSING LAND DOCUMENTS
27.	GIAAN INVESTMENTS	WAREHOUSING	4.0	PROCESSING LAND DOCUMENTS

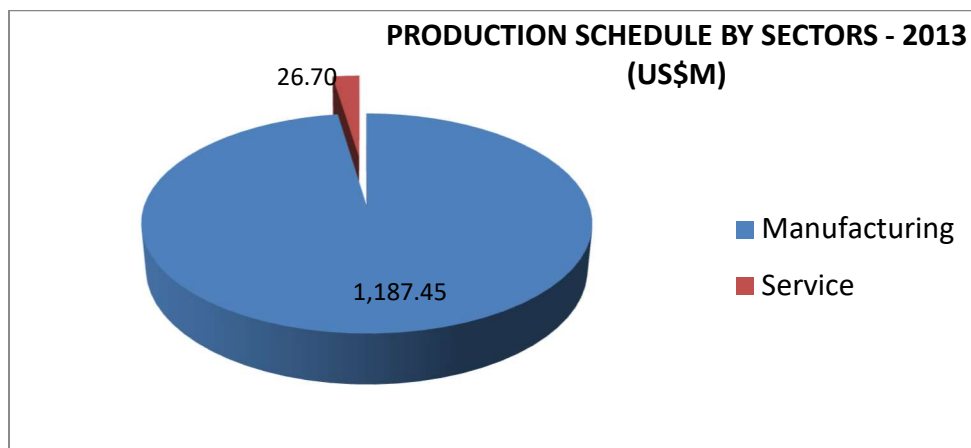
BUFFER ZONE

1.	Uniwell		Processing Documents	Land
2.	A-Z Petroleum Products Ghana Ltd	Lubricants and tank farming	Processing Documents	Land
3.	Electro Abou Samra Co Ltd	General electrical rewinding motors and generators	Processing Documents	Land
4.	Potrodom Int Pvt	Exportation of cashew nuts, Shear Nuts Etc	Processing Documents	Land
5.	Success Plastics Ltd	Manufacture and trade in household plastic packaging	Processing Documents	Land
6.	Mars International	Provision of innovative records management	Processing Documents	Land
7.	Imexco Investments	Ware Housing	Processing Documents	Land
8.	FNJ Investments	Tank farms	Processing Documents	Land

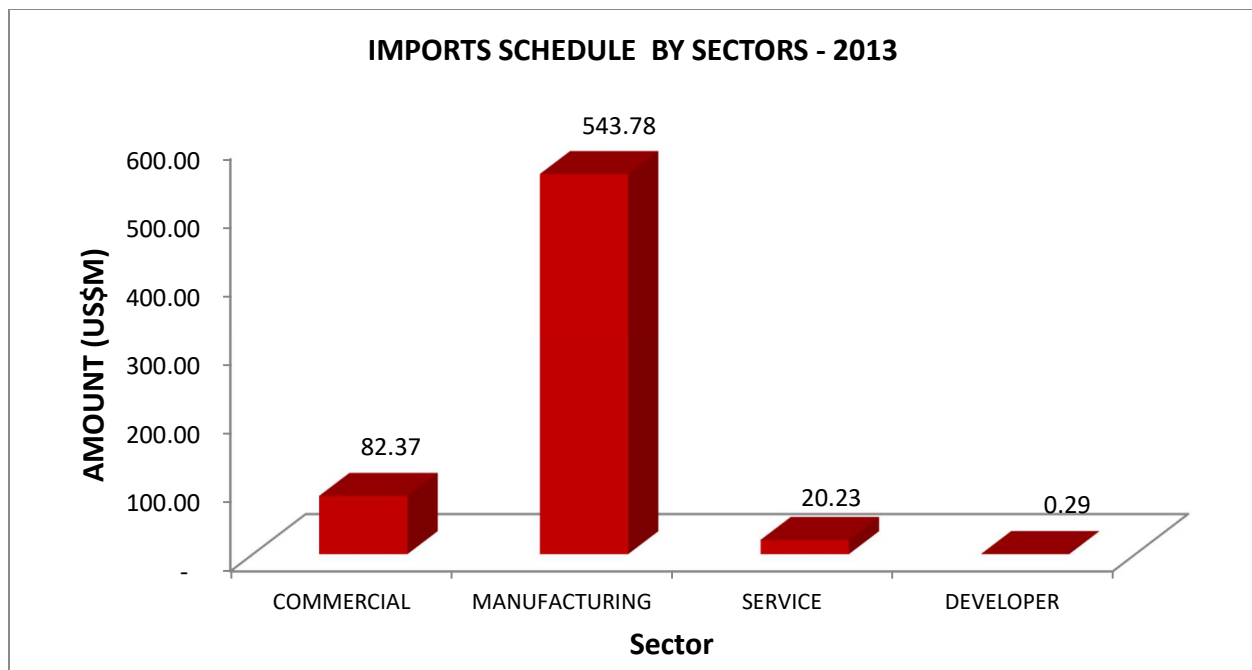
Appendix III - Capital Invested By Free Zone Enterprises 2013



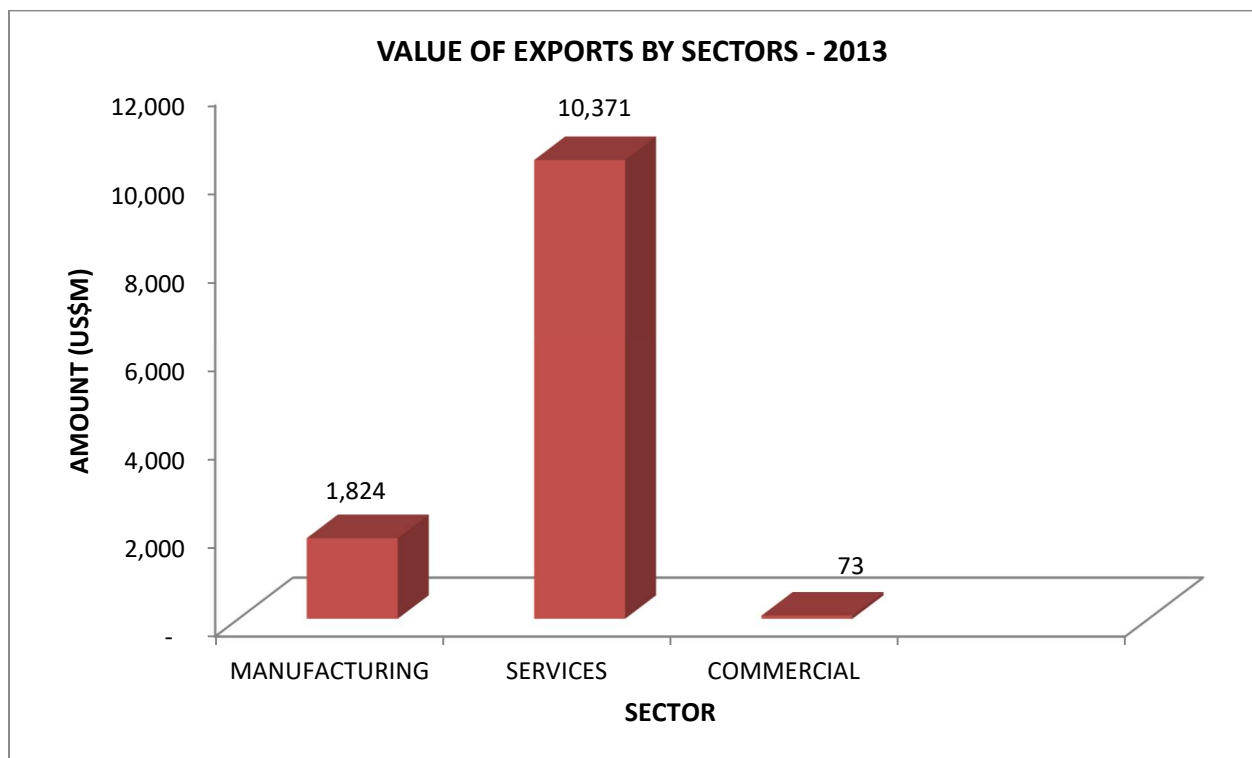
Appendix IV – Production Schedule of Enterprises 2013



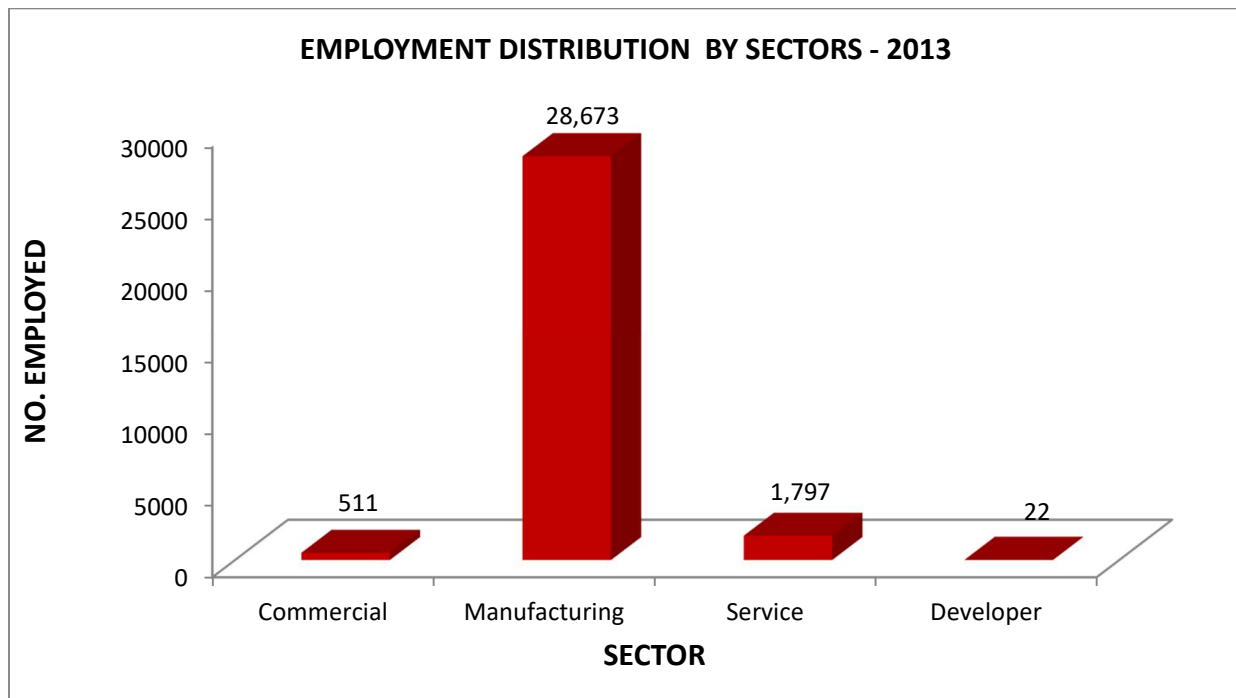
Appendix V - Import Schedule of Free Zone Enterprises 2013



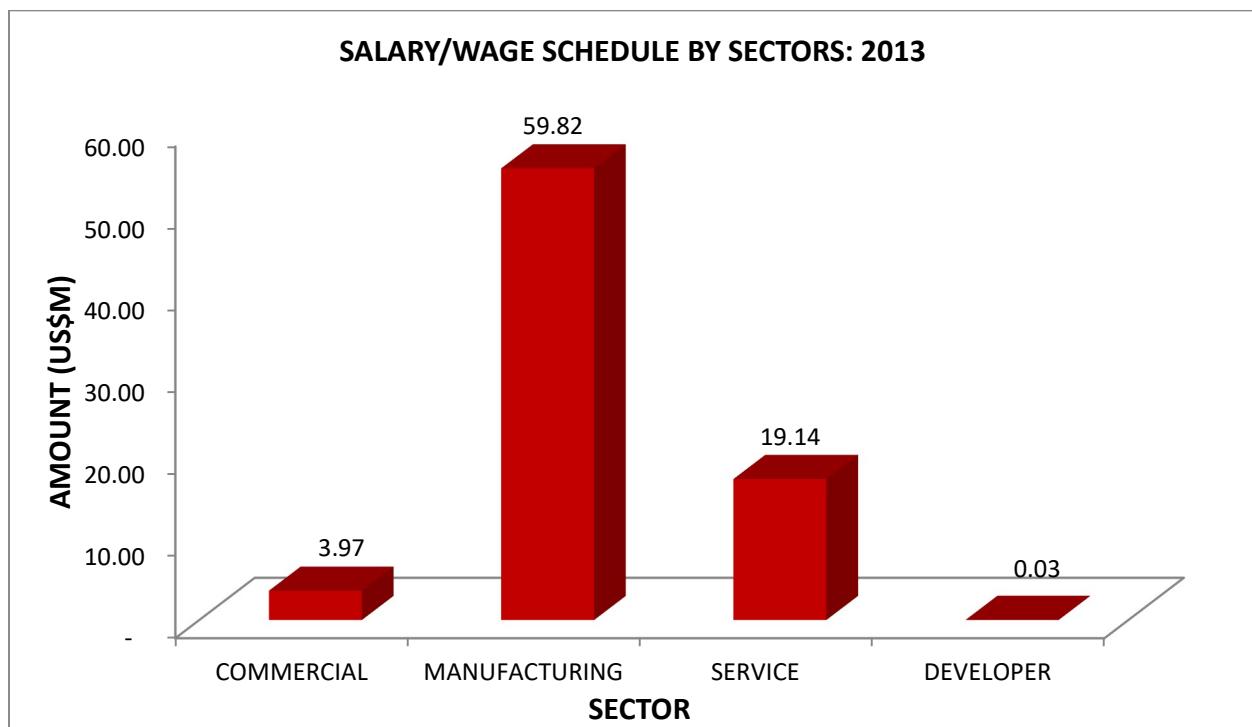
Appendix VI - Export Schedule of All Free Zone Enterprises 2013



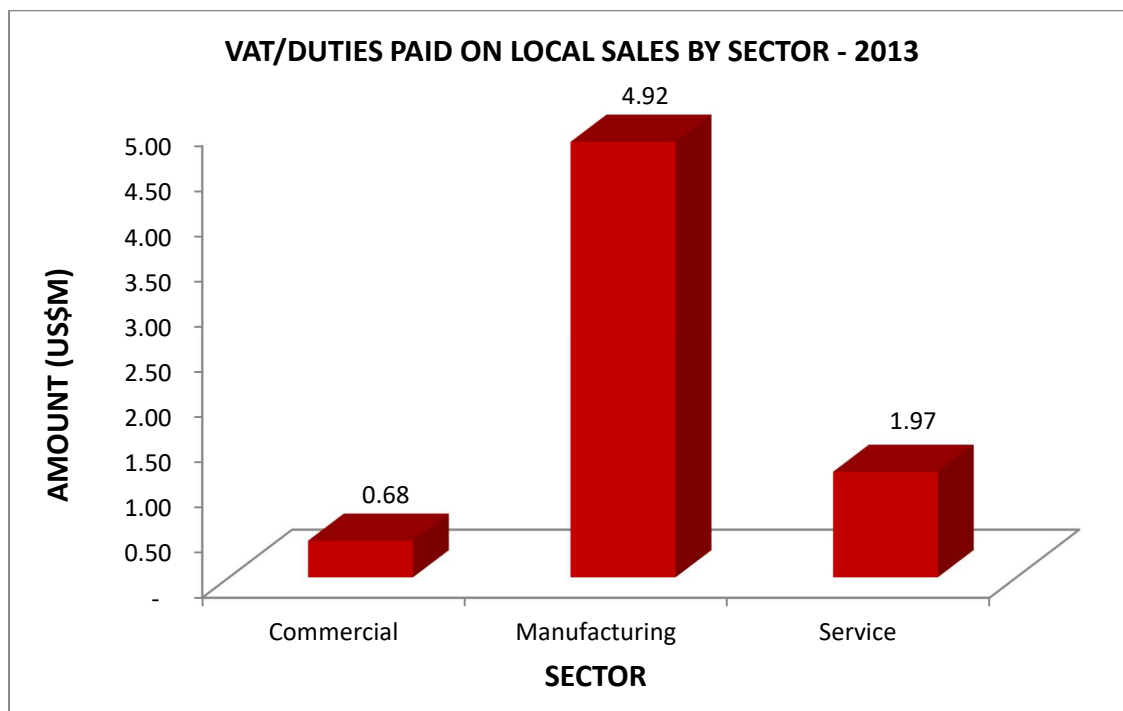
Appendix VII – Employment Schedule of Free Zone Enterprises 2013



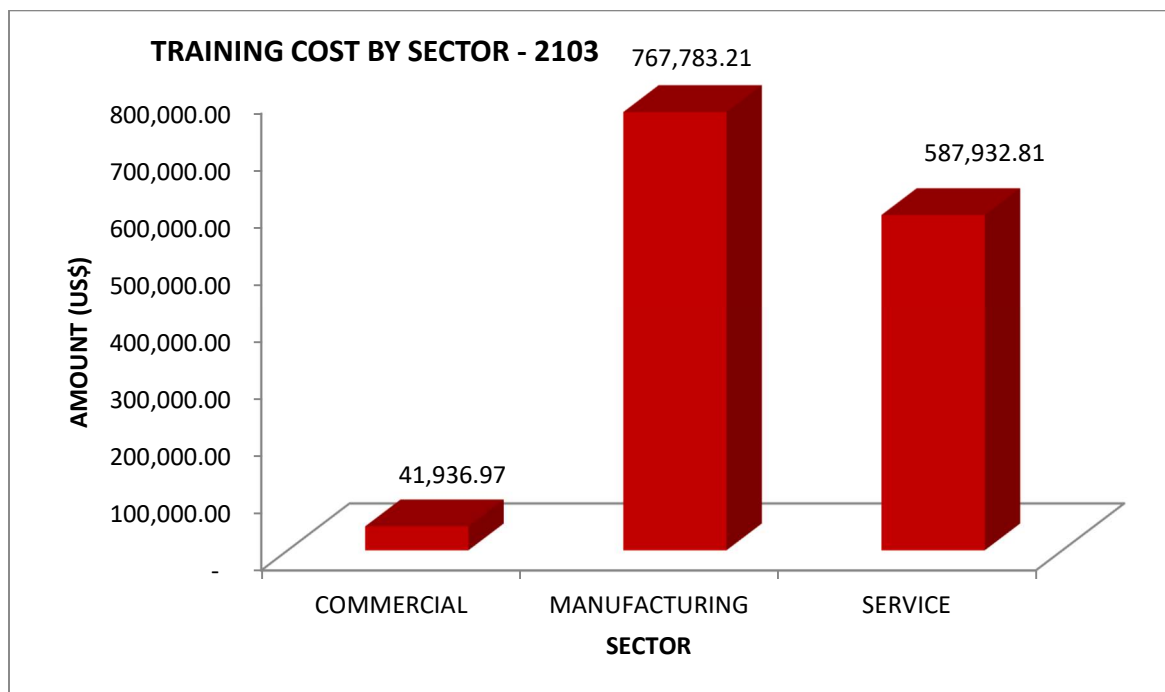
Appendix VIII - Salary/Wage Schedule of Free Zone Enterprises 2013



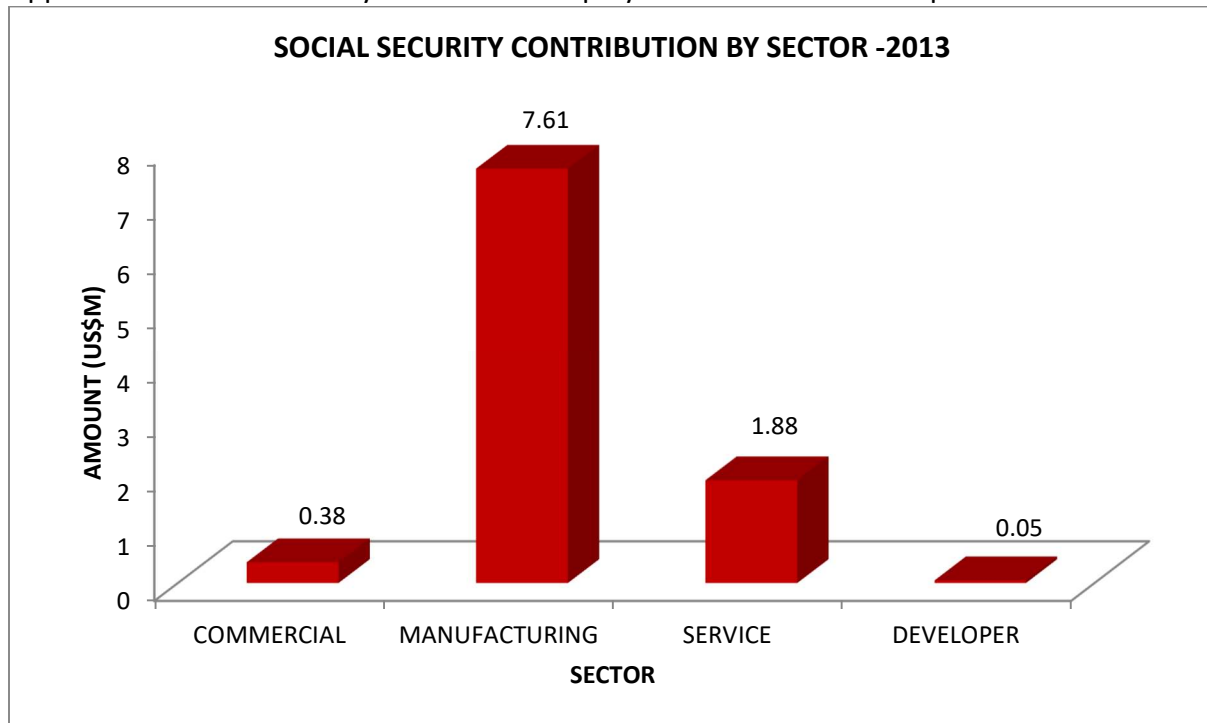
Appendix IX - Vat/Duties paid on Local Sales by Free Zone Enterprises 2013



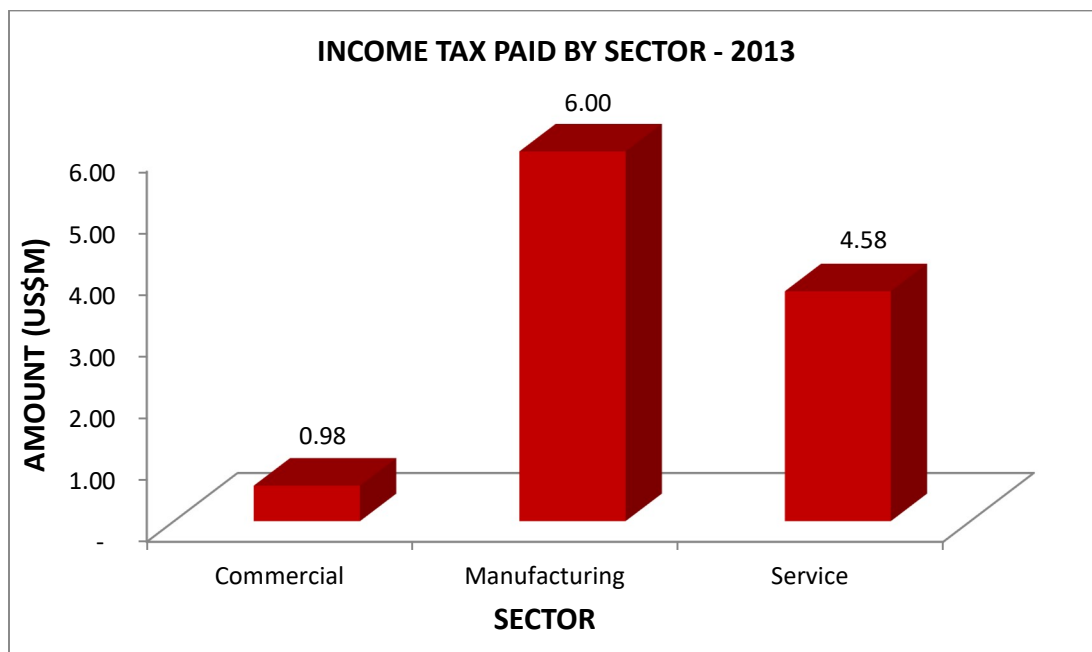
Appendix X - Training Schedule of Free Zone Employees (Ghanaian Nationals) 2013



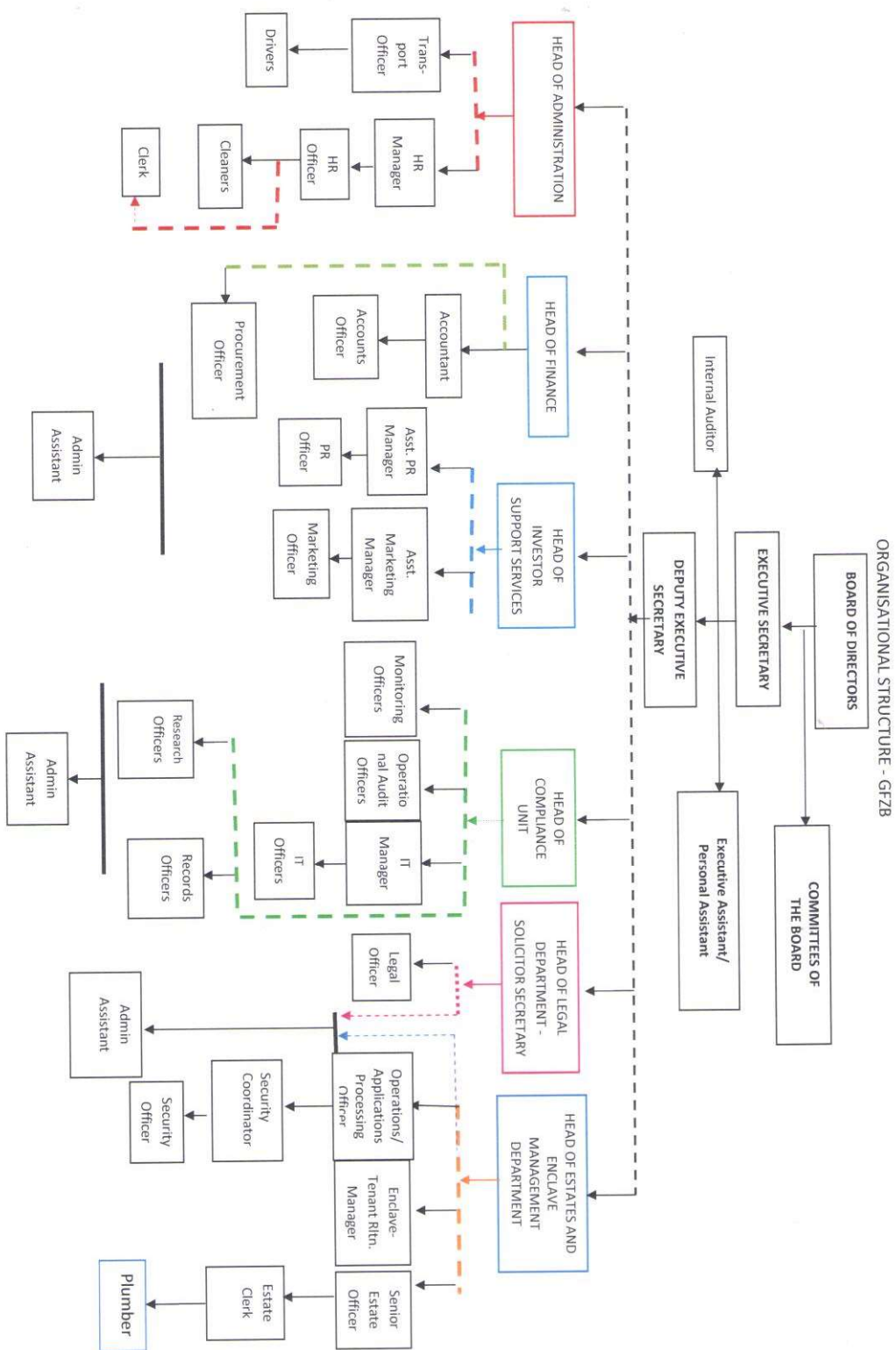
Appendix XI - Social Security Schedule of Employees of Free Zone Enterprise 2013



Appendix XII - Income Tax Schedule of Free Zone Employees 2013



Appendix XIII – New Organogram



Appendix XIV - Audited Accounts

**GHANA FREE ZONES BOARD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013**

GHANA FREE ZONES BOARD

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2013**

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GHANA FREE ZONES BOARD

GENERAL INFORMATION

DIRECTORS

Hon. Dr. Ekwow Spio Garbrah (Chairman)
Mrs. Gifty Anku
Ms. Katherine Oduro
Ms. Eugenia Jackson-Cofie
Mr. William Adotei Addo
Mrs. Florence Hutchful
Ms. Anita De Sosoo
Mr. Kwabena Yeboah
ACP (Rtd) Alhaji Mahama Adams

EXECUTIVE SECRETARY

Mr Kwadwo Twum Boafo

AUDITORS

Veritas Associates
No. 11 Adaman Loop
Tesano, Accra
P. O. Box CT 6372
Cantonments
Accra

BANKERS

Bank of Ghana
United Bank for Africa (Ghana) Limited
Prudential Bank Limited
GCB Bank Limited
Guaranty Trust Bank (Ghana) Limited
Ecobank Ghana Limited
ADB Bank Limited

GHANA FREE ZONES BOARD

Financial statements for the year ended 31 December 2013

REPORT OF THE DIRECTORS

The directors hereby present their report together with the audited financial statements of Ghana Free Zones Board for the year ended 31 December 2013.

Statement of directors' responsibilities

The directors are responsible for the preparation of financial statements for each financial period which give a true and fair view of the state of affairs of Ghana Free Zones Board at the end of the financial year and of the surplus or deficit and of the cash flows for the period. In preparing these financial statements, the directors have selected suitable accounting policies and then applied them consistently, made judgments and estimates that are reasonable and prudent and followed Ghana Accounting Standards and other applicable requirements of Ghanaian law.

The directors are responsible for ensuring that Ghana Free Zones Board keeps proper accounting records that disclose, with reasonable accuracy at any time, the financial position of Ghana Free Zones Board. The directors are also responsible for safeguarding the assets of Ghana Free Zones Board and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Nature of business

There was no change in the nature of business of Ghana Free Zones Board during the year.

Financial results

The financial result for the year ended 31 December 2013 are set out below

	2013 GH¢	2012 GH¢
Surplus for the year was:	6,569,769	5,554,600
When added to accumulated surplus brought forward of:	21,186,875	15,632,275
Leaves a balance carried forward of:	27,756,643	21,186,875

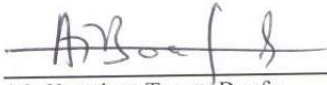
Auditors

The auditors, Veritas Associates, have indicated their willingness to continue in office for the ensuing year.

BY ORDER OF THE BOARD

DatedDecember 2016


Hon. Dr. Ekwow Spio Garbrah


Mr Kwadwo Twum Boafo



Veritas Associates

Chartered Accountants

P. O. Box CT 6372,
Cantonments, Accra
Loc: No. 11 Adaman Loop, Tesano
(Near Abeka Junction), Accra

Tel/Fax #: 0302 243 952
Cell: 050 834 9942
E-mail: veritas@myzipnet.com

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GHANA FREE ZONES BOARD (GFZB)

We have audited the accompanying financial statements of Ghana Free Zones Board set out on pages 4 to 16. These financial statements comprise the statement of financial position as of 31 December 2013, the income statement and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with Ghana Accounting Standards, International Public Accounting Standards and the Free Zone Act 1995, Act 504. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ghana Free Zones Board as of 31 December 2013, and its financial performance and its cash flows for the year then ended in accordance with Ghana Accounting Standards, the Free Zone Act 1995, (Act 504) and comply with the Companies Act, 1963 (Act 179).



Report on other legal requirements

The Ghana Companies Act, 1963 (Act 179) requires that in carrying out our audit work we consider and report on the following matters.

We confirm that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
- ii. In our opinion proper books of account have been kept by the company so far as appears for our examination of those books ; and
- iii. The balance sheet and profit and loss account of the company are in agreement with the books of account.

Veritas Associates
Signed by Anthony Danquah (ICAG/P/1045)
For and on behalf of Veritas Associates (ICAG/F/116)
Chartered Accountants
Accra, Ghana

8
... December 2016

GHANA FREE ZONES BOARD

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2013

ASSETS EMPLOYED	Note	2013 GH¢	2012 GH¢
NON-CURRENT ASSETS			
Property, plant and equipment	3	7,338,719	6,584,228
CURRENT ASSETS			
Accounts receivable and prepayments	4	14,675,779	12,698,513
Short term investments	5	9,971,339	9,643,011
Cash and cash equivalents	6	13,277,994	8,000,392
		37,925,112	30,341,916
CURRENT LIABILITIES			
Accounts payable and accruals	7	13,973,662	11,857,014
NET CURRENT ASSETS			
		23,951,450	18,484,902
NET ASSETS			
		31,290,169	25,069,130
FUNDS EMPLOYED			
Donors' fund	8	394,956	394,956
Construction fund	9	3,138,569	3,487,299
Accumulated fund		27,756,644	21,186,875
		31,290,169	25,069,130

Approved by the Board of Directors on ...^{8th}.....December 2016 and signed by:


Hon. Dr. Ekwow Spio Garbrah


Mr Kwadwo Twum Boafo

The attached notes 1 to 19 form an integral part of these financial statements.

GHANA FREE ZONES BOARD

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	<i>Note</i>	2013 GH¢	2012 GH¢
INCOME			
Operating income	<i>10</i>	12,941,699	9,540,853
Other income	<i>11</i>	2,352,571	3,282,824
Released from construction fund	<i>9</i>	348,730	0
		<u>15,643,000</u>	<u>12,823,678</u>
EXPENDITURE:			
Operational expenses	<i>12</i>	1,195,207	1,308,282
Employee costs	<i>13</i>	2,028,875	1,501,340
Board and committee expenses	<i>14</i>	690,159	375,239
Financial and professional charges	<i>15</i>	186,401	389,503
Travelling and transport	<i>16</i>	1,866,630	1,236,245
Repairs and maintenance	<i>17</i>	448,569	550,921
Administrative and general expenses	<i>18</i>	2,657,390	1,907,549
		<u>9,073,231</u>	<u>7,269,078</u>
EXCESS OF INCOME OVER EXPENDITURE		<u><u>6,569,769</u></u>	<u><u>5,554,600</u></u>

**ACCUMULATED FUND
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 GH¢	2012 GH¢
Balance at 01 January	21,186,875	15,632,275
Excess of income over expenditure	<u>6,569,769</u>	<u>5,554,600</u>
Balance at 31 December	<u><u>27,756,644</u></u>	<u><u>21,186,875</u></u>

The attached notes 1 to 19 form an integral part of these financial statements.

GHANA FREE ZONES BOARD**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	<i>Note</i>	2013 GH¢	2012 GH¢
OPERATING ACTIVITIES			
Excess income over expenditure		6,569,769	5,554,600
Adjustment for non-cash items:			
Depreciation	3	1,018,541	532,569
Released from construction fund		(348,730)	
Profit from disposal of asset		(22,500)	(11,625)
		<hr/>	<hr/>
Operating income before working capital changes		7,217,080	6,075,543
Increase in accounts receivable	4	(1,977,266)	(1,294,578)
Increase in accounts payable	7	2,116,648	112,150
		<hr/>	<hr/>
Cash generated from operating activities		7,356,462	4,893,116
		<hr/>	<hr/>
INVESTING ACTIVITIES			
Increase in investments	5	(328,328)	(5,526,759)
Proceeds from disposal of assets		22,500	58,125
Purchase of property, plant & equipment	3	(1,773,032)	(4,260,823)
		<hr/>	<hr/>
Net cash outflow from investing activities		(2,078,860)	(9,729,457)
		<hr/>	<hr/>
Net decrease in cash and cash equivalents before financing		5,277,602	(4,836,341)
FINANCING ACTIVITIES			
Funds received for construction		0	1,604,024
Cash and cash equivalents at the beginning of the year		8,000,392	11,232,709
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
	6	13,277,994	8,000,392
		<hr/>	<hr/>

The attached notes 1 to 19 form an integral part of these financial statements.

GHANA FREE ZONES BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

1 NATURE OF BUSINESS AND OPERATIONS

Ghana Free Zones Board (the Board) was established on 31 August 1995 by an Act of Parliament, The Free Zones Act 1995, (Act 504), for the establishment of free zones in Ghana for the promotion of economic development, and to provide for the regulation of free zones activities and related purposes. The Board operates under the Free Zones Regulation L.I 1618.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The Board maintains its books and records using the modified cash basis under which revenue is when cash is received but liabilities are recognised when incurred; and the financial statements are prepared on historical cost basis and applicable requirements of Ghanaian law.

Basis of measurement

The financial statements are prepared under the historical cost convention and are presented in Ghana cedis.

Significant accounting policies

The accounting policies applied by the Board are as follows:

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is provided using the straight line basis on all property, plant and equipment so as to write off the costs of assets over their estimated useful lives. Leasehold land, however, is not depreciated.

The rates of depreciation are as follows:

	Rate
Improvement of land banks	10%
Plant & machinery	20%
Motor vehicles	20%
Office equipment	20%
Furniture, fixtures & fittings	20%

GHANA FREE ZONES BOARD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

ACCOUNTING POLICIES *(Continued)*

Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short term highly liquid investments readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand and deposits in bank net of any outstanding bank overdrafts.

Revenue recognition

Revenue comprises an initial lease premium, an annual ground rent for leased land, sale of forms, registration and renewal of licences fees, and income from investments.

Lease premium and associated income

Under the modified cash basis of accounting, as applied by the Board, lease premium is recognised as income when cash is received and not when an offer of land at the Ghana Free Zones Enclave is accepted. Revenue from ground rent, sale of forms and registration and renewal of licence fees is recognised when cash is received.

Interest on investment

Interest on investment is earned on time apportioned basis and is accrued only when it is probable that the income would be received in the near future.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received.

Foreign currency translation

Transactions in foreign currencies are recorded at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the financial position date. All translation differences are taken to the statement of income.

Investments

Investments held to maturity are carried at amortised cost.

Deferred expenditure

Compensation for leasehold land is initially deferred until the expenditure is incurred at which time the expenditure is capitalized as cost of leasehold land to be written off over the lease period.

GHANA FREE ZONES BOARD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

3 PROPERTY, PLANT & EQUIPMENT

Cost	Leasehold land GH¢	Improvement of land banks GH¢	Plant and machinery GH¢	Motor vehicles GH¢	Office equipment GH¢	Furniture, fixtures & fittings GH¢	Improvement of land banks in progress	Total GH¢
Balance at 1 January 2013	1,235,507	1,896,700	31,791	1,041,851	467,258	206,435	3,489,041	8,368,583
Additions during the year	0	655,519	0	729,625	101,591	129,685	156,612	1,773,032
Transfers	0	3,645,653	0	0	0	0	(3,645,653)	0
Disposals	0	0	0	(104,488)	0	0	0	(104,488)
Balance at 31 December 2013	1,235,507	6,197,872	31,791	1,666,988	568,849	336,120	0	10,037,127
Depreciation								
Balance at 1 January 2013	0	604,667	31,790	679,793	362,783	105,322	0	1,784,355
Charge for the year	0	619,787	0	284,391	56,299	58,064	0	1,018,541
Disposals	0	0	0	(104,488)	0	0	0	(104,488)
Balance at 31 December 2013	0	1,224,454	31,790	859,696	419,082	163,386	0	2,698,408
Net book value-31/12/2013	1,235,507	4,973,418	1	807,293	149,767	172,734	0	7,338,719
Net book value-31/12/2012	1,235,507	1,292,033	1	362,059	104,475	101,113	3,489,041	6,584,228

GHANA FREE ZONES BOARD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

4 ACCOUNTS RECEIVABLE AND PREPAYMENTS	2013	2012
	GH¢	GH¢
Trade debtors	2,754,822	2,644,485
Other debtors	3,478,306	1,592,824
Staff loans	17,357	37,627
Prepayments	49,233	47,517
Deferred expenditure	8,376,060	8,376,060
	<u>14,675,779</u>	<u>12,698,513</u>

Deferred expenditure relates to amount provided as compensation to landowners for designated free zone activities to be capitalized when payments are made.

5 SHORT TERM INVESTMENTS	2013	2012
These are made up as follows:	GH¢	GH¢
1-year treasury notes	9,733,418	9,451,112
182-day treasury bills	237,921	191,899
	<u>9,971,339</u>	<u>9,643,011</u>

6 CASH AND CASH EQUIVALENTS	2013	2012
Cash and cash equivalents consist of:	GH¢	GH¢
91-day treasury bill	6,468,964	4,991,450
Cash at bank	6,789,456	2,991,242
Cash in hand	19,575	17,700
	<u>13,277,994</u>	<u>8,000,392</u>

GHANA FREE ZONES BOARD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

7 ACCOUNTS PAYABLE AND ACCRUALS	2013	2012
	GH¢	GH¢
Trade creditors	1,047,413	1,185,573
Sundry payables	4,218,491	1,820,006
Accrued expenses	331,758	475,375
Provisions	8,376,000	8,376,060
	<u>13,973,662</u>	<u>11,857,014</u>

Provisions relate to estimated cost of compensation payable to landowners for designated leasehold land banks for free zones activities.

8 DONORS' FUND	2013	2012
Contributors are as follows:	GH¢	GH¢
Government of Ghana	62,149	62,149
Ministry of Trade and Industry	206,103	206,103
Tema Export Processing Zone Gateway Project	126,704	126,704
	<u>394,956</u>	<u>394,956</u>

9 CONSTRUCTION FUND

This represents receipts of fund approved by Export Development & Investment Fund (EDIF) for construction of storm drain at the Tema Export Processing Zone. The receipts are being capitalised and equivalent portion of annual depreciation charge on the cost of the storm drain is released to income.

	2013	2012
	GH¢	GH¢
Balance at 1 January	3,487,299	1,883,275
Additional receipts from EDIF	0	1,604,024
	<u>3,487,299</u>	<u>3,487,299</u>
Released to income	(348,730)	0
Balance at 31 December	<u>3,138,569</u>	<u>3,487,299</u>

GHANA FREE ZONES BOARD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013**

10 OPERATING INCOME	2013 GH¢	2012 GH¢
Lease premium	5,948,184	2,955,898
Ground rent	1,867,802	1,013,439
Annual licence and renewal fees	854,176	731,572
Vehicles registration fee	166,216	343,932
Sale of forms and processing fees	4,105,321	4,496,012
	<u>12,941,699</u>	<u>9,540,853</u>
11 OTHER INCOME	2013 GH¢	2012 GH¢
Investment income	1,517,292	1,130,032
Exchange gains	651,159	2,036,108
Profit from disposal of asset	22,500	11,625
Sundry income	161,620	105,060
	<u>2,352,571</u>	<u>3,282,824</u>
12 OPERATIONAL COST	2013 GH¢	2012 GH¢
Ground rent charges-Land Commission	178,700	176,232
Vehicle registration expenses	34,788	96,852
Resident permits acquisition expenses	981,719	1,035,198
	<u>1,195,207</u>	<u>1,308,282</u>

GHANA FREE ZONES BOARD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

13 EMPLOYEE COSTS	2013	2012
	GH¢	GH¢
Salaries and wages	1,185,165	931,542
Clothing allowance	98,345	76,947
Fuel and vehicle maintenance allowance	130,669	83,450
Medical expenses	21,393	18,774
Social security contribution-employer	152,762	145,516
Provident fund contribution- employer	107,952	92,121
Staff bonus	200,221	76,936
Rent allowance	36,000	20,476
Staff training and development	96,368	55,578
	<u>2,028,875</u>	<u>1,501,340</u>
14 BOARD & COMMITTEE EXPENSES	2013	2012
	GH¢	GH¢
Board members allowances	102,142	79,019
Committee allowances	84,698	130,217
Board expenses	425,586	56,003
Ex-Gratia/ Board bonus	77,733	110,000
	<u>690,159</u>	<u>375,239</u>
15 FINANCIAL & PROFESSIONAL CHARGES	2013	2012
	GH¢	GH¢
Consultancy services	157,026	349,028
Audit fee (inclusive of VAT & NHIL)	29,375	29,375
Other professional fees	0	11,100
	<u>186,401</u>	<u>389,503</u>

GHANA FREE ZONES BOARD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

16 TRAVELLING & TRANSPORT	2013	2012
	GH¢	GH¢
Honorarium	31,494	22,975
Per diem	22,594	53,646
Overseas travels	1,687,280	1,055,363
Motor vehicle fuel and lubricants	125,262	104,261
	<u>1,866,630</u>	<u>1,236,245</u>
 17 REPAIRS & MAINTENANCE	 2013	 2012
	GH¢	GH¢
Motor vehicles	112,253	112,461
Office equipment	16,047	19,096
General repairs and maintenance	66,301	46,471
Maintenance of enclave	217,125	331,360
Grounds maintenance	24,583	23,850
Pumps	12,260	17,683
	<u>448,569</u>	<u>550,921</u>

GHANA FREE ZONES BOARD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2013

18 ADMINISTRATIVE AND GENERAL EXPENSES	2013	2012
	GH¢	GH¢
Printing and publications	147,315	179,554
Telecommunication	64,299	76,866
Stationery cost	57,663	40,273
Postage and courier	1,414	2,066
Electricity and water charges	67,244	55,789
Monitoring expenses	38,419	43,231
Security services	74,700	131,721
Hospitality and entertainment	37,009	42,007
Marketing and promotion	852,708	679,091
Public relations	75,517	5,685
Insurance charges	80,753	57,556
Bank charges	1,817	6,904
Donation	48,398	0
Cleaning materials	691	791
Depreciation	1,018,541	532,569
Generator running expenses	16,886	0
Tender committee expenses	33,116	20,445
Operational audit expenses	23,300	13,000
Bad debts written off	17,600	0
Compensation charges	0	20,000
	<u>2,657,390</u>	<u>1,907,549</u>

19 PRIOR YEAR BALANCES

Certain prior year balances have been reclassified in line with current year presentation.