

USAID
MIDAS II PROGRAM

A BREIF FINANCIAL MANAGEMENT EVALUATION
OF GHANA SEED COMPANY (GSC)
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UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID)
MANAGED INPUTS AND DELIVERY OF AGRICULTURE SERVICES -
MIDAS II PROGRAM
A BRIEF FINANCIAL MANAGEMENT EVALUATION OF
GHANA SEED COMPANY (GSC)

<u>INDEX</u>	<u>PAGE REFERENCE</u>
SECTION I - INTRODUCTION	1 - 3
SECTION II - SUMMARY OF PRINCIPAL CONCLUSIONS	4 - 5
SECTION III - SUMMARY OF OUR KEY RECOMMENDATIONS AND SUGGESTED REMEDIAL MEASURES	6 - 8
SECTION IV - OUR APPROACH TO THE EVALUATION	9 - 10
SECTION V - THE EXISTING REORGANIZATION FRAMEWORK	11 - 17
- OWNERSHIP AND SUPERVISING STRUCTURE	
- ORGANIZATION CHART	
- FINANCIAL MANAGEMENT STRUCTURE	
SECTION VI - FINANCIAL HISTORY OF GSC AND STATUS OF FINANCIAL STANDING	18 - 25
- SOURCES OF FUNDS	
- BUDGETARY CONTROL AND PROFITABILITY	
- PROPERTY, PLANT AND EQUIPMENT (FIXED ASSETS)	
- INVENTORY	
- REVENUES AND EXPENDITURES	
SECTION VII - UTILIZATION OF FINANCIAL REPORTS BY MANAGEMENT AND QUALITY OF RELATED MANAGEMENT DECISIONS AND CAPABILITIES.	26 - 27
<u>APPENDICES ATTACHED TO THIS REPORT</u>	
APPENDIX I - STATEMENT OF WORK - USAID WORK ORDER ATTACHMENT NO. 1	
APPENDIX II - EXISTING ORGANISATION CHART	
APPENDIX III - COPY OF REQUEST FOR INFORMATION SUBMITTED TO MANAGEMENT	
APPENDIX IV - SUMMARY OF SEED PRUCHASES AND SALES	
APPENDIX V - SUMMARY OF GSC PRODUCED PROFIT AND LOSS STATEMENTS AND BUDGET ESTIMATES.	
APPENDIX VI - RECONSTRUCTED FINANCIAL POSITION, SOURCES AND USES OF DONOR FUNDS AND GRAPHIC REPRESENTATION OF TRENDS.	

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Ivory Coast

Dear Madam:

- 1.1 We are pleased to submit our final report on the financial management evaluation of the Ghana Seed Company (GSC), pursuant to USAID's work order number 642-0102-3-10043 under the MIDAS II Program. A copy of the relevant section of the work order outlining the statement of work is reproduced and attached to this report as Appendix I. In view of the fundamental nature of this evaluation, we have felt free in this report to refer to the combination of the company and its activities as a "project".
- 1.2 It is our understanding that interests have been expressed in continuing to support the activities of the Ghana Seed Company either as a private sector project or, if possible, to strengthen and streamline management in a reorganization effort. We are also aware that our work is to constitute a financial component input into a more comprehensive review and evaluation of the need and form of any continued support to be extended to this seed development and multiplication project. Accordingly, the objectives of the review can be summarized as three-fold:
 - a) Financial viability of the project which as we understand it, must necessarily be carried out independently of the structure and capability of the existing management of the company;



- b) Options for changes in existing organizational structure including ownership structure, and
 - c) The extent of the project's dependence on external resources including Government subventions and borrowing guarantees.
- 1.3 We have described our approach and basic procedures adopted in this evaluation in Section IV of this report. The principal conclusions arrived at are however summarized in Section II while our recommendations arising from the conclusions are separately outlined as Section III. Perhaps Sections I to III can be considered the Executive Summary Part of this report. At the end of each conclusion and recommendation, we have provided references to sections of the report where a more detailed description of the various matters can be found. These detailed sections comprise sections V through VII of the main body of the report together with the appendices. Most of our findings from this review were discussed during a debriefing meeting with the USAID Mission in Accra on Saturday, November 16, 1985.
- 1.4 In Section V we have reported on our evaluation of organizational matters and overviews of the existing management structure. Although this may not be central to our statement of work, we nevertheless considered it necessary as a background against which to relate management capabilities and the budgetary control functions. A copy of the existing organization chart is attached as Appendix II. Our comments on the financial history of the Ghana Seed Company and the resulting financial position in which the company currently finds itself are described in Section VI.
- This is considered the main body of our report on findings and is supplemented to a large extent by Appendices IV to VI which together encompasses our reconstructed financial positions and annual changes thereto.



- 1.5 It is relevant to note the considerable qualifications and exceptions that have been provided as footnotes to the schedules on the financial history of the company. It is our opinion that the fundamental nature of these exceptions and departures cast such doubts on the figures as to reduce their usefulness as potential decision making tools. Consequently, even with enhanced management capabilities coupled with the best will to utilize financial reports, it is unlikely that informed decisions could have been easily made with these figures. We have also observed even more fundamental lapses in the decision making process itself to warrant a linkage of inadequacies in management capabilities to the gaps in the financial information made available. We have therefore described this state of affairs in detail in Section VII of the report.

- 1.6 It has been our preoccupation in presenting this report to be as concise as possible without the loss of depth. Our objective for preferring this approach is the overriding need felt by our team to underscore the deep-rooted nature of the problems. It has been very tempting for us to come out with a litany of wrongs and possible solutions to the financial accounting and management problems. We hope and trust that by deliberately avoiding lengthy discussion, we are assisting to bring the key areas of action required into greater focus.

- 1.7 Finally, we wish to take this opportunity to acknowledge the co-operation we have received from your Mission in Accra, in particular the Mission Director, Mr. William Lefes, and also from officials of the Ghana Seed Company in carrying out this exercise. We look forward to continued cordial working relationship with you and REDSO/WCA.

Yours truly,

SECTION II - SUMMARY OF PRINCIPAL CONCLUSIONS

- 2.1 In this section we provide the main conclusions arising from this brief evaluation. We wish to point out that none of these matters standing by themselves can adequately convey the generally overwhelming picture of disarray in financial management and the apparent neglect by the various levels of supervisory authority over the company's affairs including the Agencies of Government, the Board of Directors and senior management.
- 2.2 THE OPERATIONS OF THE COMPANY HAVE NOT BEEN CARRIED OUT IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES CODE OF GHANA; WE SAW NO EVIDENCE THAT ANNUAL GENERAL MEETINGS HAVE EVER BEEN HELD, ANNUAL RETURNS DO NOT APPEAR TO HAVE EVER BEEN FILED ETC. THE PRESENT REORGANISATIONAL STRUCTURE DOES NOT, IN OUR OPINION, CLEARLY DEFINE LINE AND STAFF AUTHORITY FOR DELEGATION OF RESPONSIBILITY AND FOR REPORTING AND MONITORING THE RESULTS OF THE EXERCISING OF THESE RESPONSIBILITIES. Paragraphs 5.1 to 5.8
- 2.3 THE BASIC ACCOUNTING RECORDS MAINTAINED AND THE RELATED PRACTICES ADOPTED COULD NOT BE EXPECTED TO SAFEGUARD THE COMPANY'S ASSETS FROM LOSS. NO REGISTER WAS KEPT TO RECORD THE FIXED ASSETS OF THE COMPANY, NEITHER WERE WE PRESENTED WITH ANY ACCOUNTING POLICY STATEMENT ON SUCH KEY AND FUNDAMENTAL ISSUES AS DEPRECIATION OF ASSETS, PHYSICAL VERIFICATIONS, RECOGNITION OF INVENTORY LOSSES, OBSOLESCENCE, RECOVERABILITY OF RECEIVABLES, ETC. IN THE ABSENCE OF THESE GUIDELINES WE ESTIMATE THAT TOTAL INVESTMENT IN THE COMPANY OF APPROXIMATELY C140M, AT DECEMBER 1984 (COMPRISING C77M IN GHANA GOVERNMENT FUNDS C37M IN GOVERNMENT GUARANTEED BANK BORROWING AND C26M OF USAID FUNDING) MAY HAVE BEEN COMPLETELY LOST BUT NOT RECOGNISED AS SUCH BY THE ACCOUNTING SYSTEM. Paragraphs 6.1 to 6.3

- 2.4 THE CURRENT MARKETING SYSTEM ADOPTED BY THE COMPANY MEANS THAT IN PRACTICE LICENSED SEED GROWERS ARE IN COMPETITION WITH GSC AND ONLY SELL TO THE COMPANY WHAT THEY ARE UNABLE TO SELL DIRECTLY TO FARMERS. WE SAW NO EVIDENCE OF MANAGEMENT EFFORT TO RESOLVE THIS IMPORTANT WEAKNESS. Paragraphs 6.4 to 6.15.
- 2.5 THERE WERE NO PROPER CO-ORDINATION AND CONTROLS OVER REVENUES AND EXPENDITURES BY EACH AREA ORGANISATION OR DEPARTMENTS OF THE COMPANY. NO CREDIBLE MANAGEMENT ACCOUNTING SYSTEM HAS EVER BEEN IMPLEMENTED AT GHANA SEED COMPANY AND HALF-HEARTED ATTEMPTS AT BUDGETARY CONTROLS WERE WOEFULLY INADEQUATE AS NO REPORTS ON VARIANCES AND DEPARTURES FROM ESTIMATES WERE MADE AVAILABLE TO US. THE RESULT WAS WHILST EXPENDITURES ESCALATED OUT OF CONTROL, LOSS OF REVENUE THROUGH LESS THAN IMAGINATIVE TRADING ACTIVITIES WAS ON THE INCREASE. IN SHORT SINCE 1982 THE COMPANY HAS BEEN LOSING MONEY THROUGH BOTH ENDS, IE IT LOSSES BOTH IN TERMS OF REVENUES AND EXPENDITURES. Paragraphs 6.16 to 6.25.

SECTION III - SUMMARY OF OUR KEY RECOMMENDATIONS AND SUGGESTED REMEDIAL MEASURES

- 3.1 It is our understanding that one aspect of the best possible solutions to the problems of Ghana Seed Company is to privatize the project. We also understand that this divestment of the Government participation in equity may be only partial, leading to a minority holding by the State. It is obvious therefore that the future management structure of the company will depend on any changes in its ownership status. Our review did not cover the impact of any such changes in share ownership as this is outside the scope of our statement of work. Our recommendations are accordingly limited to the scenario where Government continues to hold either all the shares or a substantial majority interest in the company.
- 3.2 We recommend that as a form of organization, the concept of introducing a limited liability company to carry out the activities envisaged under the seed multiplication project should be maintained. However in view of the unsatisfactory track record of the existing company, we suggest that a separate company should be registered to be called, for example, Ghana Seed Company (1986) Limited. Only those aspects of the physical and human resources of the existing company considered acceptable should be taken over by the new company. Paragraphs 5.2 to 5.5.
- 3.3 While the functions and objectives of the company could remain the same, the methods to be adopted in achieving these objectives should be thoroughly reviewed. We have considered three key possible alternatives:
- a) No changes are made to the existing functions and marketing strategy;

- b) Reducing the functions and limiting these to a mere seed storage and warehousing activity; and
- c) Continue as seed development and marketing company but sell to licensed seed growers for cash and not in exchange for seed, consequently acting as wholesalers and not seed retailers to end users.

We recommend the adoption of alternative (c) as a more pragmatic solution. This way control over licensed seed growers should be limited to selling foundation seeds to them for cash and institute quality control over their output but they should feel free to sell their products without coming through GSC. Paragraphs 6.4 to 6.8.

- 3.4 A central component of the re-organization effort should involve a new organization structure, more responsive to the needs of senior management. Complete job evaluation study has to be carried out resulting in written job descriptions for each key position. We recommend that both the Chief Accountant and the Chief Internal Auditor positions should be filled by professionally qualified and suitably experienced individuals. Paragraphs 5.6 to 5.8.
- 3.5 The existing system of accounting needs to be completely overhauled and accounting procedures manual written and fully implemented. The manual should spell out accounting policies and other practice guidelines on budgetary controls, inventory pricing and obsolescence, depreciation and fixed assets register, recognition of receivables doubtful of recovery, etc. Paragraphs 5.9 to 5.11.
- 3.6 A technical audit of all existing fixed assets and facilities to assess their present status should be carried out and we suggest that this work should be done in conjunction with the introduction of a properly referenced fixed assets

register and fair market valuation placed on each item. It is hoped that this technical review will also result in improved functioning of the storage and preservation facilities and seed developing techniques. As in the case of the fixed assets register, the assessment of storage facilities and seed developing techniques will help the introduction of a proper costing system for each seed variety. Paragraphs 5.11, 6.11 to 6.13.

- 3.7 Following a re-organization of the company, a system of performance bonus related to the results of the operation should be considered and implemented. We suggest that this incentive scheme should be drawn up in such a way that it will not be necessary for the Chief Executive and senior members of staff to privately engage in seed growing in competition with the company. Paragraph 7.4.

SECTION IV - OUR APPROACH TO THE EVALUATION

- 4.1 Our evaluation work took 10 working days and commenced on Monday, November 4, 1985. Following an initial briefing meeting with Mr. William Lefes, USAID Mission Director in Accra we reviewed in some detail the comprehensive report prepared by Mr. Guy Hill on the study of the problems of Ghana Seed Company; September 1985. We then held various discussions with the Chief Executive and other senior members of staff of the Ghana Seed Company, particularly the Chief Accountant and the Financial Accountant.
- 4.2 We ascertained the status of the annual audited financial statements and obtained copies covering the period to December 1983, the latest date to which such annual statements have been audited by the company's external independent accountants. We also obtained draft financial statements for the year to December 31, 1984. We enquired into the status of management financial report and budgetary control statements and were made to understand that apart from the annual financial statements, the only other information made available to management was a quarterly summary of receipts and disbursements. This summary did not take into account accruals, commitments and payments in advance, hence were found this to be largely meaningless on close preliminary scrutiny.
- 4.3 We carried out a brief review of the internal audit function and reviewed minutes of Board of Directors meetings. We noted that several of the Board Meetings were not covered by formal minutes and we could not sight any reports prepared and submitted to management by the Internal Audit Department.

- 4.4 All information and documentation submitted to us were thoroughly reviewed and a brief analysis carried out. This resulted in our presenting a formal memorandum to management listing details of items we would need to further understand the financial functions of the company. A copy of this memorandum is attached to this report as Appendix III.
- 4.5 Whilst our terms of reference called for a review based on existing accounting information, it became obvious to us from the onset that no great reliance could be placed on some of the documents submitted to us without our carrying out a limited audit and verification work. For example, we had to visit the Ministry of Agriculture and also the Ministry of Finance and Economic Planning to ascertain the extent to which Government of Ghana has been providing resources to the Ghana Seed Company. We also agreed USAID support funds to the company's records.
- 4.6 We did not visit any of the company's area offices outside Accra as it was obvious to us that not much activity was going on in these areas and no reliable records are maintained in the area offices. Also, during our reconstruction of the balance sheets and sources and uses of funds we did not consider it necessary to translate the figures into US dollars because we believe the result would have been misleading. In this report therefore, except where otherwise stated, all the money values have been expressed in Ghanaian Cedis.

SECTION V - THE EXISTING ORGANISATIONAL FRAMEWORK

The Company - Its ownership and supervising structure

- 5.1 The Ghana Seed Company was incorporated on May 2, 1979 under the Companies Code, 1963 Act 179 with a stated capital of ₵2000. It obtained a certificate to commence business on June 21, 1979. All the shares were and continue to be wholly owned by the Government of Ghana. The company was to take over the activities previously carried out by the Seed Multiplication Unit of the Ministry of Agriculture.
- 5.2 The objectives of the company consisted, in the main, of two distinct activities:
- a) To develop seeds by carrying out research and establishing farms for the production of seeds, planting materials and feed as by-products;
 - b) To make its products available to farmers on a country-wide basis in order to meet the requirements of modern agriculture in Ghana.
- 5.3 To achieve these objectives, the Government appoints three separate levels of supervising structure, one of which is mainly of advisory nature. Overall authority to monitor the activities of the company, set policies and guidelines etc. is vested by the Government in the Board of Directors, members of which it appoints. The membership of the Board changes from time to time. On a day to day basis, the company is to be managed by a Managing Director, who as Chief Executive reports directly to the Board of Directors.

He is also appointed by the Government and in our analysis, represents the second level of authority representing the shareholders. A third level of supervising authority is in practice of advisory nature only and consists of two entities which are expected to co-ordinate roles with the Ghana Seed Company. These entities are the National Seed Committee and the Ghana Seed Inspection Unit.

- 5.4 We see no major deficiencies in the current structure of supervision installed over the project. We consider this to be in line with most state enterprises and as long as the company continues to be state-owned or substantially so, this arrangement will continue to be in order. However, we consider the stated capital of C2,000 as mentioned in paragraph 5.1 above to be unrealistic and accordingly in our reconstructed balance sheets attached under Appendix VI, the initial Government subventions to the company amounting to \$18,827,576 have been added to the capital of the company.
- 5.5 Under the Companies Code of Ghana, several regulations apply to limited liability companies. These include the following:
- a) Financial statements must comply with the fourth schedule of the Code.
 - b) Annual General Meetings are to be held annually and
 - c) Annual returns of the company to be filed and changes of directors should be registered on Form 17, under the Code.

We saw no evidence of the Ghana Seed Company complying with these provisions. In addition, although the company has been making losses since 1982, we did not see that these losses have been claimed for tax purposes as no tax returns have apparently ever been filed. This is again contrary

to provisions of the tax regulations of Ghana. In conclusion, we believe that perhaps one possible solution is to set up a new company, say Ghana Seed Company (1986) Limited to take over the assets of the existing company and be given a fresh mandate and a new lease of life.

The Company - Its organisation structure

- 5.6 The actual management team of the company responsible to the Managing Director consists of two levels. The first level is occupied by the General Manager Operations, who in practice functions as the Deputy Managing Director. The second level consists of the departments, six of which report to the General Manager Operations. These six departments are Production, Quality Control, Processing, Transport and Mechanization, Sales and Area Management. The Internal Audit, Accounts, Public Relations and General Administration departments are all expected to report directly to the Managing Director. There are six operating areas spread across the country.
- 5.7 On a geographic basis, the Area Managers have line responsibility for five sub-departments in each Area. The Accra Area however falls under the Head Office. These five sub-departments cover the functions of Production, Processing, Quality Control, Sales and Accounting and are designated Assistant Managers since they all have functional responsibilities to departmental managers in Head Office. A copy of the present structure is attached as Appendix II. We consider that the existing structure is cumbersome and control over management of the Areas appears remote and ineffective. In short, too much distance has been placed between the Managing Director and Area Management.

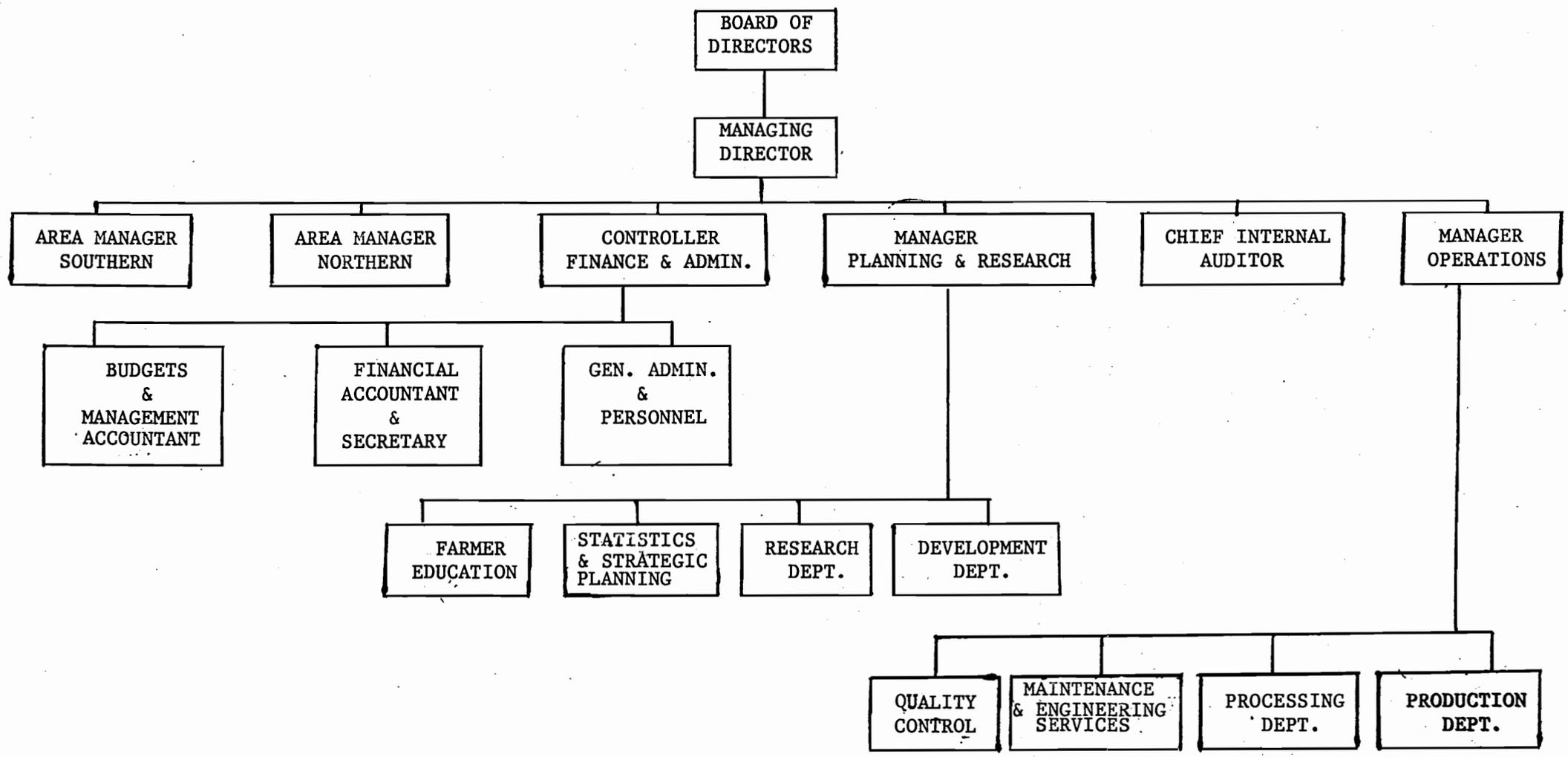
- 5.8 In order to engender effective control over the six departments currently under the General Manager Operations, we believe the span of control needs to be reduced. Also, we do consider that the Public Relations Officer and the Administrative Manager should not be at the same level as the Controller or Chief Accountant, even if these two positions have to be retained in the organisation. This also applies to the position of a Sales Manager based in Accra. We have submitted a suggested organisation structure on Page 18. We would add that we do not consider this suggested format to be prescriptive since our review has been of a limited nature; but rather this structure should be considered as a base to which improvements can be made after a detailed study. This is because our terms of reference does not cover the development of an organisation chart, certainly not outside the finance function. Accordingly, it may be felt for example that our suggested structure will cause an element of duplication of duty between the Operations Manager and the two Area Managers. These details should be looked into by a more technical review of the structure. However we consider that the introduction of a separate department on Farmer education and training is vital if the objectives of the Ghana Seed Company are to be achieved.

The Company - Financial Management Structure

- 5.9 The Accounting Department at Ghana Seed Company consists of a Chief Accountant, a Financial Accountant and one Accounts Clerk. The Internal Auditor is in a separate department and reports to the Managing Director. There is no management accounting function at GSC hence it is not surprising that no formal budgets are prepared and no detailed costing of seed inventory is carried out. The existing occupants of the positions of Chief Accountant and Internal Auditor are both not professionally qualified individuals.

- 5.10 The only information (apart from annual financial statements) provided to Management by the accounting department is a quarterly report on receipts and disbursements. Our review of this report revealed serious lapses in its compilation as it is based on actual outlay rather than on expenditure incurred by the company. In other words, if in a whole quarter no payments are made because of insufficient funds, in theory this report will indicate nil purchases while in practice goods could have been purchased and delivered and services incurred on behalf of the company. In the circumstances it has not been practical for management decisions to be made with the benefit of current and relevant data, neither does management appear to be aware of what to expect from the finance function of a company.
- 5.11 We were unable to sign any reports by the Internal Audit Department. The result is that very little control is exercised on the finance function particularly at the Area level. Credit control over sales are not strictly enforced and Area management staff are, at present, in a position to commit the company by purchasing seeds on credit without the knowledge of Head Office personnel. We believe that GSC is in a desperate need of an accounting procedures manual. This manual should be as detailed as possible but not necessarily voluminous. The implementation of any manual should be accompanied by desk-top instructions handbook for all relevant operatives. The manual should also contain instructions for determining the unit cost and therefore the profitability of each seed crop variety and on a farm to farm basis. These cost/profitability statements are pre-requisites for any effective management of the company.

GHANA SEED COMPANY (1986) LIMITED
POSSIBLE ORGANISATION STRUCTURE



GHANA SEED COMPANY LIMITED
SUMMARY OF SEED INVENTORY MOVEMENT

	<u>Year to</u> <u>30/6/80</u> <u>¢000</u>	<u>Year to</u> <u>30/6/81</u> <u>¢000</u>	<u>Year to</u> <u>30/6/82</u> <u>¢000</u>	<u>Six months</u> <u>to</u> <u>31/12/82</u> <u>¢000</u>	<u>Year to</u> <u>31/12/83</u> <u>¢000</u>	<u>Year to</u> <u>31/12/84</u> <u>¢000</u>
Opening inventory	-	936	5,486	2,684	11,600	50,417
Purchases	1,949	9,950	10,025	7,278	53,352	19,509
	1,949	10,886	15,511	9,962	64,952	69,926
Sales (derived) cost	(1,013)	(5,400)	(12,827)	1,638	(14,535)	(43,467)
Closing inventory	<u>936</u>	<u>5,486</u>	<u>2,684</u>	<u>11,600</u>	<u>50,417</u>	<u>26,459</u>
Percentage to total inventories	60%	60%	44%	82%	94%	87%

COMMENTS:

Seed inventory form a material portion of the inventories held over the years. Seed inventory was therefore selected for scrutiny and the following came to light.

1. Lack of costing system to ensure proper valuation of inventories

- a) That foundation seeds produced were included in closing inventory at the cost of pruchasing certified seed from seed growers. The absence of a costing system has resulted in the company's inability to establish the cost of production of foundation seeds and subsequently no separate accounting for this cost centre is carried out.

2. Lack of inventory control procedures and storage facilities

In view of the fact that seed have had to be sold below purchase price (especially in 1984 and 1985 up to 15th September, it is obvious that management has not established any inventory control procedures. There was reference to the availability of storage facilities to ensure that seed inventories are safeguarded against the loss of gem quality seed and consequently having to sell them for feed or food as appropriate.

SECTION VI - FINANCIAL HISTORY OF GHANA SEED COMPANY AND ITS FINANCIAL STANDING.

Sources of Funds

- 6.1 As set out in Appendix VIb, total resources made available to the company from inception to December 31, 1984 amounted to C103,038,713. C26,051,489 of this amount was contributed by USAID and C460,680 in FAO funds. In addition to this the Government of Ghana has guaranteed a line of credit from a local commercial bank for the company. At December 31, 1984, C36,942,664 of this facility had been used bringing the total funding of the company to C139,981,377 as at that date. During 1985 the Government of Ghana spent a further C32,444,116 on buildings and equipment but this had not been recorded in the books at the time of our visit. In total by the end of this year over C170 million will have been committed to the project without any obvious benefit in seed being multiplied or made available to farmers.
- 6.2 In order to satisfy ourselves as to the reliability of these figures we have agreed contributions by USAID records. We also reviewed in detail records maintained by the Ministries of Agriculture and Finance and Economic Planning. We noted that Government subventions in the form of buildings and machinery amounting to C23,810,238 in 1984 had not been recorded in the books of the company. Also as stated above another contribution of C32,444,116 was not recorded. We received no satisfactory explanation as to why these amounts were omitted from the company's records. The total contribution stated in paragraph 6.1 above incorporates these omissions by the company.

- 6.3 In view of the fact that the company's policy of depreciation is not clear coupled with the fact that there are several shortcomings in the accounting for inventories and receivables, we consider that the accumulated deficit recorded by the company is in fact worse in reality. Accordingly, we believe that the total contribution as at December 31, 1984 of approximately C140m may have been completely lost. What is worse, we saw no evidence that additional input of funds into this company as presently constituted and managed will assist in reversing the current trend.

Budgetary Control and Profitability

- 6.4 The company has been badly organised and allowed to run without any real direction. No-one has tried to make it a viable operation because the Government of Ghana has treated it as an agricultural extension service and insisted on controlling the price of seed. However, it would appear that if full control over the company's operations was established and the running costs and seed costs were reduced by 50% then the company would be at a break-even point.
- 6.5 It may be possible to reduce costs by more than 50% but it is difficult to make an accurate prediction without a very detailed examination of the activities of the staff and their respective capabilities. The company has not been able to sell all the seed which it purchases/grows for a variety of reasons. The main fault has been buying in more seed than it has the storage capacity to handle, with the result that seed has gone bad to the extent of approximately 80/90%. We are not in a position to say if all the seed could have been sold if it had been kept in good condition but it is safe to assume that the company could have sold at least twice as much thereby doubling its income.

- 6.6 We noted that the company gives foundation seed to the licensed growers but does not ask them to pay at that stage. The growers are expected to sell back the seed, which they produce, to the company and set this off against the cost of foundation seed. From the records it would appear that the growers do not return all the seed and many of them are carried forward as receivable from one year to the next. Unfortunately, the company's records are not well maintained in this area so it was not easy to calculate trends but it would appear that the turnover in growers is in the region of 62% each year. Those that remain on the records do not settle their accounts quickly, if at all, thereby creating the impression that they are not doing business with the company.
- 6.7 We have not been able to ascertain how much of the seed produced by the growers is sold to the Company and how much they sell direct to the farmers. As they produce from the foundation seed, it means they are able to sell first on the market, leaving the company to sell to the market the seed growers cannot satisfy directly. This may have had an adverse effect on the company's sales since, in other words, the licensed seed growers are in direct competition with the company.
- 6.8 There is little chance that the company can ever be really viable in a commercial sense if the Ghana Government keeps the price of seed under control and below the market value. However, if controls are to be lifted, one other solution to privatisation is to make shares available to the farming community as this may engender greater interest and support from the farming community.
- 6.9 We have not been able to determine what effect the new Winneba plant will have on the quality of seeds produced or on their shelf life. If seeds could be produced which would keep their original quality for a longer period then this would go a long way in solving some of the company's marketing problems.

6.10 We did not see any reports from the Internal Auditor during our examination of the records and it would appear that he is not performing any useful function at present. There is no pre-audit of expenditure nor is there any attempt to check that expenditure is necessary before it is made. No attempt has been made to establish cost centres or any meaningful control system to ensure that spending limits are adhered to.

Property, Plant and Equipment

6.11 The total value of property, plant and equipment acquired by the company since its inception is calculated to be ₵58,976,955 including amounts previously omitted as mentioned above. We observed that no fixed assets register has ever been maintained and since 1980 when an independent survey was carried out on assets, no listing of assets in use has been produced.

6.12 In view of the fact that no physical inspection of assets appears to have been carried out since 1980, we are not able to comment on the value of property, plant and equipment shown in the books as at December 1984. In addition there was no planned maintenance program and it is doubtful if most of these assets, other than the buildings, are still in active use at the time of our review. As pointed out elsewhere there was no credible depreciation policy and consequently the amount of depreciation shown in the books has been ignored.

6.13 It is important to point out once again that in the current year ending December 31, 1985, the Government of Ghana has already spent ₵32,444,116 as subventions towards the completion of the:

a) Seed Processing Plant	₵22,278,029
b) Head Office Building	8,259,281
c) Farm Machinery & Equipment	<u>1,906,806</u>
	<u>₵32,444,116</u>

Inventories

- 6.14 Our review of seed inventories and sales prices revealed that there was inadequate storage facilities to ensure that the gem quality of seed inventories were not lost and that seed inventories were properly protected from damage. Subsequently, large quantities of maize in 1984, for example, were downgraded and sold as animal feed or food for human consumption, as appropriate, at prices far below their purchase prices.
- 6.15 Closing inventories were stated at cost (1983) although it was apparent that majority of these could not be sold for seed in 1984 and therefore the costs at which they were stated were not realisable in the ordinary course of business. No provisions for damaged and/or obsolete inventories have been made in accordance with the requirements of the Companies Code and internationally acceptable principles. There are apparently no inventory control system in operation. A copy of the summary of seed inventory movement is attached as Page 19.

Revenues and Expenditure

- 6.16 In order to establish the extent to which a meaningful review of revenues and expenditures could be carried out by reference to existing data and work done by the company's staff, we ascertained from the Chief Accountant whether budgets were prepared based on corporate objectives or targets and whether these were compared with actual results and explanations obtained for significant variances. We were made to understand that no such system has ever been operated in the company. We were however provided with a summary of estimates of revenues and expenditures for the years ended June 30, 1982, December 31, 1983, 1984 and 1985; a document which is an attachment to a letter dated September 12, 1985 addressed to the PNDC Secretary for Agriculture, on the subject of the need for a revolving fund scheme.

- 6.17 There are no clearly defined basis for the preparation of revenues and expenditure estimates. Also there appears to be no follow up to these and no explanation for the variances between these estimates and the actual figures for the respective years. No amendments were made to the 1983 estimates following the devaluation, rendering the entire budget exercise meaningless.
- 6.18 The general trend indicates that expenditure has been on the increase over the years; this point is clearly illustrated in a graphic presentation of the expenditure and gross profit/loss data, Appendix VI.
- 6.19 Our detailed review of expenditure placed emphasis on the extent to which management had control over spending. The following represent examples of expenditure which in our view are controllable.

	Year to June 30 1980	Year to June 30 1981	Year to June 30 1982	Six months to Dec 31 1982	Year to Dec 31 1983	DRAFT Year to Dec 31 1984
	£000	£000	£000	£000	£000	£000
Vehicle running & maintenance	162	1,085	2,050	1,172	3,778	5,084
Travelling & transport	149	402	712	413	975	1,579
Salaries & wages	2,247	3,415	5,626	3,028	7,667	9,666
Staff medical expenses	-	11	65	48	166	346
Bank overdraft interest	-	-	-	-	391	3,408
Conference & seminars	8	4	95	60	57	177

- 6.20 There appears to be no attempt, during the period under review, to exercise control over these expenditures. This stems from the fact that in the case of vehicle running costs for example, no records were kept in respect of movement of vehicles and related gasoline consumption, planned maintenance and condition of vehicles. This information would have facilitated effective control to be exercised by management. Secondly, the company did not have qualified staff to run a routine maintenance program, hence resorting to outside garages when the vehicles break down unexpectedly. Also this led to the excessive use of public transport at excessive cost to the company.
- 6.21 Cost for conferences and seminars had escalated over the past five years. This item is completely controllable by management and can usually be eliminated during a period of liquidity crisis without affecting the overall company operations. It appears that management has taken few, if any, steps to bring these costs under control.
- 6.22 Our review of revenues revealed that the main sources of revenue for the company, over the years, were profits from trading activities in the first two years, Government of Ghana subventions/grants, USAID and FAO grants and short-term borrowings i.e. bank overdrafts and supplier credits. A statement of sources and uses of funds (Appendix V) has been prepared to show the extent to which the company has used these funds.
- 6.23 Our study of revenues placed emphasis on the generation of income through trading activities; and having reviewed the expenditure component above, we concentrated on the sales of seeds with particular reference to sale prices and purchase prices (Appendix IV) and their relationship to seed inventories held over the periods. These revealed the fact that in 1984, large quantities of maize were purchased at a price of ₵5,000 per maxi bag the majority of which were downgraded due to lack of adequate storage facilities and the company's inability to sell them. These had to be sold at a price of ₵951 per bag. This trend appears to have been carried over into 1985 affecting rice and groundnuts as well, with management seemingly not having any control over the problem. (Appendix IV).

6.24 Secondly, it also came to light that seeds produced on the company's Foundation Seed Farms have been included in closing inventories at the prices the company purchased its seeds from the licensed seed growers. There has been no attempt to determine the cost of production of the Foundation Seed Farms in order to ensure appropriate adjustments to their operation cost buildup. This situation has been attributed to the non-existence of a cost accounting system. Although the solution to the problem had been identified by the company, it is apparent that the accounting staff were not capable of instituting and operating the system.

6.25 In conclusion, it is our opinion that control of expenditure and revenue was woefully inadequate. Seed purchases appear to be made whether or not there is a market for them. An assessment of the seed growing techniques is required to determine the standard cost and expected output per acre/hectare of a Foundation Seed Farm.

SECTION VII - UTILIZATION OF FINANCIAL REPORTS BY MANAGEMENT AND QUALITY OF RELATED MANAGEMENT DECISION AND CAPABILITIES

- 7.1 As stated elsewhere in this report the finance function itself did not produce any meaningful results for use by management. We are not in a position to state whether this state of affairs was due to lack of direction at senior management level or simply that the accounts department staff were not able to cope with their work. For example, there were several errors in the initial 1984 trial balance presented to us for our review:
- 7.2 a) This 1984 trial balance was actually out of balance by as much as ₵13,543,790 initially. This was apparently subsequently corrected.
- b) Furniture and equipment account was debited with ₵183,900 and the same amount credited to staff advances account. We understand that this was because cash was advanced to staff members to buy assets on behalf of the company.
- c) There was a sales suspense account in the general ledger but was totally omitted from the trial balance.
- d) Provision for depreciation per trial balance was different from the general ledger balance by about ₵1 million. Also the inventory figure differed by ₵600,000.
- 7.3 Certain cash accounts maintained as current accounts were overdrawn and shown as credit balances. Bolgatanga had a cash deficit balance of ₵73,671, Kumasi ₵248,790 and Ho ₵9,144. We could not obtain any satisfactory explanation as to why these accounts showed negative balances. From the above it can be seen that any figures submitted to management would be misleading and at best unreliable.

7.4 From our enquiries we found that any attempt to establish a system of control over geographic Areas or to establish a costing system was always defeated by the staff refusing to co-operate. This reveals the main weakness in management control; weak central authority, which in turn means inability to enforce such changes. Management is mainly in the hands of agronomists who were civil servants before the incorporation of the company and who are unable to fully appreciate the necessity for establishing controls over assets, expenditure and income. We can safely state however that the introduction of a performance related bonus paid to staff of GSC will go a long way in motivating management.

PIO/T WORK ORDER

BACKGROUND

The Ghana Seed Company has been a USAID supported project for 6 years. The primary purpose of the company is to multiply seeds so that a variety and quantity of seeds are available on a commercial basis to farmers throughout Ghana. USAID has supported this project by providing human and material resources through a contract with Experience Incorporated. The PACD for USAID support is currently scheduled for September 30, 1986, however the departure of technicians is scheduled to begin in December 1985. There has been some interest expressed in the continued support of this project by private investors. This evaluation will therefore serve multiple purposes of determining the effective use of AID inputs and ascertaining the viability of the GSC as a private sector development project.

ARTICLE I - TITLES

Managed Inputs and Delivery of Agricultural Services, MIDAS II - Evaluation (Ghana Seed Company).

ARTICLE II- OBJECTIVE

The objective of these services is to provide for a financial analysis of the Ghana Seed Company (GSC). The analysis is part of the evaluation of GSC.

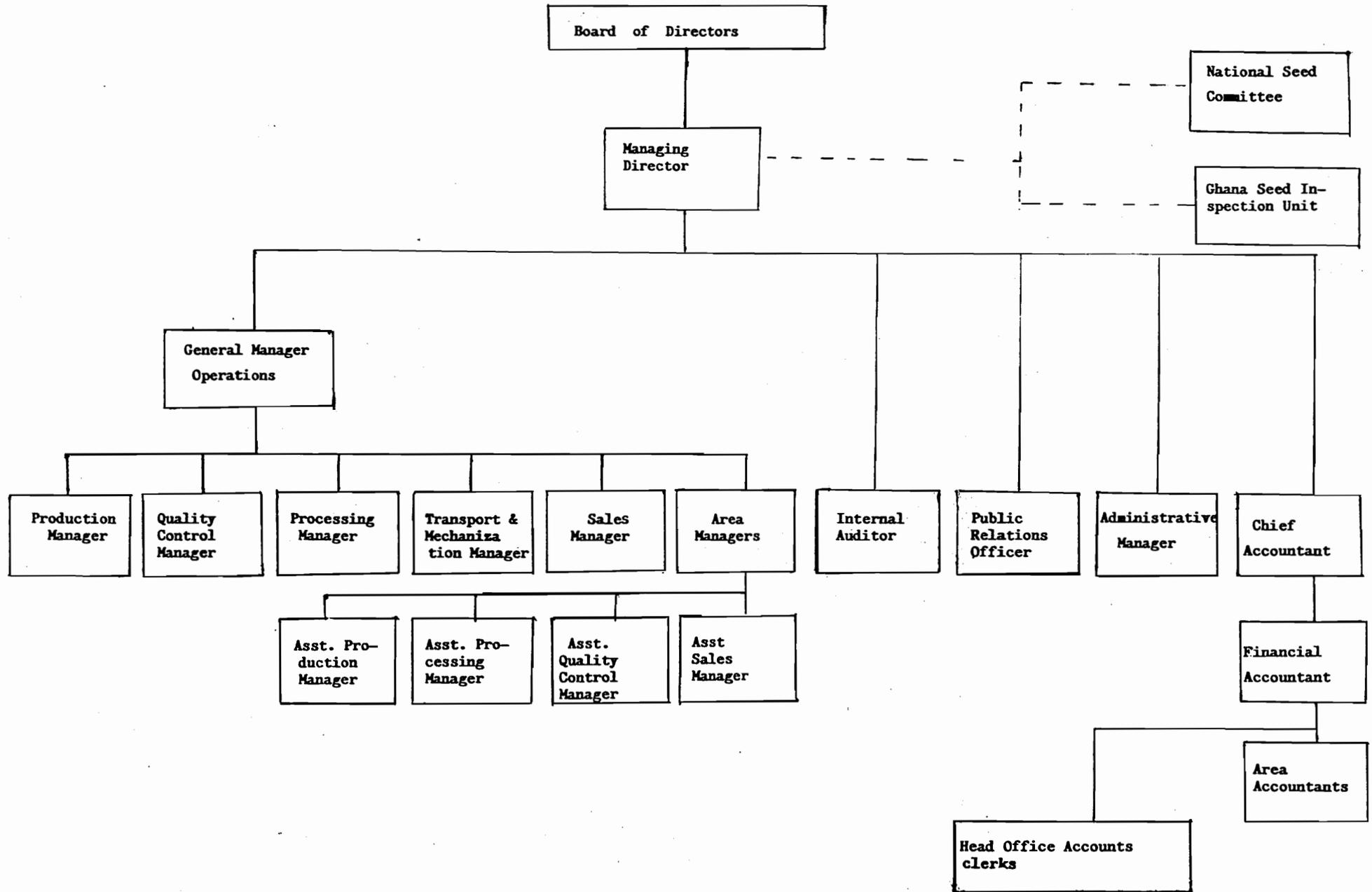
The purpose of the financial assessment of GSC is to determine the Company's financial viability, the extent to which it depends on outside resources and to review options for changes in its organizational structure.

ARTICLE II- STATEMENT OF WORK

The services of a qualified chartered accountant is needed beginning o/a October 21st for about 10 days to complete the following tasks at the Ghana Seed Company:

1. Conduct a thorough review of Ghana Seed Company (GSC) expenditures and revenues, including GOG subsidies and external donor contributions.
2. Assess GSC's financial soundness, the appropriateness of its financial procedures, its staff capability for managing its financial affairs and the extent of its dependency on external resources (domestic and foreign) it has had to rely during the past five years. Prepare a brief of the profit and loss situation.
3. Assess the utilization of GSC's financial reports by its Management, the type and quality of decisions made as the result of reports, if any.
4. Recommend remedial measures that might be taken to improve GSC's financial management system, if any, and reorganization that may be necessary to strengthen the company's management

GHANA SEED COMPANY
PRESENT ORGANISATIONAL STRUCTURE



GHANA SEED COMPANY LIMITED

ITEMS REQUIRED BY THE P.W. STUDY GROUP

1. All accounts schedules showing the make-up of the figures appearing in the accounts for the years ended 30th June, 1980, 1981, 1982 and 31st December, 1982, 1983 and 1984.
2. Payrolls for the years ended 30th June, 1980, 1981 and 1982, $\frac{1}{2}$ y/e 31st December 1982 and the years ended 31st December 1983 and 1984.
3. Income tax computations prepared for the years since the Company was incorporated.
4. Minutes of all meetings of the Board of Directors and the Members since the incorporation of the Company.
5. In our preliminary inspection we have found certain anomalies and we should be obliged if you would let us have the answers to the following questions:-
 - a) In the y/e ended 30th June, 1981, Loose Tools were transferred from Fixed Assets. To which account was the $\text{C}\text{d}540,672$ transferred.
 - b) In the y/e 30/6/81 an amount of $\text{C}\text{d}443,413$ was shown in the fixed assets schedule but not relating to any specific asset. This amount was not credited to Capital Surplus, so to which account was it credited?
 - c) In the y/e 30/6/82 Loose Tools were re-introduced into the Fixed Assets at a valuation of $\text{C}\text{d}1,008,296$ but this was not credited to Capital Surplus. To which account was it credited?
 - d) In the $\frac{1}{2}$ y/e 31/12/82 Loose Tools were increased by another revaluation of $\text{C}\text{d}47,887$ but again this was not credited to Capital Surplus. To which account was it credited?
 - e) In the y/e 31/12/83 the depreciation b/fwd on Loose Tools was removed from the financial statements. Please explain the reason for this treatment.
 - f) Since the y/e 30/6/81 an item called "Assets In Progress" has appeared in the Fixed Asset schedule attached to the financial statements. Which assets does this figure represent? Let us have details please.
 - g) We note that budget figures are prepared by the Company but we do not see any attempt to explain variances in the figures or any revised or supplementary figures for 1983, when devaluation took place. Kindly explain the reasons for this.
6. We would welcome the opportunity to discuss several points in the accounts with the Company's Auditor and we should be obliged if you could arrange a meeting.

7. We would like to examine your production records for the respective years since the Company started to produce seeds, together with the sales records.
8. Stock records covering the years 1979 - 1984.
9. Branch returns.

You will appreciate that we have a limited time in which to complete our study, so we should be obliged if you could expedite the production of the above-listed items.

GHANA SEED COMPANY LIMITED
SEED PURCHASES/SALES TREND 1982 - 85

NE

SEED KIND	30/6/82				31/12/83				1 9 8 4				1 9 8 5			
	PURCHASES		SALES		PURCHASES		SALES		PURCHASES		SALES		PURCHASES		SALES	
	QTY.	VALUE	QTY.	VALUE	QTY.	VALUE	QTY.	VALUE	QTY.	VALUE	QTY.	VALUE	QTY.	VALUE	QTY.	VALUE
MAIZE	7787	3,893,500	7787	7,787,000	4316	3,237,000	4316	7,640,700	10,597	52,985,000	1186.5	11,865,000	6762	13,564,000	902.5	4,242,000
(LOW GERM)	-	-	-	-	-	-	-	-	-	-	8911	8,472,400	-	-	914	1,675,000
RICE	26441	10,576,400	26441	18,508,700	11935	7,161,000	11935	11,935,000	4195	14,682,500	777	3,962,700	5694	11,388,000	1936	5,808,000
(LOW GERM)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1914	1,722,600
GROUNDNUT	1270	508,000	1270	698,500	1469	807,950	1469	1,175,200	3463	5,540,800	578	1,445,000	947	1,041,700	920	1,397,100
(LOW GERM)	-	-	-	-	-	-	-	-	-	-	2680	3,752,000	-	-	27	5,400
SORGHUM	256	102,400	256	204,800	91	50,050	78	70,200	12	18,000	-	-	-	-	-	-
COWPEAS	-	-	-	-	-	-	-	-	77	693,000	77	1,078,000	111.16	555,800	109.16	1,222,592
VEGETABLE & SUNDRIES	?	52,449.75	?	209,799	?	981,222	?	2,943,666	?	1,151,201.33	?	3,453,604	?	1,243,339.75	?	4,973,359
GRAND TOTAL		15,132,749.75		27,408,799		12,237,222		23,764,766		75,070,501.33		34,028,704		27,792,839.75		21,047,052

BEST AVAILABLE COPY

GHANA SEED COMPANY LIMITEDTRADING & PROFIT & LOSS ACCOUNTS FOR THE
YEAR ENDED 31/12/84

Sales		34,028,705
Other Income		<u>3,300</u>
		34,032,005
Less Cost of Sales		<u>46,032,058</u>
		12,000,053
 <u>Add General Administrative Expenses</u>		
Wages & Salaries	9,693,398	
Rent	249,842	
Vehicle Maintenance	1,512,988	
Vehicle Running	3,535,083	
Conference & Seminars	171,389	
Printing & Stationery	388,738	
General Expenses	164,118	
General Repairs	118,506	
Travelling & Transport	1,579,193	
Equipment Repairs	257,069	
Hire of Equipment	126,500	
Advertisements	87,762	
Insurance	5,000	
Entertainments	173,338	
Medical Expenses	346,186	
Staff Training	24,735	
Farm Research	12,515	
Communications	4,893	
Electricity & Water	86,500	
Audit Fees	80,000	
Bank Charges	270,566	
Interest on Overdraft	3,408,500	
Subscriptions	10,063	
Staff Welfare	10,140	
Professional Fees	8,000	
Depreciation	4,809,425	
Total Directors Remuneration		
Stores Consumed	149,804	<u>27,284,251</u>
NET LOSS Before Tax		<u>39,284,304</u>

GHANA SEED COMPANY LIMITED

ANNUAL ESTIMATES

	1982	1983	1984	1985
S A L E S	27,001,000	28,173,200	134,644,000	77,097,722
<u>Less Expenditure</u>				
Seed Purchases	11,299,260	12,122,300	126,100,000	17,500,000
Sacks Tag & Twine	1,642,920	880,000	4,496,000	2,186,580
Chemicals	1,860,170	710,000	1,538,300	1,526,610
Salaries & Wages	4,502,000	5,750,000	13,410,000	17,507,760
Vehicle Repairs	1,180,000	990,000	1,081,000	1,993,600
Vehicle Running	1,092,000	1,510,000	3,985,900	4,147,600
Travelling & Transport	615,000	980,000	1,106,320	2,676,000
General Repairs	76,100	190,000	106,470	240,100
General Expenses	53,600	40,000	211,610	207,000
Machinery Repairs	128,000	167,000	303,760	620,000
Machinery Running	150,000	80,000	129,650	81,400
Electricity & Water	16,500	30,000	50,690	133,800
Insurance	-	-	-	1,447,000
Stores Purchases	1,046,400	550,000	1,054,300	346,900
Printing & Stationery	716,000	610,000	486,280	609,800
Carriage & Carting	702,000	480,000	280,150	-
Entertainments	46,600	65,000	74,140	244,700
Rent	281,200	250,000	201,450	362,700
Bank Charges	60,900	180,000	807,800	810,000
Bank Interest	-	-	2,300,000	3,239,300
Conferences & Meetings	66,000	90,000	48,100	307,900
Staff Training	1,500	10,000	1,134,850	65,000
Advertisements	135,000	195,000	103,450	123,500
Medical Expenses	34,000	180,000	202,430	494,300
Communications	11,000	18,000	3,400	10,800
Farm Research	47,000	45,000	30,850	42,200
Technical Support	-	85,000	80,000	44,100
Professional Charges	45,000	70,000	155,000	80,000
Subscriptions & Renewals	-	-	20,390	46,700
Commission Payable	-	60,000	279,930	-
Hire of Machinery	35,000	200,000	88,350	369,700
Depreciation	-	1,425,000	1,273,230	3,510,300
Directors' Allowances	13,920	18,000	-	-
Total	25,857,070	27,980,300	160,143,800	60,975,350
Add Opening Stocks	8,000,000	7,250,000	9,250,000	116,109,000
Gross Total	33,857,070	35,230,300	169,393,800	177,075,350
Less Closing Stocks	7,950,000	9,250,000	116,100,000	105,550,250
Net Cost	25,907,070	25,980,300	53,293,800	71,525,100
Net Profit	1,093,930	2,192,900	81,350,200	5,572,622

GHANA SEED COMPANY LIMITED
SUMMARY OF THE PROFIT AND LOSS STATEMENTS FOR THE PERIOD
1ST JULY 1979 TO 31ST DECEMBER, 1984

	<u>Year to</u> <u>30/6/80</u> <u>£000</u>	<u>%</u>	<u>Year to</u> <u>30/6/81</u> <u>£000</u>	<u>%</u>	<u>Year to</u> <u>30/6/82</u> <u>£000</u>	<u>%</u>	<u>½ Year to</u> <u>31/12/82</u> <u>£000</u>	<u>%</u>	<u>Year to</u> <u>31/12/83</u> <u>£000</u>	<u>%</u>	<u>Year to</u> <u>31/12/84</u> <u>£000</u>	<u>%</u>
TURNOVER	4,984	100	12,811	100	27,409	100	3,806	100	23,726	100	34,032	100
DIRECT COSTS	2,360	47	7,225	56	17,337	63	632	17	18,097	76	46,428	136
LABOUR	2,247	45	3,442	27	5,723	21	3,082	81	7,945	34	10,004	30
TRAVELLING AND TRANSPORT	311	6	1,487	12	2,762	10	1,585	42	4,753	20	6,627	19
FINANCE	21	-	121	1	181	1	94	2	788	3	3,679	11
ADMINISTRATION COSTS	271	6	456	3	1,151	4	561	15	1,346	6	1,709	5
TOTAL COSTS	5,210		12,731		27,154		5,954		32,929		68,327	
NET PROFIT/ (LOSS)	(226)	(4)	80	1	255	1	(2,148)	(56)	(9,203)	(39)	(34,475)	(101)
DEPRECIATION	-	-	691	5	990	3	543	14	3,177	13	4,809	14
NET PROFIT/(LOSS) FOR THE PERIOD	(226)	(4)	(611)	(5)	(735)	(3)	(2,691)	(70)	(12,380)	(52)	(39,284)	(115)

GHANA SEED COMPANY LIMITED
RECONSTRUCTED BALANCE SHEETS

	30/6/80	30/6/81	30/6/82	31/12/82	31/12/83	DRAFT 31/12/84
	<u>¢</u>	<u>¢</u>	<u>¢</u>	<u>¢</u>	<u>¢</u>	<u>¢</u>
Fixed Assets	7,639,850	12,096,772	14,739,537	15,603,920	29,988,433	58,976,955
Inventories	1,563,772	9,178,173	6,160,046	14,203,426	53,783,685	30,288,629
Trade Receivables	809,140	3,624,148	5,786,671	1,686,203	1,217,103	5,162,026
Sundry Receivables	44,902	764,673	1,007,485	2,269,720	3,149,012	4,772,828
Prepayments	54,600	30,600	289,722	293,125	410,632	805,782
Cash & Bank balances	8,727,845	10,668,853	24,369,923	17,400,633	9,968,636	2,007,197
	<u>18,840,109</u>	<u>36,363,219</u>	<u>52,353,384</u>	<u>51,457,027</u>	<u>98,517,501</u>	<u>102,013,417</u>
Accruals & Sundry Payables	60,054	383,937	107,051	382,973	1,968,741	2,058,681
Trade Payables	176,416	438,282	20,932	20,932	4,867,245	5,977,830
Bank Overdraft	-	-	-	-	36,281,576	36,942,664
Previous Year's adjustments	-	102,572	102,572	(169,840)	(347,914)	(347,513)
Income Surplus/(Deficit)	(225,937)	(146,287)	108,357	(2,039,010)	(11,182,077)	(45,656,958)
Capital Surplus	-	3,867,993	4,644,950	4,872,450	18,540,408	45,302,896
Stated Capital	18,829,576	18,829,576	18,829,576	18,829,576	18,829,576	18,829,576
Subvention	-	12,887,146	28,539,946	29,559,946	29,559,946	38,906,241
	<u>18,840,109</u>	<u>36,363,219</u>	<u>52,353,384</u>	<u>51,457,027</u>	<u>98,517,501</u>	<u>102,013,417</u>

- NOTE: 1. Depreciation and loose tools written-off have been ignored in arriving at the above figures
2. (a) Ghana Government subventions in the amount of ¢23,810,238, in respect of buildings and farm machinery not in the company's books at December 31, 1984 has been included in fixed assets and capital surplus.
- (b) Also included in fixed assets is an amount of ¢3,037,236 being USAID grant in 1981, in respect of the processing plant.

Neither assets were in use by December 31, 1984

GHANA SEED COMPANY LIMITED
STATEMENT OF SOURCES AND USES OF FUNDS

37

	P E R I O D E N D E D						T O T A L ¢
	30/6/80 ¢	30/6/81 ¢	30/6/82 ¢	31/12/82 ¢	31/12/83 ¢	31/12/84 ¢	
<u>S O U R C E S</u>							
GHANA GOVERNMENT	18,829,576	13,717,903	16,429,757	1,247,500	-	*26,301,808	76,526,544
USAID	-	3,037,236	-	-	13,667,958	9,346,295	26,051,489
FAO	-	-	-	-	-	460,680	460,680
<u>SHORT-TERM BORROWING</u>							
PAYABLES	236,470	585,749	(694,236)	275,922	6,432,081	1,200,525	8,036,511
BANK	-	-	-	-	36,281,576	661,088	36,942,664
PROFIT FOR PERIOD	-	182,222	254,644	-	-	-	436,866
	19,066,046	17,523,110	15,990,165	1,523,422	56,381,615	37,970,396	148,454,754
<u>U S E S</u>							
FIXED ASSETS	7,639,850	4,456,922	2,642,765	864,383	14,384,513	28,988,522	58,976,955
INVENTORIES	1,563,772	7,614,401	(3,018,127)	8,043,380	39,580,259	(23,495,056)	30,288,629
RECEIVABLES	908,642	3,510,779	2,664,457	(2,834,830)	527,699	5,963,889	10,740,636
CASH AND BANK	8,727,845	1,941,008	13,701,070	(6,969,290)	(7,431,997)	(7,961,439)	2,007,197
LOSS FOR PERIOD	225,937	-	-	2,419,779	9,321,141	34,474,480	46,441,337
	19,066,046	17,523,110	15,990,165	1,523,442	56,381,615	37,970,396	148,454,754

* INCLUDES AN AMOUNT OF ¢23,810,238 NOT IN COMPANY'S BOOKS IN RESPECT OF - BUILDINGS, PLANT AND MACHINERY

¢1,000,000 JUNE

DECEMBER

APPENDIX VIc

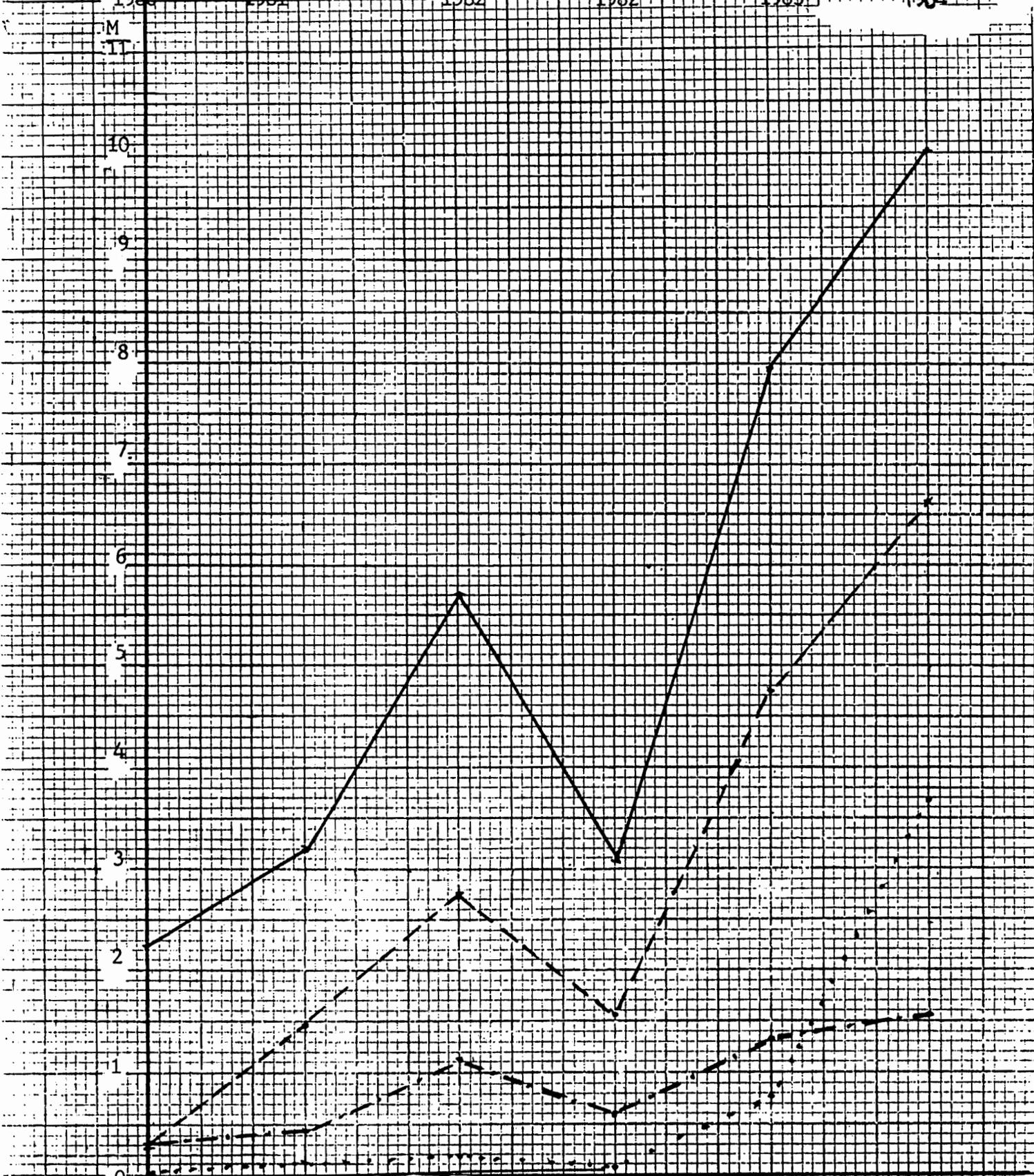
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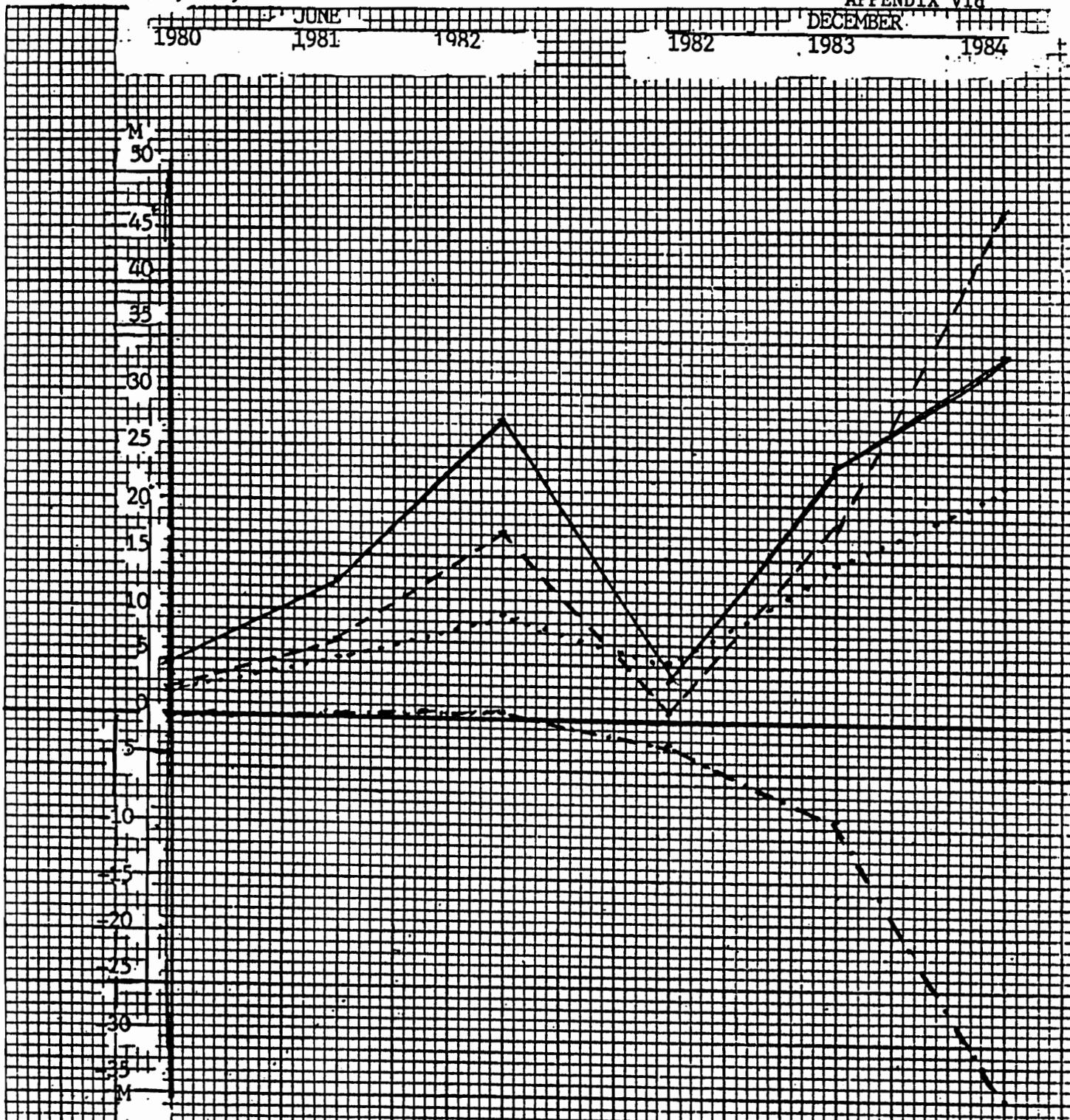
LABOUR
TRAVELLING/
TRANSPORT
ADMIN.
FINANCE

GHANA SEED COMPANY LIMITED



¢1,000,000

APPENDIX VI d



TURNOVER —————
DIRECT COST - - - - -
LABOUR/ADMIN
PROFIT/LOSS - . - . - .

GHANA SEED COMPANY LIMITED