



PRESS RELEASE

PR. No 054/2023

DIGICUT PRODUCTION & ADVERTISING PLC (DIGICUT)-

UNAUDITED FINANCIAL STATEMENTS FOR
THE PERIOD ENDED DECEMBER 31, 2022.

DIGICUT has released its Unaudited Financial Statements for the period ended December 31, 2022, as per attached.

Issued in Accra, this 23rd.
Day of February 2023

- E N D -

att'd.

Distribution:

1. All LDMs
2. General Public
3. Company Secretary, DIGICUT
4. CSD Registrars, (Registrars for Digicut shares)
5. Custodians
6. Central Securities Depository
7. Securities and Exchange Commission
8. GSE Council Members
9. GSE Notice Board

For enquiries, contact:

Head of Listing, GSE on 0302 669908, 669914, 669935

**JD*



DIGICUT PRODUCTION & ADVERTISING PLC

**UNAUDITED FINANCIAL STATEMENT
FOR THE TWELVE-MONTH PERIOD ENDED
31 DECEMBER 2022**

DIGICUT PRODUCTION & ADVERTISING PLC

Unaudited financial statement for the twelve-month period ended 31 December 2022

COMPANY INFORMATION

DIRECTORS

Joseph Kusi-Tieku
John Sterlin
Victoria Aligboh

SECRETARY

Credibilis Unlimited

COMPANY REGISTRATION

PL000412017

REGISTERED ADDRESS

No. 350, Nima Court Avenue
Ward E, Block 2
Avenor – Accra, Ghana
+233546886775

AUDITOR

Adom Boafo & Associates
Mango Street Avenue
Asylum Down – Accra, Ghana
+233302788324

BANKERS

Ecobank Ghana Limited

ADVISOR

Teak Tree Brokerage Limited
F380/4 Osu La Crescent
Nyaniba Estate – Accra, Ghana
+233302978838

REGISTRAR

Central Securities Depository
4th Floor, Cedi House
Ridge – Accra, Ghana
+233302689313

DIGICUT PRODUCTION & ADVERTISING PLC

Unaudited financial statement for the twelve-month period ended 31 December 2022

KEY HIGHLIGHTS

KEY OPERATIONAL ITEMS

In the full-year 2022, Digicut Production & Advertising PLC (Digicut) continued to implement its turnaround plan (published by Ghana Stock Exchange (GSE) on 31 May 2021). Lack of working capital and human resources remain key challenges/

Stage 2: Streamline + Stabilize Operations

- Reconciled 35+ signboards across the country.
- Completed several client projects in production, design, and advertising.
- Continued to engage clients that owe.
- Rehabilitated 3x mobile advertising vans (MAVs).

Stage 3: Expand business

- Engaged and submitted proposal to many potential external clients and agency partners.
- Filed a suit at the High Court, Accra (General Jurisdiction Division) to recover GH¢ 1.4 million of company funds with the Receiver of GN Savings and Loans (GNSL) (Suit GJ/0564/2022).

KEY FINANCIAL ITEMS

	2022	2021	
	GH¢	GH¢	Change
Revenue	250,560	183,701	+ 36%
Gross profit	109,425	108,506	+ 1%
Profit after tax	(104,272)	(270,507)	- 39%
Total Assets	5,319,245	5,342,727	- 0.4%
Earnings per share (basic / diluted)	(0.0009)	(0.0014)	- 39%

- Increased revenue by 36% year-on-year (YoY) from GH¢ 183,701 to GH¢ 250,560.
- Maintained 40% plus gross margin for Digicut's core business.
- Negative profit after tax and EPS attributed to low revenue generation.
- Slight decrease in total assets, mainly due to depreciation of PPE.
- Positive cash balance of GH¢ 10,303 at the ended full-year 2022.

DIGICUT PRODUCTION & ADVERTISING PLC*Unaudited financial statement for the twelve-month period ended 31 December 2022***STATEMENT OF COMPREHENSIVE INCOME**

	Notes	2022 GH¢	2021 GH¢
Revenue	4	250,560	183,701
Cost of sales	5	(141,135)	(75,195)
Gross profit		109,425	108,506
Other operating income	6	22,004	-
Operating profit		131,429	108,506
Admin and general expenses	12	(235,701)	(279,013)
Profit before tax		(104,272)	(170,507)
Income tax expense		-	-
Profit after tax transferred to income surplus		(104,272)	(170,507)
Other comprehensive income		-	-
Total comprehensive income		(104,272)	(170,507)
Earnings per share (basic / diluted)	7	(0.0009)	(0.0014)

DIGICUT PRODUCTION & ADVERTISING PLC*Unaudited financial statement for the twelve-month period ended 31 December 2022***STATEMENT OF CHANGES IN EQUITY**

2022	Income Surplus GH¢	Stated Capital GH¢	Total GH¢
Balance at 1 Jan	(368,762)	3,103,811	2,735,050
Transfer to stated capital	-	-	-
Profit for the period	(104,272)	-	(104,272)
Balance at 31 Dec	<u>(473,033)</u>	<u>3,103,811</u>	<u>2,630,778</u>
2021	Income Surplus GH¢	Stated Capital GH¢	Total GH¢
Balance at 1 Jan	(198,255)	3,103,811	2,905,556
Additional stated capital	-	-	-
Profit for the period	(170,507)	-	(170,507)
Balance at 31 Dec	<u>(368,762)</u>	<u>3,103,811</u>	<u>2,735,049</u>

DIGICUT PRODUCTION & ADVERTISING PLC

Unaudited financial statement for the twelve-month period ended 31 December 2022

STATEMENT OF FINANCIAL POSITION

Assets	Notes	2022	2021
		GH¢	GH¢
Non-current Assets			
Property, plant and equipment		12,375	18,742
Capital work-in-progress		<u>525,292</u>	<u>525,292</u>
		537,667	544,034
Current Assets			
Accounts receivable	8	4,593,906	4,567,572
Taxation		177,369	172,415
Cash and cash equivalents	9	<u>10,303</u>	<u>58,706</u>
		4,781,578	4,798,692
Total Assets		<u>5,319,245</u>	<u>5,342,727</u>
Equity and Liabilities			
Equity			
Stated capital		3,103,811	3,103,811
Income surplus		<u>(473,033)</u>	<u>(368,762)</u>
		2,630,778	2,735,049
Non-current Liabilities			
Borrowings	10	1,019,433	1,019,433
Current Liabilities			
Accounts payable	11	1,669,034	1,588,245
Total Equity and Liabilities		<u>5,319,245</u>	<u>5,342,727</u>

The unaudited financial statement for the twelve-month period ended 31 Dec 2022 were approved by the Board of Directors on 20 Feb 2023 and signed on their behalf by:



.....
Joseph Kusi-Tieku
Director



.....
Victoria Aligboh
Director

DIGICUT PRODUCTION & ADVERTISING PLC*Unaudited financial statement for the twelve-month period ended 31 December 2022***STATEMENT OF CASHFLOW**

	Notes	2022 GH¢	2021 GH¢
Cashflow from operating activities			
Operating profit		(104,272)	(170,507)
Depreciation	12	6,368	88,635
Operating profit before working capital changes		(97,904)	(81,872)
(Increase) / decrease in accounts receivables	8	(26,334)	143,032
Increase / (decrease) in accounts payables	11	80,789	(6,957)
Cash generated from operating activities		(43,449)	54,202
Tax paid (withholding tax adjusted)		(4,954)	-
Net cashflow from operating activities		(48,403)	54,202
Net increase / (decrease) in cashflow		(48,403)	54,202
Balance at 1 Jan		58,706	4,504
Cash and cash equivalent		<u>10,303</u>	<u>58,706</u>
Analysis of changes in cash and cash equivalent			
Cash and bank		10,303	4,504
Investment		-	-
Balance at 31 Dec		<u>10,303</u>	<u>4,504</u>

NOTES TO THE FINANCIAL STATEMENT

1. REPORTING ENTITY

Digicut Production & Advertising PLC is a company publicly registered in Ghana under Companies Act, 2019 (Act 992). Additional details of the company can be found on page 2 of this report.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements are prepared on the historical cost basis except for financial instruments that are stated at fair values.

The financial statements have been presented in Ghana cedi which is the company's functional currency.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Where necessary, the comparatives have been reclassified from the previously reported results to take into account changes in presentation.

3. ACCOUNTING POLICIES

The accounting policies adopted in this report are consistent with those used in the most recent annual financial statements.

DIGICUT PRODUCTION & ADVERTISING PLC*Unaudited financial statement for the twelve-month period ended 31 December 2022***4. REVENUE**

	2022	2021
	GH¢	GH¢
Printing and production	42,180	37,686
Billboard rental	50,365	2,000
Mobile advertising van	27,382	9,432
Branding	107,278	134,583
Agency fee / commission	23,355	-
	<u>250,560</u>	<u>183,701</u>

5. COST OF SALES

	2022	2021
	GH¢	GH¢
Printing and production	25,872	26,434
Billboard maintenance	38,475	6,917
Mobile advertising van	8,585	16,868
Advertising and publicity	1,633	1,445
Branding	66,570	23,530
	<u>141,135</u>	<u>75,195</u>

6. OTHER OPERATING INCOME

	2022	2021
	GH¢	GH¢
Other income	22,004	-
	<u>22,004</u>	<u>-</u>

7. EARNINGS PER SHARE

	2022	2021
	GH¢	GH¢
Profit attributable to equity holders	(104,272)	(170,676)
Outstanding ordinary shares (weighted average)	118,890,621	118,890,621
Earnings per share (basic)	<u>(0.0009)</u>	<u>(0.0014)</u>

The company has no category of potential diluted ordinary shares.

DIGICUT PRODUCTION & ADVERTISING PLC*Unaudited financial statement for the twelve-month period ended 31 December 2022***8. ACCOUNTS RECEIVABLE**

	2022	2021
	GH¢	GH¢
Related-party debtors	2,947,958	3,070,763
Other trade debtors	21,563	19,584
Other prepayment and advances	18,634	14,505
Funds with Receiver (GN Bank)	1,478,169	1,478,169
Funds in GMMF	127,582	127,582
	<u>4,593,906</u>	<u>4,710,603</u>

9. CASH AND CASH EQUIVALENTS

	2022	2021
	GH¢	GH¢
Cash balance	2,001	2,001
Bank balance	8,303	56,706
Short-term investment	-	-
	<u>10,303</u>	<u>58,706</u>

10. BORROWINGS (Related-Party)

	2022	2021
	GH¢	GH¢
Loan account	420,053	420,053
GGFC	585,572	585,572
GN Treasury	13,808	13,808
	<u>1,019,433</u>	<u>1,019,433</u>

11. ACCOUNTS PAYABLE

	2022	2021
	GH¢	GH¢
Related-party payables	412,948	381,388
Other trade payables	38,757	31,288
Accrued rent	511,364	511,364
Other accrued expenses	675,527	641,657
Audit fees	30,437	22,718
	<u>1,669,034</u>	<u>1,588,414</u>

DIGICUT PRODUCTION & ADVERTISING PLC*Unaudited financial statement for the twelve-month period ended 31 December 2022***12. ADMINISTRATIVE AND GENERAL EXPENSES**

	2022	2021
	GH¢	GH¢
Accommodation	1,165	760
Accounting and payroll service	10,248	8,400
Audit expenses	100	861
Audit fees	17,888	17,719
Bank charges	581	593
Board feeds	32,000	-
CDS account maintenance fees	5,000	14,000
Cleaning and sanitation	-	450
Sales commission and related fees	1,722	-
Depreciation	6,368	88,635
Donation	4,125	-
Equipment maintenance and repairs	256	3,540
Facility maintenance fees	583	550
FX loss	-	1,999
Fuel and lubricants	30,071	12,051
GSE listing fee	4,000	4,000
Health / life insurance (welfare)	3,080	9,994
IT service	2,000	4,155
Legal fees	12,810	-
Management meeting expenses	-	2,104
Office running	2,722	668
Office stationery	3,494	2,797
Operations consultancy	4,000	-
Registration and licensing	591	2,365
Rent and rate	-	24,000
Staff cost	41,677	53,279
Telephone expense	71	40
Transportation and travel	5,864	1,128
Vehicle insurance	3,980	4,714
Vehicle repairs and maintenance	41,305	20,212
	<u>235,701</u>	<u>279,013</u>