



CLYDESTONE

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ANNUAL REPORT 2011

CLYDESTONE (GHANA) LIMITED



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ANNUAL REPORT

CLYDESTONE (GHANA) LIMITED

**CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2011**

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NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting of Clydestone (Ghana) Limited will be held at the Kama Conference Centre, Labone Junction, Accra on Friday 3rd of August 2012 at 10.00 a.m. to transact the following business:

AGENDA

1. To receive and adopt the reports of the Directors, Auditors and the Financial Statements for the year ended 31st December 2011
2. To approve the remuneration of the Directors
3. To authorize the Directors to fix the remuneration of the Auditors
A member of the Company who may be absent from the meeting can appoint a Proxy to attend and vote in his/her place. A proxy need not be a member.
In order to be valid for the purpose of the meeting, a Proxy Form must be completed and deposited at the offices of the Registrar, NTHC Limited, Martco House, No.D542/4 Okai Mensah Link, Adabraka, Accra P.O. Box KIA 9563, Airport – Accra not less than 48 hours before the commencement of the meeting.

Dated this 5th Day of June 2012
BY ORDER OF THE BOARD



SAMUEL ADJETEY
SECRETARY

CLYDESTONE (GHANA) LIMITED

DIRECTORS, OFFICIALS AND REGISTERED OFFICE

DIRECTORS	Paul Jacquaye George Prah Robert Alloh
SECRETARY	Samuel Adjetey
REGISTERED OFFICE	16 Adebeto Close North Labone P. O. Box CT 1003 Accra.
AUDITORS	Voscon Chartered Accountants No. C806/4, Boundary Road, Tudu, Accra Adjacent to City Paints Supply P. O. Box A 476 La, Accra.
SOLICITORS	Alloh & Partners P. O. Box NT 478 Newtown-Accra
BANKERS	Ecobank Ghana Limited Fidelity Bank Limited GT Bank Ezi Savings & Loans Limited Zenith Bank (GH) Limited
REGISTRARS	NTHC Limited Martco House P. O. Box KA 9563 Airport, Accra Ghana

CLYDESTONE (GHANA) LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED DECEMBER 31, 2011

The Directors of Clydestone Ghana Limited present the audited consolidated financial statements for the year ended December 31, 2011.

RESULTS FOR THE YEAR

The company recorded a net Profit after taxation of	GH¢ 25,856
to which is added to the balance on retained earnings brought forward of	(506,065)
From which is deducted minority interest of	(480,209)
	(2,102)
Leaving a balance on retained earnings carried forward of	<u>(482,311)</u>

AUDITORS

In accordance with Section 134 (5) of the Companies code, the Auditors, Messrs Voscon Chartered Accountants, will continue in office as Auditors of the company.



DIRECTOR



DIRECTOR

Date: 30th March , 2012

CLYDESTONE (GHANA) LIMITED

REPORT OF INDEPENDENT AUDITORS TO THE MEMBERS

We have audited the accompanying consolidated financial statements of Clydestone Ghana Limited which comprise the statement of financial position at December 31, 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes.

Responsibility of Directors

The company's directors are responsible for preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Code, 1963 (Act 179). 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.

Auditor's Responsibility

Our responsibility is to express an 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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

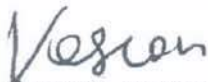
In our opinion, the consolidated financial statements give a true and fair view of the financial position of the company and its subsidiary as at December 31, 2011, and of the financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and the manner required by the Companies Code 1963, (Act 179).

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 of the Companies Code, 1963 (Act 179).

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of audit.

In our opinion, proper books of account have been kept, the statement of financial position, the statement of comprehensive income and the retained earnings accounts are in agreement with the books of account.



CHARTERED ACCOUNTANTS
ACCRA

30th March, 2012

CLYDESTONE (GHANA) LIMITED

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2011

	2011 GH¢	2010 GH¢
INTANGIBLE ASSETS	<u>458,222</u>	<u>—</u>
Non-Current Assets		
Property, plant and equipment	<u>71,200</u>	<u>488,895</u>
CURRENT ASSETS		
Inventories	166,053	166,053
Trade accounts receivable	632,809	637,533
Other accounts receivable	539,192	458,549
Cash and bank balances	<u>35,017</u>	<u>57,085</u>
	<u>1,373,071</u>	<u>1,319,220</u>
CURRENT LIABILITIES		
Bank overdraft	471,226	535,166
Trade accounts payable	224,628	266,839
Other accounts payable	1,022,437	828,438
Taxation	(146,572)	(143,343)
Deferred tax	(27,448)	(18,815)
Dividend payable	34,158	34,158
Short term loan	<u>—</u>	<u>7,464</u>
	<u>1,578,429</u>	<u>1,509,907</u>
Net Current Assets	<u>(205,358)</u>	<u>(190,687)</u>
Total Assets Less Current Liabilities	<u>324,064</u>	<u>298,208</u>
Represented by:		
Stated capital	554,850	554,850
Capital reserve	213,037	213,037
Retained earnings	(482,311)	(506,065)
Minority Interest	<u>38,488</u>	<u>36,386</u>
	<u>324,064</u>	<u>298,208</u>

NET ASSETS VALUE PER SHARE (GH¢ PER SHARE) 0.0095

0.0088


DIRECTOR


DIRECTOR

CLYDESTONE (GHANA) LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2011**

	2011 GH¢	2010 GH¢
TURNOVER	950,616	1,456,778
COST OF OPERATIONS	<u>(263,587)</u>	<u>(378,232)</u>
GROSS OPERATING PROFIT	<u>687,029</u>	<u>1,078,546</u>
General & administrative expenses	<u>696,650</u>	<u>(1,045,572)</u>
Operating Loss	(9,621)	32,974
Other Income	<u>34,790</u>	<u>43,229</u>
Profit before taxation	<u>25,169</u>	<u>76,203</u>
TAXATION		
Income tax expense	<u>687</u>	<u>(6,561)</u>
Profit for the year	<u>25,856</u>	<u>69,642</u>
Attributable to:- Equity holders	23,754	60,036
Minority interest	<u>2,102</u>	<u>9,606</u>
BASIC EARNINGS PER SHARE (GH¢ PER SHARE)	<u><u>0.0008</u></u>	<u><u>0.0020</u></u>

CLYDESTONE (GHANA) LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2011

	2011 GH¢	2010 GH¢
CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before taxation	25,169	76,203
Reconciliation of profit to net cash flows from operating activities		
Adjustment for Non-Cash Items:		
Net interest expense	284	211,734
Depreciation	52,411	61,273
	<u>77,864</u>	<u>349,210</u>
Changes in current assets and liabilities		
Inventories	—	88,521
Trade accounts receivable	4,724	31,735
Other accounts receivable	(80,643)	(56,335)
Trade accounts payable	(42,211)	(86,764)
Other accounts payable	193,999	196,501
	<u>75,869</u>	<u>173,658</u>
Tax paid		
Corporate	(11,175)	(10,327)
	<u>64,694</u>	<u>163,331</u>
Net cash provided by operating activities	<u>142,558</u>	<u>512,541</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Capital expenditure	(92,938)	(30,119)
Net cash used in investing activities	<u>(92,938)</u>	<u>(30,119)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Loan	(7,464)	(417,446)
Interest expense	(284)	(211,734)
Net cash used in financing activities	<u>(7,748)</u>	<u>(629,180)</u>

CLYDESTONE (GHANA) LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2011 (CONTINUED)

	2011 GH¢	2010 GH¢
INCREASE IN CASH & CASH EQUIVALENTS	41,872	(146,758)
Cash & Cash Equivalents:		
At beginning of year:-		
Cash and bank balances	57,085	(331,323)
Bank overdraft	<u>(535,166)</u>	<u>—</u>
At end of year:-	<u>(436,209)</u>	<u>(478,081)</u>
Analysis of balances of cash and cash equivalents as shown in the balance sheet		
Cash and bank balances	35,017	57,085
Bank overdraft	<u>(471,226)</u>	<u>(535,166)</u>
	<u>(436,209)</u>	<u>(478,081)</u>

CLYDESTONE (GHANA) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2011

	Stated Capital GH ¢	Capital Reserve GH ¢	Retained Earnings GH ¢	Minority Interest GH ¢	Total GH ¢
Balance as at January 1,	554,850	213,037	(506,065)	36,386	298,208
Profit for the year	-	-	23,754	2,102	25,856
Balance as at December 31,	<u>554,850</u>	<u>213,037</u>	<u>(482,311)</u>	<u>38,488</u>	<u>324,064</u>

EXTRACT OF THE NOTES TO THE FINANCIAL STATEMENTS

Intangible assets – Switching Software

Costs incurred to acquire and bring to use specific computer software licenses are capitalized. Following initial recognition, intangible assets are carried at cost less accumulated amortization and any impairment losses. The amortization period and method for an intangible asset, in this case computer software, are reviewed at least at each reporting date. Changes in the expected useful life in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

The amortisation expense on the intangible assets is recognized in profit or loss in the expense category consistent with the function of the intangible asset.

Amortisation is calculated using the straight line method on the basis of the expected useful lives of the assets.

The carrying values of intangible assets are reviewed for indications of impairment annually or when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of intangible assets is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

The financial statements presented is an extract from the annual financial statements of the Bank for the year ended 31 December 2011. This information has been extracted directly from the annual financial statements which are available for inspection at the company's head office at Labone, 16 Adebeto close or at our website www.clydestone.com

CLYDESTONE (GHANA) LIMITED

Form of Proxy

I/WE

(Block Capitals)
of

Being member/members of Clydestone (Ghana) Limited, hereby appoint
(Insert full name)

Or failing him/her the Chairman of the meeting as my/our proxy to vote for me/us at the Annual General Meeting to be held at the Kama Conference Centre, Labone Junction, Accra, Accra on Friday 3rd August, 2012 at 10.00 am and at every adjournment thereof.

Please indicate with X in the spaces below how you wish your votes to be cast.

RESOLUTION	FOR	AGAINST
1. To receive the accounts		
2. To approve Directors fees		
3. To authorise Directors to fix Auditors fees		

Signed this _____ day of _____ 2012 _____

Shareholder's Signature

THIS PROXY FORM SHOULD NOT BE SENT TO THE REGISTRAR IF THE MEMBER WILL BE ATTENDING THE MEETING.

Notes:

1. A member who is unable to attend the Annual General Meeting is allowed by law to vote by proxy.
2. Provision has been made on the form for the Chairman of the meeting to act as your proxy but, if you wish, you may insert in the blank space the name of any person whether a member of the company or not who will attend the meeting and vote on your behalf instead of the Chairman of the Meeting.
3. In the case of joint holders, each holder should sign
4. If executed by a corporation, the proxy form should bear its common seal or be signed on its behalf by a Director.
5. Please sign the proxy form and post it so as to reach the address shown overleaf not later than 48 hours.
6. The proxy must produce the Admission Card sent with the notice of meeting to obtain entrance to the meeting.

**The Registrar
NTHC LIMITED
2nd Floor, Martco House
Okai Mensah Link
Adabraka
P. O. Box 9563
Airport
Accra**

