



CLYDESTONE GHANA LIMITED

ANNUAL REPORT 2012

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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 GNAT Hall, Accra on 15th September 2015 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 2012
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. D 542/4 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 August 2015
BY ORDER OF THE BOARD

SAMUEL ADJETEY
SECRETARY



DIRECTORS

Paul Jacquaye
George Prah
Robert Alloh

COMPANY SECRETARY

Samuel Adjete

REGISTERED OFFICE

Adebeto Close
North Labone
P. O. Box CT 1003
Accra

INDEPENDENT AUDITORS

UHYVoscon Chartered Accountants
No. C806/4, Boundary Road,
Tudu, Accra
Adjacent to City Paints Supply
P. O. Box LA 476
La, Accra.

SOLICITORS

Alloh & Partners.
P. O. Box NT 478
New Town, Accra

BANKERS

Bank of Africa
Fidelity Bank Limited
United Bank of Africa
FirsTrust 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 DIRECTORS
FOR THE YEAR ENDED DECEMBER 31, 2012**

The Directors of Clydestone Ghana Limited present the audited financial statements for the year ended December 31, 2012.

PRINCIPAL ACTIVITIES

The company's authorized business as amended are as follows:

- ❑ Payment Systems
- ❑ System Integration
- ❑ Outsourcing
- ❑ Networking
- ❑ Computer and Communication Technology
- ❑ Consultancy

RESULTS FOR THE YEAR

| | |
|---|------------------|
| | GH¢ |
| The company recorded a total comprehensive loss of | (352,809) |
| to which is added balance on the Retained Earnings brought forward of | <u>(482,311)</u> |
| leaving a balance on the Retained Earnings carried forward of | <u>(835,120)</u> |

The company's investment in Clydestone (Nigeria) Ltd which was part of its listing objectives was written off in 2009 when the company adopted the International Financial Reporting Standards (IFRS). Despite the write off the company still pursued the opportunities in Nigeria. The investment and operations of Clydestone Nigeria Ltd was evaluated and valued at US\$14,029,000 as at December 31, 2012. The valuation of investment in the G – Switch was yet to be completed as at December 31, 2012.

AUDITORS

In accordance with Section 134 (5) of the Companies code 1963 (Act 179), the Auditors, Messrs Voscon Chartered Accountants, will continue in office as Auditors of the company.



**PAUL JACQUAYE
DIRECTOR**



**ROBERT ALLOH
DIRECTOR**

Date: May 16th , 2013

CLYDESTONE GHANA LIMITED**INDEPENDENT AUDITORS REPORT**

We have audited the accompanying Consolidated Financial Statements of Clydestone Ghana Limited on pages 5 to 23 which comprise the statement of financial position as at December 31, 2012, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, together with the summary of significant accounting policies and other explanatory notes, and have obtained all information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

Directors' responsibility for the financial statements

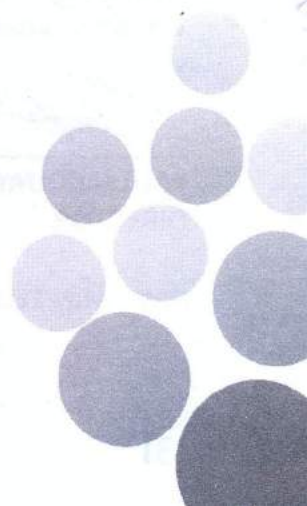
The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies Code, 1963 (Act 179). These responsibilities include designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial 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 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 as to whether the financial statements are free from material statements.

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 judgement, 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness 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 the basis for our audit opinion.



Opinion

In our opinion, the company has kept proper accounting records and the financial statements are in agreement with the records in all material respects and report in the prescribed manner, information required by the Companies Code, 1963 (Act 179). The financial statements give a true and fair view of the financial position of the company as at 31 December 2012, and of its financial performance and statement of cash flow for the year then ended and are drawn up in accordance with the International Financial Reporting Standards, issued by the International Accounting Standards Board (IASB).

Report on other legal and regulatory requirements

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

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
3. The statement of financial position and statement of comprehensive income of the company are in agreement with the books of accounts.



Signed by Emmanuel K.D. Abbey (ICAG/P/1167)

For and on behalf of UHYVoscon (ICAG/F/0063)

Chartered Accountants

Accra, Ghana

May 17th, 2013



CLYDESTONE GHANA LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2012


| | 2012 GH¢ | 2011 GH¢ |
|---|------------------|------------------|
| TURNOVER | 1,229,301 | 950,616 |
| COST OF OPERATIONS | <u>(625,239)</u> | <u>(263,587)</u> |
| GROSS OPERATING PROFIT | <u>604,062</u> | <u>687,029</u> |
| General & Administrative expenses: | <u>(959,770)</u> | 696,650 |
| Operating Loss | (355,708) | (9,621) |
| Other Income | <u>25,987</u> | <u>34,790</u> |
| LOSS BEFORE TAXATION | <u>(329,721)</u> | 25,169 |
| TAXATION | | |
| Income tax expense | <u>(4,493)</u> | <u>687</u> |
| Loss for the year | <u>(334,214)</u> | <u>25,856</u> |
| Attributable to:- Equity holders | (337,041) | 23,754 |
| Non-controlling Interest | 2,827 | 2,102 |
| OTHER COMPREHENSIVE INCOME (LOSS) | | |
| Net effect of Trade Receivable | 88,265 | - |
| Investment in Clydestone Nigeria | 22,067 | - |
| Net effect of Inter Company transfer | 29,287 | - |
| Opening balance of Clydestone Nigeria retained earnings | <u>(155,387)</u> | <u>-</u> |
| Total other comprehensive loss for the year | <u>(15,768)</u> | <u>-</u> |
| Total comprehensive Income/Loss for the year | <u>(352,809)</u> | <u>23,754</u> |

CLYDESTONE GHANA LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012

| | 2012 GH¢ | 2011 GH¢ |
|--|------------------|------------------|
| ASSETS | | |
| INTANGIBLE ASSETS | <u>500,802</u> | <u>458,222</u> |
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | <u>67,035</u> | <u>71,200</u> |
| CURRENT ASSETS | | |
| Inventories | 74,970 | 166,053 |
| Trade accounts receivable | 345,827 | 632,809 |
| Other accounts receivable | 580,917 | 539,192 |
| Cash and bank balances | <u>81,376</u> | <u>35,017</u> |
| | <u>1,083,090</u> | <u>1,373,071</u> |
| TOTAL ASSETS | <u>1,650,927</u> | <u>1,902,493</u> |
| CURRENT LIABILITIES | | |
| Bank overdraft | 499,732 | 471,226 |
| Trade accounts payable | 196,981 | 224,628 |
| Other accounts payable ¹⁵ | 1,115,501 | 1,022,437 |
| Taxation | (139,756) | (146,572) |
| Deferred Tax | (29,771) | (27,448) |
| Dividend payable | <u>34,158</u> | <u>34,158</u> |
| TOTAL CURRENT LIABILITIES | <u>1,676,845</u> | <u>1,578,429</u> |
| SHAREHOLDERS FUNDS | | |
| Stated capital | 554,850 | 554,850 |
| Capital reserve | 213,037 | 213,037 |
| Retained earnings | (835,120) | (482,311) |
| Non controlling Interest ²¹ | <u>41,315</u> | <u>38,488</u> |
| Total Shareholders Fund | <u>(25,918)</u> | <u>324,064</u> |
| TOTAL LIABILITIES & SHAREHOLDERS' FUNDS | <u>1,650,927</u> | <u>1,902,493</u> |


PAUL JACQUAYE
DIRECTOR


ROBERT ALLOH
DIRECTOR

CLYDESTONE GHANA LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2012

2012

| | Stated Capital GH¢ | Capital Surplus GH¢ | Non Controlling Interest GH¢ | Retained Earnings GH¢ | Total GH¢ |
|--|--------------------------|---------------------------|---------------------------------------|-----------------------------|-----------------|
| Balance as at January 1, | 554,850 | 213,037 | 38,488 | (482,311) | 324,064 |
| Net effect of Trade Receivable | | | | 88,265 | 88,265 |
| Investment in Clydestone Nigeria | | | | 22,067 | 22,067 |
| Net effect of Inter Company transfer | | | | 29,287 | 29,287 |
| Opening balance of Clydestone Nigeria retained earnings | | | | (155,387) | (155,387) |
| Total recognized income and expense | - | - | 2,827 | (337,041) | (334,214) |
| Balance as at December 31 | <u>554,850</u> | <u>213,037</u> | <u>41,315</u> | <u>(835,120)</u> | <u>(25,918)</u> |

2011

| | Stated Capital GH¢ | Capital Surplus GH¢ | Non Controlling Interest GH¢ | Retained Earnings GH¢ | Total GH¢ |
|--|--------------------------|---------------------------|---------------------------------------|-----------------------------|----------------|
| Balance as at January 1, | 554,850 | 213,037 | 36,386 | (506,065) | 298,208 |
| Total recognized income and expense | - | - | 2,102 | 23,754 | 25,856 |
| Balance as at December 31 | <u>554,850</u> | <u>213,037</u> | <u>38,488</u> | <u>(482,311)</u> | <u>324,064</u> |

CLYDESTONE GHANA LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2012

| | 2012 GH¢ | 2011 GH¢ |
|---|------------------|-----------------|
| CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Loss before taxation | (329,721) | 25,169 |
| Reconciliation of profit to net cash flows from operating activities | | |
| Adjustment for non-cash items: | | |
| Net Interest expense | 135,724 | 284 |
| Depreciation | 50,452 | 52,411 |
| Loss on Disposal | 1,806 | - |
| Effect on group transfer | (15,768) | - |
| | <u>(157,507)</u> | <u>77,864</u> |
| Changes in working capital | | |
| Inventories | 91,083 | - |
| Trade accounts receivable | 286,982 | 4,724 |
| Other accounts receivable | (41,725) | (80,643) |
| Due from subsidiary | (27,647) | (42,211) |
| Other accounts payable | <u>93,064</u> | <u>193,999</u> |
| | <u>401,757</u> | <u>75,869</u> |
| Tax paid | | |
| Corporate tax | - | (11,175) |
| Net cash provided by operating activities | <u>244,250</u> | <u>64,694</u> |
| CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Fixed assets purchased | (48,093) | (92,938) |
| Intangible asset | (42,580) | - |
| Net cash used in investing activities | <u>(90,673)</u> | <u>(92,938)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Short Term Loan - repayment | - | (7,464) |
| Interest expense | (135,724) | (284) |
| Net cash used in financing activities | <u>(135,724)</u> | <u>(7,748)</u> |

CLYDESTONE GHANA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED
DECEMBER 31, 2012 (CONT'D)

| | 2012 GH¢ | 2011 GH¢ |
|--|-------------------------|-------------------------|
| INCREASE IN CASH AND CASH EQUIVALENTS | 17,853 | 41,872 |
| CASH AND CASH EQUIVALENTS: | | |
| at beginning of year:- | | |
| Cash & bank balance | 35,017 | 57,085 |
| Bank overdraft | <u>(471,226)</u> | <u>(535,166)</u> |
| at end of year:- | <u>(418,356)</u> | <u>(436,209)</u> |

Analysis of balances of cash and cash equivalents as shown in the balance sheet.

| | | |
|------------------------|-------------------------|-------------------------|
| Cash and bank balances | 81,376 | 35,017 |
| Bank overdraft | <u>(499,732)</u> | <u>(471,226)</u> |
| | <u>(418,356)</u> | <u>(436,209)</u> |

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 GNAT Hall, Accra on 15th September, 2015 at 10:00am 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 account | | |
| 2. To approve Directors fees | | |
| 3. To authorize Directors to fix Auditors fees | | |

Signed this _____ Day of _____ 2015 _____

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 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

