

2013



# ANNUAL REPORT



CLYDESTONE GHANA LIMITED

• innovate

• develop

• support

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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 31<sup>st</sup> December 2013
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 Adjetey

**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

## REPORT OF DIRECTORS FOR THE YEAR ENDED DECEMBER 31, 2013

The Directors of Clydestone Ghana Limited present the audited financial statements for the year ended December 31, 2013.

### 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

	<b>GHC</b>
The company recorded a total comprehensive loss of	(111,329)
to which is added balance on the Retained Earnings brought forward of	<u>(835,120)</u>
leaving a balance on the Retained Earnings carried forward of	<u>(946,449)</u>

### Directors' report

Clydestone (Nigeria) Ltd signed an agreement with First Bank of Nigeria with its implementation in 2014. The company signed an exclusive Partnership agreement with Craft Silicon of Kenya to sell and support its numerous clients in the non-bank and microfinance sector.

In Ghana and Nigeria. Clydestone's relationship with China Union Pay was transferred to Union Pay International (UPI). UPI has appointed Clydestone as a Principal Acquiring Member (Cross Border) and also a Third Party Service Provider (TPSP). The company commenced and concluded with American Express to be a Third Party Processor of online transaction acquiring for its merchants. The G switch platform is receiving upgrading and enhancement and has been integrated with Verve International of Interswitch Group to enable the acceptance of over 20 million Verve Chip card issued by Banks in Nigeria accepted here in Ghana. Several Ghanaian and Nigerian Banks in Ghana will start acquiring Verve transactions from the second quarter of 2014.

### Going Concern

The company made a loss during the year, however, the directors are satisfied that the underlying quality of business is sound, and that profitable returns can be earned within the foreseeable future and that the company will continue as a going concern.

### 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**  
**PAUL TSE JACQUAYE**



**DIRECTOR**  
**ROBERT ALLOH**

Date: May 18, 2014



**Report of independent auditors**

We have audited the accompanying Consolidated Financial Statements of Clydestone Ghana Limited on pages 6 to 23 which comprise the statement of financial position as at December 31, 2013, 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) and International Financial Reporting Standards (IFRS). 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 2013, 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.

*UHYVoscon*

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

For and on behalf of UHYVoscon (ICAG/F/086)

Chartered Accountants

Accra, Ghana

May 20th, 2014



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	2013 GH¢	2012 GH¢
<b>TURNOVER</b>	1,239,043	1,229,301
<b>COST OF OPERATIONS</b>	<u>(466,072)</u>	<u>(625,239)</u>
<b>GROSS OPERATING PROFIT</b>	<u>772,971</u>	<u>604,062</u>
General & Administrative expenses:	<u>(961,634)</u>	<u>(959,770)</u>
Operating Loss	(188,663)	(355,708)
Other Income	<u>39,729</u>	<u>25,987</u>
<b>LOSS BEFORE TAXATION</b>	<u>(148,934)</u>	<u>(329,721)</u>
<b>TAXATION</b>		
Income tax expense	<u>(1,385)</u>	<u>(4,493)</u>
Loss for the year	<u>(150,319)</u>	<u>(334,214)</u>
Attributable to:- Equity holders	(145,329)	(337,041)
Non-controlling Interest	(4,990)	2,827
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
Net effect of Trade Receivable	-	88,265
Investment in Clydestone Nigeria	-	22,067
Net effect of Inter Company transfer	-	29,287
Exchange difference on deposit	34,000	-
retained earnings	<u>-</u>	<u>(155,387)</u>
Total other comprehensive loss for the year	<u>34,000</u>	<u>(15,768)</u>
Total comprehensive Income/Loss for the year	<u>(111,329)</u>	<u>(352,809)</u>



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2013**

	<b>2013</b>	<b>2012</b>
	<b>GH¢</b>	<b>GH¢</b>
<b>ASSETS</b>		
<b>INTANGIBLE ASSETS</b>	<u>571,164</u>	<u>500,802</u>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<u>162,464</u>	<u>67,035</u>
<b>CURRENT ASSETS</b>		
Inventories	-	74,970
Trade accounts receivable	294,535	345,827
Deposit	132,000	98,000
Other accounts receivable	449,142	482,917
Cash and bank balances	<u>126,976</u>	<u>81,376</u>
	<u>1,002,653</u>	<u>1,083,090</u>
<b>TOTAL ASSETS</b>	<u>1,736,281</u>	<u>1,650,927</u>
<b>CURRENT LIABILITIES</b>		
Bank overdraft	570,419	499,732
Trade accounts payable	337,110	196,981
Other accounts payable	1,164,928	1,115,501
Taxation	(155,621)	(139,756)
Deferred Tax	(38,318)	(29,771)
Dividend payable	-	<u>34,158</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,878,518</u>	<u>1,676,845</u>
<b>SHAREHOLDERS FUNDS</b>		
Stated capital	554,850	554,850
Capital reserve	213,037	213,037
Retained earnings	(946,449)	(835,120)
Non controlling Interest	<u>36,325</u>	<u>41,315</u>
Total Shareholders Fund	<u>(142,237)</u>	<u>(25,918)</u>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' FUNDS</b>	<u>1,736,281</u>	<u>1,650,927</u>



**DIRECTOR**  
**PAUL TSE JACQUAYE**



**DIRECTOR**  
**ROBERT ALLOH**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2013**

**2013**

	<b>Stated Capital GH¢</b>	<b>Capital Surplus GH¢</b>	<b>Non Controlling Interest GH¢</b>	<b>Retained Earnings GH¢</b>	<b>Total GH¢</b>
Balance as at January 1,	554,850	213,037	41,315	(835,120)	(25,918)
Total recognized income and expense	-	-	(4,990)	(111,329)	(116,319)
Balance as at December 31	<u>554,850</u>	<u>213,037</u>	<u>36,325</u>	<u>(946,449)</u>	<u>(142,237)</u>

**2012**

	<b>Stated Capital GH¢</b>	<b>Capital Surplus GH¢</b>	<b>Non Controlling Interest GH¢</b>	<b>Retained Earnings GH¢</b>	<b>Total GH¢</b>
Balance as at January 1,	554,850	213,037	38,488	(482,311)	324,064
Net effect of Trade Receivable Investment in Clydestone Nigeria				88,265	88,265
Net effect of Inter Company transfer				22,067	22,067
Opening balance of Clydestone Nigeria retained earnings				29,287	29,287
				(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>



**CLYDESTONE GHANA LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<b>2013 GHC</b>	<b>2012 GHC</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Loss before taxation	(148,934)	(329,721)
Reconciliation of profit to net cash flows from operating activities		
<b>Adjustment for non-cash items:</b>		
Net Interest expense	114,084	135,724
Depreciation	39,507	50,452
Loss on Disposal	-	1,806
Exchange difference	34,000	-
Effect on group transfer	-	(15,768)
	<u>38,657</u>	<u>(157,507)</u>
<b>Changes in working capital</b>		
Inventories	74,970	91,083
Trade accounts receivable	51,292	286,982
Deposit	(34,000)	-
Other accounts receivable	33,775	(41,725)
Trade accounts payable	140,129	(27,647)
Other accounts payable	<u>49,427</u>	<u>93,064</u>
	<u>315,593</u>	<u>401,757</u>
Tax paid		
Corporate tax	<u>(25,797)</u>	<u>-</u>
<b>Net cash provided by operating activities</b>	<u>328,453</u>	<u>244,250</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Fixed assets purchased	(134,936)	(48,093)
Intangible asset	<u>(70,362)</u>	<u>(42,580)</u>
<b>Net cash used in investing activities</b>	<u>(205,298)</u>	<u>(90,673)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short Term Loan - repayment	-	-
Interest expense	(114,084)	(135,724)
Dividend payable reclassified	<u>(34,158)</u>	<u>-</u>
<b>Net cash used in financing activities</b>	<u>(148,242)</u>	<u>(135,724)</u>

# CLYDESTONE GHANA LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2013 (CONT'D)

	2013 GH¢	2012 GH¢
DECREASE IN CASH AND CASH EQUIVALENTS	(25,087)	17,853
CASH AND CASH EQUIVALENTS:		
at beginning of year:-		
Cash & bank balance	81,376	35,017
Bank overdraft	(499,732)	(471,226)
at end of year:-	(443,443)	(418,356)

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

Cash and bank balances	126,976	81,376
Bank overdraft	(570,419)	(499,732)
	(443,443)	(418,356)



**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 15<sup>th</sup> 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



