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CAMELOT GHANA LIMITED

FINANCIAL STATEMENTS
31 DECEMBER 2016

CAMELOT GHANA LIMITED
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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CAMELOT GHANA LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTORS, OFFICIALS AND REGISTERED OFFICE

Directors	Mrs. Elizabeth Joyce Villars (Chairman) Mr. John Colin Villars (Group Managing Director) Mrs. Caroline Andah Mrs. Felicity Acquah Prof. Robert Hinson Dr. Henry Mensah-Brown
Secretary	MercLaw Associates PMB KA 98 Airport, Accra
Registered office	Premises of Camelot Ghana Limited Osu- La Road (Behind Regal Cinema, Osu) P.O.Box M191 Accra
Registrars	Universal Merchant Bank Ghana Limited 44 Kwame Nkrumah Avenue P. O. Box GP 401 Accra
Auditors	PKF Accountants & Business Advisers P.O. Box 1219 Accra
Bankers	Access Bank Ghana Limited ADB Bank Limited Bank of Africa Ghana Limited Ecobank Ghana Limited FBN Bank Limited Fidelity Bank Ghana Limited First Atlantic Bank GCB Bank Limited National Investment Bank Universal Merchant Bank Ghana Limited United Bank of Africa (Ghana) Limited UT Bank Zenith Bank Ghana Limited

REPORT OF THE DIRECTORS TO THE MEMBERS OF CAMELOT GHANA LIMITED

1. The Directors in submitting to the shareholders their report and consolidated financial statements of the Group for the year ended 31 December 2016 report as follows:

Statement of directors' responsibilities

The directors are responsible for preparing consolidated financial statements for each financial period which give a true and fair view of the state of affairs of the Group at the end of the financial year and of the consolidated income statement of the group for that period. In preparing the consolidated financial statements, the directors are required to:

• Select suitable accounting policies and then apply them consistently

•Make judgements and estimates that are reasonable and prudent

•State whether the applicable accounting standards have been followed

•Prepare the consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business

The directors are responsible for ensuring that the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Group and which enable them to ensure that the consolidated financial statements comply with International Financial Reporting Standards. They are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

The above statement, which should be read in conjunction with the statement of the auditors responsibilities set out on pages 4 to 6, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and the auditors, in relation to the consolidated financial statements.

CAMELOT GHANA LIMITED
REPORT OF THE DIRECTORS

2. In accordance with the requirements of Section 132 of the Companies Act 1963, (Act 179), we, the Board of Camelot Ghana Limited submit herewith, our Annual Report on the state of affairs of the Group for the year ended 31 December 2016 as follows:

	2016 GH¢	2015 GH¢
The Balance Brought Forward on Income Surplus Account at 1 January was	**286,809**	180,306
to which must be added:		
profit for the year after charging all expenses, depreciation and amortisation	**224,492**	157,723
	511,301	338,029
dividend Paid	**(51,220)**	(51,220)
leaving a balance to be carried forward on the Income surplus account at 31 December amounting to	**460,081**	286,809

3. The directors recommend dividend of GH¢ 0.0085 per share for the year ended 31 December 2016. (2015: GH¢0.0075)

Nature of Business

The principal activity of the company and its subsidiary is security printing.

4. **Directors**

The Directors who held office during the year are:

Name	
Mrs. Elizabeth Joyce Villars	Chairman
Mr. John Colin Villars	Group Managing Director
Mrs. Caroline Andah	Member
Mrs Felicity Acquah	Member
Prof. Robert Hinson	Member
Dr. Henry Mensah-Brown	Member

5. **Subsidaries**

The company holds a 75% shareholding in its subsidiary Camelot Security Solutions Limited, a limited liability company incorporated in Nigeria.

Auditors

6. In accordance with section 134(5) of the Companies Act 1963 (Act 179), the auditors, Messrs. PKF (Accountants & Business Advisers) remain in office as auditors of the company.

7. **Events after the balance sheet date**

The directors are not aware of any event since the end of the financial year, not otherwise dealt with in the financial statements that would affect the operations of the Company and the Group or the results of those operations.

By order of the Board

....	....
DIRECTOR	**DIRECTOR**
28 March 2017	29 March 2017

Accountants &
business advisers

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAMELOT GHANA LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Camelot Ghana Limited which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards and the Companies Act, 1963 (Act 179).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing.Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We are independent of the Group and have fulfilled our other ethical responsibilities in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code).

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

Key Audit Matters

Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Directors are responsible for the other information.The other information comprises the Directors report and corporate governance but does not include the consolidated financial statements and auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and,in doing so,consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed on the other information,we conclude that there is a material misstatement of this other information,we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by The Board of Directors.
- Conclude on the appropriateness of The Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidaated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication".

Report on Other Legal and Regulatory Requirements

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

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

ii. In our opinion, proper books of accounts have been kept by the Group, so far as appear from our examination of those books, and

iii. The Group's consolidated statement of financial position and consolidated statement of comprehensive income are in agreement with the books of accounts.

The engagement partner on the audit resulting in this independent auditor's report is Frederick Bruce-Tagoe (ICAG/P/1087)

PKF (ICAG/F/2017/039)
Chartered Accountants
20 Farrar Avenue
Accra

28th March **2017**

CAMELOT GHANA LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Company		Group	
		2016	2015	2016	2015
		GH¢	GH¢	GH¢	GH¢
Revenue	5	**5,960,369**	5,383,023	**5,960,369**	5,383,023
Cost of Sales	6	**(3,445,387)**	(3,101,014)	**(3,445,387)**	(3,101,014)
Gross Profit		**2,514,982**	2,282,009	**2,514,982**	2,282,009
Other Income	7	**106,945**	15,780	**106,945**	15,780
Administrative Expenses	8	**(2,334,920)**	(1,985,944)	**(2,334,920)**	(1,985,944)
Operating Profit		**287,007**	311,845	**287,007**	311,845
Finance Cost	9	**(12,444)**	(91,615)	**(12,444)**	(91,615)
PROFIT BEFORE TAX		**274,563**	220,230	**274,563**	220,230
TAXATION	11a	**(50,071)**	(62,507)	**(50,071)**	(62,507)
PROFIT AFTER TAX		**224,492**	157,723	**224,492**	157,723
Attributable to:					
Equity Shareholders Of The Parent		**224,492**	157,723	**224,492**	157,723
Basic Earnings per share	12	**0.0329**	0.0231	**0.0329**	0.0231
Diluted Earnings per share	12	**0.0329**	0.0231	**0.0329**	0.0231

CAMELOT GHANA LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

		Company		Group	
	Note	2016	2015	2016	2015
		GH¢	GH¢	GH¢	GH¢
ASSETS					
NON-CURRENT ASSET					
Property, Plant & Equipment	13	**2,157,819**	2,123,892	**2,159,533**	2,125,606
Intangible Assets	14	**41,769**	19,121	**78,330**	55,682
Investments	15	**36,629**	36,629	**161,574**	161,574
Other Assets	16	**0**	0	**296,317**	296,317
		2,236,217	2,179,642	**2,695,754**	2,639,179
CURRENT ASSET					
Inventories	17	**995,310**	1,129,821	**995,310**	1,129,821
Trade and Other Receivables	18	**1,438,733**	1,430,544	**965,636**	1,268,760
Cash and Bank Balances	19	**454,434**	337,036	**458,542**	347,764
		2,888,477	2,897,401	**2,419,488**	2,746,345
TOTAL ASSETS		**5,124,694**	5,077,043	**5,115,242**	5,385,524
EQUITY AND LIABILITIES					
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					
Stated Capital	21	**217,467**	217,467	**217,467**	217,467
Income Surplus		**801,589**	628,317	**460,081**	286,809
Credit Reserve	24	**1,377,546**	1,377,546	**1,377,546**	1,377,546
SHAREHOLDERS FUNDS		**2,396,602**	2,223,330	**2,055,094**	1,881,822
Non Controlling Interest	22	**0**	0	**(92,877)**	(92,877)
TOTAL EQUITY		**2,396,602**	2,223,330	**1,962,217**	1,788,945
NON-CURRENT LIABILITY					
Deferred Tax	11	**300,639**	332,232	**300,639**	379,409
Interest-Bearing Loans and Borrowings	23a	**0**	50,000	**0**	50,000
		300,639	**382,232**	**300,639**	429,409
CURRENT LIABILITIES					
Trade and Other Payables	26	**1,245,444**	1,167,115	**1,670,378**	1,857,191
Taxation	10a	**202,278**	204,429	**202,278**	204,429
Loans & Borrowings	23b	**0**	54,543	**0**	54,543
Other Current Financial Liabilities	25	**979,730**	1,045,394	**979,730**	1,051,008
		2,427,452	2,471,481	**2,852,386**	3,167,171
TOTAL LIABILITIES		**2,728,091**	2,853,713	**3,153,025**	3,596,580
TOTAL EQUITY AND LIABILITIES		**5,124,694**	5,077,043	**5,115,242**	5,385,525

DIRECTOR **DIRECTOR**

28 March **2017**

The notes on pages 12 to 37 form an integral part of these financial statements

CAMELOT GHANA LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

Company **2016**	**Stated Capital GH¢**	**Income Surplus GH¢**	**Credit Reserve Account GH¢**	**Total Equity GH¢**
Balance at 1 January	**217,467**	**628,317**	**1,377,546**	**2,223,330**
Profit After Tax	**0**	**224,492**	**0**	**224,492**
Dividend to Equity Holders	**0**	**(51,220)**	**0**	**(51,220)**
Balance at 31 December	**217,468**	**801,589**	**1,377,546**	**2,396,602**

2015	Stated Capital GH¢	Income Surplus GH¢	Other Reserve Account GH¢	Total Equity GH¢
Balance at 1 January	217,467	521,814	628,479	1,367,760
Profit After Tax	0	157,723	0	157,723
Other Financial Liabilities	0	0	749,067	749,067
Dividend to Equity Holders	0	(51,220)	0	(51,220)
Balance at 31 December	217,467	628,317	1,377,546	2,223,330

CAMELOT GHANA LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

2016	Stated Capital GH¢	Income Surplus GH¢	Credit Reserve Account GH¢	Total GH¢	Non Controlling Interest GH¢	Total Equity GH¢
	Attributable to owners of the Parent					
Balance at 1 January	**217,467**	**286,809**	**1,377,546**	**1,881,822**	**(92,877)**	**1,788,945**
Profit After Tax	**0**	**224,492**	**0**	**224,492**	**0**	**224,492**
Dividends to Equity Holders	**0**	**(51,220)**	**0**	**(51,220)**	**0**	**(51,220)**
Balance at 31 December	**217,467**	**460,081**	**1,377,546**	**2,055,094**	**(92,877)**	**1,962,217**

2015	Stated Capital GH¢	Income Surplus GH¢	Other Reserve Account GH¢	Total GH¢	Non Controlling Interest GH¢	Total Equity GH¢
Balance at 1 January	217,467	180,306	628,479	1,026,252	(92,877)	933,375
Profit After Tax	0	157,723	0	157,723		157,723
Other Financial Liabilities	0	0	749,067	749,067	0	749,067
Dividends to Equity Holders	0	(51,220)	0	(51,220)	0	(51,220)
Balance at 31 December	217,467	286,809	1,377,546	1,881,822	(92,877)	1,788,945

CAMELOT GHANA LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Company		Group	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Profit Before Tax	**274,563**	220,230	**274,563**	220,230
Adjustment to reconcile profit before tax to net cash flows				
Non-cash:				
Depreciation and Impairment of Property, Plant and Equipment	**333,977**	309,788	**333,977**	309,788
Amortisation and Impairment Of Intangible Assets	**6,102**	3,227	**6,102**	3,227
Loss / (Profit) On Disposal Of Assets	**22,833**	(456)	**22,833**	(456)
Interest Bearing Loan Write Off	**(50,000)**	0	**0**	0
Working capital adjustments:				
Changes in Inventories	**134,511**	(189,890)	**134,511**	(189,890)
Changes in Trade And Other Receivables	**(8,189)**	319,368	**303,124**	175,451
Changes In Trade And Other Payables	**78,329**	70,328	**(233,992)**	241,759
Income Tax Paid	**(83,814)**	(6,542)	**(83,814)**	(6,542)
Net Cash flow From Operating Activities	**708,312**	726,053	**757,304**	753,567
Investing Activities				
Purchase of Property, Plant and Equipment	**(390,737)**	(279,327)	**(390,737)**	(279,327)
Purchase of Intangible Assets	**(28,750)**	(2,500)	**(28,750)**	(2,500)
Proceeds From Sale Of Property, Plant & Equipment	**0**	456	**0**	456
Investments	**0**	0	**0**	(4,973)
Other Assets	**0**	0	**0**	(22,195)
Net Cash flow From Investing Activities	**(419,487)**	(281,371)	**(419,487)**	(308,539)
Financing Activities				
Dividends Paid To Equity holders	**(51,220)**	(51,220)	**(51,220)**	(51,220)
Other Financial Liabilities	**0**	(749,067)	**0**	(749,067)
Bank Loans	**(54,543)**	(130,910)	**(104,543)**	(130,910)
Credit Reserve	**0**	749,067	**0**	749,067
Net Cash flow from Financing Activities	**(105,763)**	182,130	**(155,763)**	(182,130)
Net Increase In Cash And Cash Equivalents	**183,062**	262,552	**182,054**	262,898
Cash And Cash Equivalents at 1 January	**271,372**	8,820	**276,488**	13,590
Cash and Cash Equivalents at 31 December	**454,434**	271,372	**458,542**	276,488
Analysis of Changes In Cash & Cash Equivalents				
Cash & Cash Equivalents	**454,434**	337,036	**458,542**	347,766
Bank Overdraft	**0**	(65,664)	**0**	(71,278)
	454,434	271,372	**458,542**	276,488

1. Reporting Entity

Camelot Ghana Limited, a limited liability Company, is incorporated and domicile in Ghana under the Companies Act, 1963 (Act 179). The Company is permitted by its regulations to Print Security Documents and Manufacture Business Forms. The address of the registered office of the Company is 'H/No F.378/3, Osu – La Road, Opposite Ghana Commercial Bank Osu Branch. P. O. Box M191, Accra.

2. Summary of Significant Accounting Policies

2.1 Statement of Compliance

The financial statements have been prepared in accordance with all International Financial Reporting Standards, including International Accounting Standards and interpretations issued by the International Accounting Standards Board and its committees, as required by the Institute of Chartered Accountants (Ghana).

2.2 Basis of Preparation

The financial statements have been prepared in accordance with all International Financial Reporting Standards, including International Accounting Standards and interpretations issued by the International Accounting Standards Board and its committees, as required by the Institute of Chartered Accountants (Ghana).

2.3 Basis of Measurement

The financial statements have been prepared on a historical cost basis except for the following assets and liabilities that are stated at their fair values: financial instruments that are at fair value through profit or loss; financial instruments classified as available-for-sale.

2.4 Use of Estimates and Judgement

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

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised 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.
The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

Summary of Significant Accounting Policies

The principle accounting policies adopted by Camelot Ghana Limited under the International Financial Reporting Standards (IFRSs) are set out below:

2.5 Revenue

Revenue represents all invoiced sales less discounts, customs duties and all incidental taxes collected on behalf of and for the Government. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

2.6 Financial Assets and Financial Liabilities

- Categorisation of Financial Assets and Financial Liabilities

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivable; available-for-sale financial assets; and held-to-maturity investments. Financial liabilities are classified as either held at fair value through profit or loss, or amortised cost. Management determines the categorisation of its financial assets and financial liabilities at initial recognition.

- Financial Assets and Financial Liabilities at Fair Value through Profit or Loss

Financial asset or liability at fair value through profit or loss is a financial asset or financial liability that meets either of the following conditions:

- Held for trading

A financial asset or financial liability is classified as held for trading if it is: acquired or incurred principally for the purpose of selling or repurchasing in the near future; or part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

- Designated at fair value through profit or loss

Upon initial recognition as financial asset or financial liability, it is designated by the Group as at fair value through profit or loss except for investments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

- Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

- Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

- Initial Recognition of Financial Assets and Financial Liabilities

The Group shall recognise a financial asset or financial liability on its balance sheet when, and only when, the Group becomes a party to the contractual provisions of the instrument subject to the provisions in respect of regular way purchases or sales of a financial asset which state that, 'a regular way purchase or sale of financial assets is recognised and derecognized using either trade date or settlement date accounting'.

- Derecognition of Financial Assets and Financial Liabilities

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or where the Group has transferred substantially all the risks and rewards of ownership. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset.

A financial liability (or part of a financial liability) is removed from the Group's balance sheet when, and only when, it is extinguished – i.e. when the obligation specified in the contract is: discharged; cancelled; or has expired.

- Initial Measurement of Financial Assets and Financial Liabilities

When a financial asset or financial liability is recognised initially, the Group measures it at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

When the Group uses settlement date accounting for an asset that is subsequently measured at cost or amortised cost, the asset is recognised initially at its fair value on the trade date.

- Subsequent Measurement of Financial Assets

After initial recognition, the Group shall measure financial assets, including derivatives that are assets, at their fair value, without any deduction for transaction costs it may incur on sale or other disposal, except for the following financial assets: loans and receivables, which shall be measured at amortised cost using the effective interest method; held-to-maturity investments, which shall be measured at amortised cost using the effective interest method; and investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, which shall be measured at cost.

- Subsequent Measurement of Financial Liabilities

After initial recognition, the Group shall measure all financial liabilities at amortised cost using the effective interest method, except for: financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be measured at fair value except for a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, which shall be measured at cost; and financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or is accounted for using the continuing involvement approach.

- Gains and Losses

The Group shall recognise a gain or loss arising from a change in the fair value of a financial asset or financial liability that is not part of a hedging relationship as follows: a gain or loss on a financial asset or financial liability classified as at fair value through profit or loss shall be recognised in profit or loss; a gain or loss on an available for sale financial asset shall be recognised directly in equity, through the statement of changes in equity except for impairment losses and foreign exchange gains and losses until the financial asset is derecognized, at which time the cumulative gain or loss previously recognised in equity shall be recognised in profit or loss.

Interest calculated using effective interest method is recognised in profit or loss; dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's right to receive payment is established;

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss when the financial asset or financial liability is derecognised or impaired, and through the amortization process.

- Amortised Cost Measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayment, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

- Fair Value Measurement

The determination of fair values of quoted financial assets and financial liabilities in active markets are based on quoted market prices or dealer price quotations. If the market for a financial asset or a financial liability is not actively traded or unlisted security, the Group establishes fair value by using valuation techniques. These techniques include the use of arms' length transactions, discounted cash flow analysis, and valuation models and techniques commonly used by market participants.

The value produced by a model or other valuation technique may be adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors that market participants take into account when entering into a transaction. Management believe that these valuation adjustments are necessary and appropriate to fairly state financial instruments carried at fair value in the balance sheet.

- Offsetting

Financial assets and financial liabilities are set off and the net amount presented in the balance sheet when, and only when, the Group has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expense are presented on the net basis only when permitted by the accounting standards or interpretation, or for gains and losses arising from a group of similar transactions such as in the Group's trading activity.

- Measurement of Impairment and Provision for Credit Losses

The Group shall assess at each balance sheet date, whether there is any objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a loss event) and that loss event(s) has an impact on the estimated future cash flows of the financial assets or group of financial assets that can be reliably estimated. It may not be possible to identify a single, discrete event that caused the impairment. Rather, the combined effect of several events may have caused the impairment. Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

- significant financial difficulty of the issuer or the obligor;
- a breach of contract, such as a default or delinquency in interest or principal payment;
- the lender (the Group), for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the Group would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with individual financial assets in the group, including:

(i) adverse changes in the payment status of borrowers in the group (e.g. an increased number of delayed payments); or
(ii) national or local economic conditions that correlate with defaults in the group (e.g. an increase in the unemployment rate in the geographical area of the borrowers, a decrease in property prices for mortgages in the relevant area, a decrease in oil prices for loan assets to oil companies, or adverse changes in the industry conditions that affect the borrowers in the group).

A provision for credit losses is established if there is objective evidence that the Group will be unable to collect all amounts due on a claim according to the original contractual term. A "claim" means a loan, a commitment such as a letter of credit, guarantee or commitment to extend credit or other credit product.

An allowance for credit loss is reported as a reduction in carrying value of a claim on the balance sheet, whereas for an off-balance sheet item such as a commitment, a provision for credit loss is reported in other liabilities. Additions to provisions for credit losses are made through credit loss expense.

Provision for credit losses is based on the following principles:

Counterparty-specific – A claim is considered as a loss when management determines that it is probable that the Group will not be able to collect all amounts due according to the original contractual terms.

Individual credit exposures are evaluated based on the borrower's character, overall financial condition, resources and payment record, prospects of support from financially responsible guarantor and cash collaterals.

An impaired asset refers to an asset where there is no longer reasonable assurance of timely collection of the full amount of principal and interest due to deterioration in the credit quality of the counterparty. An asset is impaired if the estimated recoverable amount of an asset is less than its carrying amount shown in the books of the Group. Impairment is measured and a provision for credit losses is established for the difference between the carrying amount and its estimated recoverable value.

Estimated recoverable amount is measured by discounting the expected future cash flows at the effective interest rate inherent in the asset. When the amount and timing of future cash flows cannot be estimated with reasonable reliability, estimated, recoverable amounts may be measured at either:

- The fair value of any security underlying the assets, net of expected costs of recovery and any amount legally required to be paid to the borrowers; or
- Observable market prices for the assets.

Upon impairment the accrual of interest income based on the original terms of the claim is discontinued until the asset has been written down to its estimated recoverable amount. Interest income thereafter is recognized.

A write-off is made when all or part of a claim is deemed uncollectible or forgiven. Write-offs are charged against previously established allowances for credit losses or directly to credit loss expense and reduce the principal amount of a claim.

2.7 Loans and Advances

Loans and advances originated by the Group include loans where money is provided directly to the borrower and are recognized when cash is advanced to the borrower. They are initially recorded at cost, which is fair value of cash originated by the Group, including any transaction costs, and are subsequently measured at amortised cost using the effective interest method.

2.8 Investments

Investments are recognized on a trade date basis and are classified as held to maturity or available for sale. Investments with fixed maturity dates, where management has both the intent and ability to hold to maturity are classified as held to maturity. Investments intended to be held for indefinite period of time, which may be sold in response to needs for liquidity or changes in the market, are classified as available for sale.

Investments are initially measured at cost. Available for sale investments are subsequently re-measured at fair value based on quoted prices. Fair values for unlisted securities are estimated using market values of the underlying securities or appropriate valuation methods.

Held to maturity investments are carried at amortised cost less any provision for impairment. Amortised cost is calculated on the effective interest method.

2.9 Property, Plant and Equipment

Fixed assets are stated at cost less accumulated depreciation and impairment losses. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of assets is the greater of their net selling price and value in use. The impairment losses are recognized in the statement of income.

Depreciation is computed using the straight-line method, at the following annual rates:

Furniture and Fittings	10%
Motor Vehicles	20%
Office Equipment	10%
Property, Plant & Equipment	6.7%
Building	4%
Computer& Accessories	10%

Repairs and maintenance are charged to the income statement when the expenditure is incurred. Improvements to Fixed Assets are capitalized.

Gains and losses on disposal of fixed assets are determined by reference to their carrying amount and are taken into account in determining net income.

2.10 Translation of Foreign Currencies

The Group's functional currency is the Ghana Cedi. In preparing the statement of financial position of the Group, transactions in currencies other than Ghana Cedis are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement of financial position date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the statement of income. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the statement of income for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in shareholders' equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in the shareholders' equity.

2.11 Cash and Cash Equivalents

For the purposes of cash flow statement cash and cash equivalents include cash and short term government securities maturing in three months or less from the date of acquisition.

2.12 Deferred Taxation

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.13 Current Taxation

The Group provides for income taxes at the current tax rates on the taxable profits of the Group.

Current tax is the expected tax payable on the taxable income for the year, using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years.

2.14 Inventories

Inventory is stated at the lower of cost or net realisable value. Costs of inventories includes, the purchase price, and related cost of acquisition. The cost of inventory is determined using weighted average cost formula.

2.15 Impairment of Non-financial Assets

The carrying amount of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Impairment losses are recognised in the income statement.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.16 Employee Benefits

- Short-Term Benefits

Short-term employee benefits are amount payable to employees that fall due wholly within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term employee benefits are recognised as an expense in the period when the economic benefit is given, as an employment cost. Unpaid short-term employee benefits as at the end of the accounting period are recognised as an accrued expense and any short-term benefit paid in advance are recognised as prepayment to the extent that it will lead to a future cash refund a reduction in future cash payment.

Wages and salaries payable to employees are recognised as an expense in the income statement at gross. The Group's contribution to social security fund is also charged as an expense.

- Social Security and National Insurance Trust (SSNIT)

Under a National Deferred Benefit Pension Scheme, the Group contributes 13% of employees' basic salary to SSNIT for employee pensions. The Group's obligation is limited to the relevant contributions, which are settled on due dates. The pension liabilities and obligations, however, rest with SSNIT.

- Termination Benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptance can be estimated reliably.

2.17 Events after the Balance Sheet date

The Group adjusts the amounts recognised in its financial statements to reflect events that provide evidence of conditions that existed at the balance sheet date.

Where there are material events that are indicative of conditions that arose after the balance sheet date, the Group discloses, by way of note, the nature of the event and the estimate of its financial effect, or a statement that such an estimate cannot be made.

3. New Standards and Interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2016, and have not been applied in preparing these financial statements. These are disclosed as follows:

. **IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations***

Annual Improvements 2012-2014 Cycle: Scope of Non-current assets held for sale: Amendment clarifying that a change in the manner of disposal of a non-current asset or disposal group for sale or distribution is considered to be a continuation of the original plan of disposal, and accordingly, the date of classification as held for sale does not change. The application of this change is *prospective*

IFRS 7 *Financial Instruments: Disclosures*

Annual Improvements 2012-2014 Cycle: Service Contracts: Amendments clarifying the circumstances in which an entity will have continuing involvement in a transferred asset as a result of servicing contracts. IFRS 7 requires disclosure for all transferred financial assets that are not derecognised and for any continuing involvement in a transferred asset, existing at the reporting date, irrespective of when the related transfer transaction occurred. The application of this change is *retrospective*.

Annual Improvements 2012-2014 Cycle: Offsetting: Amendment clarifying the applicability of previous amendments to IFRS 7 issued in December 2011 with regards to offsetting financial assets and financial liabilities in relation to interim financial statements prepared under IAS 34 *Interim Financial Reporting*. The application of this change is *retrospective*.

IFRS 10 *Consolidated Financial Statements*

Investment Entities: Applying the Consolidation Exception: Narrow-scope amendments to IFRS 10, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investments in Associates* introduce clarifications to the requirements when accounting for investment entities.

An investment entity shall not consolidate its subsidiaries or apply IFRS 3 *Business Combinations* when it obtains control of another entity. Instead, an investment entity shall measure an investment in a subsidiary at FV through profit or loss in accordance with IFRS 9 *Financial Instruments*.

However, if an investment entity has a subsidiary that is not itself an investment entity and whose main purpose and activities are providing services that relate to the investment entity's investment activities, it shall consolidate that subsidiary in accordance with this IFRS and apply the requirements of IFRS 3 *Business Combinations* to the acquisition of any such subsidiary.

Where an investment entity measures its subsidiaries at FV, it should provide the IFRS 12 *Disclosure of Interests in Other Entities* disclosures related to investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the standards. The application of this change is *retrospective*.

IFRS 11 *Joint Arrangements*

Joint Operations: Measurement of a Joint Operation: Narrow scope amendment stating that where an entity acquires an interest in a joint operation that meets the definition of a business, the acquirer should apply IFRS 3 *Business Combinations*.

The amendment applies to both the initial investment and additional interests acquired in a joint operation. IFRS 3 *Business Combinations* applies except for where it conflicts with the provisions of IFRS 11. Further, like in IFRS 11 *Joint Operations*, IFRS 3 *Business Combinations* requires that the investor only recognises its percentage ownership in its accounts. The application of the change is *prospective*.

IFRS 12 *Disclosure of Interests in Other Entities*

Investment Entities: Applying the Consolidation Exception: Narrow scope amendments to the scope of the standard to clarify that the requirements in IFRS 12 apply to interests in entities within the scope of IFRS 5 *Non-current assets held for sale* – i.e. interests that are classified (or included in a disposal group that is classified) as held for sale, held for distribution to owners in their capacity as owners, or discontinued operations. The application of the change is *retrospective*.

IFRS 14 *Regulatory Deferral Accounts*

Annual Improvements 2014-2016 Cycle: Rate Regulated amounts: IFRS 14 permits first-time adopters to continue to recognise amounts related to its rate regulated activities in accordance with their previous GAAP requirements when they adopt IFRS.

However, to enhance comparability with entities that apply IFRS and do not recognise such amounts, the standard requires that the effect of rate regulation must be presented separately from other items. An entity that already presents IFRS financial statements is not eligible to apply the standard. The application of the change is *retrospective*.

IAS 1 *Presentation of Financial Statements*

Disclosure Initiative: Clarifying the concept of materiality and deletion of short term exemptions for first-time adopters: Narrow scope amendments designed to encourage entities to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures.

Furthermore, the amendments clarify that entities should use professional judgement in determining where and in what order information is presented in the financial disclosures. The application of this change is *prospective*.

IAS 7 *Statement of Cash Flows*

Disclosure Initiative: Improving disclosures relating to changes in financing liabilities. Narrow scope amendments require the following changes in liabilities arising from financing activities to be disclosed (to the extent necessary):

- □ changes from financing cash flows;
- □ changes arising from obtaining or losing control of subsidiaries or other businesses
- □ the effect of changes in foreign exchange rates;
- □ changes in FV; and
- □ other changes.

The IASB defines liabilities arising from financing activities as liabilities "for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities".

The new disclosure requirements also relate to changes in financial assets if they meet the definition above.

A reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities is one way to meet the new disclosure requirements. The application of this change is *prospective*.

IAS 16 Property, *Plant and Equipment*

Property, plant and equipment: Basis of depreciation: Narrow scope amendment establishing the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. Clarifying that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets. The application of the change is *prospective*.

Amendments bringing bearer plants into the scope of IAS 16: now includes bearer plant assets. but it does not apply to the produce on bearer plants.

A bearer plant is defined as a living plant that

- is used in the production or supply of agricultural produce;
- is expected to bear produce for more than one period; and
- has a remote likelihood of being sold as agricultural produce (except as scrap)

Bearer plant assets are treated as self-constructed assets. Costs are capitalised until the asset is in the location and condition necessary for it to be capable of operating in the manner intended by management. IAS 16 *Property, plant and equipment* permits the use of either the Cost or Revaluation model. The application of the change is *retrospective*.

IAS 19 *Employee Benefits*

Annual Improvements 2012-2014 Cycle: Discount rate: Clarification of the requirements to determine the discount rate in a regional market sharing the same currency (for example, the Eurozone). The application of the change is *retrospective.*

IAS 27 *Consolidated and Separate Financial Statements*

Separate Financial Statements: Use of Equity method: Narrow scope amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The application of the change is *retrospective.*

IAS 28 *Investments in Associates*

Annual Improvements 2014-2016 Cycle: Measuring an associate or joint venture at fair value: If an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the FV measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interest in subsidiaries.

This election is made separately for each investment entity associate or joint venture, at the later of the date on which

a. the investment entity associate or joint venture is initially recognised;
b. the associate or joint venture becomes an investment entity; and
c. the investment entity associate or joint venture first becomes a parent.

The application of the change is *retrospective*.

IAS 38 *Intangible Assets*

Intangible assets: Basis of amortisation: Narrow scope amendment establishing the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. Clarifying that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits in such assets. The application of the change is *prospective.*

IFRS 1 First time adoption of International Financial Reporting Standards

Financial Instruments: Disclosures: Deletion of short-term exemptions for first-time adopters relating to limited exemption from comparative IFRS 7 Financial Instruments: Disclosures, transfer of financial asset disclosures, presentation of comparative information for sensitivity of the defined benefit obligation, and transitional effects of a first-time adopter that is parent which is an investment entity as defined in IFRS 10 Consolidated Financial Statements at the date of transition. The exemption is no longer available

IFRS 2 Share based payments

Amendments to clarify the classification and measurement of share-based payment transactions: An entity choosing to apply the overlay approach retrospectively to qualifying financial assets does so when it first applies IFRS 9 Financial Instruments.

An entity choosing to apply the deferral approach does so for annual periods beginning on or after 1 January 2018

IFRS 9 Financial Instruments

(IFRS 9 (2014) supersedes any previous versions of IFRS 9, but earlier versions of IFRS 9 remain available for application if the relevant date of application is before 1 February 2015)

A finalised version of IFRS 9 Financial Instruments has been issued which replaces IAS 39 Financial Instruments: Recognition and Measurement. The completed standard comprises guidance on Classification and Measurement, Impairment, Hedge Accounting and Derecognition:

a) IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held and their cash flow characteristics. A **new business model** was introduced which does allow certain financial assets to be categorised as "FV through other comprehensive income" in certain circumstances. The requirements for financial liabilities are mostly carried forward unchanged from IAS 39 Financial Instruments: Recognition and Measurement. However, some changes were made to the FV option for financial liabilities to address the issue of own credit risk.

b) The new approach introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets.

c) IFRS 9 contains a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity. In addition, enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements.

IFRS 9 carries forward the derecognition requirements of financial assets and liabilities from IAS 39. Note: IFRS 9 (2014) supersedes IFRS 9 (2009), IFRS 9 (2010) and IFRS 9 (2013), but these standards remain available for application if the relevant date of initial application is before 1 February 2015.

IFRS 15 Revenue from Contracts from Customers

New standard that requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

This core principle is achieved through a five-step methodology that is required to be applied to all contracts with customers.

1. Determine whether you have a contract - do we have a deal
2. Identify the performance obligations - who is doing what (discrete bundles)
3. Determine the transaction price - what do you expect to be owed for the service or goods you have delivered
4. Allocate the transaction price to each of the performance obligations
5. Recognise revenue when the performance obligations are satisfied

The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements.

The new standard supersedes:

a) IAS 11 *Construction Contracts*;

b) IAS 18 *Revenue*;

c) IFRIC 13 *Customer Loyalty Programmes*;

d) IFRIC 15 *Agreements for the Construction of Real Estate*;
e) IFRIC 18 *Transfers of Assets from Customers*; and
f) SIC-31 *Revenue – Barter Transactions Involving Advertising Services*.

The clarifications to the new Revenue standard, which was issued in 2014, do not change the underlying principles of the standard but clarify how those principles should be applied.
The amendments clarify how to:

- identify a performance obligation (the promise to transfer a good or a service to a (customer) in a contract

IAS 28 Investments in Associates and Joint Ventures
Initial recognition of venture capital organisations or other qualifying entities: Amendments clarify that the election to measure at FV through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition

IAS 40 Investment Property
Transfers of property to, or from, investment property: An entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use.

IFRS 16 Leases
New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.
A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. Therefore, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IAS 7 Statement of Cash Flows.
IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee.
IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.
IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.
IFRS 16 supersedes the following Standards and Interpretations:

a) IAS 17 Leases;
b) IFRIC 4 Determining whether an Arrangement contains a Lease;
c) SIC-15 Operating Leases – Incentives; and
d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IAS 28 *Investments in Associates and Joint Ventures*

Initial recognition of venture capital organisations or other qualifying entities: Amendments clarify that the election to measure at FV through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organisation, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

4. Critical accounting judgments and key sources of estimation uncertainties

Estimates and judgments are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors. Estimates and assumptions are recognised 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.

4.1 Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the Group and the tax authority.

Deferred tax assets are recognised for all unutilised capital allowances to the extent that it is probable that taxable profit will be available against which the capital allowances can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(b) Fair value of non-derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

3.2 Critical judgments in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Useful economic life of property, plant and equipment

To a large extent, the financial statements are based on estimates, judgments and models rather than exact depictions of reality. Providing relevant information about the Group's property, plant and equipment requires estimates and other judgments. This includes measuring the cost of an item of property, plant and equipment, including those that are self-constructed. The subsequent allocation of depreciation involves further judgments and estimates including:

- allocating the cost of the asset to particular major components;
- determining the most appropriate depreciation method;
- estimating useful life; and estimating residual value.

	Company		Group	
5. REVENUE	**2016**	**2015**	**2016**	**2015**
	GH¢	**GH¢**	**GH¢**	**GH¢**
Export Sales	**387,591**	7,062	**387,591**	7,062
Local Sales	**5,572,778**	5,375,961	**5,572,778**	5,375,961
	5,960,369	5,383,023	**5,960,369**	5,383,023

6. COST OF SALES	**2016**	**2015**	**2016**	**2015**
includes:	**GH¢**	**GH¢**	**GH¢**	**GH¢**
Depreciation	**233,784**	219,110	**233,784**	219,110
Raw Materials & Production Overheads	**3,211,603**	**2,881,904**	**3,211,603**	**2,881,904**
	3,445,387	3,101,014	**3,445,387**	3,101,014

7 OTHER INCOME	**2016**	**2015**	**2016**	**2015**
	GH¢	**GH¢**	**GH¢**	**GH¢**
Profit on Disposal	**0**	456	**0**	456
Sundry Income	**106,945**	15,324	**106,945**	15,324
	106,945	15,780	**106,945**	15,780

8 ADMINISTRATIVE EXPENSES	**2016**	**2015**	**2016**	**2015**
	GH¢	**GH¢**	**GH¢**	**GH¢**
This includes:				
Executive Salaries and Allowances	**363,022**	345,966	**363,022**	345,966
Directors' Fees	**41,500**	41,500	**41,500**	41,500
Depreciation	**100,193**	92,936	**100,193**	92,936
Amortisation	**968**	968	**968**	968
Auditors Remuneration	**41,000**	35,000	**41,000**	35,000

9 FINANCE COST	**2016**	**2015**	**2016**	**2015**
	GH¢	**GH¢**	**GH¢**	**GH¢**
Interest On Loans and Overdrafts	**12,444**	91,615	**12,444**	91,615

10. TAXATION

10a. Corporate tax

	Balance at 1 January	Charged to Comprehensive Income	Payments/ Credits	Balance at 31 December
	GH¢	GH¢	GH¢	GH¢
2013	142,173	0	0	142,173
2014	(6,490)	0	0	(6,490)
2015	68,746	0	0	68,746
2016	0	81,664	(83,815)	(2,151)
Total	**204,429**	**81,664**	**(83,815)**	**202,278**

10b. Reconciliation of Tax expense at effective rate and statutory rate

	2016	2015
	GH¢	GH¢
Profit before Taxation	**274,563**	220,230
Tax at applicable rate of 25%	**63,836**	54,985
Tax applicable at different rate(8%)	**1,538**	24
Tax effect of Non-deductible Expenses	**93,053**	85,363
Tax effect of exempted Revenue	**0**	(113)
Tax effect on Capital Allowance	**(76,763)**	(64,971)
Origination/Reversal of Temporary Difference	**(31,593)**	(12,781)
Tax Charged	**50,071**	62,507
Effective Tax Rate	**18%**	**28%**

11. DEFERRED TAXATION

	2016	2015
Balance at 1 January	**332,232**	345,013
Charge for the Year	**(31,593)**	(12,781)
Balance at 31 December	**300,639**	332,232

11a. INCOME TAX ON COMPREHENSIVE INCOME

	2016	2015
Current Tax expense(Note 10a)	**81,664**	75,288
Deferred Tax (Note 11)	**(31,593)**	(12,781)
	50,071	62,507

The tax liabilities are subject to agreement with the Ghana Revenue Authority.

11b. The deferred tax credit in the income statement comprises the following:

	2016	2015
Accelerated tax depreciation	**(31,593)**	(12,781)

12. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders by the average number of ordinary shares outstanding during the year.

	2016 GH¢	2015 GH¢
The following reflects the income and share data used in the basic		
Net profit attributable to equity shareholders	**224,492**	157,723
Number of ordinary shares for basic earnings per share	**6,829,276**	6,829,276
Basic earnings per share	**0.0329**	0.0231
Number of ordinary shares for diluted earnings per share	**6,829,276**	6,829,276
Diluted earning per share	**0.0329**	0.0231

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of these financial statements.

13 PROPERTY, PLANT AND EQUIPMENT - Company

Cost/valuation	Land and Buildings GH¢	Motor Vehicles GH¢	Capital Work-in Progress GH¢	Plant & Machinery GH¢	Equipment Furniture & Fittings GH¢	Computer & Access. GH¢	Total GH¢
Balance at 1 January	**226,708**	**263,393**	**73,806**	**3,224,267**	**205,884**	**277,694**	**4,271,751**
Additions	0	0	0	262,750	83,374	44,613	390,737
Disposals/Write off	0	0	0	(1,720)	(52,661)	(5,704)	(60,085)
Balance at 31 December	**226,708**	**263,393**	**73,806**	**3,485,297**	**236,597**	**316,603**	**4,602,403**
Depreciation							
Balance at 1 January	**92,087**	**179,696**	**0**	**1,702,453**	**91,160**	**82,463**	**2,147,859**
Charge for year	8,048	47,019	0	223,988	23,262	31,660	333,977
Disposals/Write off	0	0	0	(1,720)	(31,890)	(3,642)	(37,252)
Balance at 31 December	**100,135**	**226,715**	**0**	**1,924,721**	**82,532**	**110,481**	**2,444,584**
Net book value At 31/12/2016	**126,573**	**36,678**	**73,806**	**1,560,576**	**154,065**	**206,122**	**2,157,819**
At 31/12/2015	134,621	83,697	73,806	1,521,814	114,724	195,231	2,123,892

13a. PROPERTY, PLANT & EQUIPMENT - Group

	Land and Buildings GH¢	Motor Vehicles GH¢	Capital work-in progress GH¢	Plant & Machinery GH¢	Equipment Furniture & Fittings GH¢	Computer & Access. GH¢	Total GH¢
Cost/valuation							
Balance at 1 January	226,708	263,393	73,806	3,224,267	208,204	277,694	4,274,072
Additions	0	0	0	262,750	83,374	44,613	390,737
Disposals/Write off	0	0	0	(1,720)	(52,661)	(5,704)	(60,085)
Balance at 31 December	226,708	263,393	73,806	3,485,297	238,917	238,917	4,604,724
Depreciation							
Balance at 1 January	92,087	179,696	0	1,702,453	91,767	82,463	2,148,466
Charge for year	8,048	47,019	0	223,988	23,262	31,660	333,977
Disposals/Write off	0	0	0	(1,720)	(31,890)	(3,642)	(37,252)
Balance at 31 December	100,135	226,715	0	1,924,721	83,139	110,481	2,445,191
Net book value							
At 31/12/2016	126,573	36,678	73,806	1,560,576	155,778	128,436	2,159,533
At 31/12/2015	134,621	83,697	73,806	1,521,814	116,437	195,231	2,125,606

13b. Depreciation & Amortisation charges have been allocated in the accounts as follows :-

	Company		Group	
	2016 GH¢	2015 GH¢	2016 GH¢	2015 GH¢
Production costs (Note 6)	233,784	219,110	233,784	219,110
Admin. & selling expenses (Note 8)	101,161	93,905	101,161	93,905
	334,945	313,015	334,945	313,015

14. INTANGIBLE ASSETS - Company

	Software
	GH¢
Cost	
Balance at 1/1/16	32,269
Additions	28,750
Balance at 31/12/16	**61,019**
Amortisation	
Balance at 1/1/16	13,148
Additions	6,102
Balance at 31/12/16	**19,250**
Net Book Value At 31/12/16	**41,769**
Net Book Value At 31/12/2015	19,121

14a. INTANGIBLE ASSETS - Group

	Software
Cost	
Balance at 1/1/16	68,830
Additions	28,750
Balance at 31/12/16	**97,580**
Amortisation	
Balance at 1/1/16	13,148
Additions	6,102
Balance at 31/12/16	**19,250**
Net Book Value At 31/12/16	**78,330**
Net Book Value At 31/12/2015	55,682

Intangibles are mainly made up of software applications and website related expenditures

15. INVESTMENTS

This is investment in Camelot Security Solutions Limited a subsidiary company incorporated in Lagos, Nigeria.

16. OTHER ASSETS

These are costs incurred on the restructuring of the subsidiary company.

	Company		Group	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
17. INVENTORIES				
Raw materials	**769,058**	724,214	769,058	724,214
Machinery spare parts	**153,204**	191,291	153,204	191,291
Stationery	**1,736**	135,163	1,736	135,163
Work in progress	**71,312**	79,153	71,312	79,153
	995,310	1,129,821	995,310	1,129,821
18. TRADE AND OTHER RECEIVABLES				
Trade Receivables	**398,525**	393,383	**435,913**	445,155
Prepayments	**63,920**	38,764	**503,654**	743,436
Staff Advances	**26,069**	47,991	**26,069**	47,991
Amount Due from Directors	**0**	187	**0**	187
Other Receivables	**0**	0	**0**	31,991
Intercompany Balance	**950,219**	950,219	**0**	0
	1,438,733	1,430,544	**965,636**	1,268,760

Trade receivables are non-interest bearing and are generally on maximum 30 day terms.

	Company 2016	Company 2015	Group 2016	Group 2015
19. CASH AND BANK BALANCES				
Cash at Banks	**451,573**	335,583	**455,268**	346,311
Cash On hand	**2,861**	1,453	**3,274**	1,453
	454,434	337,036	**458,542**	347,764

20. FAIR VALUES

Set out below is a comparison by class of the carrying amounts and fair value of the group's financial instruments, IFRS 7.26 that are carried in the financial statements.

	Carrying amount		Fair value	
	2016	2015	2016	2015
	GH¢	GH¢	GH¢	GH¢
Financial Assets				
Cash & Cash Equivalents	**458,542**	347,766	**458,542**	347,766
Trade and Other Receivables	**965,636**	1,268,760	**965,636**	1,268,760
Financial Liabilities				
Trade and Other Payables	**1,670,378**	1,857,191	**1,670,378**	1,857,191

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willin parties, other than in a forced or liquidation sale. The following methods and assumption were used to estimate the fair values:
Cash and short-term deposits, trade receivables, trade payables, and other curr liabilities approximate their carrying amounts largely due to the short term matur of these instruments.

21. STATED CAPITAL

	2016	2015
Number Of Shares:		
Authorised Shares : Ordinary Shares of no par value	**20,000,000**	20,000,000
Issued and Fully Paid	**6,829,276**	6,829,276

	2016 GH¢	2015 GH¢
Ordinary Shares Issued and Fully Paid Issued for Cash and Fully Paid	**168,664**	168,664
Consideration for Land Transfer by West Africa Data	**48,803**	48,803
	217,467	217,467

22. NON CONTROLLING INTEREST

Share of Income Surplus:

	Group 2016 GH¢	2015 GH¢
Balance at 1 January	**(109,514)**	(109,514)
Share of Profit	**0**	0
Balance at 31 December	**(109,514)**	(109,514)
Stated Capital	**16,637**	16,637
	(92,877)	(92,877)

23. INTEREST BEARING LOANS AND BORROWINGS

	2016 GH¢	2015 GH¢	2016 GH¢	2015 GH¢
23a. Amount due within two and five years				
Ecobank TIP account	0	50,000	0	50,000

	Company 2016 GH¢	2015 GH¢	Group 2016 GH¢	2015 GH¢
23.b Amount due within one year				
Zenith Bank/EDIF facility	**0**	54,543	**0**	54,543

The approved amounts available under the facilities above are as follows:

Zenith Bank EDIF loan **600,000 Ghana cedis**

The facility was secured as follows:

a. Charge over the assets of the company.
b. Guarantee from West African Data Services Bureau Ltd, a major shareholder.

24. CREDIT RESERVE	2016 GH¢	2015 GH¢	2016 GH¢	2015 GH¢
Balance at 1 January	**1,377,546**	628,479	**1,377,546**	628,479
Addition	**0**	749,067	**0**	749,067
Balance at 31 December	**1,377,546**	1,377,546	**1,377,546**	1,377,546

The addition of GH¢ 749,067 arose as a result interest accrued on the finance lease which has been outstanding over the years.This amount will be written to income when the finance lease payment is fully paid

25. OTHER FINANCIAL LIABILITIES	2016 GH¢	2015 GH¢	2016 GH¢	2015 GH¢
Finance Lease	**979,730**	979,730	**979,730**	979,730
Bank Overdraft	**0**	65,664	**0**	71,278
	979,730	1,045,394	**979,730**	1,051,008

ANALYSIS OF OBLIGATION UNDER FINANCE LEASE:

25a. Amount due within one year	**979,730**	979,730
25b. Amount due within two and five years	**0**	0
	979,730	979,730

26. TRADE AND OTHER PAYABLES	Company 2016 GH¢	2015 GH¢	Group 2016 GH¢	2015 GH¢
Trade Payables	**321,236**	239,961	**393,958**	471,060
Accrued Expenses	**329,544**	403,766	**681,756**	862,743
Other Payables	**593,654**	522,388	**593,654**	522,388
Amount Owed to Directors	**1,010**	1,000	**1,010**	1,000
	1,245,444	1,167,115	**1,670,378**	1,857,191

27. Related Party Disclosures

The related party balance is due to officers of the company.

Terms and Conditions of Transactions with Related Parties

Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

28. Commitments and Contingencies

At 31 December 2016, the company had no commitments.

29. Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has loan and other receivables, trade and other receivables, and cash and short-term deposits that arrive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The Board of Directors advises on the financial risk and the appropriate financial risk governance framework for the Group. The directors provide assurance to the Group's senior management that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with group policies and group risk appetite.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits, available-for-sale investments, and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with fixed interest rates.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the company's operating activities (when revenue or expenses are denominated in a different currency from the company's functional currency).

Liquidity risk

The group monitors its risk to a shortage of funds using a recurring liquidity planning tool. The company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables and loan notes) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Credit risks related to receivables: Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management.

Credit risk related to financial instruments and cash deposits: credit risk from balances with banks and financial institutions is managed by Group management in accordance with the Group's policy.

30. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.
The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Collateral

The Group did not hold collateral of any sort at 31 December 2016 and 2015.