GHANA
STOCK
EXCHANGE

PRESS RELEASE

PR. No 143/2014

CLYDESTONE GHANA LIMITED (CLYD)
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 2013

CLYD has released its audited Financial Statements for the year ended December 31, 2013 as per the attached.

Issued in Accra, this 20th
day of May, 2014

- **E N D -**

att'd.

Distribution:
1. All LDMs
2. General Public
3. Company Secretary, CLYD
4. NTHC Registrars, (Registrars for CLYD shares)
5. SEC
6. Central Securities Depository
7. GSE Council Members
8. GSE Notice Board

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General Manager/Head of Listings, GSE on 0302 669908, 669914, 669935
*JEB

CLYDESTONE GHANA LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

CLYDESTONE GHANA LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013

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CLYDESTONE GHANA LIMITED

DIRECTORS, OFFICIALS AND REGISTERED OFFICES

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

CLYDESTONE GHANA LIMITED

REPORT OF 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

	GH¢
The company recorded a total comprehensive loss of	(111,329)
to which is added balance on the Retained Earnings brought forward of	(835,120)
leaving a balance on the Retained Earnings carried forward of	(946,449)

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 West Africa.

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 for online transaction acquiring for its merchants. The G switch platform is constantly upgraded and enhanced and has been integrated with Verve International of the Interswitch Group, to enable the acceptance of over 20 million Verve Chip card issued by Banks in Nigeria 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.

Post Balance Sheet Events

The company settled its outstanding Overdraft Facility with Ezi Savings and Loans after the balance sheet.

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.

SIGNED: PAUL JACQUAYE
DIRECTOR

SIGNED: ROBERT ALLOH
DIRECTOR

Date: May 8, 2014

CLYDESTONE GHANA LIMITED

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.

Signed by Emmanuel K.D. Abbey (ICAG/P/1167)
For and on behalf of UHYVoscon (ICAG/F/086)
Chartered Accountants
Accra, Ghana

May 8, 2014

CLYDESTONE GHANA LIMITED

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

	NOTE	2013 GH¢	2012 GH¢
TURNOVER	3a	1,239,043	1,229,301
COST OF OPERATIONS	4	(466,072)	(625,239)
GROSS OPERATING PROFIT		772,971	604,062
General & Administrative expenses:	5	(961,634)	(959,770)
Operating Loss		(188,663)	(355,708)
Other Income	6	39,729	25,987
LOSS BEFORE TAXATION		(148,934)	(329,721)
TAXATION			
Income tax expense	7	(1,385)	(4,493)
Loss for the year		(150,319)	(334,214)
Attributable to:- Equity holders		(145,329)	(337,041)
Non-controlling Interest		(4,990)	2,827
OTHER COMPREHENSIVE INCOME (LOSS)			
Net effect of Trade Receivable		-	88,265
Investment in Clydestone Nigeria		-	22,067
Net effect of Inter Company transfer		-	29,287
Exchange difference on deposit		34,000	-
retained earnings		-	(155,387)
Total other comprehensive loss for the year		34,000	(15,768)
Total comprehensive Income/Loss for the year		(111,329)	(352,809)

Notes 1 to 26 form an integral part of these financial statements.

CLYDESTONE GHANA LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2013

	NOTE	2013	2012
ASSETS		**GH¢**	**GH¢**
INTANGIBLE ASSETS	8	571,164	500,802
NON-CURRENT ASSETS			
Property, plant and equipment	9	162,464	67,035
CURRENT ASSETS			
Inventories	10	-	74,970
Trade accounts receivable	11	294,535	345,827
Deposit	12	132,000	98,000
Other accounts receivable	13	449,142	482,917
Cash and bank balances	14	126,976	81,376
		1,002,653	1,083,090
TOTAL ASSETS		1,736,281	1,650,927
CURRENT LIABILITIES			
Bank overdraft	15	570,419	499,732
Trade accounts payable		337,110	196,981
Other accounts payable	16	1,164,928	1,115,501
Taxation	17	(155,621)	(139,756)
Deferred Tax	18	(38,318)	(29,771)
Dividend payable	19	-	34,158
TOTAL CURRENT LIABILITIES		1,878,518	1,676,845
.			
SHAREHOLDERS FUNDS			
Stated capital	20	554,850	554,850
Capital reserve	21	213,037	213,037
Retained earnings		(946,449)	(835,120)
Non controlling Interest	22	36,325	41,315
Total Shareholders Fund		(142,237)	(25,918)
TOTAL LIABILITIES & SHAREHOLDERS' FUNDS		1,736,281	1,650,927

DIRECTOR **DIRECTOR**

Notes 1 to 26 form an integral part of these financial statements.

CLYDESTONE GHANA LIMITED

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

2013

	Stated Capital GH ¢	Capital Surplus GH¢	Non Controlling Interest GH¢	Retained Earnings GH¢	Total GH¢
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	554,850	213,037	36,325	(946,449)	(142,237)

2012

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

CLYDESTONE GHANA LIMITED

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

	2013 GH¢	2012 GH¢
CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before taxation	(148,934)	(329,721)
Reconciliation of profit to net cash flows from operating activities		
Adjustment for non-cash items:		
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)
	38,657	(157,507)
Changes in working capital		
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	49,427	93,064
	315,593	401,757
Tax paid		
Corporate tax	(25,797)	-
Net cash provided by operating activities	328,453	244,250
CASH FLOW FROM INVESTING ACTIVITIES:		
Fixed assets purchased	(134,936)	(48,093)
Intangible asset	(70,362)	(42,580)
Net cash used in investing activities	(205,298)	(90,673)
CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Loan - repayment	-	-
Interest expense	(114,084)	(135,724)
Dividend payable reclassified	(34,158)	-
Net cash used in financing activities	(148,242)	(135,724)

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)

Notes 1 to 26 form an integral part of these financial statements.

CLYDESTONE GHANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

NOTE 1 - NATURE OF BUSINESS

Clydestone Ghana Limited was incorporated in June 1989 with the following objectives as amended on December 12, 2002:

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

The company commenced business in July, 1989 and was listed on the Ghana Stock Exchange in March 2004.

NOTE 2 - BASIS OF PREPARATION

Statement of Compliance

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB).

Basis of Measurement

The financial statements are presented in Ghana cedis which is the company's functional currency rounded up to the nearest cedi. They are prepared on the historical cost basis except for the following assets and liabilities that are stated at their fair value.

Use of Estimates and Judgment

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

Standards, amendments and interpretations effective in 2013

New and Amended Standards and Interpretations

The accounting policies are consistent with those of the previous financial year, except the following new and amended IFRS effective as of January 1, 2013:

IAS 24 – Related party disclosures (amendment) effective January 1, 2011.

IAS 1 Financial statement presentation regarding other comprehensive income (OCI) Applicable July 1, 2012

IFRS 7 – Financial Instruments: - Disclosures

IFRS 8 - Operating segments (amendment) effective date applies to annual periods beginning on or after January 1, 2010.

IFRS 9 – Financial Instruments: Recognition and measurement

IFRS 10 – Consolidated Financial Statements issued in May 2011 but amended and applies to annual periods beginning on or after January 1, 2013.

IFRS 11 – Joint Arrangements: was issued in May 2011 but amended and applies to annual periods beginning on or after January 1, 2013.

IFRS 12 – Disclosure of interest in other entities was issued in May 2011 but amended and applies to annual periods beginning on or after January 1, 2013.

IFRS 13 – Fair value measurement was originally issued in May 2011 but amended and applies to annual periods beginning on or after January 1, 2013.

NOTE 3 - SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PREPARATION

The following is a summary of the significant accounting policies adopted in the presentation of these financial statements. The policies set out below have been consistently applied to all years presented.

a – **Turnover**

Sales comprise invoiced value of goods and services that are measured at the fair value of the consideration received or receivable.

b. - Property, plant and equipment are stated at cost less subsequent depreciation and impairment. Depreciation is provided on a straight line basis at annual rates estimated to write-off values over their useful economic lives.

The annual rates used for this purpose are:-

Motor Vehicle	20.0%
Computers & Accessories	30.0%
Office Furniture and Fittings	7.5%
Office Equipment	20.0%

Depreciation methods, useful lives and residual values are reassessed at each reporting date. Gains and losses on disposal of property, plant and equipment are included in the statement of comprehensive income.

c - **Foreign currency translation**

i. Transactions in foreign currencies are converted at market rates ruling at the dates of such transactions. Exchange differences realised are accounted for through the statement of comprehensive income.

ii. Assets and liabilities, which are denominated in other currencies, are translated into the reporting currency at the period end rates of exchange. Exchange differences arising on such translations are treated through the statement of comprehensive income.

d - **Trade and other accounts receivable**

Trade accounts receivable are recognized initially at fair value and subsequently at amortised cost less any provision for impairment. Specific provisions for doubtful debts are made for receivables of which recovery is doubtful. Other receivables are stated at their cost less impairment losses.

e - **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdraft.

f -**Provisions**

Provisions are recognized when a legal or constructive obligation as a result of past transaction exists at the reporting date, it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be reliably estimated.

g- **Income Tax**

Income tax comprises current tax and deferred tax.

(i) Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

(ii) Deferred Income Taxes

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. Tax rates enacted or substantively enacted by the financial position date are used to determine deferred income tax.

Deferred income tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

h) **Impairment of Assets**

Assets that have indefinite useful lives and are not subject to amortization are tested annually for impairment. Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's

carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

i) **Post Balance sheet Events**
Events subsequent to the balance sheet date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

j) **Dividend distribution.**
Dividend distribution to company's shareholders is recognized as a liability in the company's financial statement in the period in which the dividends are approved by the company's shareholders.

k) **Operating Segments**
A segment is a distinguishable component of the company that is engaged either providing products or services (business segments) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The identification of operating segments on internal reports that are regularly reviewed by the company's chief operating decision maker in order to allocate resources to the segment and asses its performance.

Financial assets and liabilities

l **Offsetting**
Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only when, the company has a legal right to set off the amounts and intends with to settle on a net basis or to realize the asset and settle the liability simultaneously.

ii. **Amortised cost measurement**
The amortised cost of financial asset or liability is the amount at which financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction of impairment.

iii Impairment of financial assets
The Company assesses at each year end date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a 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 the initial recognition of the asset (a "loss event"), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

iv **Determination of fair values**

The fair value of financial instruments traded in active markets is based on quoted market price at the balance sheet date. The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The company uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for future similar financial instruments.

l) **Borrowing costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made.

It did not have an impact on the company.

m) **Investments in subsidiary**

The fair value of investment in subsidiary (unlisted) approximates its cost as its fair value cannot be reliably measured.

n) **Intangible assets – Switching Software**

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

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

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

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

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

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

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

NOTE 4 **COST OF OPERATIONS**

	2013 GH¢	2012 GH¢
Opening inventories	74,970	166,053
Purchases	378,129	500,459
Clearing & delivery	12,973	10,140
	466,072	676,652
Closing inventories	-	(74,970)
	466,072	601,682

NOTE 5- **GENERAL AND ADMINISTRATIVE EXPENSES**

	2013 GH¢	2012 GH¢
General and administrative expenses include:-		
Interest and financial charges	126,954	135,724
Directors remuneration	124,992	90,000
Auditors remuneration	12,500	8,862
Depreciation	39,508	20,754

NOTE 6 **OTHER INCOME**

	2013 GH¢	2012 GH¢
Interest received	39,729	25,987
Exchange gain	-	-
	39,729	25,987

NOTE 7 **INCOME TAX EXPENSE**

	2013 GH¢	2012 GH¢
Current Tax	(9,932)	(6,816)
Deferred Tax	8,547	2,323
Charge to Statement of comprehensive income	(1,385)	(4,493)

NOTE 8 – INTANGIBLE ASSETS

Switch software	**2013**	**2012**
	GH¢	**GH¢**
Cost		
Balance at January 1,	500,802	458,222
Additions	70,362	108,510
Reclassification	-	(65,930)
	571,164	500,802
Amortisation		
Balance at January 1	-	-
Charge for the year	-	-
Net book value	-	-
Balance at December 31	571,164	500,802

Software

This represents the G-Switch platform with which the company does its technical integration with its global partners. It is constantly receiving upgrades and enhancement to meet current operational levels.

NOTE 9- PROPERTY, PLANT AND EQUIPMENT

	Furniture & Fixtures	Office Equipment	Motor Vehicles	Computers	Workshop Equipment	Storage Container	Total
COST	**GH¢**	**GH¢**	**GH¢**	**GH¢**	**GH¢**	**GH¢**	**GH¢**
At 1.1.13	100,871	84,017	214,300	361,200	5,971	7,160	773,519
Additions	-	-	131,832	3,104	-	-	134,936
At. 31.12.13	100,871	84,017	346,132	364,304	5,971	7,160	908,455
DEPRECIATION							
At 1.1.13	54,236	84,017	214,300	342,112	5,971	5,848	706,484
Charge for the year	6,067	-	26,366	5,762	-	1,312	39,507
At 31.12.13	60,303	84,017	240,666	347,874	5,971	7,160	745,991
NET BOOK VALUE							
At 31.12.13	40,568	-	105,466	16,430	-	-	162,464
At 31.12.12	46,635	-	-	19,089	-	1,312	67,035

NOTE 10 - INVENTORIES

	2013 GH¢	2012 GH¢
ATM	-	51,873
Network materials	-	23,097
DP	-	-
	-	74,970

NOTE 11 - TRADE ACCOUNTS RECEIVABLE

These have been stated at their fair values

.

NOTE 12 - DEPOSIT

This represent risk reserve deposit with

	2013 GH¢	2012 GH¢
China Union Pay	110,000	80,000
Chase Bank Kenswitch	22,000	18,000
	132,000	98,000

NOTE 13 - OTHER ACCOUNTS RECEIVABLE

	2013 GH¢	2012 GH¢
Staff debtors	5,250	6,750
Others	443,892	476,167
	449,142	482,917

NOTE 14 - CASH AND BANK BALANCES

	2013 GH¢	2012 GH¢
Cash on hand	4,541	1,968
Ecobank Ghana Limited	1,935	1,935
Standard Chartered Bank Limited	48	48
Zenith Bank Ghana Limited	7,457	11,357
Unibank Ghana Limited	1,604	14,191
United Bank of Africa Limited	-	5,791
Guaranty Trust Bank Limited	59,652	1,147
Fidelity Bank Limited	41,514	41,659
Bank of Africa	163	-
Ghana Commercial Bank Limited	8,557	1,775
National Investment Bank Limited	1,505	1,505
	126,976	81,376

NOTE 15- BANK OVERDRAFT

This represent overdrawn balance

	2013 GH¢	2012 GH¢

Ezi Savings & Loans	570,419	456,335
Access Bank PLC (Nigeria)	-	43,397
	570,419	499,732

NOTE 16- OTHER ACCOUNTS PAYABLE

	2013 GH¢	2012 GH¢
SSNIT	51,370	87,165
IRS	277,217	228,973
Audit fees	19,484	22,047
National reconstruction levy	4,740	4,740
VAT	448,940	497,652
Rent	116,686	113,955
Others	246,491	160,969
	1,164,928	1,115,501

NOTE 17- TAXATION

	YA	Balance 1/1/13 GH¢	Payments/ Tax Credits GH¢	Charge for the year GH¢	Balance 31/12/13 GH¢
Up to	2006	(43,897)	-	-	(43,897)
	2007	(2,521)	-	-	(2,521)
	2008	(63,246)	-	-	(63,246)
	2009	(56,370)	-	-	(56,370)
	2010	22,691	(2,674)	-	20,017
	2011	(3,229)	(893)	-	(4,122)
	2012	6,816	(1,762)	-	(5,054)
	2013	-	(20,468)	9,932	(10,536)
		(139,756)	(25,797)	9,932	(155,621)

The tax charge for the year at 22% is subject to agreement with Domestic Tax Revenue Division of the Ghana Revenue Authority.

NOTE 18- DEFERRED TAX

	2013 GH¢	2012 GH¢

	The balance is derived as follows		
	Balance as at January 1,	(29,771)	(27,448)
	Applied to current year	(8,547)	(2,323)
	Balance as at December 31,	(38,318)	(29,771)

NOTE 18 (ii)	**RECONCILIATION OF EFFECTIVE TAX RATE**	**2013**	**2012**
		GH¢	**GH¢**
	Loss before taxation	(148,934)	(329,721)
	Income tax using domestic tax rate at (22%)	9,932	-
	Non-deductible expenses	45,453	6,166
	Tax incentive not recognized in the income statement	(36,761)	(1,575)
	Deferred tax charges	(8,547)	2,225
	Current tax charge	10,077	6,816
	Effective tax rate	0%	0%

(iii)	**Recognised Deferred tax Assets and Liabilities**	**2013**	**2012**
	Deferred tax assets and liabilities are attributed to the following:	**GH¢**	**GH¢**
	Property and equipment	8,547	(2,225)
	Net Tax Asset	8,547	(2,225)

NOTE 19 -	**DIVIDEND PAYABLE**		
		2013	**2012**
		GH¢	**GH¢**
	Balance at January 1,	-	34,158

NOTE 20 - STATED CAPITAL

	2013		**2012**	
	Number	**GH¢**	**Number**	**GH¢**

Authorised No. of shares of no par value:-	100,000,000		100,000,000	
Issued and fully paid:-				
Issued for cash	34,000,000	554,850	34,000,000	554,850

There are no treasury shares. There are no unpaid calls on any share.

NOTE 21 - CAPITAL SURPLUS

	2013 GH¢	2012 GH¢
Balance December 31,	213,037	213,037

NOTE 22- NON CONTROLLING INTEREST

	2013 GH¢	2012 GH¢
Share of net assets of subsidiary		
At January 1,	41,315	38,488
Share of loss-subsidiary	(4,990)	2,827
At December 31,	36,325	41,315

NOTE 23 RELATED PARTY TRANSACTIONS

The majority shareholder in the company also has substantial interests in Transaction solutions Ghana Limited and Ezi Savings and Loans Limited.

During the year the following related party transactions took place as detailed below.

	Company 2013 GH¢	Group 2013 GH¢	Company 2012 GH ¢	Group 2012 GH¢
Receivable from related party				
Transaction Solutions Gh. Ltd.	-	-	26,000	26,000
Payable to related party				
Ezi Savings and Loans Limited	575,415	575,415	456,355	456,355
Sale of goods/services				
Ezi Savings and Loans Limited	119,110	119,110	110,402	110,402

NOTE 24 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

	Fair	Carrying

	Value		Amount	
	2013	2012	2013	2012
	GH ¢	GH ¢	GH ¢	GH¢
Financial Assets				
Trade accounts receivable	294,535	345,827	294,535	345,827
Deposit	132,000	98,000	132,000	98,000
Other accounts receivable	449,142	428,917	449,142	428,917
Cash and bank balances	126,976	81,376	126,976	81,376
Inventories	-	74,970	-	74,970
Intangibles	571,164	500,802	571,164	500,802
Financial Liabilities				
Trade accounts payable	337,110	196,981	337,110	196,981
Other accounts payable	1,164,928	1,115,501	1,164,928	1,115,501
Bank overdraft	570,419	499,732	570,419	499,732
Dividend payable	-	34,518	-	34,518

NOTE 25- SEGMENTAL REPORTING

The company operates in Ghana and Nigeria, the key business being undertaken relates to payment and system integration net working and computer/communication technology and debt collection. The Nigeria operations is yet to take off fully her business operations.

Segmental reporting has therefore not been adopted in the presentation of these financial statements.

NOTE 26- CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no known outstanding contingent liabilities or capital commitments at December 31, 2013.