

TRANSACTION SOLUTIONS (GHANA) LIMITED

REPORT OF INDEPENDENT AUDITORS TO THE MEMBERS

We have audited the accompanying statement of financial position of Transaction Solutions Ghana Limited as at December 31, 2011 and the related statement of comprehensive income and statement of cash flow for the year then ended.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors are responsible for preparing these financial statements in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Ghana Companies Code, 1963 (Act 179). Our responsibility is to express an independent opinion on these financial statements based on our audit.

BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

The accompanying financial statements have been prepared assuming the company will continue as a going concern. As discussed in Note 22 to the financial statements, the company has suffered recurring losses and has a material negative current ratio. This condition raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to this matter is also described in Note 23. The financial statements do not include any adjustments relating to recoverability and classification of asset carrying amounts and classification of liabilities that might result should the company be unable to continue as a going concern

Opinion

Except for the matters raised in paragraph four above, in our opinion proper books of account have been kept by the company and the accompanying statement of financial position and statement of comprehensive income which are in agreement therewith, present in all material respects, the financial position of Transaction Solutions Ghana Limited as at December 31, 2011 and the results of its operations and statement of cash flows for the year then ended in accordance with International Reporting Standards (IFRS) and comply with the companies Code, 1963, (Act 179).

REPORT ON OTHER LEGAL REQUIREMENTS

The Ghana Companies Code, 1963 (Act 179) requires that in carrying out our audit we consider and report 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 purposes of our audit;
- ii. In our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
- iii. The statement of financial position and statement of comprehensive income are in agreement with the books of account.



CHARTERED ACCOUNTANTS


Accra

30th March, 2012

TRANSACTION SOLUTIONS (GHANA) LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2011

	2011 GH¢	2010 GH¢
NON-CURRENT ASSETS		
Property, plant and equipment	<u>219,825</u>	<u>1,336,703</u>
CURRENT ASSETS		
Trade accounts receivable	7,147	7,147
Other accounts receivable	442,592	358,926
Cash and bank balances	<u>38,727</u>	<u>1,763</u>
	488,466	367,736
Non-current assets held for sale	<u>374,127</u>	<u>—</u>
Total Current Assets	<u>862,593</u>	<u>367,836</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Bank Overdraft	2,565,883	1,988,305
Trade accounts payable	700,816	670,481
Other accounts payable	617,406	585,832
Taxation	(28,304)	(28,304)
Short term loan	<u>—</u>	<u>149,699</u>
Total Current Liabilities	<u>3,855,801</u>	<u>3,366,013</u>
Net Current Assets	<u>(2,993,208)</u>	<u>(2,998,177)</u>
Total Assets	<u>(2,773,383)</u>	<u>(1,661,474)</u>
NON CURRENT LIABILITIES		
Finance Lease Obligation	—	43,699
EQUITY		
Stated capital	2,150,000	2,150,000
Retained earnings	<u>(4,923,383)</u>	<u>(3,855,173)</u>
Shareholders funds	<u>(2,773,383)</u>	<u>(1,705,173)</u>
Total Equity and Liabilities	<u>(2,773,383)</u>	<u>(1,661,474)</u>
NET ASSETS PER SHARE (GH¢ PER SHARE)	<u>(0.0347)</u>	<u>(0.0208)</u>



DIRECTOR



DIRECTOR

TRANSACTION SOLUTIONS (GHANA) LIMITED

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

	2011 GH¢	2010 GH¢
CONTINUING OPERATIONS		
TURNOVER	8,176	1,617,007
COST OF OPERATIONS	<u>(8,017)</u>	<u>(1,656,759)</u>
GROSS TRADING PROFIT	<u>159</u>	<u>(39,752)</u>
GENERAL & ADMINISTRATIVE EXPENSES:		
OPERATING LOSS	(1,048,667)	(1,810,157)
OTHER INCOME	<u>—</u>	<u>63,120</u>
LOSS BEFORE TAXATION	(1,048,667)	(1,747,037)
TAXATION:		
Corporate Tax	<u>—</u>	<u>(15,787)</u>
LOSS AFTER TAXATION FROM CONTINUING OPERATIONS	(1,048,667)	(1,762,824)
DISCONTINUED OPERATIONS		
Loss from discontinued operations	<u>(19,543)</u>	<u>—</u>
	<u>1,068,210</u>	<u>(1,762,824)</u>
BASIC EARNINGS PER SHARE	(0.0131)	(0.0220)
CONTINUING OPERATIONS	(0.0002)	(—)
DISCONTINUING OPERATIONS	(0.0133)	(0.0220)

TRANSACTION SOLUTIONS (GHANA) LIMITED

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

	2011 GH¢	2010 GH¢
CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before Tax	(1,068,210)	(1,747,037)
Reconciliation of profit to net cash flow from Operating activities		
Adjustment for Non-Cash Items:		
Depreciation	195,208	221,442
Loss on disposal	19,543	(63,120)
Net Interest Expense	368,511	194,293
	<u>(484,948)</u>	<u>(1,394,422)</u>
Changes in current assets and liabilities		
Decrease in trade accounts receivable	—	337,810
Decrease in other accounts receivable	212,869	95,110
Decrease in Inventories	-	258,532
Increase in trade accounts payable	30,335	(74,001)
Increase in other accounts payable	31,574	235,580
	<u>274,778</u>	<u>853,031</u>
Tax paid: Corporate tax	—	—
	<u>274,778</u>	<u>853,031</u>
Net cash used in operating activities	<u>(210,170)</u>	<u>(541,391)</u>
Cash Flow from Investing Activities:		
Purchase of fixed assets	—	(9,500)
Proceed from Disposal	231,465	105,368
Net Cash used in Investing Activities:	<u>231,465</u>	<u>95,868</u>
Cash Flow from Financing Activities		
Dividend Paid	—	(200,000)
Finance lease obligation-servicing	(193,398)	(186,531)
Interest expense	(368,511)	(194,293)
Net Cash used in financing activities	<u>(561,909)</u>	<u>(580,824)</u>
DECREASE IN CASH & CASH EQUIVALENTS	<u>(540,614)</u>	<u>(1,026,347)</u>

TRANSACTION SOLUTIONS (GHANA) LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED
DECEMBER 31, 2011 (CONT'D)

	2011 GH¢	2010 GH¢
DECREASE IN CASH & CASH EQUIVALENTS	(540,614)	(1,026,347)
CASH & CASH EQUIVALENTS: at beginning of year:-		
Cash and bank balances	<u>(1,986,542)</u>	<u>(960,195)</u>
at end of year	<u>(2,527,156)</u>	<u>(1,986,542)</u>
Analysis of balances of cash and cash equivalents as shown in the balance sheet.		
Cash and bank balances	38,727	1,763
Bank overdraft	<u>(2,565,883)</u>	<u>(1,988,305)</u>
	<u>(2,527,156)</u>	<u>(1,986,542)</u>

TRANSACTION SOLUTIONS (GHANA) LIMITED

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

	Stated Capital GH ¢	Retained Earnings GH ¢	Total GH ¢
Balance as at January 1,	2,150,000	(3,855,173)	(1,705,173)
Loss for the year	—	(1,068,210)	(1,068,210)
Balance as at December 31	<u>2,150,000</u>	<u>(4,923,383)</u>	<u>(2,773,383)</u>

EXTRACT OF THE NOTES TO THE FINANCIAL STATEMENTS

Significant Accounting Policies

The detailed accounting policies which form part of the annual report and have been consistently applied can be found in the annual financial statements which are available for inspection at the company's head office at Labone, 16 Adebeto close.

QUANTITATIVE DISCLOSURES

	2011 GH ¢	2011 GH ¢
Proceeds from sale of ATMs	528,000	—
Less carrying amount	<u>(547,543)</u>	<u>—</u>
Loss on disposal	<u>(19,543)</u>	<u>—</u>

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