

Report of Independent Auditors to the Members

We have audited the accompanying financial statements of Mega African Capital Limited on pages 14 to 30 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). 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' responsibilities

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 misstatements.

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 judgment, 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 controls 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 of 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 December 31, 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.

UHY Voscon

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

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

Chartered Accountants

Accra, Ghana

Date: April 9, 2014

Statement of Comprehensive Income

For the year ended December 31, 2013

	NOTE	2013 GH¢	2012 GH¢
Revenue			
Investment and Operating Income	3(a)	526,477	1,808,468
Gain/ (Loss) on Investments at Market Value	3(b)	9,619,677	583,868
Total Revenue		10,146,154	2,392,336
Expenses			
Administrative, legal & professional expenses	4	(826,866)	(703,295)
Net profit before finance costs and Tax		9,319,288	1,689,041
Finance Costs	5	(1,309,385)	(702,855)
		8,009,903	986,186
Corporate Tax	12	(103,961)	(53,492)
Profit for the year		7,905,942	932,694
Other Comprehensive Income			
Profit for the year		7,905,942	932,694
Total Comprehensive Income		7,905,942	932,694

Notes 1 to 21 form an integral part of these financial statements.

Statement of Financial Position

As at December 31, 2013

	NOTE	2013 GH¢	2012 GH¢
ASSETS			
NON-CURRENT ASSETS			
Financial assets at fair value through profit or loss	6(a)	14,842,675	11,910,182
Investment property	6(c)	6,350,000	3,618,951
Total Non-Current Assets		21,192,675	15,529,133
CURRENT ASSETS			
Financial assets held for trading	6(b)	5,816,080	4,064,118
Other account receivables	7	-	54,566
Trade receivables		96,250	-
Cash & Cash equivalents	8	1,581,788	761,913
Total Current Assets		7,494,118	4,880,597
TOTAL ASSETS		28,686,793	20,409,730
CURRENT LIABILITIES			
Accounts payable and accruals	9	87,396	74,618
Taxation		(32,095)	-
Tenured deposits	10	7,797,117	7,406,679
Total Current Liabilities		7,852,418	7,481,297
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS			
Stated capital	11	11,820,922	11,820,922
Retained earnings		9,013,453	1,107,511
Total Net Assets Attributable to shareholders		20,834,375	12,928,433
TOTAL LIABILITIES & SHAREHOLDERS' FUNDS		28,686,793	20,409,730

Kwesi Amonus-Nire

DIRECTOR

Kampw

DIRECTOR

Notes 1 to 21 form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended December 31, 2013

	Stated Capital GH¢	Retained Earnings GH¢	Total Equity GH¢
2013			
Balance as at January 1, 2013	11,820,922	1,107,511	12,928,433
Net profit for the year	-	7,905,942	7,905,942
Balance as at December 31, 2013	11,820,922	9,013,453	20,834,375

	Stated Capital GH¢	Retained Earnings GH¢	Total Equity GH¢
2012			
Balance as at January 1, 2012	11,211,868	174,817	11,386,685
Net profit for the year	-	932,694	932,694
Shares issued during year	385,017	-	385,017
Conversion of interest on preference shares to Ordinary shares	224,037	-	224,037
Balance as at December 31, 2013	11,820,922	1,107,511	12,928,433

Cash Flow Statement

For the year ended December 31, 2013

	NOTE	2013 GH¢	2012 GH¢
CASH FLOW FROM OPERATING ACTIVITIES	14	(1,638,680)	1,263,804
Tax paid		(136,056)	(59,093)
Cash flow from operating activities		(1,774,736)	1,204,711
CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of financial assets		(7,865,373)	(9,361,454)
Sale of financial assets		10,069,546	873,180
Net Cash flow used in Investing Activities		2,204,173	(8,488,274)
NET CASH FLOW FROM FINANCING ACTIVITIES:			
Capital Contributions received from shareholders		-	609,054
Tenured deposit		390,438	5,473,175
Net cash flow from Financing Activities		390,438	6,082,229
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		819,875	(1,201,334)
CASH & BANK BALANCES			
at beginning of year Cash and bank		761,913	1,963,247
at end of year Cash and bank		1,581,788	761,913

Notes 1 to 21 form an integral part of these financial statements.