CLYDESTONE GHANA LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2012

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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, 2012

The Directors of Clydestone Ghana Limited present the audited financial statements for the year ended December 31, 2012.

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	(352,809)
to which is added balance on the Retained Earnings brought forward of	(482,311)
leaving a balance on the Retained Earnings carried forward of	(835,120)

The company's investment in Clydestone (Nigeria) Ltd which was part of its listing objectives was written off in 2009 when the company adopted the International Financial Reporting Standards (IFRS). Despite the write off the company still pursued the opportunities in Nigeria. The investment and operations of Clydestone Nigeria Ltd was evaluated and valued at US$14,029,000 as at December 31, 2012. The valuation of investment in the G – Switch was yet to be completed as at December 31, 2012.

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.

SGND:PAUL JACQUAYE — **DIRECTOR**

SGND:ROBERT ALLOH — **DIRECTOR**

Date: May 16th , 2013

CLYDESTONE GHANA LIMITED

INDEPENDENT AUDITORS REPORT

We have audited the accompanying Consolidated Financial Statements of Clydestone Ghana Limited on pages 5 to 23 which comprise the statement of financial position as at December 31, 2012, 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' 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 2012, 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 Voscon (ICAG/F/0063)
Chartered Accountants
Accra, Ghana

May 17th, 2013

CLYDESTONE GHANA LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2012

	NOTE	2012 GH¢	2011 GH¢
TURNOVER	3a	1,229,301	950,616
COST OF OPERATIONS	4	(625,239)	(263,587)
GROSS OPERATING PROFIT		604,062	687,029
General & Administrative expenses:	5	(959,770)	696,650
Operating Loss		(355,708)	(9,621)
Other Income	6	25,987	34,790
LOSS BEFORE TAXATION		(329,721)	25,169
TAXATION			
Income tax expense	7	(4,493)	687
Loss for the year		(334,214)	25,856
Attributable to:- Equity holders		(337,041)	23,754
Non-controlling Interest		2,827	2,102
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	-
Opening balance of Clydestone Nigeria retained earnings		(155,387)	-
Total other comprehensive loss for the year		(15,768)	-
Total comprehensive Income/Loss for the year		(352,809)	23,754

Notes 1 to 25 form an integral part of these financial statements.

CLYDESTONE GHANA LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012

	NOTE	2012	2011
		GH¢	GH¢
ASSETS			
INTANGIBLE ASSETS	8	500,802	458,222
NON-CURRENT ASSETS			
Property, plant and equipment	9	67,035	71,200
CURRENT ASSETS			
Inventories	10	74,970	166,053
Trade accounts receivable	11	345,827	632,809
Other accounts receivable	12	580,917	539,192
Cash and bank balances	13	81,376	35,017
		1,083,090	1,373,071
TOTAL ASSETS		1,650,927	1,902,493
CURRENT LIABILITIES			
Bank overdraft	14	499,732	471,226
Trade accounts payable		196,981	224,628
Other accounts payable	15	1,115,501	1,022,437
Taxation	16	(139,756)	(146,572)
Deferred Tax	17	(29,771)	(27,448)
Dividend payable	18	34,158	34,158
TOTAL CURRENT LIABILITIES		1,676,845	1,578,429
.			
SHAREHOLDERS FUNDS			
Stated capital	19	554,850	554,850
Capital reserve	20	213,037	213,037
Retained earnings		(835,120)	(482,311)
Non controlling Interest	21	41,315	38,488
Total Shareholders Fund		(25,918)	324,064
TOTAL LIABILITIES & SHAREHOLDERS' FUNDS		1,650,927	1,902,493

SGND:PAUL JACQUAYE **SNGD:ROBERT ALLOH**
DIRECTOR **DIRECTOR**

Notes 1 to 25 form an integral part of these financial statements.

CLYDESTONE GHANA LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2012

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)

2011

	Stated Capital GH ¢	Capital Surplus GH¢	Non Controlling Interest GH¢	Retained Earnings GH¢	Total GH¢
Balance as at January 1,	554,850	213,037	36,386	(506,065)	298,208
Total recognized income and expense	-	-	2,102	23,754	25,856
Balance as at December 31	554,850	213,037	38,488	(482,311)	324,064

CLYDESTONE GHANA LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2012

	2012 GH¢	2011 GH¢
CASH FLOW FROM OPERATING ACTIVITIES:		
Loss before taxation	(329,721)	25,169
Reconciliation of profit to net cash flows from operating activities		
Adjustment for non-cash items:		
Net Interest expense	135,724	284
Depreciation	50,452	52,411
Loss on Disposal	1,806	-
Effect on group transfer	(15,768)	-
	(157,507)	77,864
Changes in working capital		
Inventories	91,083	-
Trade accounts receivable	286,982	4,724
Other accounts receivable	(41,725)	(80,643)
Due from subsidiary	(27,647)	(42,211)
Other accounts payable	93,064	193,999
	401,757	75,869
Tax paid		
Corporate tax	-	(11,175)
Net cash provided by operating activities	244,250	64,694
CASH FLOW FROM INVESTING ACTIVITIES:		
Fixed assets purchased	(48,093)	(92,938)
Intangible asset	(42,580)	-
Net cash used in investing activities	(90,673)	(92,938)
CASH FLOW FROM FINANCING ACTIVITIES		
Short Term Loan - repayment	-	(7,464)
Interest expense	(135,724)	(284)
Net cash used in financing activities	(135,724)	(7,748)

CLYDESTONE GHANA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2012 (CONT'D)

	2012 GH¢	2011 GH¢
INCREASE IN CASH AND CASH EQUIVALENTS	17,853	41,872
CASH AND CASH EQUIVALENTS:		
at beginning of year:-		
Cash & bank balance	35,017	57,085
Bank overdraft	(471,226)	(535,166)
at end of year:-	(418,356)	(436,209)

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

Cash and bank balances	81,376	35,017
Bank overdraft	(499,732)	(471,226)
	(418,356)	(436,209)

Notes 1 to 25 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

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 2012

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

	2012	2011
	GH¢	**GH¢**
Opening inventories	166,053	166,053
Purchases	500,459	225,205
Clearing & delivery	10,140	11,283
	676,652	402,541
Closing inventories	(74,970)	(166,053)
	601,682	236,488

NOTE 5- GENERAL AND ADMINISTRATIVE EXPENSES

	2012	2011
	GH¢	**GH¢**
General and administrative expenses include:-		
Interest and financial charges	135,724	9,187
Directors remuneration	90,000	90,400
Auditors remuneration	8,862	8,200
Depreciation	20,754	36,564

NOTE 6 OTHER INCOME

	2012	2011
	GH¢	**GH¢**
Interest received	25,987	28,090
Exchange gain	-	6,700
	25,987	34,790

NOTE 7 INCOME TAX EXPENSE

	2012	2011
	GH¢	**GH¢**
Current Tax	(6,816)	(7,946)
Deferred Tax	2,323	8,633
Charge to Statement of comprehensive income	(4,493)	687

NOTE 8 – INTANGIBLE ASSETS

Switch software	2012	2011
	GH¢	**GH¢**
Cost		
Balance at January 1,	458,222	-
Additions	108,510	458,222
Reclassification	(65,930)	-
	500,802	458,222
Amortisation		
Balance at January 1	-	-
Charge for the year	-	-
Net book value	-	-
Balance at December 31	500,802	458,222

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 1.1.12	85,155	83,597	214,300	347,299	5,971	7,160	743,482
Additions	15,716	18,475		13,901	-	-	48,092
Disposal	-	(18,055)	-	-	-	-	(18,055)
At. 31.12.12	100,871	84,017	214,300	361,200	5,971	7,160	773,519
DEPRECIATION							
At 1.1.12	34,418	83,597	214,300	329,580	5,971	4,416	672,282
Charge for the year	19,818	16,670	-	12,532	-	1,432	50,452
Disposal	-	(16,250)	-	-	-	-	(16,250)
At 31.12.12	54,236	84,017	214,300	342,112	5,971	5,848	706,484
NET BOOK VALUE							
At 31.12.12	46,635	-	-	19,089	-	1,312	67,035
At 31.12.11	50,737	-	-	17,719	-	2,744	71,200

NOTE 10 - INVENTORIES

	2012 GH¢	2011 GH¢
ATM	51,873	51,873
Network materials	23,097	74,856
DP	-	39,324
	74,970	166,053

NOTE 11 - TRADE ACCOUNTS RECEIVABLE

These have been stated at their book values and in the opinion of the Directors are recoverable in full.

NOTE 12 - OTHER ACCOUNTS RECEIVABLE

	2012 GH¢	2011 GH¢
Staff debtors	6,750	9,017
Deposits	98,000	80,000
Others	476,167	450,175
	580,917	539,192

NOTE 13 - CASH AND BANK BALANCES

	2012 GH¢	2011 GH¢
Cash on hand	1,968	1,386
Cash at bank	79,408	33,631
	81,376	35,017

NOTE 14- BANK OVERDRAFT

This represent overdrawn balance

	2012 GH¢	2011 GH¢
Ezi Savings & Loans	456,335	471,226
Access Bank PLC (Nigeria)	43,397	-
	499,732	471,226

NOTE 15- OTHER ACCOUNTS PAYABLE

	2012 GH¢	2011 GH¢
SSNIT	87,165	61,775
IRS	228,973	183,284
Audit fees	22,047	18,947
National reconstruction levy	4,740	4,740
VAT	497,652	433,305
Rent	113,955	134,437
Others	160,969	185,949
	1,115,501	1,022,437

NOTE 16- TAXATION

YA	Balance 1/1/12 GH¢	Payments/ Tax Credits GH¢	Charge for the year GH¢	Balance 31/12/12 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	-	-	22,691
2011	(3,229)	-	-	(3,229)
2012	-	-	6,816	6,816
	(146,572)	-	6,816	(139,756)

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

NOTE 17- DEFERRED TAX

	2012 GH¢	2011 GH¢
The balance is derived as follows		
Balance as at January 1,	(27,448)	18,815
Applied to current year	(2,323)	8,633
Balance as at December 31,	(29,771)	27,448

NOTE 17 (ii) RECONCILIATION OF EFFECTIVE TAX RATE

	2012 GH¢	2011 GH¢
Loss before taxation	(329,721)	1,164
Income tax using domestic tax rate at (22%)	-	256
Non-deductible expenses	6,166	8,044
Tax incentive not recognized in the income statement	(1,575)	(8,300)
Deferred tax charges	2,225	5,104
Current tax charge	6,816	5,104
Effective tax rate	0%	0%

(iii) **Recognised Deferred tax Assets and Liabilities**

Deferred tax assets and liabilities are attributed to the following:

	2012 GH¢	2011 GH¢
Property and equipment	(2,225)	(5,014)
Net Tax Asset	(2,225)	(5,014)

NOTE 18 - DIVIDEND PAYABLE

	2011 GH¢	2010 GH¢
Balance at January 1,	34,158	34,158

NOTE 19 - STATED CAPITAL

	2012 Number	GH¢	2011 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 20 - CAPITAL SURPLUS

	2012 GH¢	2011 GH¢
Balance December 31,	213,037	213,037

NOTE 21- NON CONTROLLING INTEREST

	2012 GH¢	2011 GH¢
Share of net assets of subsidiary		
At January 1,	38,488	36,386
Share of profit-subsidiary	2,827	2,102
At December 31,	41,315	38,488

NOTE 22 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 2012 GH¢	Group 2012 GH¢	Company 2011 GH ¢	Group 2011 GH¢
Receivable from related party				
Transaction Solutions Gh. Ltd.	26,000	26,000	100,399	100,399
Payable to related party				
Ezi Savings and Loans Limited	456,355	456,355	471,226	471,226
Sale of goods/services				
Ezi Savings and Loans Limited	110,402	110,402	162,024	162,024

NOTE 23 FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

	Fair Value		Carrying Amount	
	2012	2011	2012	2011
	GH ¢	GH ¢	GH ¢	GH¢
Financial Assets				
Trade accounts receivable	345,827	632,809	345,827	632,809
Other accounts receivable	580,817	539,192	580,817	539,192
Cash and bank balances	81,376	35,017	81,376	35,017
Inventories	74,970	166,053	74,970	166,053
Intangibles	500,802	458,222	500,802	458,222
Financial Liabilities				
Trade accounts payable	196,981	224,628	196,981	224,628
Other accounts payable	1,115,501	1,022,437	1,115,501	1,022,437
Bank overdraft	499,732	471,226	499,732	471,226
Dividend payable	34,518	34,518	34,518	34,518

NOTE 24- 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 25- CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no known outstanding contingent liabilities or capital commitments at December 31, 2012.