

Clydestone Group

Unaudited Consolidated Statement of Financial Position
As at December 31, 2018

	The Company		The Group	
	2018	2017	2018	2017
	GH¢	GH¢	GH¢	GH¢
Non-Current Assets				
Intangible assets	1,267,362	1,267,362	1,267,362	1,267,362
Property, plant & equipment	385,947	391,073	406,692	416,247
Investments	222,627	222,627	-	-
	<u>1,875,935</u>	<u>1,881,062</u>	<u>1,674,053</u>	<u>1,683,609</u>
Current Assets				
Inventories	108,986	62,180	108,986	62,180
Trade receivable	1,895,101	375,591	1,965,712	440,218
Deferred tax	185,183	158,981	185,270	159,068
Due from related subsidiary	495,298	479,578	-	-
Other accounts receivable	348,477	543,020	753,221	934,085
Cash and cash equivalents	48,618	26,192	50,146	27,882
	<u>3,081,664</u>	<u>1,645,542</u>	<u>3,063,336</u>	<u>1,623,433</u>
Total Assets	<u>4,957,600</u>	<u>3,526,604</u>	<u>4,737,389</u>	<u>3,307,042</u>
Equity				
Capital and Reserve Attributable to Company's Equity Holding				
Stated capital	554,850	554,850	558,174	554,850
Capital surplus	542,811	542,811	524,192	614,893
Deposit for shares	-	-	285,036	328,683
Retained earnings	(556,901)	(824,280)	(1,021,732)	(1,384,736)
Non-controlling interest	-	-	13,818	32,247
Total Equity	<u>540,760</u>	<u>273,381</u>	<u>359,489</u>	<u>145,937</u>
Liabilities				
Current Liabilities				
Bank overdraft	-	515,291	-	515,291
Trade payable	1,595,647	501,949	1,638,686	541,341
Other accounts payable	2,557,186	2,472,494	2,955,533	2,306,160
Taxation	(298,104)	(283,330)	(216,318)	(201,687)
Due to related company	562,110	46,819	-	-
Total Liabilities	<u>4,416,840</u>	<u>3,253,223</u>	<u>4,377,901</u>	<u>3,161,105</u>
Total Equity and Liabilities	<u>4,957,600</u>	<u>3,526,604</u>	<u>4,737,389</u>	<u>3,307,042</u>

THE FINANCIAL STATEMENT DO NOT CONTAIN UNTRUE STATEMENTS, MISLEADING OR OMIT ANY MATERIAL FACTS TO THE BEST OF OUR KNOWLEDGE.

SIGNED
PAUL JACQUAYE
Director

SIGNED
ROBERT ALLOH
Director

Clydestone Group

Unaudited Consolidated Statement of Comprehensive Income
Year ended December 31, 2018

	The Company		The Group	
	2018	2017	2018	2017
	GH¢	GH¢	GH¢	GH¢
Revenue	5,855,948	5,185,157	5,855,948	5,185,157
Cost of operations	<u>(4,166,009)</u>	<u>(4,409,456)</u>	<u>(4,166,009)</u>	<u>(4,409,456)</u>
GROSS OPERATING PROFIT	1,689,939	775,701	1,689,939	775,701
Directors remuneration	110,700	143,836	110,700	143,836
Interest / financial charges	13,986	16,785	13,986	16,785
Auditors remuneration	35,027	35,027	35,027	35,027
Depreciation	119,081	121,311	119,081	121,311
General & administration expenses	<u>1,108,692</u>	<u>1,053,716</u>	<u>1,147,646</u>	<u>1,092,670</u>
	<u>1,387,485</u>	<u>1,370,674</u>	<u>1,426,439</u>	<u>1,409,628</u>
Operating Profit	302,454	(594,973)	263,500	(633,927)
Other Income	<u>36,000</u>	<u>13,200</u>	<u>36,000</u>	<u>13,200</u>
Profit (Loss) before tax	338,454	(581,773)	299,500	(620,727)
Corporate taxation	<u>(71,075)</u>	<u>153,484</u>	<u>(62,895)</u>	<u>153,484</u>
Profit (Loss) for the period	<u>267,379</u>	<u>(428,289)</u>	<u>236,605</u>	<u>(467,243)</u>
Attributable to: Equity holders	-	-	236,605	(467,243)
Non Controlling Interest	-	-	-	-
Other comprehensive income (loss)	-	-	-	-
Exchange Difference on translation	-	-	-	<u>20,635</u>
Total comprehensive income/(loss) for the year	<u>267,379</u>	<u>(428,289)</u>	<u>236,605</u>	<u>(446,608)</u>
Earnings per share (GH¢)	0.0157	(0.0252)	0.0070	(0.0137)

Clydestone Group

Unaudited Statement of Changes in Equity
Year ended December 31, 2018

Company

	<u>Stated Capital GH¢</u>	<u>Capital Surplus GH¢</u>	<u>Retained Earnings GH¢</u>	<u>Total GH¢</u>
January 1, 2018	554,850	140,955	(824,280)	(128,475)
Profit/(Loss) for the period	-	-	267,379	267,379
December 31, 2018	<u>554,850</u>	<u>140,955</u>	<u>(556,901)</u>	<u>138,904</u>

Group

	<u>Stated Capital GH¢</u>	<u>Capital Surplus GH¢</u>	<u>Retained Earnings GH¢</u>	<u>Deposit for Shares GH¢</u>	<u>Non Controlling Interest GH¢</u>	<u>Total GH¢</u>
January 1, 2018	635,786	614,893	(1,384,736)	328,683	32,247	226,873
Profit/(Loss) for the period	-	-	236,605	-	(18,429)	218,176
Other group adjustments	-	-	126,399	-	-	126,399
December, 31, 2018	<u>635,786</u>	<u>614,893</u>	<u>(1,021,732)</u>	<u>328,683</u>	<u>13,818</u>	<u>571,448</u>

Company

	<u>Stated Capital GH¢</u>	<u>Capital Surplus GH¢</u>	<u>Retained Earnings GH¢</u>	<u>Total GH¢</u>
January 1, 2017	554,850	140,955	(395,991)	299,814
Profit for the period	-	-	(428,289)	(428,289)
December 31, 2017	<u>554,850</u>	<u>140,955</u>	<u>(824,280)</u>	<u>(128,475)</u>

Group

	<u>Stated Capital GH¢</u>	<u>Capital Surplus GH¢</u>	<u>Retained Earnings GH¢</u>	<u>Deposit for Shares GH¢</u>	<u>Non Controlling Interest GH¢</u>	<u>Total GH¢</u>
January 1, 2017	<u>554,850</u>	213,037	(938,128)	328,683	35,400	193,842
Profit for the period	-	-	(446,607)	-	(3,153)	(449,760)
December 31, 2017	<u>554,850</u>	<u>213,037</u>	<u>(1,384,735)</u>	<u>328,683</u>	<u>32,247</u>	<u>(255,918)</u>

Clydestone Group

Unaudited Statement of Cash Flows Year ended December 31, 2018

	The Company		The Group	
	<u>2018</u> GH¢	<u>2017</u> GH¢	<u>2018</u> GH¢	<u>2017</u> GH¢
Cash Flow form Operating Activities				
Profit before taxation	338,454	147,225	299,500	88,353
Adjustment for Non-Cash Items:				
Net interest expense	13,986	24,414	13,986	57,754
Depreciation	<u>119,081</u>	<u>53,106</u>	<u>124,368</u>	<u>56,749</u>
Net cash used in operating activities	<u>471,521</u>	<u>224,745</u>	<u>437,854</u>	<u>202,856</u>
Changes in working capital				
Inventories	(46,807)	(58,229)	(46,807)	(58,229)
Trade receivables	(1,519,511)	(743,888)	(1,525,494)	(707,405)
Other accounts receivables	67,726	(142,842)	20,568	(163,425)
Trade payable	1,093,698	561,197	1,097,345	557,049
Other accounts payable	84,692	451,626	649,373	406,258
Due from related company	<u>499,571</u>	<u>(26,770)</u>	-	-
	<u>179,370</u>	<u>41,094</u>	<u>194,985</u>	<u>34,248</u>
Tax Paid				
Corporate	<u>(40,976)</u>	<u>(42,946)</u>	<u>(40,976)</u>	<u>(42,926)</u>
Net cash used in operating activities	<u>609,915</u>	<u>222,893</u>	<u>591,864</u>	<u>194,178</u>
Cash Flows from Investing Activities				
Purchase of Property, plant & equipment	25,200	(74,051)	25,200	(74,051)
Exchange Gain On Deposits	(36,000)	(24,414)	(36,000)	
Purchase of intangible assets	<u>(27,197)</u>	<u>(84,357)</u>	<u>(27,197)</u>	<u>(84,357)</u>
Interest Income	-	-	-	-
Net Cash Used in Investing Activities	<u>(37,997)</u>	<u>(182,822)</u>	<u>(37,997)</u>	<u>(158,408)</u>
Cash Flows from Financial Activities				
Short Term Loan	(20,216)	-	(2,325)	-
Interest expense	(13,986)	-	(13,986)	-
Net Cash Used in Financing Activities	<u>(34,202)</u>	-	<u>(16,311)</u>	-
Increase in Cash and Cash Equivalents	537,716	40,071	537,555	35,770
Cash and cash equivalents at 1 January,	<u>(489,099)</u>	<u>(486,418)</u>	<u>(487,409)</u>	<u>(480,494)</u>
Cash and cash equivalents at 31 Dec	<u>48,617</u>	<u>(446,347)</u>	<u>50,146</u>	<u>(444,724)</u>
Analysis of balances of cash and cash equivalents as shown in the balance sheet				
Cash and Bank Balances	48,618	68,944	50,146	70,567
Bank overdraft	-	(515,291)	-	(515,291)
	<u>48,617</u>	<u>(446,347)</u>	<u>50,146</u>	<u>(444,724)</u>

Clydestone Group

Notes to the Financial Statements

Year ended December 31, 2018

1. Reporting entity

Clydestone (Ghana) Limited (“the company”) and its subsidiaries (“forming the group”) is a company domiciled in Ghana and initially incorporated as a Private Limited Liability Company on 16 June 1989 and issued with a commencement certificate on 19 June, 1989. It was later converted into a Public Limited Liability Company in August 2003. It was listed on the Ghana Stock Exchange in March 2004.

The nature of authorized business as amended in December 2002 are as follows

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

For Companies Act, 1963 (Act 179) reporting purposes, the balance sheet is represented by the statement of financial position and the profit or loss account by part of the statement of profit or loss and other comprehensive income, in these financial statements.

2. Basis of preparation and consolidation

i. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties and buildings classified as property and equipment, derivative financial instruments and available-for-sale financial assets that have been measured at fair value. The carrying values of recognized assets and liabilities that are designated as hedged items in fair value hedges that would otherwise be carried at amortized cost are adjusted to record changes in the fair values attributable to the risks that are being hedged in effective hedge relationships.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements.

ii. Basis of consolidation

The consolidated financial statements comprise the financial statements of Clydestone Ghana Limited, the parent, and her subsidiaries as at 31 December 2017. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtained control and continue to be consolidated until the date when such

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstance is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b) Interests in joint ventures

The Group has interests in joint ventures that are jointly controlled entities, whereby the venturers have contractual arrangement that establishes joint control over the economic activities of the entity. The arrangement requires unanimous agreement for financial and operating decisions among the venturers. The Group recognizes its interests in joint ventures using the proportionate consolidation method.

The Group combines its proportionate share of each of the assets, liabilities, income and expenses of the joint venture with similar items, line by line, in its consolidated financial statements. The financial statements of the joint venture are prepared for the same reporting period as the Group. Adjustments are made where necessary to bring the accounting policies in line with those of the Group.

The Group's share of intra-group balances, transactions and unrealized gains and losses on such transactions between the Group and its joint venture are eliminated on consolidation.

Losses on transactions are recognized immediately if there is evidence of a reduction in the net realizable value of current assets or an impairment loss. The joint venture is proportionately consolidated until the date on which the Group ceases to have joint control over the joint venture.

Upon loss of joint control, the Group measures and recognizes its remaining investment at its fair value. The difference between the carrying amount of the investment upon loss of joint control and the fair value of the remaining investment and proceeds from disposal is recognized in profit or loss. When the remaining investment constitutes significant influence, it is accounted for as an investment in an associate.

c) Investment in associates

The Group's investment in its associate, an entity in which the Group has significant influence, is accounted for using the equity method. Under the equity method, the investment in the associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment. The income statement reflects the Group's share of the results of operations of the associate. When there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.