

DYNATECH INDUSTRIES LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2013

DYNATECH INDUSTRIES LIMITED
ANNUAL REPORTS AND FINANCIAL STATEMENTS

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**DYNATECH INDUSTRIES LIMITED
CORPORATE INFORMATION**

BOARD OF DIRECTORS

Mr. Shirish R. Mehta
Mr. Lalit Kumar Newar
Mr. Amit Jaiprakash Agarwal

REGISTERED OFFICE

Cedar House 2nd Floor 13,
Samara Road, Asylum Down
P. O. Box GP 242
Accra, Ghana

AUDITORS

Accounts SOLN Consultants
Chartered Accountants
P. O. Box KN 2932
Kaneshie-Accra

SECRETARIES & SOLICITORS

Accra Nominess Limited

BANKERS

Standard Chartered Bank Limited
Barclays Bank
Zenith Bank

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF
DYNATECH INDUSTRIES LIMITED**

The Directors presented their report and financial statements of the Company for the year ended 31ST December 2013.

DIRECTOR'S RESPONSIBILITY STATEMENT

The company's Directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position at 31ST December 2013, the statement of comprehensive income, the statement of changes in equity and cash flow statement for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Code, 1963 (Act 179) of Ghana.

The Director's responsibility includes: designing, implementing and maintain internal controls relevant to the preparation and fair presentation of these 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.

The Directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

FINANCIAL STATEMENTS AND DIVIDEND

The results for the year are as set out in the attached financial statements.

The Directors do not recommend the payment of a dividend for the year (2013: Nil)

The Directors consider the state of the company's affairs to be satisfactory.


NATURE OF BUSINESS

The company is authorized to undertake business in the manufacturing and sale of roofing sheet and any other activities connected therewith.

There was no change in the nature of the company's business during the year.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the company, as indicated above, were approved by the board of directors onand are signed on their behalf by:


.....

DIRECTOR


.....

DIRECTOR

ACCRA,

..... 14/4/2014

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
DYNATECH INDUSTRIES LIMITED**

Report on the Financial Statements

We have audited the financial statements on pages 5 to 23, which have been prepared in accordance with International Financial Reporting Standards. We have obtained all the information and explanations we required.

Respective Responsibilities of Directors and Auditors

These financial statements are the responsibility of the directors. 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 of Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements. 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 the directors as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis of opinion.

Opinion


In our opinion, proper books have been kept and the financial statements, which are in agreement therewith, comply with the Companies Code, 1963 and give a true and fair view of the financial position of the company at 31st December 2013 and of the results of its operations and cash flows for the year then ended and comply with International Financial Reporting Standards.

Other Matters

We have obtained all information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 and fifth schedule of the Companies Code 1963 (Act 179) (As amended)


SIGNED BY.....
ERIC PONTON ICAG/P/1221
For And On Behalf Of:
ACCOUNTS SOLN CONSULTANTS ICAG/F/2013/023
CHARTERED ACCOUNTANTS
P. O. BOX KN2932
KANESHIE

14/4
.....2014

**DYNATECH INDUSTRIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2013**

		2013	2012
	Note	GH¢	GH¢
Revenue	3	42,687,503	54,844,372
Cost of sales	5	(40,525,724)	(52,617,941)
		-----	-----
GROSS PROFIT		2,161,779	1,226,431
General and Administrative Expenses	4(b)	(1,221,862)	(1,241,876)
Other Income	6	25,364	457,666
		-----	-----
OPERATING PROFIT/ (LOSS)		965,281	442,121
Finance cost	7	(1,469,907)	(299,810)
		-----	-----
OPERATING PROFIT/ (LOSS) BEFORE TAXATION		(504,626)	142,311
Taxation	8(a)	14,238	29,903
		-----	-----
PROFIT/ LOSS FOR THE PERIOD		(490,388)	172,214
Other Comprehensive Income		-	-
		-----	-----
TOTAL COMPREHENSIVE INCOME		(490,388)	172,214
		=====	=====

DYNATECH INDUSTRIES LIMITED
STATEMENT OF FINANCIAL POSITION
AT 31ST DECEMBER 2013

		2013	2012
	Note	GH¢	GH¢
NON-CURRENT ASSETS			
Property, Plant and Equipment	10	5,165,761	5,356,192
		-----	-----
Total Non-Current Assets		5,165,761	5,356,192
		-----	-----
CURRENT ASSETS			
Inventory	9	14,670,781	15,687,419
Trade and Other Receivables	11	1,298,360	1,866,907
Cash and Bank balances	12	410,857	2,453,105
		-----	-----
Total Current Assets		16,379,998	20,007,431
		-----	-----
TOTAL ASSETS		21,545,759	25,363,623
		=====	=====
EQUITY & LIABILITIES			
EQUITY			
Stated Capital	15	843,961	843,961
Retain Earnings		475,390	965,777
		-----	-----
TOTAL EQUITY		1,319,351	1,809,738
NON CURRENT LIABILITIES			
Deferred tax		364,637	386,502
CURRENT LIABILITIES			
Corporation Tax	8(b)	127	2,127
Trade and Other Payables	13	14,790,549	16,007,423
Bank Overdraft		5,071,095	7,157,833
		-----	-----
TOTAL CURRENT LIABILITIES		19,861,771	23,167,383
		-----	-----
TOTAL EQUITY AND LIABILITIES		21,545,759	25,363,623
		=====	=====

DYNATECH INDUSTRIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2013

	Stated Capital GH¢	Retained Earnings GH¢	Total GH¢
Balance at 1 January 2012	854,500	793,564	1,648,064
Total comprehensive income for the year			
Profit for the period	-	172,214	172,214
Other comprehensive income net of income tax	-	-	-
Transactions with owners recorded Directly in equity			
Repayment of Advances	(10,539)	-	-
Balance at 31st December 2012	843,961	965,778	1,809,739
Balance at 1 st January 2013	843,961	965,778	1,809,739
Total comprehensive income for the year			
Profit for the period	-	(490,388)	(490,388)
Other comprehensive income net of income tax	-	-	-
Balance at 31st December 2013	843,961	475,390	1,319,351

DYNATECH INDUSTRIES LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2013

	Note	2013 GH¢	2012 GH¢
Cash flow from operating activities			
Profit before taxation		(504,626)	142,311
<i>Adjustments for:</i>			
Profit/Loss on disposal		(2,900)	(415,177)
Depreciations charges		533,254	546,339
Changes in Inventory		1,016,639	(3,831,958)
Changes in receivables		568,548	2,546,447
Changes in payables		(1,216,875)	(7,257,699)
		-----	-----
Cash flow from operations		394,040	(8,275,236)
Income taxes paid		(9,627)	(5,500)
		-----	-----
Net cash flow used in operating activities		384,413	(8,275,236)
Cash flows from investing activities			
Property, plant and equipment purchased		(342,922)	(330,025)
Proceeds from Disposal		3,000	458,700
		-----	-----
Net cash flow from Investing Activities		(339,922)	128,675
Cash flows from financing activities			
Unsecured Loan Repayment		-	(10,539)
		-----	-----
Increase/ (Decrease) in cash and cash equivalent		44,491	(8,157,099)
		=====	=====
Analysis of changes in cash and cash equivalent during the year			
Balances at 1 ST January		(4,704,729)	3,452,370
Net cash inflow/ (outflow)		44,491	(8,157,099)
		-----	-----
Balance at 31 ST December		(4,660,238)	(4,704,729)
		=====	=====
Analysis of balances of cash and cash equivalent as shown in the balance sheet			
Cash balance	12	410,857	2,453,105
Bank Overdraft		(5,071,095)	(7,157,833)
		-----	-----
		(4,660,238)	(4,704,729)
		=====	=====

DYNATECH INDUSTRIES LIMITED
NOTE FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st DECEMBER 2013

1. REPORTING ENTITY

DYNATECH INDUSTRIES LIMITED is a company registered and domiciled in Ghana. The address of the company's registered office can be found on page 2 of the annual report. The company's is authorized to undertake business in the manufacturing and sale of roofing sheets and the exportation of paper and aluminum scrap and any other activities connected therewith.

2. BASIS OF PREPARATION

a. Statement of compliance

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

b. Basis of measurement

Financial statements are prepared on the historical cost basis except for financial instruments that are stated at fair values.

c. Functional currency

The financial statements are presented in Ghana Cedi which is the company's functional and presentation currency. All financial information presented in Ghana Cedi has been rounded to the nearest cedi.

d. Use of estimates and judgment

The preparation of financial statements in conformity with IFRS requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the 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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3. REVENUE	2013	2012
(See accounting policy in note 16 c)	GH¢	GH¢
Manufacturing (Domestic)		
GC Sheet (Japan)	50,617	446,478
GC Sheet	18,645,742	23,437,363
Other Scrap	20,645	27,951
Zinc Scrap	66,673	82,722
Trade (Domestic)		
ROPP	1,052	965
Aluminum Roofing Sheets	17,592,530	15,984,360
Alu Zinc Roofing sheets	2,023,112	4,482,327
Alum Roofing (Rej.SH)	21,115	2,832
Prepainted Corr.Sheets	4,266,017	9,259,321
Sales Exports		
Paper Scrap	-	120,043
TOTAL REVENUE	42,687,503	53,844,372
	=====	=====

4. EXPENSE

(See accounting policy in note 16 c)

(a) DIRECT EXPENSES

	2013	2012
	GH¢	GH¢
Manufacturing & Maintenance	172	23,618
Clearing Charges	576,503	876,326
Consumption of Stores and Consumables	25,935	30,517
Custom Duty	2,096,758	2,499,304
Other Manufacturing Expenses	14,538	22,862
Power and Fuel	19,147	15,723
Repairs and Maintenance	162,108	141,660
TOTAL DIRECT EXPENSES	2,895,161	3,610,000
	=====	=====

(b) GENERAL AND ADMINISTRATIVE EXPENSES

	2013	2012
	GH¢	GH¢
Auditors Remuneration	16,500	2,500
Bank Charges	134,009	178,612
Business Promotion	18,970	24,113
Freight, Forwarding and Handling Expense	995	29,532
Insurance	36,917	33,113
General Expense	9,738	8,722
Christmas & Year End Gifts	213	14,466
Immigration Expenses	7,600	5,897
Labour Charges	74,048	76,894
License Fee	18,940	5,155
Legal Expenses	-	700
Postage, Courier & Fax	782	797

(GEN & ADMIN EXPENSES CONT'D)

Printing & Stationery	6,768	4,992
Professional & Consultancy Fees	7,781	9,850
Provision and Toiletries	3,402	1,809
Security Charges	19,242	16,580
Subscription & Membership Fees	7,986	4,514
Sundry Balance Written Off	(2,701)	2,019
Rent	61,662	43,460
Telephone & Communication	18,851	12,657
Travelling & Conveyance	59,284	59,657
Vehicle Upkeep	32,481	32,300
Depreciation	533,254	546,339
Salaries, Wages & Bonus	105,984	93,017
Medical Expenses	10,815	10,860
Other Welfare	38,342	27,019
	-----	-----
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	1,221,862	1,241,875
	=====	=====
TOTAL DIRECT, GENERAL AND ADMINISTRATIVE EXPENSES	4,117,023	4,851,875
	=====	=====

5. COST OF SALES

	2013	2012
	GH¢	GH¢
Opening Inventory	15,687,419	11,855,461
Purchases	36,613,924	52,839,889
Direct Expenses (see note 4(a))	2,895,161	3,610,000
	-----	-----
	55,196,504	68,305,360
Less; Closing Inventory	(14,670,780)	(15,687,419)
	-----	-----
TOTAL COST OF SALES	40,525,724	52,617,941
	=====	=====

6. OTHER INCOME

(See accounting note 16 c)

	2013	2012
	GH¢	GH¢
Interest on Call Deposits	22,464	42,389
Profit/Loss on Sale of Fixed Assets	2,900	415,177
	-----	-----
TOTAL OTHER INCOME	25,364	457,566
	=====	=====

7. FINANCE COSTS		
(See accounting note 16 c)		
	2013	2012
	GHC	GHC
Interest on Overdraft	1,467,357	299,294
Other Interest	2,550	516
	-----	-----
TOTAL FINANCE COSTS	1,469,907	299,810
	=====	=====
8. INCOME TAX		
(See accounting policy in note 16 j)		
	2013	2012
	GHC	GHC
(a) Tax Expense		
Deferred tax	(21,865)	(45,612)
Income Tax as per current year	7,627	15,709
	-----	-----
INCOME TAX AS PER INCOME STATEMENT	14,238	29,903
	=====	=====
(b) Amount Recognized in the Statement of Financial position		
	2013	2012
	GHC	GHC
Balance at the beginning of the year	2,127	(8,083)
Refund/ (Payment) during the year	(9,627)	(5,500)
Tax charged to profit/loss account	-	-
Outstanding PAYE	-	1,067
Under/Over Provision for the Year	7,627	14,643
	-----	-----
AS PER STATEMENT OF FINANCIAL POSITION	127	2,127
	=====	=====
(c) Deferred Tax		
	2013	2012
	GHC	GHC
Balance at beginning of the year	386,502	432,114
Charge to the profit/loss account	(21,865)	(45,612)
	-----	-----
AS PER STATEMENT OF FINANCIAL POSITION	364,637	386,502
	=====	=====
9. INVENTORY		
(See accounting policy in note 14 m)		
	2013	2012
	GHC	GHC
Closing Inventory	14,670,780	15,687,419
	-----	-----
TOTAL INVENTORY	14,670,780	15,687,419
	=====	=====

10. PROPERTY, PLANT AND EQUIPMENT

(See accounting policy in note 14 e)

	Office Equipment GH¢	Plant & Machinery GH¢	Land & Building GH¢	Furniture & Fittings GH¢	Computers GH¢	Motor Vehicle GH¢	Total GH¢
Cost							
At 1/1/12	24,754	5,702,265	2,281,801	25,930	17,690	118,903	8,171,343
Additions	2,589	324,606	-	1,080	1,750	-	330,025
Disposal	-	(231,381)	-	-	-	(22,383)	(253,764)
At 31/12/12	27,343	5,795,490	2,281,801	27,010	19,440	96,520	8,247,604
At 1/1/13	27,343	5,795,490	2,281,801	27,010	19,440	96,520	8,247,604
Additions	-	305,199	-	2,673	1,100	33,950	342,922
Disposal	-	-	-	-	-	(5,060)	(5,060)
At 31/12/13	27,343	6,100,689	2,281,801	29,683	20,540	125,411	8,585,467
Accumulated Depreciation							
At 1/1/12	16,365	2,365,505	73,606	17,747	14,251	67,839	2,555,313
Charge	1,678	453,300	73,606	1,637	2,076	14,043	546,339
Less. Acc. Depn On Disposal	-	(193,232)	-	-	-	(17,009)	(210,240)
At 31/12/12	18,043	2,625,574	147,212	19,384	16,327	64,873	2,891,412
At 1/1/13	18,043	2,625,574	147,212	19,384	16,327	64,873	2,891,412
Charge	1,139	434,439	73,606	2,634	1,685	19,750	533,254
Less. Acc. Depn On Disposal	-	-	-	-	-	(4,960)	(4,960)
At 31/12/13	19,182	3,060,013	220,818	22,018	18,012	79,663	3,419,707
Net Book Value							
At 31/12/13	8,161	3,040,676	2,060,983	7,665	2,528	45,748	5,165,761
At 31/12/12	9,300	3,169,916	2,134,589	7,626	3,113	31,647	5,356,192

11. TRADE AND OTHER RECEIVABLES

(See accounting policy in note 14 a (i))

(i) Accounts Receivables

	2013 GH¢	2012 GH¢
Trade Receivables	1,217,496	1,809,096
TOTAL TRADE RECEIVABLES	1,217,496	1,809,096

(TRADE AND OTHER RECEIVABLES CONT'D)

(ii) Other Receivables	2013	2012
	GH¢	GH¢
Prepayments	72,532	43,506
Deposit	1,696	6,935
Advance to Staff	2,830	2,593
Loan to Staff	3,806	4,777
	-----	-----
TOTAL SUNDRY RECEIVABLES	80,864	57,811
	=====	=====
TOTAL TRADE AND OTHER RECEIVABLES	1,298,360	1,866,907
	=====	=====

12. CASH AND BANK BALANCE

(See accounting policy in note 14 a(i))

	2013	2012
	GH¢	GH¢
Bank Overdraft	(5,071,095)	(7,157,833)
Petty Cash	410,857	2,453,105
	-----	-----
CASH AND CASH EQUIVALENT IN THE STATEMENT OF FINANCIAL POSITION AND CASHFLOW	(4,660,238)	(4,704,728)
	=====	=====

13. TRADE AND OTHER PAYABLES

(See accounting policy in note 14 a (i))

(i) Account Payables	2013	2012
	GH¢	GH¢
Trade Payables	14,770,051	15,972,073
	-----	-----
TOTAL TRADE PAYABLES	14,770,052	15,972,073
	=====	=====
 (ii) Other Payables		
	2013	2012
	GH¢	GH¢
Duties & Taxes	613	717
SSNIT	1,745	384
PAYE	764	1,472
VAT	17,376	32,777
	-----	-----
TOTAL ACCRUALS	20,498	35,350
	=====	=====
TOTAL TRADE AND OTHER PAYABLES	14,790,549	16,007,423
	=====	=====

14. EMPLOYEES BENEFIT

(See accounting policy in note 15(i))

	2013 GH¢	2012 GH¢
Employees Remuneration & Benefit	155,141	131,714
	-----	-----
TOTAL EMPLOYEES BENEFIT	155,141	131,714
	=====	=====

15. SHARE CAPITAL

(See accounting policy in note 15(iv))

Issued	100,000,000
	=====
	GH¢
Issued –Fully paid in cash	843,961
	=====

16. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the company and in preparing an opening balances sheet at 1st January 2012 for the purpose of transition to IFRS.

a. Financial instruments

(i) Non-derivative Financial assets and liabilities

Non-derivative financial instruments comprise investment in shares and treasury bills, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial assets are recognized initially at fair value which is its cost excluding transaction costs. Subsequent to initial recognition, non-derivative financial assets are measured at fair value through the comprehensive income.

The company classified its non-derivative financial instruments in the following categories.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are measured at amortized cost using the effective interest rate method, less impairment.

- Financial assets at fair value through profit and loss

This relates to all other liabilities that are not designated at fair value through profit or loss.

(ii) 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 either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards.

(iii) Amortized cost measurements

The amortized cost of a financial asset or liability is the amount at which the 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 for impairment.

(iv) Share capital (Stated capital)

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as deduction from equity, net of any tax effects.

(v) Identifying impairment

A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in companies that share similar credit risk characteristics.

All impairment losses are recognized in the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

The carrying amounts of the company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

b. Foreign currency

The company's foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rate of monetary assets and liabilities denominated in foreign currencies, are recognized in the statement of comprehensive income. Non-monetary assets and liabilities are translated at historical exchange rates if held at historical cost or exchange rates at the date that fair value was determined if held at fair value, and the resulting foreign exchange gains and losses are recognized in the income statement or shareholder's equity as appropriate.

c. Revenue recognitions

Revenue from the provision of service in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns, trade discount and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed agreement, recovery of the consideration is probable, the associated costs and possible return of service can be estimated reliably, and the amount of revenue can be measured reliably. The timing of revenue occurs upon the provision of service to the client.

All operating income and expenses are recognized in the statement of comprehensive income based on accrual accounting in order to secure proper matching of income and expense, which relate to the same transaction or other event.

Foreign currency gains and losses are reported on a net basis.

d. Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in statement of comprehensive income, using the effective interest method. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of comprehensive income using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

e. Property, plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in statement of comprehensive income as incurred.

The company capitalizes borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

(iii) Depreciation

Depreciation is recognized in the statement of comprehensive income on a reducing balance basis over the estimated useful life of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Land & Building	-	3%
Plant & Machinery	-	12.5%
Office Equipment	-	20%
Motor Vehicles	-	30%
Computers	-	40%
Fixtures & Fittings	-	20%

Major spare parts and stands by equipment, and spare parts and servicing equipment used only in connection with an item of property, plant and equipment are classified as property, plant and equipment.

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

f. Other receivables

Other receivable are stated at their cost less impairment losses.

g. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balances and these are carried at amortized cost in the balance sheet.

h. Post balance sheet events

Events subsequent to the balance sheet date are reflected only to the extent that they relate directly to the financial statement and the effect is material.

i. Defined contribution plans

A defined contribution plan is a post-employment benefits plan under which an entity pays fixed contribution to a separate entity and will have no legal or constructive obligation to pay future amounts. Obligation for contribution to defined contribution schemes are recognized as an expense in the statement of comprehensive income when they are due.

j. Taxation

The company provided for income taxes at the current tax rates on the taxable profits of the company.

Income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the statement of financial position date, any other adjustment to tax payable in respect of previous years.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

k. Comparatives

Where necessary the comparative information has been changed to agree to the current year presentation.

l. Investments

Investment are stated at fair value

m. Inventory

All inventories are recognized at the lower of cost and the net realizable value.

17. DETERMINATION OF FAIR VALUES

A number of the company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair value is disclosed in the note specific to that asset or liability

a. Other receivables

The fair value of other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The future cash flow are not discounted if they are receivable for not than six months.

b. Cash and cash equivalents approximates their carrying value.

The fair value of cash and cash equivalents approximates their carrying value.

c. Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

17. CAPITAL COMMITMENTS

There was no capital commitment at the balance sheet date and at 31st December, 2013

18. CONTINGENT LIABILITIES

There was no contingent liability as at 31st December, 2013

19. EXCHANGE CONTROL

All remittances from Ghana are subject to the approval of the exchange control authorities.

20. RELATED PARTY TRANSACTION

All related parties transactions during the year were transacted at fair value.

21. FINANCIAL RISK MANAGEMENT

(i) Overview

The company has exposure to the following risk from its use of financial instrument:

- Credit risk
- Market risks

This note presents information about the branch's exposure to each of the above risks, the branch's objectives, policies and processes for measuring and managing risk, and the branch's management of capital.

Risk management framework

The director's has overall responsibility for the establishment and oversight of the company's risk management framework. The Board has established the Finance Department and a management team, which are responsible for developing and monitoring the company's risk management policies in their specified areas. The team includes members of Executives management and report regularly to the directors on their activities.

The company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The company's Finance Department and management team is responsible for monitoring compliance with the company's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the company.

(ii) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to financial instruments fails to meet its contractual obligation, and arises principally from the company's receivables from customers.

Trade and other receivables

The company's exposure to credit risk is minimized as all sales are made to several individual and institutional customers. The company has transacted business with most of these customers over the years; the level of default in payment of outstanding debts has been kept low by management.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2013	2012
	GHC	GHC
Trade and Other Receivables	1,298,360	1,866,907
	=====	=====

The following are contractual maturities of financial liabilities:

31ST DECEMBER 2013

	Amount GH¢	6mths or less GH¢	6-12mths GH¢	more than 12 mths GH¢
Non-derivative financial liability				
Trade and other payables	14,790,549	-	14,790,549	-
	-----	-----	-----	-----
Balance at 31ST DECEMBER 2013	14,790,549	-	14,790,549	-
	=====	=====	=====	=====

31ST DECEMBER 2012

Non-derivative financial liability

Trade and other payables	16,007,423	-	16,007,423	-
	-----	-----	-----	-----
Balance at 31 ST DECEMBER 2012	16,007,423	-	16,007,423	-
	=====	=====	=====	=====

(ii) Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the branch's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The following significant exchange rates applied during the year.

	<i>Average Rate</i>		
	2013 GH¢	2012 GH¢	2011 GH¢
USD 1	1.96	1.89	1.56

Sensitivity analysis

This analysis assumes that all other variables, in particular interest rates, remain constant.

As of 31ST DECEMBER	2013			2012		
	% change	Income statement impact: Strengthening	Income statement impact: Weakening	% change	Income statement impact: Strengthening	Income statement impact: Weakening
CHF	21%	21%	21%	21%	21%	21%

A 21% weakening of the Ghana cedi against the US Dollar at 31st December 2013 would have increased equity and profit or loss by the percentage shown above. On the other hand, a 21% strengthening of the Ghana cedi against the above currency at 31st December 2013 would have had the equal but opposite effect by the percentage shown above

Interest rate risk

Fair value sensitivity analysis for fixed rate instrument

The branch did not have fixed rate instrument at 31st December 2013 and also at 31st December 2012.

Fair value

Fair values versus carrying amounts

The fair value of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

(i) Loans and receivables

	31ST DECEMBER 2013		31ST DECEMBER 2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Trade and other Receivables	1,298,360 =====	1,298,360 =====	1,866,907 =====	1,866,907 =====

(ii) Other financial liabilities

	31ST DECEMBER 2013		31ST DECEMBER 2012	
	Carrying Amount GH¢	Fair Value GH¢	Carrying Amount GH¢	Fair Value GH¢
Trade and other payables	14,790,549 -----	14,790,549 -----	16,007,423 -----	16,007,423 -----
	14,790,549 =====	14,790,549 =====	16,007,423 =====	16,007,423 =====

22. ANALYSIS OF SHAREHOLDERS AT 31ST DECEMBER 2013

(i) Shareholding

The company's shareholding as at 31st December 2013

	2013	2012
	GH¢	GH¢
<u>Ordinary Shares</u>		
Manaksia Limited	843,961	843,961
	=====	=====