



DIGICUT PRODUCTION & ADVERTISING PLC

FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

Adom Boafo & Associates
Chartered Accountants
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COMPANY INFORMATION

DIRECTORS

Joseph Kusi-Tieku
John Sterlin
Victoria Aligboh

SECRETARY

Credibilis Unlimited

COMPANY REGISTRATION

PL000412017

REGISTERED ADDRESS

No. 350, Nima Court Avenue
Ward E, Block 2
Avenor – Accra, Ghana
+233546886775

AUDITOR

Adom Boafo & Associates
Mango Street Avenue
Asylum Down – Accra, Ghana
+233302788324

BANKERS

Ecobank Ghana Limited

ADVISOR

Teak Tree Brokerage Limited
F380/4 Osu La Crescent
Nyaniba Estate – Accra, Ghana
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REGISTRAR

Central Securities Depository
4th Floor, Cedi House
Ridge – Accra, Ghana
+233302689313

REPORT OF THE DIRECTORS

Statement of Directors' Responsibilities

The directors present their report and audited financial statements of the company for the year ended 31 December 2021. The company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position at 31 December 2021, statement of comprehensive income and statement of cash flows 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, and in the manner required by the Companies Act 2019 (Act 992).

The directors' responsibilities include designing, implementing and maintaining internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

State of affairs of the company

The directors consider the state of affairs of the company to be satisfactory. The board of directors has made an assessment of the company's ability to continue as a going concern and have no reason to believe the company will not be a going concern in the year ahead.

Nature of business activity

The company is authorised to carry on the business in graphic designing, advertising and other media service incidental thereto. There was no change in the nature of the company's business during the year.

Financial Statements

The directors submit to the shareholders the financial statements for the year ended 31 December 2021 report as follows:

Results

The results for the year ended are set out on page 7 and show a loss after tax of GH¢ 170,507.

	2021	2020
	GH¢	GH¢
Profit before tax	(170,507)	(670,189)
Taxation	—	—
Profit after tax	(170,507)	(670,189)
to which is added balance on income surplus accounts brought forward giving a total of	<u>(198,255)</u>	<u>471,934</u>
Leaving a balance of	<u>(368,762)</u>	<u>(198,255)</u>

Dividend

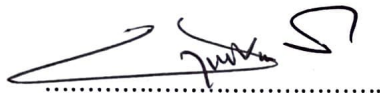
The directors do not recommend the payment of dividend for the year ended 31 December 2021.

Auditors

In accordance with section 139 (5) of the Companies Act 2019 (Act 992), Adom Bofo & Associates will continue in office as auditors of the company.

Approval of the financial statement

The audited financial statements were approved by the board of directors on 28 March 2022 and signed on their behalf by:



Joseph Kusi-Tieku
Director



John Sterlin
Director



Adom Bofo & Associates

Chartered Accountants & Management Consultants • P. O. Box CT 3960 Cantonments-Accra • Tel: +233 (0) 302 788324 • Tel/Fax: +233 (0) 7011860

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

Opinion

We have audited the financial statements of Digidut Production & Advertising PLC which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes as set out on pages 13 to 27.

Again, without qualifying our opinion, we draw attention to Note 11 Accounts Receivable. Some 35 related-party debtors owing amount of GH¢ 1,745,411 remained same from 2020. Also, whilst some portions of these debts predated the year 2020, we observed further that only as little as 3% of 2020 debt was collected.

In our opinion, except for the effects of the matter described in the above paragraph, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Companies Act 2019 (Act 992).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and forming our opinion thereon, and not provide a separate evidence to support such transactions.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with IFRS and in the manner required by the Companies Act 2019 (Act 992) and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to

going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditors' responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company's to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

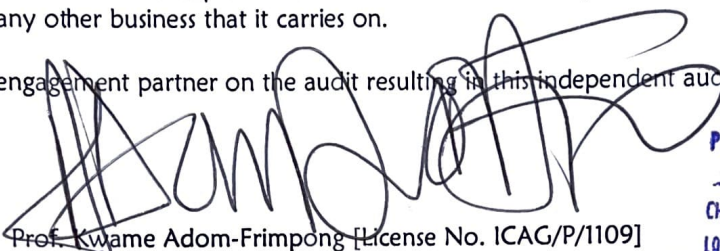
Report on other legal and regulatory requirements

The Companies Act 2019 (Act 992) requires that in carrying out our audit work 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 accounts have been kept by the Company, so far as appears from our examination of those books; and
- iii. the balance sheet and profit and loss account of the Company are in agreement with the books of accounts.

In accordance with Companies Act 2019 (Act 992), the Company has kept accounting records that are sufficient to explain its transactions and financial position with respect to its operations and any other business that it carries on.

The engagement partner on the audit resulting in this independent auditor's report is:



Prof. Kwame Adom-Frimpong [License No. ICAG/P/1109]

for: Adom Boafo & Associates [License No. ICAG/F/2022/041]

Chartered Accountants

Mango Street Avenue, Asylum

Accra, Ghana

PROF. KWAME ADOM-FRIMPONG
ADOM BOAFO & ASSOCIATES
CHARTERED ACCOUNTANTS & MGT. CONSULTANTS
1027/3 MANGO TREE AVENUE, ASYLUM DOWN
P. O. BOX CT 3960, CANTONMENTS, ACCRA

31/03/2022

STATEMENT OF COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 GH¢	2020 GH¢
Revenue	4	183,701	60,714
Cost of sales	5	<u>(75,195)</u>	<u>(49,932)</u>
Gross profit		108,506	10,782
Other operating income	6	—	—
Operating profit		108,506	10,782
Admin and general expenses (Appendix 1)	7	<u>(279,013)</u>	<u>(680,971)</u>
Profit before tax		(170,507)	(670,189)
Income tax expense (Appendix 2)		—	—
Profit after tax transferred to income surplus		(170,507)	(670,189)
Other comprehensive income		—	—
Total comprehensive income		<u>(170,507)</u>	<u>(670,189)</u>
Earnings per share (basic / diluted)	9	(0. 0014)	(0. 0056)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

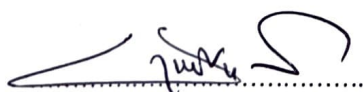
2021	Retained Earning GH¢	Stated Capital GH¢	Total GH¢
Balance at 1 Jan	(198,255)	3,103,811	2,905,556
Transfer to stated capital	-	-	-
Profit for the period	<u>(170,507)</u>	-	<u>(170,507)</u>
Balance at 31 Dec	<u>(368,762)</u>	<u>3,103,811</u>	<u>2,735,049</u>

2020	Retained Earning GH¢	Stated Capital GH¢	Total GH¢
Balance at 1 Jan	471,934	3,103,811	3,575,745
Transfer to stated capital	-	-	-
Profit for the period	<u>(670,189)</u>	-	<u>(670,189)</u>
Balance at 31 Dec	<u>198,255</u>	<u>3,103,811</u>	<u>2,905,556</u>

FOR THE YEAR ENDED 31 DECEMBER 2021
STATEMENT OF FINANCIAL POSITION

Assets	Notes	2021 GH¢	2020 GH¢
Non-current Assets			
Property, Plant, and equipment	10(a)	18,742	107,377
Capital work-in-progress	10(b)	<u>525,292</u>	<u>525,292</u>
		544,034	632,669
Current Assets			
Accounts receivable	11	4,567,572	4,710,603
Taxation	8	172,415	172,415
Cash and cash equivalents	12	<u>58,706</u>	<u>4,504</u>
		4,798,692	4,887,522
Total Assets		<u>5,342,727</u>	<u>5,520,191</u>
Equity and Liabilities			
Equity			
Stated capital	13	3,103,811	3,103,811
Income surplus		<u>(368,762)</u>	<u>(198,255)</u>
		2,735,049	2,905,556
Non-current Liabilities			
Borrowings	14	1,019,433	1,019,433
Current Liabilities			
Accounts payable	15	1,588,245	1,595,202
Total Equity and Liabilities		<u>5,342,727</u>	<u>5,520,191</u>

The financial statements on pages 9 to 13 were approved by the board of directors on 28 March 2022 and signed on their behalf by:



Joseph Kusi-Tieku
Director



John Sterlin
Director

The notes on pages 13 to 25 form an integral part of these financial statements.

**STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 GH¢	2020 GH¢
Cashflow from operating activities			
Operating profit		(170,507)	(670,189)
Depreciation	10	<u>88,635</u>	<u>300,846</u>
Operating profit before working capital changes		(81,872)	(369,343)
(Increase) / decrease in accounts receivables	11	143,032	(3,991)
Increase / (decrease) in accounts payables	15	<u>(6,957)</u>	<u>350,479</u>
Cash generated from operating activities		54,202	(22,855)
Tax paid (deferred tax adjusted)	8	-	-
Net cashflow from operating activities		54,202	(22,855)
 Cashflow from investing activities			
Disposal of non-current assets	10	-	-
Net cashflow from investing activities		-	-
 Cashflow from financing activities			
Change in loans	14	-	<u>7,808</u>
Net cashflow from financing activities		-	7,808
 Net increase / (decrease) in cashflow		54,202	(15,047)
Balance at 1 Jan		<u>4,504</u>	<u>19,552</u>
Cash and cash equivalent		<u>58,706</u>	<u>4,504</u>
 Analysis of changes in cash and cash equivalent			
Cash and bank		58,706	4,504
Investment		-	-
Balance at 31 Dec		<u>58,706</u>	<u>4,504</u>

NOTES TO THE FINANCIAL STATEMENT

1. REPORTING ENTITY

Digicut Production & Advertising PLC is a company publicly registered in Ghana under Companies Act 2019 (Act 992) and the address of the company can be found on page 3 of this report.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting standards.

b) Basis of measurement

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

c) Functional and presentation currency

The financial statements have been presented in Ghana cedi which is the company's functional currency.

d) Use of estimate and judgement

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 judgements 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. Where necessary, the comparatives have been reclassified from the previously reported results to take into account changes in presentation.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the company.

a) Revenue recognition

Revenue shall be recognised revenue when there is a valid contract between the customer and the company and there is transfer of promised goods or services to customers in an

amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An amount of consideration can vary because of discounts, rebates, refunds, credits, price concessions, incentives, performance bonuses, penalties or other similar items. The promised consideration can also vary if an entity's entitlement to the consideration is contingent on the occurrence or non-occurrence of a future event.

When (or as) a performance obligation is satisfied, an entity shall recognise as revenue the amount of the transaction price, which excludes estimates of variable consideration.

An entity shall consider the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, some sales taxes).

Key classes of revenue are recognised on the following bases:

- Advertising and sponsorship on transmission
- Programme production on delivery
- Programme rights when contracted and available for exploitation
- Participation revenues as the service is provided

Revenue on barter transactions is recognised only when the goods or services being exchanged are of a dissimilar nature.

b) Foreign currency transactions

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the income statement.

Non-monetary assets and liabilities denominated in foreign currency are recorded at the exchange rate prevailing at the dates of the transactions.

c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment (PPE) are measured at acquisition cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. The cost may also include the initial estimated costs of dismantling and removing the item (i.e. PPE) and restoring the site on which it is located.

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

(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 maintenance, repair and servicing expenditures incurred on property, plant and equipment are recognized in income statement.

(iii) Depreciation

Depreciation is recognized in the income statement on straight line basis over the estimated useful lives 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.

The estimated useful lives of major classes of depreciable property, plant and equipment are:

Asset	Rate	Useful life
Furniture and fittings	10%	10 years
Motor vehicles	20%	5 years
Office equipment	20%	5 years
Plant and equipment	20%	5 years
Computer and accessories	33%	3 years

Depreciation methods, useful lives and carrying amount are reassessed at each reporting date. The carrying amounts of property plant and equipment are assessed whether they are recoverable in the form of future economic benefits. If the recoverable amount of a PPE has declined below its carrying amount, an impairment loss is recognized to reduce the value of the assets to its recoverable amount. In determining the recoverable amount of the assets, expected cash flows are discounted to their present value.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds from disposal with the carrying amounts of property, plant and equipment and are recognized in the income statement as other income.

d) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are categorized as follows:

- **Loans and receivables** – These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are carried at amortized cost using effective interest rate method less appropriate allowances for doubtful receivables. Loans and receivables comprise cash and cash equivalents and other receivables.

- Cash and cash equivalents – These comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair values and are used by the company in the management of its short-term commitments.
- Financial liabilities measured at amortized cost - This relates to all other liabilities that are not designated at fair value through profit or loss.

Non-derivative financial instruments are recognized initially at fair value plus, for instrument not at fair value through profit and loss, any directly attributable transaction cost except as described below.

A financial instrument is recognized if the company becomes party to the contractual provisions of the instrument. Financial assets are derecognized if the company's contractual rights to the cash flows from the financial assets expire or if the company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date, i.e., the date that the company commits itself to purchase or sell the asset. Financial liabilities are derecognized if the company's obligations specified in the contract expire or are discharged or cancelled. Subsequent to initial recognition non-derivative financial instruments are measured at amortized cost using the effective interest rate method, less impairment losses, if any.

(ii) Off setting

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 when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

(iii) Amortized cost measurement

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) Derivative instruments

Derivative instruments are measured at fair value.

(v) Gains and losses on subsequent measurement

Gains and losses arising from a change in the fair value of financial instruments that are not part of a hedging relationship are included in net profit or loss in the period in which the change arises. Gains and losses from measuring the hedging instruments relating to a fair value hedge at fair value are recognized immediately in net profit or loss.

e. **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, bank balances and deposits held with the banks and these are carried at amortized cost.

f. **Taxation**

The company provides for income taxes at the current tax rates on the taxable profits of the company. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current 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, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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.

g. **Employee benefits**

(i) *Defined contribution plans*

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

(ii) *Pensions (Social Security Fund)*

Digicut Production & Advertising PLC's contributions to social security fund are charged to the income statement in the period to which the contributions relate.

(iii) *Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

h. Leases

(i) Classification

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Assets held under finance leases are stated as assets of the company at the lower of their fair value and the present value of minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. The corresponding liability to the lessor is included in the balance sheet as an obligation under finance lease. Finance costs are charged to the income statement over the term of the lease so as to produce a constant periodic interest charge on the remaining balance of the obligations for each accounting period.

Leases where significant portions of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

(ii) Lease payments

Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Minimum lease payments made under finance leases are apportioned between finance expense and a reduction of the outstanding lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

i. Dividends

Paid dividends are treated as an appropriation of profit in the year of approval while dividends proposed are disclosed as a note to the financial statements.

j. Bad and Doubtful debt

All debts confirmed to be bad are provided for in the income statements, whilst specific provisions are made for any debts considered doubtful.

k. Provisions and contingent liabilities

Provisions are recognized where a legal or constructive obligation has been incurred which will probably lead to an outflow of resources that can be reasonably estimated. A disclosure is made where the existence of the obligations will only be confirmed by an unknown future event, or where the amount of the obligation cannot be reliably measured.

4. REVENUE

	2021 GH¢	2020 GH¢
Printing and production	37,686	8,662
Billboard rental	2,000	-
Mobile advertising van	9,432	19,000
Advertising and publicity	-	4,029
Branding	<u>134,583</u>	<u>29,023</u>
	<u>183,701</u>	<u>60,714</u>

5. COST OF SALES

	2021 GH¢	2020 GH¢
Printing and production	26,434	7,123
Billboard maintenance	6,917	-
Mobile advertising van	16,868	29,469
Advertising and publicity	1,445	2,460
Branding	23,530	10,700
Outdoor	<u>26,434</u>	<u>180</u>
	<u>75,195</u>	<u>49,932</u>

6. MANAGEMENT EXPENSES

	2021 GH¢	2020 GH¢
Is issued after charging:		
Directors' remuneration	-	-
Auditors' remuneration	17,888	17,719
Depreciation of fixed assets	88,635	300,846
Others	<u>172,659</u>	<u>362,406</u>
	<u>279,182</u>	<u>680,971</u>

7. TAXATION

	2021 GH¢	2020 GH¢
Balance at 1 Jan	(172,415)	(172,415)
Charge for the year	-	-
Payments	-	-
Balance at 31 Dec	<u>(172,415)</u>	<u>(172,415)</u>

8. EARNINGS PER SHARE

	2021 GH¢	2020 GH¢
Profit attributable to equity holders	(170,676)	(670,189)
Outstanding ordinary shares (weighted average)	<u>118,890,621</u>	<u>118,890,621</u>
Earnings per share (basic)	(0.0014)	(0.0056)

The company has no category of potential diluted ordinary shares.

9. PROPERTY, PLANT AND EQUIPMENT

Cost	Balance at 1 Jan GH¢	Addition GH¢	Disposal GH¢	Balance at 31 Dec GH¢
Computer and accessories	153,047	-	-	153,047
Furniture and fittings	47,264	-	-	47,264
Motor vehicle	1,709,980	-	-	1,709,980
Field equipment	422,990	-	-	422,990
Office equipment	<u>41,508</u>	-	-	<u>41,508</u>
Total	2,374,789	-	-	2,374,789

Depreciation	Balance at 1 Jan GH¢	Charge GH¢	Disposal GH¢	Balance at 31 Dec GH¢
Computer and accessories	153,047	-	-	153,047
Furniture and fittings	25,437	4,726	-	30,163
Motor vehicle	1,709,980	-	-	1,709,980
Field equipment	347,383	75,607	-	422,990
Office equipment	<u>31,564</u>	<u>8,302</u>	-	<u>39,867</u>
Total	<u>2,267,411</u>	<u>88,635</u>	-	<u>2,356,047</u>

Net Book Value 31/12/21	18,742
Net book value 31/12/20	107,377

9(b). Capital work-in-progress (525,292) is related to the on-going office complex construction at Avenor.

10. ACCOUNTS RECEIVABLE

	2021 GH¢	2020 GH¢
Related-party debtors (appendix II)	2,926,346	3,070,763
Other trade debtors	20,969	19,584
Other prepayment and advances	14,505	14,505
Funds with Receiver (GN Bank)	1,478,169	1,478,169
Funds in GMMF	<u>127,582</u>	<u>127,582</u>
	<u>4,567,571</u>	<u>4,710,603</u>

Related-party debtors (2,926,346) related to goods and services rendered to sister companies in Groupe Nduom.

11. CASH AND CASH EQUIVALENTS

	2021 GH¢	2020 GH¢
Cash Balance	<u>2,001</u>	-
Bank balance	<u>56,706</u>	<u>4,504</u>
	<u>58,706</u>	<u>4,504</u>

12. STATED CAPITAL

	Number of shares		Proceeds	
	2021	2020	2021 GH¢	2020 GH¢
Authorised ordinary share	500,000,000	500,000,000	-	-
Issued ordinary share for cash	35,922,632	35,922,632	2,854,311	2,854,311
Issued for other consideration	249,500	249,500	249,500	249,500
			<u>3,103,811</u>	<u>3,103,811</u>

13. BORROWINGS (Related-Party)

	2021 GH¢	2020 GH¢
Loan account	420,053	420,053
CGFC	585,572	585,572
GN Treasury	<u>13,808</u>	<u>13,808</u>
	<u>1,019,433</u>	<u>1,019,433</u>

Loan account (420,053) related to funding from IBS purchase of mobile advertng van. Ghana Growth Fund Company (585,572) related to funding for capital work-in-progress in non-current asset account. GN treasury (13,808) related to liquidity support from Groupe Nduom.

14. ACCOUNTS PAYABLE

	2021 GH¢	2020 GH¢
Related-party payables	381,388	376,850
Other trade payables	31,288	42,955
Accrued rent	511,364	487,364
Other accrued expenses	641,657	633,778
Audit fees	<u>22,718</u>	<u>54,255</u>
	<u>1,588,414</u>	<u>1,595,202</u>

Related-party payable (381,388) related to goods and services received from sister companies in Groupe Nduom.

APPENDIX 1

A. ADMINISTRATIVE AND GENERAL EXPENSES

	2021	2020
	GH¢	GH¢
Accommodation	760	-
Accounting and payroll service	8,400	-
Audit expenses	861	850
Audit fees	17,888	17,719
Bad debts written off	-	1,678
Bank charges	593	576
CDS account maintenance fees	14,000	-
Cleaning and sanitation	450	-
Depreciation	88,635	300,846
Equipment maintenance and repairs	3,540	6,871
Facility maintenance fees	550	450
FX loss	1,999	-
Fuel and lubricants	12,051	1,300
GSE listing fee	4,000	4,000
Health / life insurance (welfare)	9,994	300
IT service	4,155	-
Management meeting expenses	2,104	-
Office running	668	-
Office stationery	2,797	-
Registration and licensing	2,365	-
Rent and rate	24,000	47,256
Staff cost	53,279	279,829
Telephone expense	40	-
Transportation and travel	1,128	-
Vehicle insurance	4,714	676
Vehicle repairs and maintenance	20,212	16,460
Water and energy (utilities)	-	<u>2,160</u>
	<u>279,182</u>	<u>680,971</u>

APPENDIX I

B. RELATED PARTY DEBTORS

	Dec-21	Dec-20
	GHC	GHC
Ahomka FM	226	226
ATV	1,686	1,686
Bedrock Insurance	285	-
Bokodo Quarry (GN Quarry)	25,360	25,360
BTA	3,001	3,001
Campus TV	1,175	1,175
Coconut Grove Hotels	218,546	219,458
Coconut Grove Sakumono Hotel	2,835	2,835
Elmina Sharks	510	510
Endela Logistics	1,343	1,343
Enyidado FM	600	600
EPPL	-	106
First Digital	644,863	654,863
First National Togo	3,784	3,784
FreshPak Products Company Limited	400,481	400,481
Ghana Growth Fund Company	0	7,109
GN AFR	1,276	1,276
GN Bank Liberia (SIB)	3,312	-
GN Bank Operations	448,011	448,011
GN Electronics	1,821	1,821
GN Foods	12,781	12,781
GN Foundation	44,280	44,280
GN HR	952	952
GN Industrial Estate	-	81,840
GN Legal	94	94
GN Life Assurance	174,308	174,158
GN Medical (GN Health)	2,395	2,395
GN Micro Insurance	2	-
GN Power	2,566	2,568

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GN Project	510	510
GN Radio	510	510
GN Reinsurance	1,287	18,676
GN Research	62,506	62,506
GN TV	4,513	4,513
Gold Coast Fund Management	656,410	656,410
Groupe Nduom	71,897	81,655
Light FM	2,350	2,350
Monica Yorke	510	510
Nduom Sport Stadium	16,631	37,682
NSBT	11,744	11,744
Progressive Peoples Party	517	517
Pentrust	45,312	45,312
Qualtek Ltd	14,546	14,546
Spyder Lee Ent	3,212	3,212
Spyder Lee TV	510	510
Teak Tree Brokerage	25,787	25,788
Today	<u>11,617</u>	<u>11,617</u>
	<u>2,926,863</u>	<u>3,071,280</u>

APPENDIX 2

A. TAX COMPUTATION

	2021 GH¢	2020 GH¢
Profit / (loss) before tax	(170,676)	(670,189)
Depreciation	<u>88,635</u>	<u>300,846</u>
Adjusted profit	(82,041)	(369,343)
Capital allowance	-	-
Chargeable income	<u>nil</u>	<u>nil</u>
Taxation	-	-
Capital Allow B/fwd	321,824	155,912
Capital Allow C/fwd	435,318	321,824

B. CAPITAL ALLOWANCE COMPUTATION

2020	Class 1 GH¢	Class 2 GH¢	Class 3 GH¢	Total GH¢
WDV at 1 Jan	17,161	208,766	220,001	445,928
Addition	-	-	-	-
Disposal	=	=	=	=
	17,161	208,766	220,001	445,928
Capital allowance	<u>6,864</u>	<u>62,630</u>	<u>44,000</u>	<u>113,494</u>
WDV at 31 Dec	<u>10,297</u>	<u>146,136</u>	<u>176,001</u>	<u>332,434</u>

APPENDIX 3

A. DISCLOSURE RE DIRECTORS

No director of the company holds any shares of Digicut Production and Advertising PLC. There are also no material contracts between the company and any of its directors.

B. SHAREHOLDING DETAILS

The total number of shares outstanding are 118,890,621. All outstanding shares are ordinary shares. Each ordinary share is entitled to one vote at any meeting of the shareholders of the Company. Any member of the Company is entitled to attend and vote at a meeting of the Shareholders of the Company and shall be entitled to appoint a proxy to attend and vote in his place.

<u>Category</u>	<u># Of holders</u>	<u># Of shares</u>	<u>% Holding</u>
1 – 1,000	39	29,650	0.02%
1,001 – 5,000	145	351,801	0.30%
5,001 – 10,000	37	280,000	0.24%
10,001 – 50,000	33	576,900	0.49%
Over 50,000	18	<u>117,652,270</u>	<u>98.96%</u>
Total	272	<u>118,890,621</u>	<u>100.00%</u>

<u>Top 20 shareholders</u>	<u># Of shares</u>	<u>% Holding</u>
Groupe Nduom	83,217,989	70.00%
Ghana Growth Fund Limited (GGFC)	20,215,057	17.00%
Gold Fund Unit Trust	5,000,000	4.21%
GGFC-Prime Equity	2,025,000	1.70%
BSNP Invest Limited	1,500,000	1.26%
Nduom Foundation	1,500,000	1.26%
GN Life Assurance Limited	1,250,000	1.05%
GN Reinsurance Company Limited	1,250,000	1.05%
Nduom, Papa Kwesi	818,247	0.69%
Mensah, Francis O'Laughlin	150,000	0.13%
Teak Tree Brokerage Limited	124,000	0.10%
SIC Brokerage Limited	113,977	0.10%
Amegashie, Rosemary Aku	100,000	0.08%
Hadzide, Reuben Cudjoe	100,000	0.08%
Bortier, Wisdom Borlabi	100,000	0.08%

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Kadiri, Maxwell Agbudume	73,000	0.06%
Omaboe, Nicholas Nii Nortey	60,000	0.05%
Hyman, Maisha Migozo Kambon	55,000	0.05%
Amoh-Djolettoe	40,000	0.03%
Afedzie, Peterson Ekow	30,000	0.03%