



2004
annual
report

CLYDESTONE

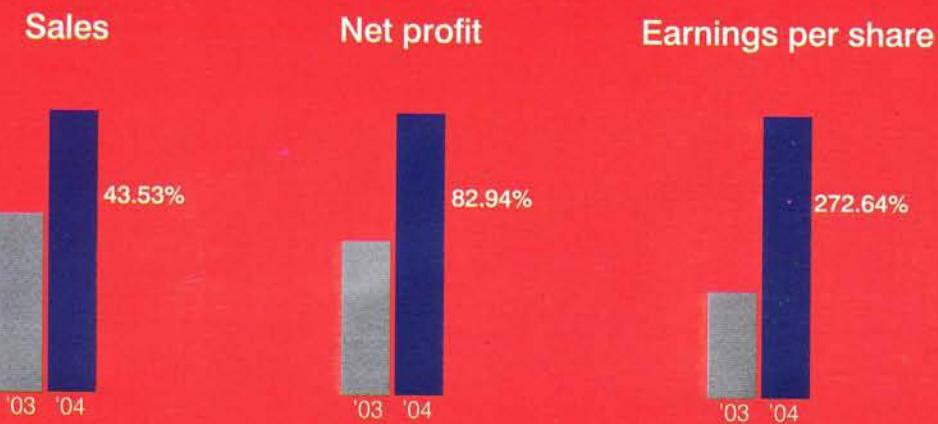
Innovate. develop. support.



In 2003, Clydestone was ranked 34th among the top 100 companies in Ghana. The company was also ranked second among ICT companies in Ghana in 2002/2003.

CONTENTS

Notice of Annual General Meeting	3
Directors, Officials and Registered Office	4
Company Profile	5
Our Core Values	9
Chairman's Statement	11
Chief Executives Report	14
Highlights	17
Report of Directors	18
Corporate Governance	20
Audit Sub-Committee Report	21
Report of Independent Auditors	22
Balance Sheet	24
Profit and Loss Account	25
Cash Flow Statement	26
Notes to the Financial Statements	27
Form of Proxy	35





NDP600



**Network
Document
Processors**

UNISYS



NDP35

Notice of Meeting

NOTICE IS HEREBY GIVEN THAT the 16th Annual General meeting of Clydestone Ghana Limited will be held at the Accra International Conference Centre, opposite the State House Building, Osu, Accra on Tuesday 10th May, 2005 at 10.00 a.m for the ordinary business of the Company.

Agenda

- To receive and adopt the reports of the Directors, Auditors and Financial Statements for the year ended 31st December 2004.
- To declare a Dividend
- To re-elect Directors
- To approve Directors fees
- To authorise Directors to fix the remuneration of the Auditors

Dated this 22nd day of March 2005

BY ORDER OF THE BOARD

Clara Bawah (Ms)
Secretary

NOTE

A member of the Company entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of him. A Proxy need not be a member. A form of Proxy is attached and for it to be valid for the purpose of the meeting it must be completed and deposited at the offices of the Registrars, NTHC Limited, Martco House, No. D 542/4, Okai Mensah Link, Adabraka, Accra. P.O.Box 9563, Airport, Accra not less than 48 hours before the appointed time of the meeting.

CLYDESTONE GHANA LIMITED

Directors, Officials and Registered Office

DIRECTORS	George Prah (Chairman) Paul Jacquaye (Managing) Chris Holden Helena Naana Nelson (Mrs) Nana Benyin Hutchful Edmund Arnong
SECRETARY	Edgbaston Services Limited
REGISTERED OFFICE	FC Lokko Court 50 Lokko Road, Osu P.O. Box A 476 La, Accra
AUDITORS	Voscon Chartered Accountants F.C. Lokko Court 50 Lokko Road P.O. Box A 476 La, Accra.
SOLICITORS	Bram Larbi Beecham & Co. P.O. Box 8345 Accra - North
BANKERS	Ecobank Ghana Limited Metropolitan and Allied Bank (Gh) Limited Standard Chartered Bank (Gh) Limited
REGISTRARS	NTHC Limited Martco House P.O. Box KIA 9563 Accra

Company Profile

Clydestone was incorporated as a private company limited by shares on June 16, 1989. The company was founded by its Group CEO, Paul Jacquaye. Upon incorporation, Clydestone operated principally as a vendor of general office equipment. Over the years it has become a tightly focused Information Technology company with a competitive advantage in Financial Document Processing and Corporate Networking. It converted into a public limited liability company on August 26, 2003.

In 1994, Clydestone became the Authorised Distributor for the Unisys Corporation (USA) in Ghana and also an Authorised Cisco Systems (USA) reseller in 1998. In response to market opportunities a subsidiary company, Remittance Processing Ghana Limited (RPGL) was registered and incorporated on March 23, 1999.

Clydestone has established itself as an outstanding premier provider of Information Technology (IT) solutions in Ghana. The Company has introduced and deployed cutting-edge solutions in Ghana in the area of Payment Systems, Remittance Processing, Transaction Switching and Networking. The business objectives and goals of Clydestone have been successfully implemented and achieved with the support of the complementary business activities of its subsidiary company, Remittance Processing Ghana Limited.

Clydestone is a recognised leading provider of fully integrated Image-Based Document Processing and Networking Solutions in Ghana. The company has pioneered, among other things, the introduction and delivery of new technologies into the financial services sector of the Ghanaian economy, which have revolutionised the business operations of companies in this sector.



Clydestone offers networking, hardware and software installation services, systems integration, training and technical support, with a young and dynamic team trained to provide the very highest level of customer service.

The nature of business, which the Company is authorised to carry out includes:

- Image-Based Document Processing Payment Solutions
- Systems Integration
- Outsourcing
- Network Design, Installation and Technical Support
- Computer and Communication Technology
- Project Management, Training & Consultancy

Financial Document Processing Customers

Clydestone currently provides FDP systems to the following financial institutions in Ghana:

Bank of Ghana; Ghana Commercial Bank Limited; SG-SSB Bank Limited; National Investment Bank Limited; Ecobank Ghana Limited; CAL Merchant Bank Limited; Metropolitan and Allied Bank Limited; First Atlantic Merchant Bank Limited; Stanbic Bank Limited; International Commercial Bank Ghana Limited; Amalgamated Bank Limited; Unibank Limited; Prudential Bank Limited; HFC Bank Limited and Standard Trust Bank Ghana Limited.

Local Campus Area Network (LCAN)

Clydestone has installed and continues to maintain and support Local & Campus Area Network services for the following high profile corporate clients: Barclays Bank of Ghana Limited; Standard Chartered Bank Ghana Limited; Unilever Ghana Limited; British American Tobacco (Ghana); Anglogold Ashanti Limited; Ghana Airways; GCNet; Irani Brothers; Twifo Oil Palm Plantation (TOPP); French Embassy Trade Commission; and Agence Francaise de Development.

Remittance Processing Ghana Limited (RPGL)

RPGL was established as a pioneer provider of remittance processing services in Ghana, using automated image-based remittance processing equipment and software. RPGL, in partnership with Ghana Postal Services Company Limited (GPSC), offers an efficient and secure bill payment processing and collection service, under the brand name Rapid Payment Alliance, '(RPA) PAYPOINT'. The RPA provides 232 payment points out of the 330 post offices countrywide. The company collects and processes payments

for the Electricity Company Ltd of Ghana, Ghana Water Company Limited (GWCL) and MultiChoice Ghana Limited, providers of the DSTV service in Ghana.

RPGL's authorised business purposes are as follows:

- Electronic Processing of Documents,
- Computer Services
- Information Technology Consultancy

RPGL utilises the latest technology (UNISYS Image-Based Document Processor and Remittance Processing Application Software from Business Systems Limited of the UK) to process the bills with a High Speed of 500 documents per minute. RPGL is the only specialised remittance processing company in the Ghanaian market and as a result has no direct competitors or any noteworthy competition

The Rapid Payment Alliance Pay Point Service

RPGL specialises in the collection and processing of utility bills. Customers pay their bills at designated counters located in every post office in the serviced regions. Specially trained Ghana Post personnel collect the payment and provide the customer with a receipt. At the end of each day, the payments made at the Post Offices (bill subs, cheques and schedule of cash payments) are boxed up along with item listings. Cash is collected by Ghana Post's bankers and lodged in a special collection account. Items are couriered to the RPGL processing site for speedy, overnight processing. The processing

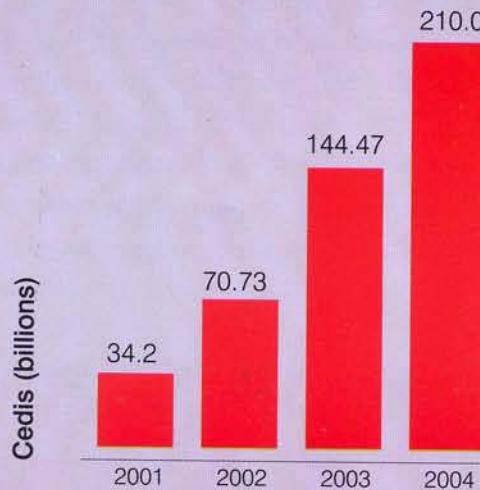


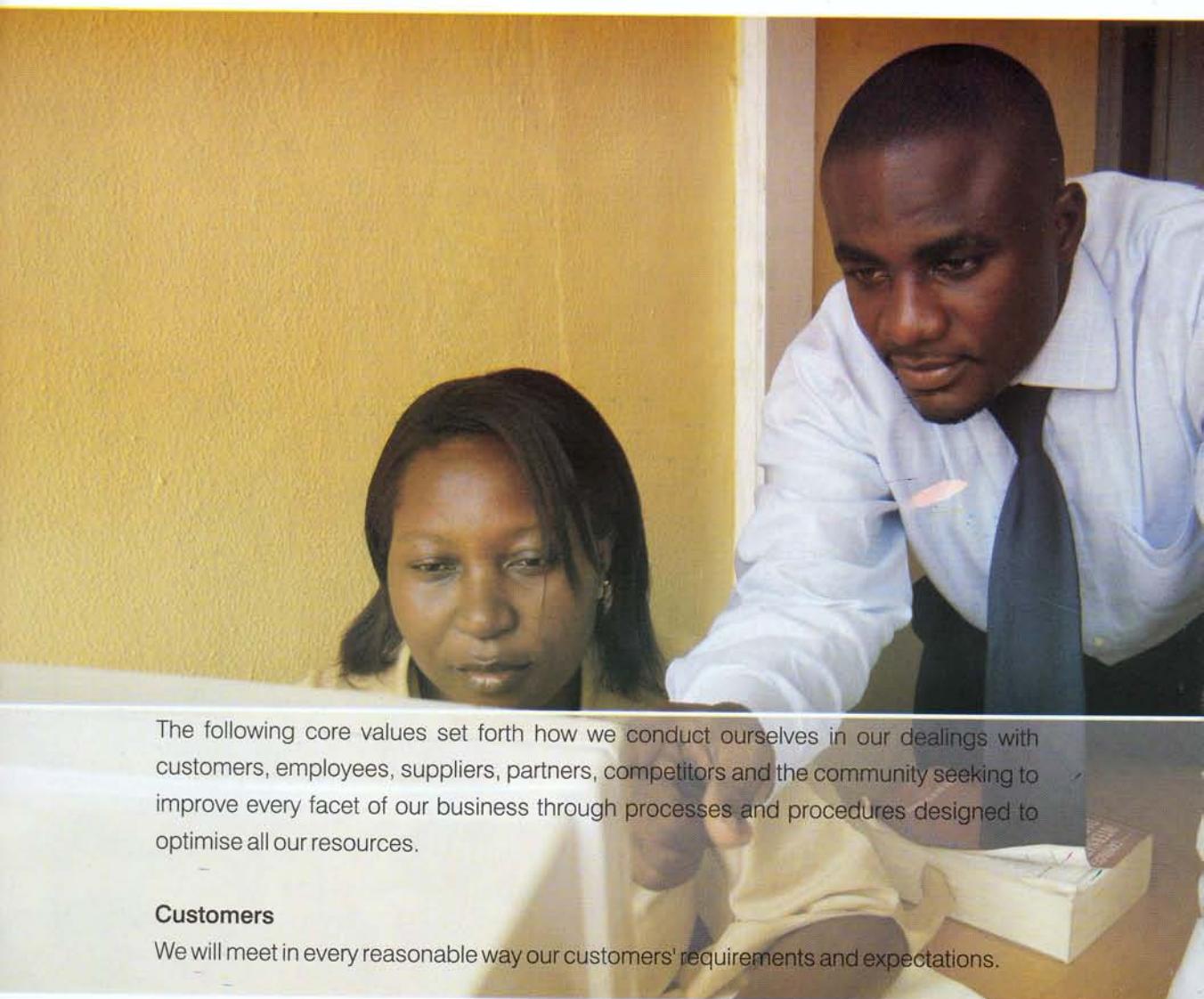
uses a medium speed track capable of running 500 documents per minute. An electronic file is generated containing all the relevant data needed for automatic updating of customer account receivables.

The process also generates an image-based archive with an electronic audit trail for reference and efficient resolution of queries. After the overnight processing of these payments, all cheques are submitted to the utility company's bankers for presentation at the Clearing House. The utility company's account is at the same time credited with the total cash payments received.

PayPoint Collection Achievements

There has been significant growth in patronage of the paypoint service, which is reflected in the amount of collections over the years, as follows:



A photograph showing a man and a woman from the chest up. They are both looking down at a white document or book that they are holding together. The man is on the right, wearing a light blue shirt and a dark tie. The woman is on the left, wearing a light-colored top. They appear to be in an office setting with a yellow wall behind them.

Our Core Values

The following core values set forth how we conduct ourselves in our dealings with customers, employees, suppliers, partners, competitors and the community seeking to improve every facet of our business through processes and procedures designed to optimise all our resources.

Customers

We will meet in every reasonable way our customers' requirements and expectations.

Employees

We will develop, train and support a world-class work force, treating employees with respect, and empowering them to achieve continuous improvement and excellence in quality and customer service.

Processes

We will constantly review our procedures and our processes to ensure that we are effective and operate at the peak of our capability.

Improvements

We will diligently pursue improvements in every facet of our business.

Corporate Citizenship

We will promote the vitality, safety and well being of the communities in which we work.



Chairman's Statement

Valued Shareholders, Ladies and Gentlemen. Let me welcome you all to the Annual General Meeting of Clydestone (Ghana) Limited, our first since becoming a public listed company.

THE ECONOMY IN 2004

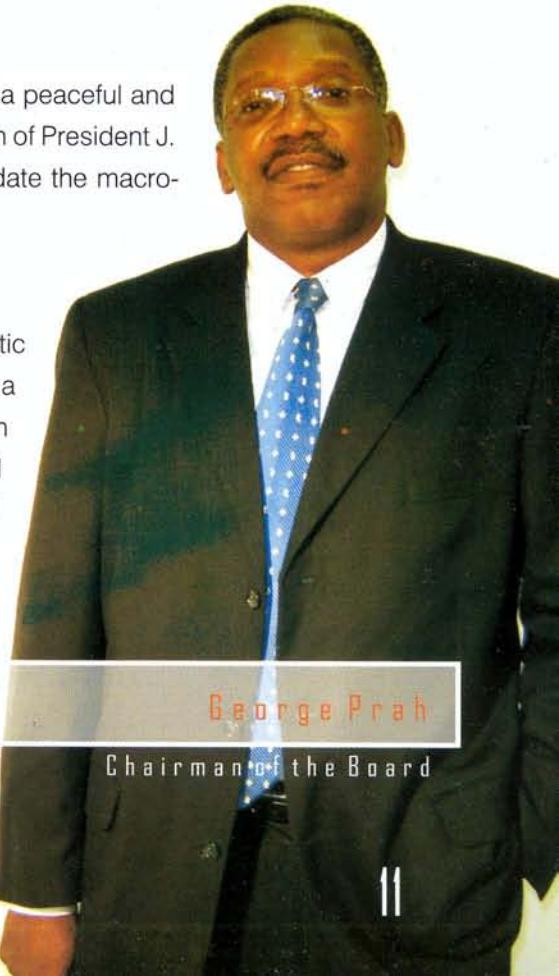
The global economy, largely driven by developments in China, The U.S and Japan, grew by some 4% in year 2004, despite uncertain developments in the crude oil market. Continued insurgency in Iraq, supply disruptions in Nigeria, Venezuela and Russia, and the unprecedented high demand from China, led to record high price levels of crude oil, which stands to threaten the stability of world and developing economies.

Ghana continued to enjoy steady growth and macro economic stability throughout the year 2004, with a GDP growth of 5.8% compared with 5.3% in 2004. Year end inflation declined to 11.8%, while the cedi depreciated by 2.5% against the US dollar and 11.4% against the strengthening Euro.

The political scene in Ghana also enjoyed stability, a peaceful and successful election in November 2004 saw the return of President J. A. Kufour for a second term which should consolidate the macro-economic stability and usher in sustained growth.

THE ICT INDUSTRY

The growth of the ICT industry continued its dramatic growth pattern with modern technology now playing a critical role in the infrastructure upon which modern banking and business depends. Banking and business in Ghana is rapidly embracing global trends, with increasing preference for ATM's, debit cards and more sophisticated payments and information systems. This offers enormous opportunities for Clydestone.



George Prah

Chairman of the Board

HISTORICAL ACHIEVEMENTS.

Your company was incorporated on the 16th of June 1989 as a private limited liability company, primarily as a vendor of general office equipment.

In 1994, Clydestone became the authorised distributor for Unisys Corporation, (USA) in Ghana, and also an authorized re-seller for Cisco Systems (USA).

In 1999, our subsidiary company, Remittance Processing Ghana LTD (RPGL), was incorporated, in response to a market demand for such services. In the year 2003, Clydestone Ghana Limited became a listed company on the Ghana Stock Exchange, the first IT Company on the exchange, and the first company to access the newly created Fast Track window for listing. The company attained the second position in the IT category, of Ghana club 100 companies, in year 2003.

On 19th May 2004, trading in Clydestone's shares commenced on the Ghana Stock Exchange, following a successful flotation which was over subscribed by 55%. Your company has over the relatively short span of time evolved into a premier provider of Information Technology solutions in Ghana, by deploying cutting edge technologies and solutions in areas of Payment systems, Remittance Processing, Transaction Switching and high-end Networking. Your company today is the leading provider of fully integrated Image based document processing and Networking solutions in Ghana, and has pioneered and delivered new technologies into the financial services sector of the Ghanaian economy.

HIGHLIGHTS OF 2004 PERFORMANCE

The sound foundation built over the years, was greatly enhanced by the successful flotation in 2004, in which you all participated. Turnover for year 2004 increased by 44%, while Net Profit after tax increased by 82.9%. Net assets grew by 359%. As a result of our operations and the flotation, shareholder's funds increased to ₦1, 273,997,008 from ₦251, 144,195.

DIVIDEND

Based on your Company's operating results, the Directors have proposed the payment of a dividend of ₦20 per share. This represents a payout ratio of 55.6%.

OUTLOOK

Your company intends to build on its established reputation and expertise, to grow into a major regional player in the areas of Automated Banking Systems, Payments Systems,

Transaction Switching and Corporate Networking. The coming year should see the deployment of newer technologies. We will continue to work in partnership with world class technology providers, to enable our customers enjoy the tangible benefits from their ICT investments.

APPRECIATION

I would like to thank you our valued shareholders, for showing faith with Clydestone Ghana Limited by investing in the company. I thank my colleagues on the board for their commitment, invaluable contributions and collective support during the year.

I thank management and Staff for their hard work and dedication to the mission of Clydestone during the year. I trust this will continue in the coming year. Let me also extend our appreciation to the management and staff of the Ghana Stock Exchange, the Securities and Exchange Commission, APDF and our lead broker and all other brokers, each of whom made worthy contributions towards the success of our public listing in 2004.



George Prah
Chairman



Group Chief Executive's Review

INTRODUCTION

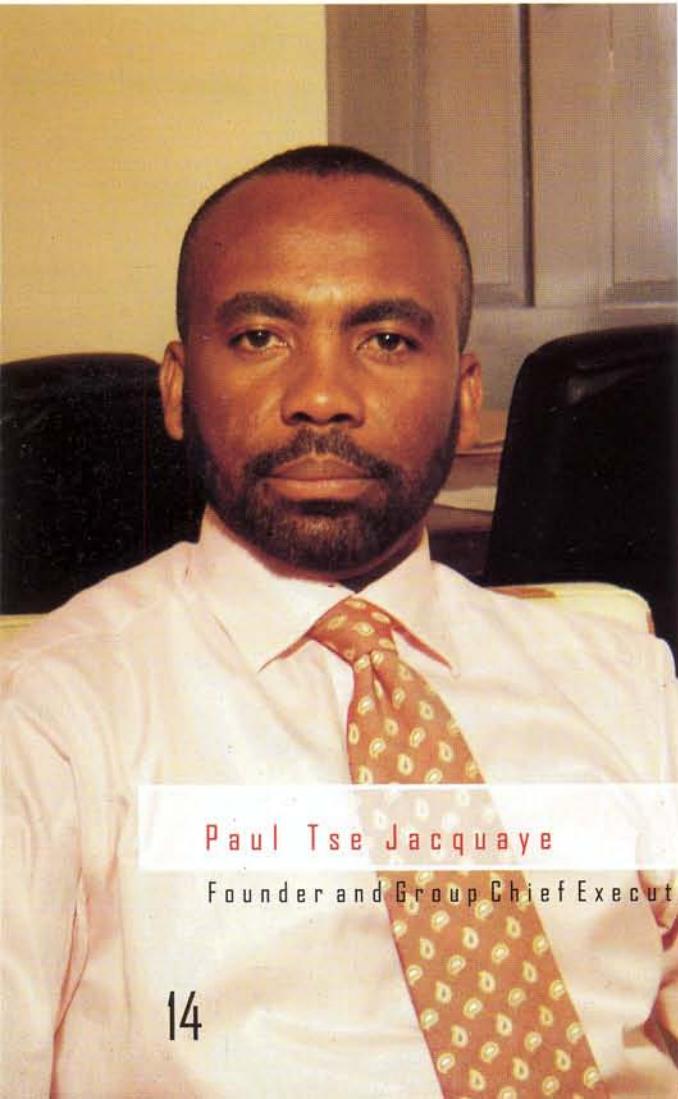
2004 was a special and spectacular year for Clydestone, apart from chalking 15 years in business (1989 to 2004); we listed on the Ghana Stock Exchange as the 26th company and the 1st Information Technology Company to do so, on the 19th of May. Prior to this achievement we became the first company to provisionally list on the exchange on 12th November, 2003. One of the highlights of the year for me is the additional new members who joined us as owners of the company. Our company grew significantly in 2004, in terms of new additional working capital and exposure, which has just began to shape and grow our endeavours and will set us up to expand tremendously over the coming years.

2004 PERFORMANCE REVIEW

The year under review saw an increase in group turnover from 8.942 billion to 12.834 billion Cedis an increase of 43.53% over the previous year. Net Profit before tax grew by 77.27% from 1.057 billion to 1.873 billion Cedis. This performance was due to sustained business in our core areas of operation namely:

Financial Document Processing, where we provide cheque clearing equipment to several Banks in Ghana. We gained a new customer in 2004, namely Standard Trust Bank. This brings the total number of Banks using our cheque processing solution to 14 including the Central Automated Clearing House at the Bank of Ghana.

Our *Networking* business increased over the period with new business from



Paul Tse Jacquaye

Founder and Group Chief Executive

Anglogold Ashanti for the structured cabling work at 5 of their offices including Gold House. Business from our other key customers Standard Chartered Bank Ghana and Barclays Bank Ghana was good and we are extremely grateful to all our customers in this sector of our business, for their patronage. 2004 also saw our foray into Network products wholesaling.

Transaction Switching saw tremendous growth with our continued support to Transaction Solutions Ghana Limited, where we supplied a total of 600 Schlumberger Magic 6000 Point of Sale Terminals.

Remittance Processing business from our subsidiary company Remittance Processing Ghana Limited grew tremendously over the period. Turnover from our RPA Paypoint Service amounted to 6.511 billion Cedis, an improvement of 37%, over 2003's turnover of 4.736 billion Cedis. Net profit before tax was 1.147 billion Cedis an increase of 480 million Cedis over 2003.

We continue to operate with a keen eye on general and administrative expenses. 2004 being our year of flotation saw an increase in overall expenses and a fair amount of Management time expended on the flotation exercise. We will continue to operate our company in the coming years cost effectively, without sacrificing quality and the safety of our employees.

BALANCE SHEET

Our balance sheet shows great strength. Due to the injection of new working capital from you, we grew net current assets from 437 million Cedis to 5.228 billion Cedis. Net assets increased from 2.069 billion to 9.505 billion Cedis. Accounts Receivable although high represented sales undertaken in the last month of the year, which will be paid in January 2005 and are all fully recoverable. Increase in inventory is due to the Networking wholesale business. We reduced current liabilities from 2.203 billion to 1.594 billion Cedis.

OUR PEOPLE

Our employees continue to be our greatest asset. In the ICT industry staff turnover is extremely high and I am happy to report that our staff kept faith with us and performed exceptionally over the period under review. There were no departures except that of our Managing Director for Clydestone, Chris Holden. Chris left us in November after 7 years of loyal and fruitful service to pursue a career in a different industry. He played a significant and major role in our growth over the years and during the flotation exercise.

Please join the Board, Management and staff in wishing him all the best in his future endeavours. We shall continue to train and develop our human capital to help us better serve our customers and grow our business. Majority of our staff did take advantage of the Staff Esspa Scheme during our flotation, and I am happy to welcome a significant number of our staff as members and shareholders of the Company.

OUTLOOK

With our newfound fame as the first, and still the only ICT company to list on the Ghana Stock Exchange, we are expected to live up to high expectations and we believe we can take up this challenge and perform as expected of us. With our inherent core values of dedication and hard work, the Staff and Management of your company will work extremely hard to deliver a much better performance, building on the support of you, our customers and suppliers. We will strive to introduce new changes in the Financial Document Processing arena by helping our banking customers deploy the new trends in Cheque processing i.e. Code Line Clearing, Bulk Electronic Clearing and Truncation (cheque clearance using imaging). Our subsidiary company, Remittance Processing, intends to increase their counter collection centres in conjunction with Ghana Post, as well as with Transaction Solutions Ghana Limited, utilising their EZI Shops.

We also will be venturing into the supply, installation and support of Automatic Teller Machines (ATM's) as an addition to our Payment Systems offerings. Finally as part of our long-term strategy we shall strengthen and grow our sales penetration into the West African Sub-Region in all our business areas.

CONCLUSION

In concluding I thank you our shareholders for the trust you have placed in us, by investing in Clydestone. We would not have chalked these achievements without you. I also wish to extend our sincere gratitude to the Ghana Stock Exchange and the Securities and Exchange Commission for their support and guidance during our flotation. Special thanks to the African Projects Development Facility (APDF) for their immense financial assistance in contributing towards our flotation costs. And last but not the least, sincere thanks to our loyal customers, suppliers, staff, management and fellow Directors.



Paul Tse Jacquaye

FINANCIAL HIGHLIGHTS

Profit and Loss

	2004 €	2003 €	% change
SALES	12,834,754,624	8,942,473,684	43.53%
COST OF SALES	6,296,265,242	4,305,078,738	46.25%
GROSS PROFIT	6,538,489,382	4,637,394,946	40.99%
SELLING, GENERAL & ADMIN EXPENSES	4,893,597,193	3,596,414,132	36.07%
NET PROFIT	1,873,982,743	1,057,129,365	77.27%
TAX	461,140,830	309,595,173	48.95%
PROFIT	1,365,992,345	747,534,192	82.73%
MINORITY INTEREST	143,139,532	79,097,518	80.97%
NET PROFIT	1,222,852,813	668,436,674	82.94%
EARNINGS PER SHARE	35.96	9.65	272.64%

Report of the Directors

The Directors in submitting to the Shareholders the financial statements of the Company for the year ended December 31, 2004 report as follows:

	Cedis
The Company recorded a net profit before taxation of	1,873,982,743
From which is deducted taxation and national reconstruction levy of	507,990,398
giving a net profit after taxation of	1,365,992,345
less minority interest in subsidiary	143,139,532
giving a net profit of	1,222,852,813
from which is deducted proposed dividend by the board of directors to	
shareholders of	680,000,000
Leaving a balance transferred to income surplus account of	542,852,813

AUDITORS

In accordance with Section 134 (5) of the Companies code, 1963, Voscon Chartered Accountants has agreed to continue in office as the company's auditors. A resolution to authorise the directors to determine their remuneration will be proposed at the Annual General Meeting.

NATURE OF BUSINESS

There was no change in the Nature of Business of the Company during the year under review



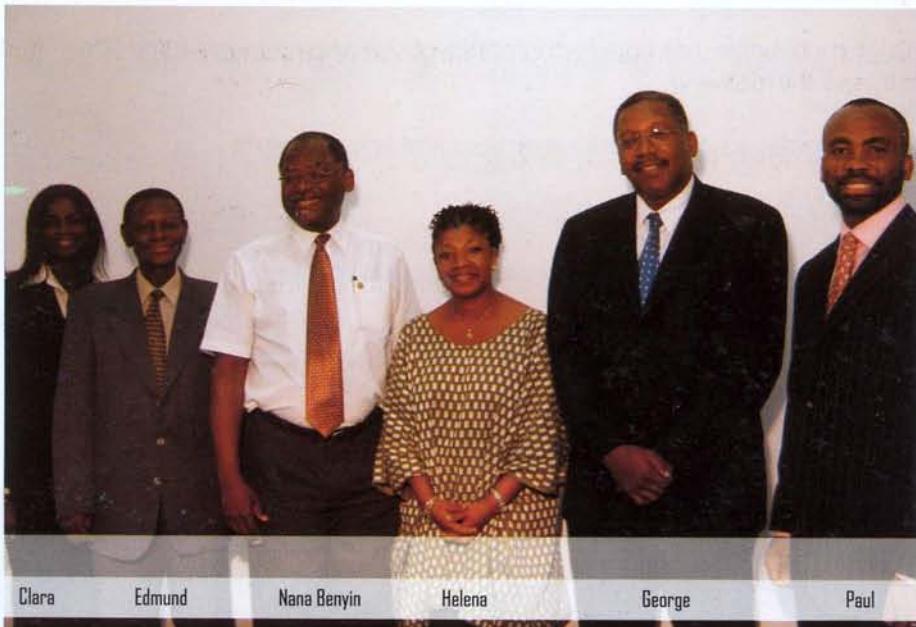
DIRECTOR



DIRECTOR

Date : 22nd March, 2005

Board of Directors



Clara

Edmund

Nana Benyin

Helena

George

Paul

George Prah - 49 years

(Chairman of the Board) George is Managing Director of IKON Limited. He has been a Director since 1998, and was appointed as Chairman in 2004.

Paul Tse Jacquaye - 41 years

(Group Chief Executive) Paul is founder and Group Chief Executive of Clydestone and its subsidiary Remittance Processing Ghana Limited (RPGL).

Helena Naana Nelson - 42 years

(Director) Mrs. Nelson is the Managing Director of Topup Telecentre. She was appointed to the Board in 2003.

Nana Benyin Hutchful - 61 years

(Director) Mr. Hutchful is Managing Director of RPGL, a subsidiary of Clydestone. He was appointed to the Board in 2004.

Edmund Arnong - 56 years

(Director) Mr. Arnong is the General Manager, Fin. & Admin, Irani Brothers & Others Limited. He was appointed to the Clydestone Board in 2004.

Clara Bawah - 29 years

(Company Secretary) Ms. Bawah was appointed Secretary to the Board in 2005.

Corporate Governance

Our Board of Directors has adopted corporate governance guidelines that cover, among other things, the following:

- Lay solid foundations for management and oversight
- Structure the board to add value
- Promote ethical and responsible decision-making
- Safeguard integrity in financial reporting
- Make timely and balanced disclosure
- Respect the rights of shareholders
- Recognise and manage risk
- Encourage enhanced performance
- Recognise the legitimate interests of stakeholders

Our Board of Directors is made up of the following Non-Executive and Executive Directors:

Non-Executive Directors

Mr. George Prah
Mrs. Helena Naana Nelson
Mr. Edmund Arnong

Executive Directors

Mr. Paul Tse Jacquaye
Nana Benyin Hutchful

The tenure of office for each Non-Executive Director is 3 years.

The Audit Sub-Committee Report

Clydestone Ghana Limited formally listed on the Ghana Stock Exchange on 19th May 2004.

On 25th February 2004, as part of its' preparation for listing, the Board of Directors resolved to inaugurate an Audit Sub-Committee in line with Securities and Exchange Commission Regulations 2003 L.I 1728 (Regulation 61-Audit Sub-Committee).

It was agreed that the Sub-Committee should consist of three non executive members of the Board of Directors with the presence of two (2) members required for a meeting to be quorate. The following Directors of Clydestone were mandated to be members of the Audit Sub-Committee:

Mr. George Prah	Chair
Mrs. Helena Naana Nelson	Member
Mr. Edmund Arnong	Member

The period of office for the present Committee is four (4) years.

The duties and scope of the Audit Sub-Committee includes (but not limited to):

- Advise the Board on the adequacy and effectiveness of the Company's systems of Internal Control regarding operational and financial systems
- To advise the Board on the appointment, reappointment, dismissal and remuneration of the External Auditors, the Internal Audit Officers and the Chief Financial Officer.
- To advise the Board on the scope and objectives of the work of the External and Internal Auditors
- To monitor, within an agreed timescale, the implementation of agreed recommendations relating to internal and external audit reports
- To produce an annual report for the Board of Directors and Chief Financial Officer, which should include, the committee's advice on the effectiveness of the company's risk management, control and governance processes, and any significant matters arising from the work of the internal and external Auditors
- To ensure that all allegations of fraud and irregularity are properly dealt with.

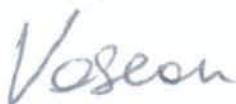
The activities of the Audit Sub-Committee includes but not limited to meeting at the beginning of every quarter and furnishing the Securities and Exchange Commission with the Audit Sub-Committee reports. In 2004, the Audit Sub-Committee met twice.

Report of Independent Auditors to the Members

We have audited the consolidated financial statements of Clydestone Ghana Limited and its subsidiary set out on pages 24 to 34. The Directors are responsible for the preparation of these financial statements. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, proper books of account have been kept by the Company and its subsidiary and the consolidated financial statements which are in agreement therewith, present fairly in all material respects the financial position of Clydestone Ghana Limited and its subsidiary as at December 31, 2004 and the results of their operations and cash flows for the year then ended in conformity with generally accepted accounting principles and comply with the Companies Code, 1963.



CHARTERED ACCOUNTANTS
ACCRA, GHANA

22nd March, 2005

FINANCIAL STATEMENTS

CLYDESTONE GHANA LIMITED

BALANCE SHEET AS AT DECEMBER 31, 2004

	NOTES	COMPANY 2004 '000	GROUP 2004 '000	COMPANY 2003 '000	GROUP 2003 '000
DEFERRED EXPENDITURE	2	545,134	734,668	-	379,068
FIXED ASSETS	3	1,790,353	3,426,395	266,294	1,252,337
INVESTMENT	4	1,784,928	115,000	1,784,928	-
CURRENT ASSETS					
Inventory		1,063,506	1,063,506	230,872	230,872
Trade accounts receivable		2,335,385	3,892,211	429,426	1,482,255
Other accounts receivable	5	594,122	728,981	552,825	698,121
Cash and bank balances	6	584,202	1,138,562	67,227	229,921
Due from subsidiary company		11,784	-	(92,733)	-
		4,588,999	6,823,260	1,187,617	2,641,169
CURRENT LIABILITIES					
Trade accounts payable		188,112	846,816	127,068	864,976
Other accounts payable	7	860,292	1,064,034	772,856	1,318,851
Taxation	8	(220,651)	(316,531)	(38,914)	(168,684)
Dividend payable	9	680,000	680,000	-	-
Short term loan	10	-	-	188,133	188,133
		1,507,753	2,274,319	1,049,143	2,203,276
Net Current Assets		3,081,246	4,548,941	138,474	437,893
Net Assets		7,201,661	8,825,004	2,189,696	2,069,298
REPRESENTED BY					
Stated Capital	11	5,548,500	5,548,500	1,548,500	1,548,500
Capital Surplus	12	1,409,550	2,130,367	-	-
Income Surplus		243,611	593,997	641,196	251,144
Minority Interest	13	-	552,140	-	269,654
		7,201,661	8,825,004	2,189,696	2,069,298

The accompanying notes on pages 27 to 34 form an integral part of these consolidated financial statements

CLYDESTONE GHANA LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2004

	NOTES	COMPANY 2004 '000	GROUP 2004 '000	COMPANY 2003 '000	GROUP 2003 '000
TURNOVER	1(b)	6,322,767	12,834,755	4,434,110	8,942,474
COST OF OPERATIONS		(3,076,574)	(6,296,265)	(1,982,734)	(4,305,079)
GROSS OPERATING PROFIT		3,246,193	6,538,490	2,451,376	4,637,395
General & Administration Expenses	14	(2,748,387)	(4,893,597)	(2,077,204)	(3,596,414)
Net operating Profit		497,806	1,644,893	374,172	1,040,981
Other Income	15	198,772	229,091	16,148	16,149
Profit Before Taxation		696,578	1,873,984	390,320	1,057,130
Taxation					
Corporate	8	(196,749)	(461,141)	(122,810)	(295,979)
National Reconstruction Levy		(17,414)	(46,850)	(8,232)	(13,617)
Profit After Taxation		482,415	1,365,993	259,278	747,534
Minority Interest		-	(143,140)	-	(79,098)
Net Profit for the year		482,215	1,222,853	259,278	668,436
INCOME SURPLUS ACCOUNT					
January 1		641,196	251,144	381,918	(417,292)
Profit for the year		482,415	1,222,853	259,278	668,436
Proposed dividend		(680,000)	(680,000)	-	-
Transfer - Shareholder's account	16	(200,000)	(200,000)	-	-
December 31		243,611	593,997	641,196	251,144

The accompanying notes on pages 27 to 34 form an integral part of these consolidated financial statements.

CLYDESTONE GHANA LIMITED

CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2004

	COMPANY 2004 '000	GROUP 2004 '000	COMPANY 2003 '000	GROUP 2003 '000
CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Taxation	696,578	1,873,984	390,320	1,057,130
Reconciliation of Profit to net Cash Flows from operating activities				
Adjustment for Non - Cash Items:				
Depreciation	302,734	726,321	142,968	559,572
Amortisation of deferred expenditure <i>dev't expenses</i>	<u>96,200</u>	<u>285,734</u>	-	<u>189,534</u>
	<u>1,095,512</u>	<u>2,886,039</u>	<u>533,288</u>	<u>1,806,236</u>
Changes in assets and liabilities				
Inventory	(832,634)	(832,634)	(56,026)	(230,872)
Trade accounts receivable	(1,905,959)	(2,409,956)	30,328	(1,482,255)
Other accounts receivable	(41,297)	(30,860)	(332,744)	(698,121)
Trade accounts payable	61,044	(18,160)	(225,847)	864,976
Other accounts payable	(112,564)	(454,818)	(1,097,457)	1,318,851
Due from subsidiary company	(104,517)	-	412,967	-
Dividend	-	-	<u>(290,150)</u>	-
	<u>(2,935,927)</u>	<u>(3,746,428)</u>	<u>(1,558,929)</u>	<u>(227,421)</u>
Tax paid				
Corporate	(378,486)	(608,988)	(243,581)	(464,663)
National Reconstruction Levy	<u>(17,414)</u>	<u>(46,850)</u>	-	<u>(13,617)</u>
	<u>(3,331,828)</u>	<u>(4,402,265)</u>	<u>(1,802,510)</u>	<u>(705,701)</u>
Net cash used in operating activities	<u>(2,236,315)</u>	<u>(1,516,227)</u>	<u>(1,269,222)</u>	<u>1,100,535</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Fixed assets purchased	(417,243)	(630,665)	(29,976)	(1,811,910)
Deferred Expenditure	9641,3340	(641,334)	-	(568,602)
Investment	-	<u>(115,000)</u>	-	-
	<u>(1,058,577)</u>	<u>(1,386,999)</u>	<u>(29,976)</u>	<u>(2,380,512)</u>
CASH FLOW FROM FINANCING ACTIVITIES				
Capital contribution	4,000,000	4,000,000	998,500	1,321,765
Short term loan	(188,133)	(188,133)	188,133	188,133
Shares in subsidiary company	-	-	<u>10,000</u>	-
	<u>3,811,867</u>	<u>3,811,867</u>	<u>1,196,633</u>	<u>1,509,897</u>
INCREASE IN CASH AND BANK				
CASH AND CASH EQUIVALENTS:				
At the beginning of year:-				
Cash and Bank	<u>67,227</u>	<u>229,921</u>	<u>169,792</u>	-
At the end of year:-				
Cash and Bank	<u>584,202</u>	<u>1,138,562</u>	<u>67,227</u>	<u>229,921</u>

The accompanying notes on pages 27 to 34 form an integral part of these consolidated financial statements.

CLYDESTONE GHANA LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2004

NOTE 1 - 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, which have been prepared in accordance with Ghana National Accounting Standards and under the historical cost convention:

a - Group accounting

Subsidiary entities in which the company has controlling interest are consolidated. All inter company transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered.

b - Income recognition

Turnover comprise the invoiced value of good and services.

c - Fixed assets and depreciation

Fixed assets are stated at cost or valuation less accumulated depreciation. Depreciation is provided by using the straight line basis at annual rates estimated to write off the cost of the assets over their expected useful lives.

The annual rates used are:-

Motor Vehicles	20.00%
Furniture, Fixtures and Fittings	7.50%
Office equipment	20.00%
Computers	30.00%

Maintenance and repairs are charged to expenses as incurred. Major renewals and betterments are added to fixed assets at cost. Development expenditure are written off in three equal installments.

d - Deferred expenditure

Deferred expenditure are recorded at cost and amortised on a straight-line basis over their expected useful lives.

e - Trade receivables

Trade receivables are stated at their book values. Specific provisions are made for receivables considered doubtful.

f - Inventory

Inventory is stated at the lower of cost (based on first-in, first-out valuation) and net realisable value. Cost in general includes all other costs incurred in bringing the inventory to its present location.

g - Foreign currency translation

- i. Transactions in foreign currencies are converted at market rates ruling at the date of such transactions. Exchange differences realised are accounted for through the profit and loss account.
- 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 profit and account.

NOTE 2 -DEFERRED EXPENDITURE

	COMPANY 2004 '000	GROUP 2004 '000	COMPANY 2003 '000	GROUP 2003 '000
(a) Pre-operational expenses				
Balance at 1/1/04	-	379,068	-	568,601
Less Amortisation	-	(189,534)	-	(189,533)
Balance at 31/12/04	-	189,534	-	379,068
(b) Flotation costs				
Balance at 1/1/04	-	-	-	-
Movement during the year	641,334	641,334	-	-
Less Amortisation	(96,200)	(96,200)	-	-
Balance at 31/12/04	545,134	545,134	-	-
Total	545,134	734,668	-	379,068

Pre-operational expenses and flotation costs are being amortised over a period of five years

NOTE 3a - FIXED ASSETS - COMPANY

	FURNITURE & FIXTURES	OFFICE EQUIPMENT	MOTOR VEHICLES	COMPUTERS	WORKSHOP EQUIPMENT	CONTAINER	TOTAL
COST/VALUATION							
At 1.1.04	'000	'000	'000	'000	'000	'000	'000
44,262	44,262	56,059	653,366	77,857	50,405	-	881,949
Additions	7,162	15,283	320,389	56,138	2,160	16,111	417,243
Revaluation	-2,108	94,290	753,714	(1,596)	(50,405)	-	793,895
At 31.12.04	49,316	165,632	1,727,469	132,399	2,160	16,111	2,093,087
DEPRECIATION							
At 1.1.04	14,401	54,944	427,666	68,238	50,405	-	615,654
Charge fro the year	2,506	23,855	248,441	27,184	144	604	302,734
Revaluation	(14,401)	(54,944)	(427,666)	(68,238)	(50,405)	-	(615,654)
At 31.12.04	2,506	23,855	248,441	27,184	144	604	302,734
NET BOOK VALUE							
At 31.12.04	46,810	141,777	1,479,028	105,215	2,016	15,507	1,790,353
At 31.12.03	29,861	1,115	225,700	9,618	-	-	266,294

The assets of the company were revalued on March 15, 2004 by Alpha Property Services, valuers, property developers, project managers and real estate brokers.

NOTE 3b - FIXED ASSETS - GROUP

	FURNITURE & FIXTURES	OFFICE EQUIPMENT	MOTOR VEHICLES	COMPUTERS	WORKSHOP EQUIPMENT	CONTAINER	TOTAL
COST/VALUATION							'000
At 1.1.04	65,396	149,039	1,004,627	1,669,902	50,405	-	2,939,369
Additions	12,862	24,973	496,292	78,267	2,160	16,111	630,665
Revaluation	<u>15,945</u>	<u>34,209</u>	<u>635,414</u>	<u>(52,482)</u>	<u>(50,405)</u>	<u>-</u>	<u>582,681</u>
At 31.12.04	<u>94,203</u>	<u>208,221</u>	<u>2,136,333</u>	<u>1,695,687</u>	<u>2,160</u>	<u>16,111</u>	<u>4,152,715</u>
DEPRECIATION							
At 1.1.04	22,970	120,515	497,918	995,223	50,405	-	1,687,031
Charge fro the year	17,467	38,050	330,213	339,842	144	604	726,320
Revaluation	<u>(22,970)</u>	<u>(120,515)</u>	<u>(497,918)</u>	<u>(995,223)</u>	<u>(50,405)</u>	<u>-</u>	<u>(1,687,031)</u>
At 31.12.04	<u>17,467</u>	<u>38,050</u>	<u>330,213</u>	<u>339,842</u>	<u>144</u>	<u>604</u>	<u>726,320</u>
NET BOOK VALUE							
At 31.12.04	<u>76,736</u>	<u>170,172</u>	<u>1,806,120</u>	<u>1,355,845</u>	<u>2,016</u>	<u>15,507</u>	<u>3,426,395</u>
At 31.12.03	<u>42,425</u>	<u>28,524</u>	<u>506,709</u>	<u>674,679</u>	<u>-</u>	<u>-</u>	<u>1,252,337</u>

The assets of the company were revalued on March 15, 2004 by Alpha Property Services, valuers, property developers, project managers and real estate brokers.

NOTE 4 - INVESTMENT

The company

This represents investment in subsidiary.

The Group

This represents fixed deposit with a local financial institution.

NOTE 5 - OTHER ACCOUNTS RECEIVABLE

	COMPANY 2004 '000	GROUP 2004 '000	COMPANY 2003 '000	GROUP 2003 '000
Amount due from officers	9,062	16,470	9,850	16,585
Payment in advance	50,690	147,833	106,097	210,539
Other receivables	<u>534,370</u>	<u>564,678</u>	<u>436,878</u>	<u>470,997</u>
	<u>594,122</u>	<u>728,981</u>	<u>552,825</u>	<u>698,121</u>

NOTE 6 - CASH AND BANK BALANCES

	COMPANY 2004 '000	GROUP 2004 '000	COMPANY 2003 '000	GROUP 2003 '000
Cash on hand	411	1,622,500	810	1,121,700
Cash at bank	<u>583,791</u>	<u>1,136,939,245</u>	<u>66,417</u>	<u>228,799,253</u>
	<u>584,202</u>	<u>1,138,561,745</u>	<u>67,227</u>	<u>229,920,953</u>

NOTE 7 - OTHER ACCOUNTS PAYABLE

Accrued Liabilities	564,824	719,203	497,252	1,012,846
Other Payables	<u>295,468</u>	<u>344,831</u>	<u>275,604</u>	<u>306,005</u>
	<u>860,292</u>	<u>1,064,034</u>	<u>772,856</u>	<u>1,318,851</u>

NOTE 8 (a) - TAXATION - COMPANY

	Balance 1/1/04 '000	Payments/ Tax Credits '000	Profit & Loss Account '000	Balance 31/12/04 '000
Prior to 2003	57,025	-	-	57,025
2003	(95,939)	-	-	(95,939)
2004	-	(378,485)	196,748	(181,737)
	<u>(38,914)</u>	<u>(378,485)</u>	<u>196,748</u>	<u>(220,651)</u>

The current tax liability charged at 25% is subject to agreement with the Internal Revenue Service

NOTE 8 (b) - TAXATION - GROUP

	Balance 1/1/04 '000	Payments/ Tax Credits '000	Profit & Loss Account '000	Balance 31/12/04 '000
Prior to 2003	(72,745)	-	-	(72,745)
2003	(95,940)	-	-	(95,940)
2004	-	(608,986)	461,140	(147,846)
	(168,685)	(608,986)	461,140	(316,531)

NOTE 9 - DIVIDEND PAYABLE

	COMPANY 2004 '000	GROUP 2004 '000	COMPANY 2003 '000	GROUP 2003 '000
Proposed dividend	<u>680,000</u>	<u>680,000</u>	-	-

NOTE 10 - SHORT TERM LOAN

Short term loan is in respect of a facility obtained from a local bank.

NOTE 11 - STATED CAPITAL

	NUMBER '000	2004 '000	NUMBER '000	2003 '000
Authorised No. of Shares of no par value:-	<u>100,000</u>	-	<u>100,000</u>	-
Issued for cash	<u>34,000</u>	<u>5,548,500</u>	<u>26,000</u>	<u>1,548,500</u>

NOTE 12 - CAPITAL SURPLUS

	COMPANY 2004 '000	GROUP 2004 '000	COMPANY 2003 '000	GROUP 2003 '000
Opening balance				
Movement during the year	1,409,550	2,269,713		
Less Minority interest	-	(139,346)	-	-
Closing Balance	1,409,550	2,130,367	-	-

NOTE 13 - MINORITY INTEREST

	COMPANY 2004 '000	GROUP 2004 '000	COMPANY 2003 '000	GROUP 2003 '000
Share of net asset of subsidiary at January 1	-	269,654	-	190,556
Share of net profit of subsidiary	-	143,140	-	79,098
Share of Capital surplus	-	139,346	-	-
Closing Balance	-	552,140	-	269,654

NOTE 14 - GENERAL & ADMINISTRATIVE EXPENSES

	COMPANY 2004 '000	GROUP 2004 '000	COMPANY 2003 '000	GROUP 2003 000
General and administrative expenses include:				
Interest and financial charges	35,438	47,163	98,006	134,696
Directors emoluments	504,676	1,065,234	202,053	308,853
Auditors remuneration	45,000	76,500	45,000	76,500
Depreciation	302,734	413,662	142,967	241,166

NOTE 15 - OTHER INCOME

	COMPANY 2004 '000	GROUP 2004 '000	COMPANY 2003 '000	GROUP 2003 '000
Investment income	-	30,318	-	-
Interest income	198,772	198,773	16,148	16,149
	198,772	229,091	16,148	16,149

NOTE 16 - TRANSFER - SHAREHOLDER'S ACCOUNT

The amount is a portion of the surplus before flotation appropriated to the owner of the company as a result of the flotation exercise.

NOTE 17 - CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no outstanding contingent liabilities or capital commitments at December 31, 2004.

NOTE 18- ANALYSIS OF SHAREHOLDING DISTRIBUTION

Category of Holdings	No. of Shareholders	Total Holding	Percentage Holding (%)
Less than 1,000	1,883	1,050,912	3.09
1,000 to 5,000	1,092	2,909,606	8.56
5,001 to 10,000	257	2,208,880	6.5
10,001 to 20,000	89	1,485,402	4.37
20,001 to 30,000	29	790,106	2.32
30,001 to 40,000	12	414,802	1.22
40,001 to 50,000	2	87,950	0.26
Over 50,000	29	25,052,342	73.68
Totals	3,393	34,000,000	100.00

NOTE 19- DIRECTORS SHAREHOLDING

Mr. Paul Jacquaye	20,750,000
Mr. Christopher Holden	100,000
Nana Benyin Hutchful	100,000
Mr. George Prah	45,000

NOTE 20- 20 LARGEST SHAREHOLDERS

Total Holdings: 34,000,000

No.	Shareholders Name	No of Shares	Percentage Holdings (%)
1	JACQUAYE TSE PAUL	20,750,000	61.03
2	NTHC SECURITIES LIMITED	579,000	1.70
3	MAWUENYEGA DANNY MR.	412,000	1.21
4	AKOTO-BAMFO EDMUND MR.	412,000	1.21
5	STAR LIFE ASSURANCE LIMITED	332,000	0.98
6	DUFFOUR KWABENA DR.	225,000	0.66
7	VANGUARD ASSURANCE CO. LTD.	212,000	0.62
8	NTHC LIMITED CLIENTS ACCOUNT	209,791	0.62
9	AIDAM NORVISI ADZOTOR	206,000	0.61
10	CDH ASSET MANAGEMENT LIMITED	182,000	0.54
11	AKOSAH-BEMPAH KWAKU	125,000	0.37
12	CATHOLIC ARCHDIOCESE OF CAPE COAST	110,000	0.32
13	ISAKA NICHOLAS GBANA MR.	110,000	0.32
14	HOLDEN CHRISTOPHER MARK MR.	100,000	0.32
15	HUTCHFUL NANA BENYIN	100,000	0.32
16	GOLD COAST SECURITIES LIMITED	95,959	0.28
17	AKOSAH-BEMPAH OPHELIA FIFUITERA	70,700	0.21
18	COBBINAH PHILIP	70,000	0.21
19	BANAHENE ANTHONY FRIMPONG	60,000	0.18
20	FYNN OWUSU KOJO	60,000	0.18

CLYDESTONE GHANA LIMITED
Form of Proxy

I / WE

(Block Capitals)
of

being member/members of Clydestone Ghana Limited, hereby appoint
(Insert full name)

Or failing him/her the Chairman of the meeting as my/our proxy to vote for me/us at the Annual General Meeting to be held at the Accra International Conference Centre on Tuesday 3rd May, 2005 at 10.00 am and at every adjournment thereof.

Please indicate with X in the spaces below how you wish your votes to be cast.

RESOLUTION	FOR	AGAINST
1. To receive the accounts		
2. To declare a dividend		
3. To re-elect Directors		
4. To approve Directors fees		
5. To authorise Directors to fix Auditors fees		

Signed this _____ day of _____ 2005

Shareholder's Signature

THIS PROXY FORM SHOULD NOT BE SENT TO THE REGISTRAR IF THE MEMBER WILL BE ATTENDING THE MEETING.

Notes:

1. A member who is unable to attend the Annual General Meeting is allowed by law to vote by proxy. The above form has been prepared to enable you exercise your vote if you cannot personally attend.
2. Provision has been made on the form for the Chairman of the meeting to act as your proxy but, if you wish, you may insert in the blank space the name of any person whether a Member of the company or not who will attend the meeting and vote on your behalf instead of the Chairman of the Meeting.
3. In the case of joint holders, each holder should sign.
4. If executed by a corporation, the proxy form should bear its common seal or be signed on its behalf by a Director.
5. Please sign the proxy form and post it so as to reach the address shown overleaf not later than 48 hours.
6. The proxy must produce the Admission Card sent with the notice of the meeting to obtain entrance to the meeting.

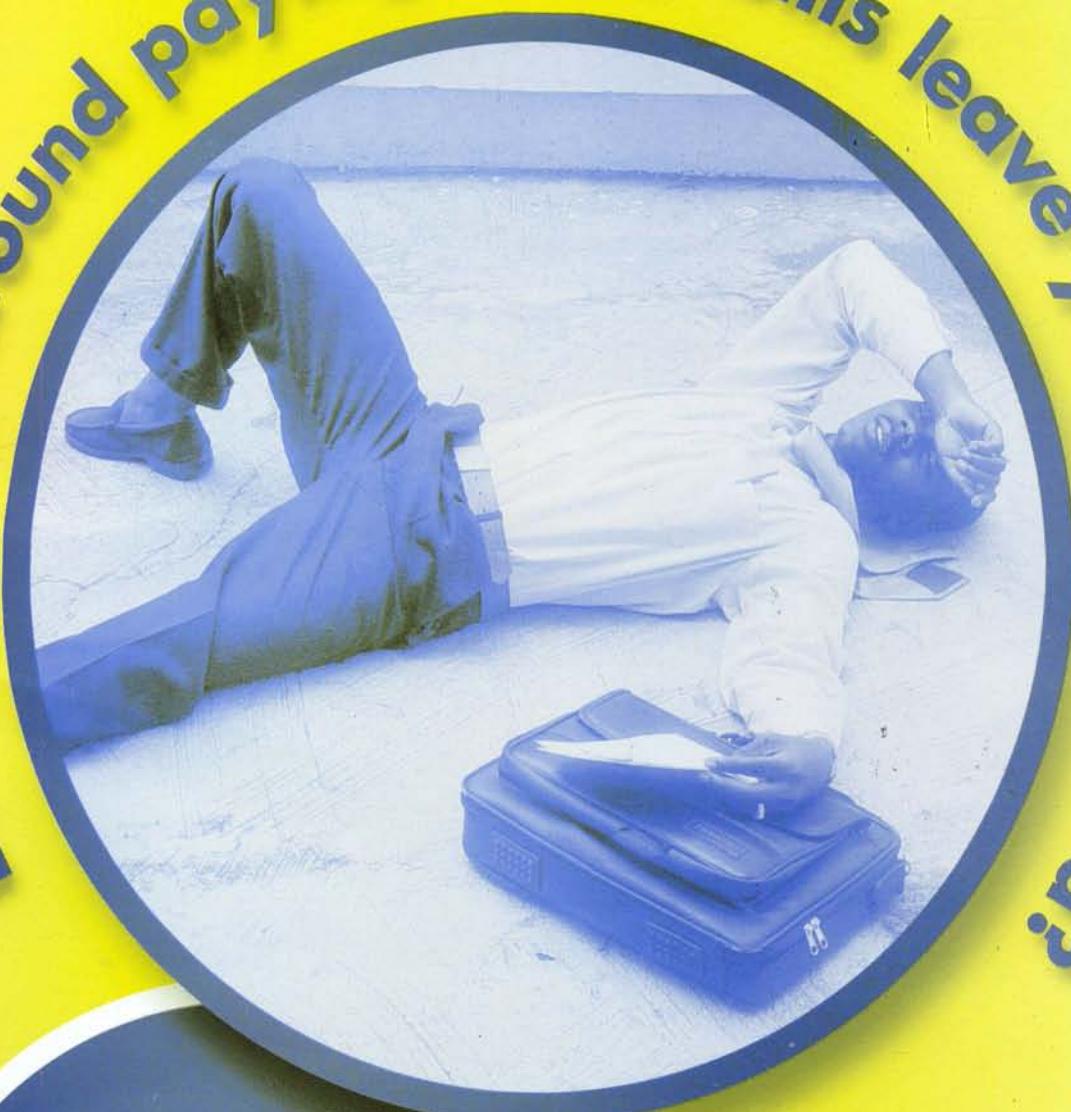
The Registrar
Clydestone Ghana Limited
C/O NTHC LIMITED
2nd Floor, Martco House
Okai Mensah Link
Adabraka
P.O.BOX 9563
Airport
Accra

Notes

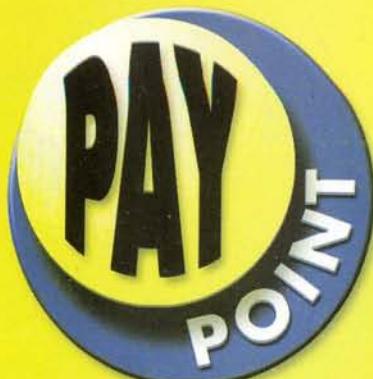


Notes

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