

SECURITIES AND EXCHANGE COMMISSION  
Accra



**DIGICUT PRODUCTION & ADVERTISING PLC**

**UNAUDITED FINANCIAL STATEMENT  
FOR THE SIX-MONTH PERIOD ENDED  
30 JUNE 2023**



## **DIGICUT PRODUCTION & ADVERTISING PLC**

*Unaudited financial statement for the six-month period ended 30 June 2023*

### **COMPANY INFORMATION**

<b>DIRECTORS</b>	Joseph Kusi-Tieku John Sterlin Victoria Aligboh Raphael Ayitey
<b>SECRETARY</b>	Credibilis Unlimited
<b>COMPANY REGISTRATION</b>	PL000412017
<b>REGISTERED ADDRESS</b>	No. 350, Nima Court Avenue Ward E, Block 2 Avenor – Accra, Ghana +233546886775
<b>AUDITOR</b>	Adom Boafo & Associates Mango Street Avenue Asylum Down – Accra, Ghana +233302788324
<b>BANKERS</b>	Ecobank Ghana Limited
<b>ADVISOR</b>	Teak Tree Brokerage Limited F380/4 Osu La Crescent Nyaniba Estate – Accra, Ghana +233302978838
<b>REGISTRAR</b>	Central Securities Depository 4th Floor, Cedi House Ridge – Accra, Ghana +233302689313

**DIGICUT PRODUCTION & ADVERTISING PLC***Unaudited financial statement for the six-month period ended 30 June 2023***STATEMENT OF COMPREHENSIVE INCOME**

	Notes	2023 GH¢	2022 GH¢
<b>Revenue</b>	4	<b>239,002</b>	67,221
Cost of sales	5	<u>(95,415)</u>	<u>(33,211)</u>
<b>Gross profit</b>		<b>143,587</b>	34,010
Other operating income		<u>8,750</u>	<u>7,004</u>
<b>Operating profit</b>		<b>152,337</b>	41,014
Admin and general expenses	11	<u>(164,131)</u>	<u>(128,804)</u>
<b>Profit before tax</b>		<b>(11,794)</b>	(87,790)
Income tax expense		-	-
<b>Profit after tax transferred to income surplus</b>		<b>(11,794)</b>	(87,790)
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>(11,794)</b>	(87,790)
<b>Earnings per share (basic / diluted)</b>	6	<b>(0.0001)</b>	(0.0007)

**DIGICUT PRODUCTION & ADVERTISING PLC***Unaudited financial statement for the six-month period ended 30 June 2023***STATEMENT OF CHANGES IN EQUITY**

<b>2023</b>	<b>Income Surplus GH¢</b>	<b>Stated Capital GH¢</b>	<b>Total GH¢</b>
Balance at 1 Jan	(469,433)	3,103,811	2,634,378
Transfer to stated capital	-	-	-
Profit for the period	(11,794)	-	(11,794)
Balance at 30 Jun	<u>(481,227)</u>	<u>3,103,811</u>	<u>2,622,584</u>
<b>2022</b>	<b>Income Surplus GH¢</b>	<b>Stated Capital GH¢</b>	<b>Total GH¢</b>
Balance at 1 Jan	(368,762)	3,103,811	2,735,050
Additional stated capital	-	-	-
Profit for the period	(87,790)	-	(87,790)
Balance at 30 Jun	<u>(456,551)</u>	<u>3,103,811</u>	<u>2,647,260</u>

**DIGICUT PRODUCTION & ADVERTISING PLC**

Unaudited financial statement for the six-month period ended 30 June 2023

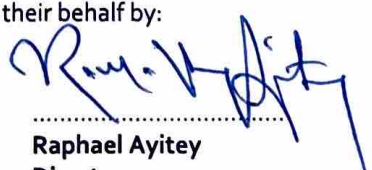
**STATEMENT OF FINANCIAL POSITION**

<b>Assets</b>	<b>Notes</b>	<b>2023</b>	<b>2022</b>
		<b>GH¢</b>	<b>GH¢</b>
<b>Non-current Assets</b>			
Property, plant and equipment		9,191	15,559
Capital work-in-progress		<u>525,292</u>	<u>525,292</u>
		<b>534,483</b>	<b>540,851</b>
<b>Current Assets</b>			
Accounts receivable	7	4,612,626	4,566,210
Taxation		177,369	172,415
Cash and cash equivalents	8	<u>22,290</u>	<u>5,997</u>
		<b>4,812,285</b>	<b>4,744,622</b>
<b>Total Assets</b>		<u><b>5,346,769</b></u>	<u><b>5,285,473</b></u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Stated capital		3,103,811	3,103,811
Income surplus		<u>(481,227)</u>	<u>(456,551)</u>
		<b>2,622,584</b>	<b>2,647,260</b>
<b>Non-current Liabilities</b>			
Borrowings	9	1,019,433	1,019,433
<b>Current Liabilities</b>			
Accounts payable	10	1,704,752	1,618,780
<b>Total Equity and Liabilities</b>		<u><b>5,346,769</b></u>	<u><b>5,285,473</b></u>

The unaudited financial statement for the six-month period ended 30 June 2023 were approved by the Board of Directors on 26 July 2023 and signed on their behalf by:



Victoria Aligboh  
Director



Raphael Ayitey  
Director

**DIGICUT PRODUCTION & ADVERTISING PLC***Unaudited financial statement for the six-month period ended 30 June 2023***STATEMENT OF CASHFLOW**

	Notes	2023 GH¢	2022 GH¢
<b>Cashflow from operating activities</b>			
Operating profit		(11,794)	(87,790)
Depreciation		3,184	3,184
<b>Operating profit before working capital changes</b>		<b>(8,610)</b>	<b>(84,606)</b>
(Increase) / decrease in accounts receivables	7	(12,138)	1,362
Increase / (decrease) in accounts payables	10	32,735	30,535
<b>Cash generated from operating activities</b>		<b>11,987</b>	<b>(52,709)</b>
Tax paid (deferred tax adjusted)		-	-
<b>Net cashflow from operating activities</b>		<b>11,987</b>	<b>(52,709)</b>
<b>Net increase / decrease in cashflow</b>		<b>11,987</b>	<b>(52,709)</b>
Balance at 1 Jan		10,303	58,706
<b>Cash and cash equivalent</b>		<b>22,290</b>	<b>5,997</b>
<b>Analysis of changes in cash and cash equivalent</b>			
Cash and bank		22,290	5,997
Investment		-	-
<b>Balance at 30 Jun</b>		<b>22,290</b>	<b>5,997</b>



## **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). Additional details of the company can be found on page 2 of this report.

### **2. BASIS OF PREPARATION**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

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

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

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. ACCOUNTING POLICIES**

The accounting policies adopted in this report are consistent with those used in the most recent annual financial statements.

**DIGICUT PRODUCTION & ADVERTISING PLC***Unaudited financial statement for the six-month period ended 30 June 2023***4. REVENUE**

	2023	2022
	GH¢	GH¢
Printing and production	48,695	30,417
Billboard rental	24,200	19,290
Mobile advertising van	80,498	10,554
Advertising and publicity	2,500	-
Branding	78,650	6,960
Agency fee / commission	4,459	-
	<u>239,002</u>	<u>67,221</u>

**5. COST OF SALES**

	2023	2022
	GH¢	GH¢
Printing and production	15,697	7,231
Billboard maintenance	9,340	16,922
Mobile advertising van	6,510	2,740
Advertising and publicity	428	1,108
Branding	63,439	5,210
	<u>95,415</u>	<u>33,211</u>

**6. EARNINGS PER SHARE**

	2023	2022
	GH¢	GH¢
Profit attributable to equity holders	(11,794)	(87,790)
Outstanding ordinary shares (weighted average)	<u>118,890,621</u>	<u>118,890,621</u>
Earnings per share (basic)	<u>(0.0001)</u>	<u>(0.0007)</u>

The company has no category of potential diluted ordinary shares.



**DIGICUT PRODUCTION & ADVERTISING PLC***Unaudited financial statement for the six-month period ended 30 June 2023***7. ACCOUNTS RECEIVABLE**

	2023	2022
	GH¢	GH¢
Related-party debtors	2,933,459	2,917,161
Other trade debtors	58,317	23,451
Other prepayment and advances	15,099	19,847
Funds with Receiver (GN Bank)	1,478,169	1,478,169
Funds in GMMF	127,582	127,582
	<u>4,612,626</u>	<u>4,566,210</u>

**8. CASH AND CASH EQUIVALENTS**

	2023	2022
	GH¢	GH¢
Cash balance	2,001	2,001
Bank balance	20,290	3,996
	<u>22,290</u>	<u>5,997</u>

**9. BORROWINGS (Related-Party)**

	2023	2022
	GH¢	GH¢
Loan account	420,053	420,053
GGFC	585,572	585,572
GN Treasury	13,808	13,808
	<u>1,019,433</u>	<u>1,019,433</u>

**10. ACCOUNTS PAYABLE**

	2023	2022
	GH¢	GH¢
Related-party payables	439,881	399,985
Other trade payables	40,867	33,788
Accrued rent	511,364	511,364
Other accrued expenses	684,702	652,150
Audit fees	27,937	21,494
	<u>1,704,752</u>	<u>1,618,780</u>

**DIGICUT PRODUCTION & ADVERTISING PLC***Unaudited financial statement for the six-month period ended 30 June 2023***11. ADMINISTRATIVE AND GENERAL EXPENSES**

	<b>2023</b>	<b>2022</b>
	<b>GH¢</b>	<b>GH¢</b>
Accommodation	575	1,165
Accounting and payroll	5,189	5,059
Audit expense	-	100
Audit fees	7,500	8,944
Bank charges	338	320
Board fees	16,000	16,000
CSD account maintenance fees	2,500	2,500
Depreciation	3,184	3,184
Donation	-	500
Equipment repairs and maintenance	605	256
Facility maintenance fees	-	275
Fuel and lubricants	15,441	18,057
GSE listing fee	2,000	2,000
Health / life insurance (welfare)	6,098	1,380
Internet subscription	-	200
IT services	947	-
Legal fees	5,450	6,910
Office running	1,058	1,670
Office stationery	102	819
Operations consultancy	-	4,000
Registration and licensing	2,530	485
Sales commission	4,769	1,722
Staff cost	31,401	17,496
Telephone expense	750	71
Training and development	154	-
Transportation and travel	2,793	2,553
Vehicle insurance	4,716	1,034
Vehicle repairs and maintenance	50,032	32,105
	<u>164,131</u>	<u>128,804</u>