

Gravita Ghana Limited

Annual Report 2018-19

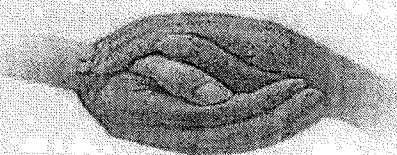
ANNUAL REPORT 2018-19

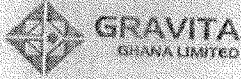


GRAVITA GHANA LIMITED

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COMPANY INFORMATION

DIRECTORS

RAJAT SHARMA
VUENDRA SINGH TANWAR

SECRETARY

PARKER ALLOTEY CONSULT
P.O.BOX.CO. 1088
TEMA, GHANA
TEL :- 0303-212707,
FAX NO. :- 0303-
212708
Mail ID :- pal_adu@yahoo.co.uk

REGISTERED OFFICE

IND/A/43/18
HEAVY INDUSTRIAL AREA
TEMA
GHANA

BANKERS

1

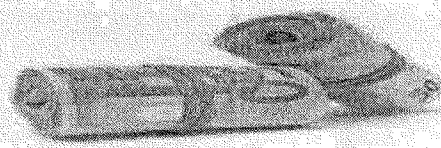
UNIVERSAL MERCHANT BANK GHANA LTD
NORTH RIDGE , ACCRA
FEDILITY BANK GHANA LIMITED
RIDGE-TOWER, ACCRA
UNITED BANK OF AFRICA
ACCRA

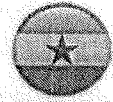
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AUDITORS

PARKER ALLOTEY CONSULT
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212708
Mail ID :- pal_adu@yahoo.co.uk

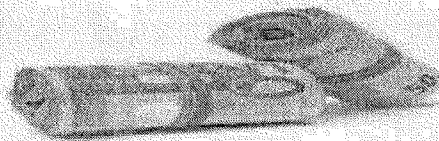



FINANCIAL HIGHLIGHTS

(Amount In GHS)

Particulars	<u>2,019</u> GHS	<u>2,018</u> GHS
TURNOVER	49,991,579	33,793,413
NET PROFIT/(LOSS) BEFORE TAX	(892,708)	259,242
NET PROFIT/(LOSS) AFTER TAX	(892,708)	220,356
NET CASH FLOW FROM OPERATING ACTIVITIES	604,011	(150,530)
SHARE CAPITAL	314,363	314,363
RESERVE & SURPLUS	1,016,289	6,269,262
CAPITAL (EXPENDITURE)/DISPOSAL	23,735	146,597

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FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2019
REPORT OF THE BOARD OF DIRECTORS

Financial Statements

The Directors have the pleasure in submitting to the members of the company, their seventh annual report together with the audited financial statement for the year ended 31 March, 2019.

Principal Activities

There was no change in the Object of the company.

Statement of Directors Responsibilities

The directors are responsible for preparing the financial statements for each financial year. The statements give a true and fair view of the state of affairs of the company at the end of the financial year and of the Trading & profit and loss of the company for that year.

In preparing those financial statements, the directors are required to

- * Select suitable accounting policies and then apply them consistently.
- * Make judgments and estimates that are reasonable and prudent.
- * State whether the applicable accounting standards have been followed.

* Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enables them to ensure that the financial statements complies with the Ghana Companies Act . They are responsible for taking such steps as reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The Financial Results of Company are set as follows

	(Amount in GHS)
The Net Profit/(Loss) for the year before Taxation	(892,708)
From which is deducted taxation and Levies	
Giving a Net profit/(Loss) after taxation	(892,708)
Dividend declared	4,360,265
Forward on the Income Surplus Account	6,269,262
Leaving a balance on the income surplus account of	1,016,289

Dividend

The Directors recommended to Declare Proposed Dividend for the Year ended 31 March, 2019.

Auditors

In accordance with Section 134(5) of the Companies Act, the auditors, Messrs Parker Allotey Consult will continue in office as auditors of the company.

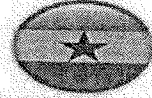
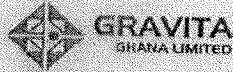
On Behalf of Directors

(Director)

(Director)

Dated: 10 May 2019

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GRAVITA GHANA LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF GRAVITA GHANA LTD ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019.

Report on the Financial Statements

We have audited the accompanying financial statements of Gravita Ghana Ltd. which comprise the Balance Sheet as of March 31, 2019, Profit & Loss Account, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the manner required by the Companies Act, 1963 (Act 179) This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standard on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Gravita Ghana Ltd, as at 31, March 2019, and of its financial performance and comply with the Companies Act, 1963 (Act 179).

Report on Other Legal and Regulatory Requirements

The Companies Act, 1963 (Act 179) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- In our opinion proper books of accounts have been kept by the Company so far as appear from our examination of those books and
- The Balance Sheet and Profit and Loss Account of the Company are in agreement with the books of accounts.

Dated: 10 May 2019

Parker Allotey
Parker Allotey Consult
(Chartered Accountants)
(I CA6/F/2019/130)

PARKER ALLOTEY CONSULT
(CHARTERED ACCOUNTANTS)
TEMA

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**BALANCE SHEET
AS AT 31 MARCH 2019**

	Note	(Amount in GHS)	
		As on 31.03.2019	As on 31.03.2018
NON-CURRENT ASSETS (A)			
Property, Plant & Equipment	2	509,392	917,447
		509,392	917,447
CURRENT ASSETS (B)			
Inventories	3	12,382,616	4,335,632
Accounts Receivable	4	7,257,835	1,821,879
Cash & Bank Balances	5	1,091,527	313,186
		20,731,979	6,470,698
TOTAL ASSETS		21,241,370	7,388,144
CURRENT LIABILITIES			
Accounts Payable	6	19,910,718	804,519
WORKING CAPITAL		821,260	5,666,180
NET ASSETS		1,330,652	6,583,625
REPRESENTED BY:			
Stated capital	7	314,363	314,363
Income Surplus		1,016,289	6,269,262
TOTAL		1,330,652	6,583,625

The accompanying notes form an integral part of these financial statements.

.....
DIRECTOR


.....
DIRECTOR

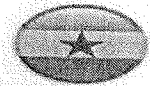


**TRADING AND PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 March 2018**

	Note	(Amount in GHS)	
		For the year ended 31.03.2019	For the year ended 31.03.2018
TURNOVER	5	49,991,579	33,793,413
LESS: COST OF OPERATIONS	9	(48,016,971)	(30,728,926)
GROSS MARGIN		1,974,608	3,064,487
OTHER INCOME	8	694,666	125,443
LESS:		2,669,274	3,189,930
SELLING, AND GENERAL & ADMIN. EXPENSES	10	(3,368,678)	(2,834,368)
FINANCIAL EXPENSES	11	(193,304)	(96,320)
NET PROFIT/(LOSS) BEFORE TAX		(892,708)	259,242
TAXATION			38,886
NET PROFIT/(LOSS) AFTER TAX TRANSFERRED TO INCOME SURPLUS ACCOUNT		(892,708)	220,356

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 March 2019**

	STATED CAPITAL	INCOME SURPLUS 2019	INCOME SURPLUS 2018
BALANCE - 1st APRIL	314,363	6,269,262	6,048,906
NET PROFIT/(LOSS) FOR THE YEAR		(892,708)	220,356
Dividend for the year		(4,360,265)	
	<u>314,363</u>	<u>1,016,289</u>	<u>6,269,262</u>



**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 March 2019**

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	(Amount in GHS)	
	For the year ended 31.03.2019	For the year ended 31.03.2018
RECONCILIATION OF OPERATING PROFIT TO		
<u>NET CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit as per accounts		220,356
Depreciation & Loss on Assets sold	(892,708)	220,890
(Increase)/Decrease in stock	223,101	(1,155,734)
(Increase)/Decrease in accounts receivable	(8,046,984)	5,816,151
Increase/(Decrease) in accounts payable	(5,435,956)	(5,252,193)
Loss/(Profit) on Discard of fixed asset	14,745,934	
Net Cash Inflow from Operations	10,624	
	604,011	(150,530)
Net Cash Flow from Operating Activities	604,011	(150,530)
<u>INVESTING ACTIVITIES</u>		
Acquisition of Fixed Assets	184,952	(146,597)
Discard of Fixed Asset	(10,624)	
Net Cash Flow provided/used from Investing Activities	174,328	(146,597)
<u>FINANCING ACTIVITIES</u>		
Increase/Decrease In Loan		
Net Cash Flow from Operating Activities		
Net Cash Flow	778,341	(297,126)
<u>ANALYSIS OF CHANGES IN CASH & CASH EQUIVLENTS</u>		
Cash at beginning year		
Cash on Hand	313,186	610,313
Bank Balances	25,735	4,229
	287,452	606,084
Cash At the end of year		
Cash on Hand	1,091,527	313,186
Bank Balances	2,137	25,735
	1,089,390	287,452



NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

These accounts have been prepared under the historical cost convention and the Ghana accounting standards.

b) Non Current assets

Non Current assets are stated at cost less accumulated depreciation.

c) Depreciation

Depreciation has been charged on a straight-line basis and at rates calculated to reduce the assets value to nil at the expiration of their useful commercial lives.

The rates applicable are as follows:

Motor Vehicle	20%
Factory Building	5%
Furniture & Fittings	25%
Plant & Machinery	20%
Office Equipment	25%

d) Stocks

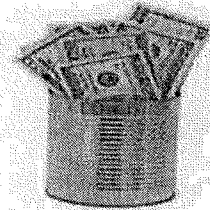
Stocks are valued at lower of cost and net realizable value.

e) Taxation

The company is registered under sec (28)(i) of the Free Zone Act 1995 and Free zone enterprise/developers after 10 years in operation (on export of goods and services) to be taxed at 15% as per Income tax Act 2015 (Act 896)

f) Accounts receivable

Accounts receivable are stated after making provision for debits that are not recoverable.



NOTES TO THE FINANCIAL STATEMENT
3. INVENTORIES

Particulars	(Amount in GHS)	
	As at 31.03.2019	As at 31.03.2018
Raw Material	-	48,612
Finished Goods	-	-
By Products	-	-
Work in Process	-	-
Consumables	-	66,068
Stock in Transit	7,181	7,265
store & spares	-	3,720,000
Stock in Trade	332,494	352,575
Total	12,042,942	141,112
	12,382,616	4,335,632

4. ACCOUNTS RECEIVABLE

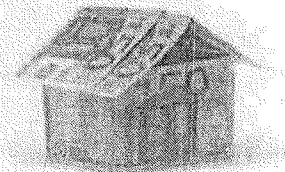
Particulars	(Amount in GHS)	
	As at 31.03.2019	As at 31.03.2018
Prepayments	33,235	18,509
Security Deposits-Ghana Telecom Communication	318	318
Advance for Raw Material & Expenses	7,207,163	1,797,730
Loan & Advance to Employees	3,619	5,321
Advance to Ghana Revenue Authority for Tax	13,500	-
Total	7,257,835	1,821,879

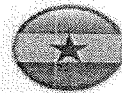
5. CASH AND BANK BALANCES

Particulars	(Amount in GHS)	
	As at 31.03.2019	As at 31.03.2018
Cash on Hand	2,137	25,735
Bank balances	1,089,390	287,452
Total	1,091,527	313,186

6. ACCOUNTS PAYABLE

Particulars	(Amount in GHS)	
	As at 31.03.2019	As at 31.03.2018
Trade Payables	11,565,129	326,408
Outstanding Liabilities	3,985,324	478,111
Proposed Dividend	4,360,265	-
Total	19,910,718	804,519





NOTES TO THE FINANCIAL STATEMENT

7. STATED CAPITAL

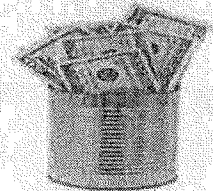
Particulars	(Amount in GHS)	
	As at 31.03.2019	As at 31.03.2018
Authorized Shares of no par value	520,000	520,000
Issued Shares of No par value	314,363	314,363
Proceeds of Issue for Cash	Proceeds (GHS) 314,363	Proceeds (GHS) 314,363

There is no unpaid Liability on any shares and there are no shares in treasury.

8. OTHER INCOME

Particulars	(Amount in GHS)	
	01.04.18 to 31.03.19	01.04.17 to 31.03.18
Exchange Gain	694,441	
Miscellaneous Incomes	226	125,443
Total	694,666	125,443

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NOTES TO THE FINANCIAL STATEMENTS
9. COST OF OPERATIONS

Particulars	(Amount in GHS)	
	01.04.18 to 31.03.19	01.04.17 to 31.03.18
Opening Stock		
Work-in-Progress	66,068	353,339
Finished Goods		1,908,451
Stock in Trade	141,112	
Total Opening Stock (A)	207,180	2,261,790
Add:- Direct Operational Costs		
Direct Material Consumed (annex "A")	3,758,513.69	21,686,354
Consumption of Consumables (annex "B")	369,938	932,242
Purchase of Stock-in-Trade (Traded Goods)	55,305,028	4,841,284
Direct Labour	41,978	173,489
Power	30,751	241,476
Repair & Maintenance Factory & P&M	23,407	138,662
Factory Rent	147,980	477,514
Other Manufacturing expenses	20,774	22,205
Depreciation on P&M	154,363	161,089
Total Direct Operational Cost (B)	59,852,732	28,674,316
Total Overhead Cost (A+B)	60,059,913	30,936,106
Less:- Stocks - 31 March		
work - in Progress		66,068
Finished Goods		
Stock in Trade	12,042,942	141,112
Cost of Operation	48,016,971	30,728,926



NOTES TO THE FINANCIAL STATEMENT

10. SELLING, GENERAL & ADMIN EXPENSES

Particulars	(Amount in GHS)	
	01.04.18 to 31.03.19	01.04.17 to 31.03.18
Salaries & Wages (Bonus & Leave Encashment)	506,086	971,317
Staff Welfare	79,084	95,656
Travelling & Conveyance (Local)	12,102	16,351
Motor Vehicle Running Expenses	43,325	30,468
Printing & Stationery & Postage	2,852	3,294
Legal & Professional Fees	15,012	12,663
Audit Fees	2,500	2,000
Guest House Rent	52,676	58,664
Guest House Expenses	37,692	36,301
Repair & Maintenance other than P&M	127,686	93,347
Insurance Expenses	22,822	29,330
Business Promotion	75,624	44,116
Loss on Discard of Fixed Assets	10,624	-
Depreciation Others than P & M	68,738	59,801
Telephone & Communication	17,332	14,694
Foreign Travelling Expenses	212,750	197,176
Selling & Distribution Expenses	1,957,090	1,043,350
Security Guard Expenses- Factory	27,400	32,160
Other Miscellaneous Exp	97,282	93,680
TOTAL	3,368,678	2,834,368

11. FINANCIAL EXPENSES

Particulars	(Amount in GHS)	
	01.04.18 to 31.03.19	01.04.17 to 31.03.18
Bank Charges	193,304	96,320
Interest on Loan	-	-
TOTAL	193,304	96,320


NOTES TO THE FINANCIAL STATEMENT

Particulars	(Amount in GHS)	
	01.04.18 to 31.03.19	01.04.17 to 31.03.18
Annexure "A"		
Opening Stock	3,758,514	429,317
Add: Purchase (Including Freight & Import Exp)	-	25,015,551
Less: Closing stock of Raw Material	-	3,758,514
Consumption of Raw Material	3,758,514	21,686,354

Particulars	(Amount in GHS)	
	01.04.18 to 31.03.19	01.04.17 to 31.03.18
Annexure "B"		
Consumption of Consumables		
Opening stock of consumables	369,938	488,792
Add: Purchase of Consumables & expenses	-	813,389
Less: Closing Stock of consumable	-	369,938
Consumption of Consumables	369,938	932,242



GRAVITA GHANA LIMITED
 (Formerly known as Pagik Ghana Limited)
NOTES TO THE FINANCIAL STATEMENT

(Amount in GHS)

NOTE 2

NON CURRENT ASSETS

	Factory Building	EMIP	Plant & machinery	Motor Vehicle	Office Equipments	Furniture & Fixtures	Trade Assets
Balance b/w/d 01.04.2016	302,720	4,995	1,466,120	239,269	29,890	16,403	2,086,287
Adjustment-Sold during the Year	(87,930)		(170,809)	(96,241)			(314,979)
Adjustment-Transfer During the Year		(13,802)					(13,602)
Adjustment-Discard	(122,594)		(5,682)		(4,461)		(132,727)
Additions		10,134		4,050	8,517	1,035	23,735
	<u>122,196</u>	<u>1,527</u>	<u>1,319,628</u>	<u>157,078</u>	<u>32,956</u>	<u>17,438</u>	<u>1,660,824</u>

Depreciation

Balance b/w/d 01.04.2018	86,092		977,559	79,291	12,546	15,482	1,170,960
Depreciation Adjustment on assets Sold	(9,508)		(106,450)	(74,332)			(187,290)
Depreciation Adjustment on assets Discard	(57,797)		(3,545)		(4,027)		(65,379)
Change for the Year	14,771		124,363	48,854	4,690	1,023	223,101
	<u>35,999</u>		<u>1,021,927</u>	<u>83,813</u>	<u>13,209</u>	<u>16,485</u>	<u>1,141,433</u>

Net Book Value

31.03.2018	216,628	4,995	618,661	459,978	16,344	941	917,447
31.03.2019	86,197	1,527	297,702	103,266	19,748	952	608,392

Note: 1 During the FY 2018-19 CMP Value Capitalisation into below Assets:-

Asset description	GHS
Furniture & Fixtures	1,035
Office Equipments	8,517
Vehicles	4,050
Total	13,602

