

# **Gravita Ghana Limited**

**Annual Report 2016-17**

ANNUAL REPORT 2016-17



GRAVITA GHANA LIMITED

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COMPANY INFORMATION

DIRECTORS

MANESH JANGIR  
VIJENDRA SINGH TANWAR  
NARESH GOEL

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/43/1B  
HEAVY INDUSTRIAL AREA  
TEMA  
GHANA

BANKERS

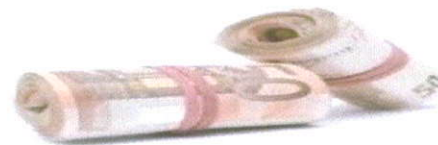
- 1 MERCHANT BANK GHANA LIMITED  
NORTH RIDGE , ACCRA
- 2 FEDILITY BANK GHANA LIMITED  
RIDGE-TOWER, ACCRA
- 3 BANK OF BARODA  
ADABRAKA , ACCRA
- 4 UNITED BANK OF AFRICA  
ACCRA

AUDITORS

PARKER ALLOTEY CONSULT  
P.O.BOX.CO. 1088  
TEMA, GHANA

TEL :- 0303-212707 ,  
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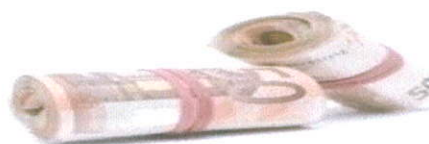




FINANCIAL HIGHLIGHTS

ANNUAL REPORT 2016-17

Particulars	<u>2,017</u> GH¢	<u>2,016</u> GH¢
TURNOVER	24,274,668	20,894,625
NET PROFIT/(LOSS) BEFORE TAX	249,533	(7,825)
NET PROFIT/(LOSS) AFTER TAX	249,533	(7,825)
NET CASH FLOW FROM OPERATING ACTIVIES	994,131	126,971
SHARE CAPITAL	314,363	314,363
RESERVE & SURPLUS	6,048,905	5,799,372
CAPITAL EXPENDITURE	616,356	208,809



**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2017  
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 31st March, 2017.

**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

The Net Profit/(Loss) for the year before Taxation	249,533
From which is deducted taxation and Levies	-
Giving a Net profit/(Loss) after taxation of	<u>249,533</u>
To which must be added balance brought Forward on the Income Surplus Account	5,799,372
Leaving a balance on the income surplus account of	<u>6,048,905</u>

**Dividend**

The Directors do not recommend the payment of dividend for the Year ended 31st March, 2017.

**Auditors**

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

**On Behalf of Directors**

(Director) 

(Director)

Dated: 25 April 2017

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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 31st MARCH, 2017.**

**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, 2017, 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 Code, 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 2017, and of its financial performance and comply with the Companies Code, 1963 (Act 179).

## Report on Other Legal and Regulatory Requirements

The Companies Code, 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: 25 April 2017

**PARKER ALLOTEY CONSULTANTS**  
**(CHARTERED ACCOUNTANTS)**  
Parker Allotey Consult  
(Chartered Accountants)  
1 CAG/F/2017/130



**BALANCE SHEET**  
**AS AT 31st MARCH 2017**

		(Amount in GH¢)	
	Notes	As on 31.03.2017	As on 31.03.2016
<b><u>NON-CURRENT ASSETS (A)</u></b>			
Property, Plant & Equipment	2	991,740	607,887
		<b>991,740</b>	<b>607,887</b>
<b><u>CURRENT ASSETS (B)</u></b>			
Stocks	3	3,179,898	3,321,116
Accounts Receivable	4	7,638,029	6,300,566
Cash & Bank Balances	5	610,313	281,098
		<b>11,428,242</b>	<b>9,902,781</b>
<b>TOTAL ASSETS</b>		<b>12,419,980</b>	<b>10,510,667</b>
<b><u>CURRENT LIABILITIES</u></b>			
Accounts Payable	6	6,056,712	4,396,932
<b>WORKING CAPITAL</b>		<b>5,371,530</b>	<b>5,505,848</b>
<b>NET ASSETS</b>		<b>6,363,268</b>	<b>6,113,735</b>
<b><u>REPRESENTED BY:</u></b>			
Stated capital	7	314,363	314,363
Income Surplus		6,048,905	5,799,372
<b>TOTAL</b>		<b>6,363,268</b>	<b>6,113,735</b>

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



.....  
DIRECTOR

.....  
DIRECTOR





**TRADING AND PROFIT & LOSS ACCOUNT  
FOR THE YEAR ENDED 31st March 2017**

	Notes	(Amount in GH¢)	
		For the year ended 31.03.2017	For the year ended 31.03.2016
<b>TURNOVER</b>		24,109,445	20,894,625
LESS: COST OF OPERATIONS	9	(21,906,287)	(19,439,644)
<b>GROSS MARGIN</b>		<b>2,203,159</b>	<b>1,454,981</b>
OTHER INCOME	8	494,002	209,857
		<b>2,697,160</b>	<b>1,664,838</b>
<u>LESS:</u>			
SELLING , AND GENERAL & ADMIN. EXPENSES	10	(2,354,224)	(1,437,448)
FINANCIAL EXPENSES	11	(93,404)	(235,215)
<b>NET PROFIT/(LOSS) BEFORE TAX</b>		<b>249,533</b>	<b>(7,825)</b>
TAXATION		-	-
<b>NET PROFIT/(LOSS) AFTER TAX TRANSFERRED TO INCOME SURPLUS ACCOUNT</b>		<b>249,533</b>	<b>(7,825)</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31st March 2017**

	STATED CAPITAL	INCOME SURPLUS 2017	INCOME SURPLUS 2016
BALANCE - 1st APRIL	314,363	5,799,371	5,807,196
NET PROFIT/(LOSS) FOR THE YEAR		249,533	(7,825)
	<b>314,363</b>	<b>6,048,905</b>	<b>5,799,371</b>



**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31st March 2017**

(Amount in GH¢)

	For the year ended 31.03.2017	For the year ended 31.03.2016
<b>RECONCILIATION OF OPERATING PROFIT TO</b>		
<b><u>NET CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Net Profit as per accounts	249,533	(7,825)
Depreciation & Loss on Assets sold	232,502	275,338
Increase/Decrease in stock	141,218	(1,519,422)
Increase/Decrease in accounts receivable	(1,337,462)	3,030,145
Increase/Decrease in accounts payable	1,659,780	(1,648,330)
Loss/(Profit) on Discard of fixed asset	48,560	(2,936)
<b>Net Cash Inflow from Operations</b>	<b>994,131</b>	<b>126,971</b>
<b>Net Cash Flow from Operating Activities</b>	<b>994,131</b>	<b>126,971</b>
<b><u>INVESTING ACTIVITIES</u></b>		
Acquisition of Fixed Assets	(616,356.50)	(208,809)
Discard of Fixed Asset	(48,560)	3,057
<b>Net Cash Flow provided/used from Investing Activities</b>	<b>(664,917)</b>	<b>(205,751)</b>
<b><u>FINANCING ACTIVITIES</u></b>		
Increase/Decrease In Loan	-	61,089
<b>Net Cash Flow from Operating Activities</b>	<b>-</b>	<b>61,089</b>
<b>Net Cash Flow</b>	<b>329,215</b>	<b>(17,692)</b>
<b>ANALYSIS OF CHANGES IN <u>CASH &amp; CASH EQUIVLENTS</u></b>	<b>329,215</b>	<b>(15,290)</b>
Cash at beginning year	<b>281,098</b>	<b>296,388</b>
Cash on Hand	269	8,715
Bank Balances	280,828	287,673
Cash At the end of year	<b>610,313</b>	<b>281,098</b>
Cash on Hand	4,229	269
Bank Balances	606,084	280,828

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31st MARCH 2017

**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 is exempted from payment of income tax on profits for ten years from the date of commencement of its operations

**f) Accounts receivable**

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



**GRAVITA GHANA LIMITED**

(Formerly Known as Pagrik Ghana Limited)  
**NOTES TO THE FINANCIAL STATEMENT**

NOTE-2

NON CURRENT ASSETS

	Factory Building	CWIP	Plant & machinery	Motor Vehicle	Office Equipments	Furniture & Fittings	Total Assets
Balance b/fwd 01.04.2016	236,127	37,451	1,181,895	129,693	45,881	20,517	1,614,113
Adjustment	(7,453)		(58,645)	(44,920)	(33,119)	(4,114)	(148,250)
Additions	73,001	72,979	387,339	86,518	8,863	-	628,700
	<b>301,675</b>	<b>110,431</b>	<b>1,510,589</b>	<b>171,291</b>	<b>21,625</b>	<b>16,402</b>	<b>2,094,562</b>
Depreciation	5%		20%	20%	25%	25%	
Balance B/fwd	60,684		857,885	47,501	29,312	10,847	1,006,229
Depreciation Adjustment on asse	-		33,908	35,070	28,931	548	98,457
Charge for the Year	11,251		182,706	26,981	8,651	2,912	232,502
	<b>71,935</b>	<b>-</b>	<b>1,006,683</b>	<b>39,412</b>	<b>9,032</b>	<b>13,212</b>	<b>1,140,273</b>
Net Book Value							
31.03.2016	60,212	37,451	501,316	23,077	5,791	5,177	607,884
31.03.2017	229,740	110,431	503,906	131,879	12,593	3,191	991,740



NOTES TO THE FINANCIAL STATEMENT

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**3. STOCKS**

Particulars	(Amount in GH¢)	
	As at 31.03.2017	As at 31.03.2016
Raw Material	429,317	695,498
Finished Goods	1,831,321	848,324
By Products	77,130	331,870
Work in Process	353,339	738,537
Consumables	134,077	15,116
Stock in Transit	12,593	152,509
store & spares	342,122	371,142
Stock In Trade	-	168,120
<b>Total</b>	<b>3,179,898</b>	<b>3,321,116</b>

**4. ACCOUNTS RECEIVABLE**

Particulars	(Amount in GH¢)	
	As at 31.03.2017	As at 31.03.2016
Prepayments	91,890	458,682
Security Deposits	2,480	2,480
Advance for Raw Material & Expenses	7,531,733	1,383
Loan & Advance	11,928	4,087
Others (Including Consignment in Transit)	-	5,833,936
<b>Total</b>	<b>7,638,030</b>	<b>6,300,568</b>

**5. CASH AND BANK BALANCES**

Particulars	(Amount in GH¢)	
	As at 31.03.2017	As at 31.03.2016
Cash on Hand	4,229	269
Bank balances	606,084	280,828
<b>Total</b>	<b>610,313</b>	<b>281,098</b>

**6. ACCOUNTS PAYABLE**

Particulars	(Amount in GH¢)	
	As at 31.03.2017	As at 31.03.2016
Trade Creditors	869,928	3,980,184
Outstanding Liabilities	5,186,784	1,882
Duties & Taxes	-	70,253
Accrued Charges	-	15,891
Unsecured Loan	-	328,722
<b>Total</b>	<b>6,056,712</b>	<b>4,396,932</b>



NOTES TO THE FINANCIAL STATEMENT

**7. STATED CAPITAL**

Particulars	(Amount in GH¢)	
	As at 31.03.2017	As at 31.03.2016
Authorized Shares of no par value	<u>520,000</u>	<u>520,000</u>
Issued Shares of No par value	<u>314,363</u>	<u>314,363</u>
	<b>Proceeds (GH¢)</b>	<b>Proceeds (GH¢)</b>
Proceeds of Issue for Cash	<u>314,363</u>	<u>314,363</u>

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

**8. OTHER INCOME**

Particulars	(Amount in GH¢)	
	01.04.16 to 31.03.17	01.04.15 to 31.03.16
Exchange Gain	493,743	191,057
Miscellaneous Incomes	259	18,799
<b>Total</b>	<b>494,002</b>	<b>209,857</b>





NOTES TO THE FINANCIAL STATEMENTS

**9. COST OF OPERATIONS**

Particulars	(Amount in GHC)	
	01.04.16 to 31.03.17	01.04.15 to 31.03.16
Opening Stock		
Work-In-Progress	738,537	66,888
Finished Goods	1,180,194	755,141
Stock in Trade		
<b>Total Opening Stock (A)</b>	<b>1,918,731</b>	<b>822,029</b>
<b>Add:- Direct Operational Costs</b>		
Direct Material Consumed (annex "A")	19,274,932	17,882,565
Consumption of Consumables (annex "B")	1,213,021	861,216
Direct Labour	296,597	403,406
Power	497,281	517,641
Repair & Maintenance Factory & P&M	328,469	288,893
Factory Rent	407,527	322,666
Other Manufacturing expenses	37,561	26,953
Depreciation	193,958	233,006
<b>Total Direct Operational Cost (B)</b>	<b>22,249,345</b>	<b>20,536,346</b>
<b>Total Overhead Cost (A+B)</b>	<b>24,168,077</b>	<b>21,358,375</b>
<b>Less:- Stocks - 31 March</b>		
work - in - Progress	353,339	738,537
Finished Goods	1,908,451	1,180,194
<b>Cost of Operation</b>	<b>21,906,287</b>	<b>19,439,644</b>

NOTES TO THE FINANCIAL STATEMENT

10. SELLING , GENERAL & ADMIN EXPENSES

Particulars	(Amount in GHC)	
	01.04.16 to 31.03.17	01.04.15 to 31.03.16
Salaries & Wages ( Leave & encashment)	877,476	323,816
Staff Welfare	70,365	142,559
Travelling & Conveyance ( Local)	69,307	10,244
Motor Vehicle Running Expenses	31,740	24,595
Printing & Stationery & Postage	3,695	2,564
Legal & Professional Fees	87,078	61,178
Audit Fees	1,500	1,500
Guest House Rent	52,998	49,229
Guest House Expenses	18,701	22,350
Repair & Maintenance	31,799	16,666
Insurance Expenses	25,830	10,198
Office Expenses	-	2,074
Business Promotion	49,599	22,030
Loss on Discard of Fixed Assets	48,560	3,057
Depreciation	38,544	42,332
Telephone & Communication	14,650	11,959
Foreign Travelling Expenses	179,885	131,049
Selling & Distribution Expenses	656,936	535,401
Security Expenses- Factory	-	24,648
Other Exp	95,560	-
<b>TOTAL</b>	<b>2,354,224</b>	<b>1,437,448</b>

11. FINANCIAL EXPENSES

Particulars	(Amount in GHC)	
	01.04.16 to 31.03.17	01.04.15 to 31.03.16
Bank Charges	89,964	96,824
Interest on Loan	3,440	138,391
<b>TOTAL</b>	<b>93,404</b>	<b>235,215</b>





NOTES TO THE FINANCIAL STATEMENT

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Particulars	(Amount in GHC)	
	01.04.16 to 31.03.17	01.04.15 to 31.03.16
<b>Annexure "A"</b>		
Opening Stock	863,618	729,143
Add: Purchase (Including Freight & Import Exp)	18,840,631	18,017,040
Less: Closing stock of Raw Material	429,317	863,618
<b>Consumption of Raw Material</b>	<b>19,274,932</b>	<b>17,882,565</b>

Particulars	(Amount in GHC)	
	01.04.16 to 31.03.17	01.04.15 to 31.03.16
<b>Annexure "B"</b>		
<b>Consumption of Consumables</b>		
Opening stock of consumables	538,767	250,523
Add: Purchase of Consumables & expenses	1,163,046	1,149,460
Less: Closing Stock of consumable	488,792	538,767
<b>Consumption of Consumables</b>	<b>1,213,021</b>	<b>861,216</b>