Gravita Ghana Limited

Annual Report 2019-20

ANNUAL REPORT 2019-20

GRAVITA GHANA LIMITED

GRAVITA GHANA LIMITED

Contents

COMPANY INFORMATION

DIRECTORS

RAJAT SHARMA
VIJENDRA SINGH TANWAR

SECREATARY

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
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FINANCIAL HIGHLIGHTS

(Amount in GHS)

Particulars	2,020 GHS	2,019 GHS
TURNOVER	14,191,581	49,991,579
NET PROFIT/(LOSS) BEFORE TAX	(760,115)	(892,708)
NET PROFIT/(LOSS) AFTER TAX	(760,115)	(892,708)
NET CASH FLOW FROM OPERATING ACTIVIES	(1,591,054)	604,011
SHARE CAPITAL	314,363	314,363
RESERVE & SURPLUS	256,165	1,016,289
CAPITAL (EXPENDITURE)/DISPOSAL	-	23,735

GRAVITA
GHANA LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2020
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, 2020.

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.

	(Amount in GHS)
The Financial Results of Company are set as follows	
The Net Profit/(Loss) for the year before Taxation	(7,60,115)
From which is deducted taxation and Levies	-
Giving a Net profit/(Loss) after taxation	(7,60,115)
Dividend declared	-
Forward on the Income Surplus Account	10,16,289
Leaving a balance on the income surplus account of	**2,56,174**

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: 20 June 2020

GRAVITA GHANA LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF GRAVITA GHANA LTD ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020.

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, 2020, 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, 2019 (Act 992) 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.

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 2020, and of its financial performance and comply with the Companies Act, 2019 (Act 992).

Report on Other Legal and Regulatory Requirements

The Companies Act, 2019 (Act 992) 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.

PARKER ALLOTEY CONSULT
(CHARTERED ACCOUNTANTS)
TEMA

Dated: 20 June 2020

Parker Allotey Consult
(Chartered Accountants)
(I CAG/F/2020/130)

GRAVITA GHANA LIMITED

BALANCE SHEET
AS AT 31 MARCH 2020

(Amount in GHS)

	Notes	As on 31.03.2020	As on 31.03.2019
NON-CURRENT ASSETS (A)			
Property,Plant & Equipement		-	5,09,392
		-	**5,09,392**
CURRENT ASSETS (B)			
Inventories	3	-	1,23,82,616
Accounts Receivable	4	7,99,012	72,57,835
Cash & Bank Balances	5	28,844	10,91,527
		8,27,856	**2,07,31,979**
TOTAL ASSETS		**8,27,856**	**2,12,41,371**
CURRENT LIABILITIES			
Accounts Payable	6	2,57,328	1,99,10,718
WORKING CAPITAL		**5,70,528**	**8,21,260**
NET ASSETS		**5,70,528**	**13,30,653**
REPRESENTED BY:			
Stated capital	7	3,14,363	3,14,363
Income Surplus		2,56,165	10,16,290
TOTAL		**5,70,528**	**13,30,653**

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

.... DIRECTOR

.... DIRECTOR

TRADING AND PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 March 2020

	Notes	For the year ended 31.03.2020	(Amount in GHS) For the year ended 31.03.2019
TURNOVER		14,191,581	49,991,579
LESS: COST OF OPERATIONS	9	(14,260,957)	(48,016,971)
GROSS MARGIN		**(69,376)**	**1,974,608**
OTHER INCOME	8	174,303	694,666
		104,927	**2,669,274**
LESS:			
SELLING , AND GENERAL & ADMIN. EXPENSES	10	(823,540)	(3,368,678)
FINANCIAL EXPENSES	11	(41,502)	(193,304)
NET PROFIT/(LOSS) BEFORE TAX		**(760,115)**	**(892,708)**
TAXATION		-	-
NET PROFIT/(LOSS) AFTER TAX TRANSFRRED TO INCOME SURPLUS ACCOUNT		**(760,115)**	**(892,708)**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 March 2020

	STATED CAPITAL	INCOME SURPLUS 2020	INCOME SURPLUS 2019
BALANCE - 1st APRIL	314,363	1,016,289	6,269,262
NET PROFIT/(LOSS) FOR THE YEAR		(760,115)	(892,708)
Dividend for the year		-	**(4,360,265)**
	314,363	**256,174**	**1,016,289**

CASH FLOW SATEMENT
FOR THE YEAR ENDED 31 March 2020

(Amount in GHS)

RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES	For the year ended 31.03.2020	For the year ended 31.03.2019
Net Profit as per accounts	(760,115)	(892,708)
Depreciation & Loss on Assets sold	37,136	223,101
(Increase)/Decrease in stock	12,382,616	(8,046,984)
(Increase)/Decrease in accounts receivable	6,458,823	(5,435,956)
Increase/(Decrease) in accounts payable	(19,661,134)	14,745,934
Loss/(Profit) on Discard of fixed asset	(48,381)	10,624
Net Cash Inflow from Operations	**(1,591,054)**	**604,011**
Net Cash Flow from Operating Activities	**(1,591,054)**	**604,011**
INVESTING ACTIVITIES		
Acquistion of Fixed Assets	-	184,952
Discard of Fixed Assest	48,381	(10,624)
Net Cash Flow provided/used from Investing Activities	**48,381**	**174,328**
FINANCING ACTIVITIES		
Increase/Decrease In Loan	-	-
Net Cash Flow from Operating Activities	-	-
Net Cash Flow	**(1,542,672)**	**778,341**
ANALYSIS OF CHANGES IN CASH & CASH EQUIVLENTS	**(1,070,427)**	**778,341**
Cash at beginning year	**1,091,527**	**313,186**
Cash on Hand	2,137	25,735
Bank Balances	1,089,390	287,452
Cash At the end of year	**21,100**	**1,091,527**
Cash on Hand	3,987	2,137
Bank Balances	17,113	1,089,390

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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

(Amount in GHS)

Particulars	As at 31.03.2020	As at 31.03.2019
Raw Material	-	-
Finished Goods	-	-
By Products	-	-
Work in Process	-	-
Consumables	-	7,181
Stock in Transit	-	-
store & spares	-	332,494
Stock In Trade	-	12,042,942
Total	**-**	**12,382,616**

4. ACCOUNTS RECEIVABLE

(Amount in GHS)

Particulars	As at 31.03.2020	As at 31.03.2019
Prepayments	-	33,235
Security Deposits-Ghana Telecom Communication	-	318
Advance for Raw Material & Expenses	797,534	7,207,163
Loan & Advance to Employees	1,478	3,619
Advance to Ghana Revenue Authority for Tax	-	13,500
Total	**799,012**	**7,257,835**

5. CASH AND BANK BALANCES

(Amount in GHS)

Particulars	As at 31.03.2020	As at 31.03.2019
Cash on Hand	3,987	2,137
Bank balances	17,113	1,089,390
Total	**21,100**	**1,091,527**

6. ACCOUNTS PAYABLE

(Amount in GHS)

Particulars	As at 31.03.2020	As at 31.03.2019
Trade Payables	210,698	11,565,129
Outstanding Liabilities	38,886	3,985,324
Proposed Dividend	-	4,360,265
Total	**249,584**	**19,910,718**

NOTES TO THE FINANCIAL STATEMENT

7. STATED CAPITAL

	(Amount in GHS)	
Particulars	**As at 31.03.2020**	**As at 31.03.2019**
Authorized Shares of no par value	520,000	520,000
Issued Shares	314,363	314,363
	Proceeds (GHS)	**Proceeds (GHS)**
Proceeds of Issue for Cash	314,363	314,363

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

8. OTHER INCOME

	(Amount in GHS)	
Particulars	**01.04.19 to 31.03.20**	**01.04.18 to 31.03.19**
Exchange Gain	45,111	694,441
Other Income	80,812	-
Miscellenous Incomes	48,380	226
Total	**174,303**	**694,666**

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GRAVITA GHANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9. COST OF OPERATIONS

Particulars	01.04.19 to 31.03.20	01.04.18 to 31.03.19
	(Amount in GHS)	
Opening Stock		
Work-In-Progress	-	66,068
Finished Goods	-	-
Stock in Trade	12,042,942	141,112
Total Opening Stock (A)	**12,042,942**	**207,180**
Add:- Direct Operational Costs		
Direct Material Consumed (annex "A")	884,677	3,758,514
Consumption of Consumables (annex "B")	340,044	369,938
Purchase of Stock-in-Trade (Traded Goods)	867,717	55,305,028
Direct Labour	-	41,978
Power	2,200	30,751
Repair & Maintenance Factory & P&M	7,608	23,407
Factory Rent	13,638	147,980
Other Manufactring expenses	662	20,774
Depreciation on P&M	101,469	154,363
Total Direct Operational Cost (B)	**2,218,015**	**59,852,733**
Total Overhead Cost (A+B)	**14,260,957**	**60,059,913**
Less:- Stocks - 31 March		
work - in - Progress	-	-
Finished Goods	-	-
Stock in Trade	-	12,042,942
Cost of Operation	**14,260,957**	**48,016,971**

GRAVITA GHANA LIMITED

NOTES TO THE FINANCIAL STATEMENT

10. SELLING , GENERAL & ADMIN EXPENSES

Particulars	(Amount in GHS) 01.04.19 to 31.03.20	01.04.18 to 31.03.19
Salaries & Wages (Bonus & Leave Encashment)	115,958	506,086
Staff Welfare	6,793	79,084
Travelling & Conveyance (Local)	26,702	12,102
Motor Vehicle Running Expenses	5,147	43,325
Printing & Stationery & Postage	279	2,852
Legal & Professional Fees	31,134	15,012
Audit Fees	500	2,500
Rent (Guest House)	9,661	52,676
Guest House Expenses	-	37,692
Repair & Maintenance other than P&M	5,742	127,686
Insurance Expenses	8,609	22,822
Business Promotion	29,676	75,624
Loss on Discard of Fixed Assets	-	10,624
Depreciation Others than P & M	37,136	68,738
Telephone & Communication	1,728	17,332
Foreign Travelling Expenses	-	212,750
Selling & Distribution Expenses	544,474	1,957,090
Power & Fuel	-	27,400
Other Miscellenous Exp	-	97,282
TOTAL	**823,540**	**3,368,678**

11. FINANCIAL EXPENSES

Particulars	(Amount in GHS) 01.04.19 to 31.03.20	01.04.18 to 31.03.19
Bank Charges	37,699	193,304
Interest on Loan	3,803	-
TOTAL	**41,502**	**193,304**

NOTES TO THE FINANCIAL STATEMENT

Particulars	01.04.19 to 31.03.20	01.04.18 to 31.03.19
	(Amount in GHS)	
Annexure "A"		
Opening Stock	-	3,758,514
Add: Purchase (Including Freight & Import Exp)	884,677	-
Less: Closing stock of Raw Material	-	-
Consumption of Raw Material	**884,677**	**3,758,514**

Particulars	01.04.19 to 31.03.20	01.04.18 to 31.03.19
	(Amount in GHS)	
Annexure "B"		
Consumption of Consumables		
Opening stock of consumables	-	369,938
Add: Purchase of Consumables & expenses	340,044	-
Less: Closing Stock of consumable	-	-
Consumption of Consumables	**340,044**	**369,938**

GRAVITA GHANA LIMITED

GRAVITA GHANA LIMITED

(Formarly Known as Pagrik Ghana Limited)

NOTES TO THE FINANCIAL STATEMENT

NOTE-2

NON CURRENT ASSETS

(Amount in GHS)

Gross Book Value	**Factory Building**	**Plant & machinery**	**Motor Vehicle**	**Office Equipments**	**Furniture & Fittings**	**Total Assets**
Balance b/fwd 01.04.2018	302,720	1,501,115	239,269	28,890	16,403	**2,088,397**
Adjustment-Sold during the Year	(57,930)	(170,809)	(86,241)	-	-	**(314,979)**
Adjustment-Transfer During the Year	-	(13,602)	-	-	-	**(13,602)**
Adjustment Discard	(122,594)	(5,682)	-	(4,451)	-	**(132,727)**
Additions	-	10,134	4,050	8,517	1,035	**23,735**
	122,196	**1,321,156**	**157,078**	**32,956**	**17,438**	**1,650,824**
Depriciation						-
						-
Balance b/fwd 01.04.2018	86,092	977,559	79,291	12,546	15,462	**1,170,950**
Depreciation Adjustement on assets Sold	(6,508)	(106,450)	(74,332)	-	-	**(187,290)**
Depreciation Adjustement on assets Discard	(57,757)	(3,545)	-	(4,027)	-	**(65,329)**
Charge for the Year	14,171	154,363	48,854	4,690	1,023	**223,101**
	35,999	**1,021,927**	**53,813**	**13,209**	**16,485**	**1,141,433**
Net Book Value						-
						-
As on 31st March 2018	**216,628**	523,556	**159,978**	**16,344**	**941**	**917,447**
As on 31st March 2019	**86,197**	299,229	**103,266**	**19,748**	**952**	**509,392**
Depriciation						-
31st March 2020						-
	4,669	101,614	27,671	4,287	364	**138,606**
Adjustment Discard	**81,528**	**197,615**	**75,595**	**15,460**	**589**	**370,786**
Net Book Value						-
						-
As on 31st March 2020	-	-	-	-	-	-