RECYCLERS GHANA LIMITED

ANNUAL REPORT 2020-21

Contents

ANNUAL REPORT 2020-21

COMPANY INFORMATION

DIRECTORS

VIJENDRA SINGH TANWAR
NARESH GOEL

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

Particulars	(Amount in GHS) 2021 GHS	(Amount in GHS) 2,020 GHS
TURNOVER	10,55,80,099	5,04,52,747
NET PROFIT/(LOSS) BEFORE TAX	42,17,907	(20,86,306)
NET PROFIT/(LOSS) AFTER TAX	42,17,907	(20,86,306)
NET CASH FLOW FROM OPERATING ACTIVIES	(54,22,901)	(17,32,063)
SHARE CAPITAL	33,60,000	33,05,062
RESERVE & SURPLUS	-	-
CAPITAL EXPENDITURE	-	-

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2021
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, 2021.

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	42,17,907
From which is deducted taxation and Levies	-
Giving a Net profit/(Loss) after taxation of	42,17,907
To which must be added balance brought	
Forward on the Income Surplus Account	-
Dividend	-
Leaving a balance on the income surplus account of	**42,17,907**

Dividend

The Directors do not recommend the payment of dividend for the Year ended 31 March, 2021.

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: 23-04-2021

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, 2021, 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.

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 2021, 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: 23-04-2021

Parker Allotey Consult
(Chartered Accountants)
1 CAG/F/2018/130

ANNUAL REPORT 2020-21

RECYCLERS GHANA LIMITED

BALANCE SHEET
AS AT 31 MARCH 2021

	Notes	(Amount in GHS) As on 31.03.2021	(Amount in GHS) As on 31.03.2020
NON-CURRENT ASSETS (A)			
Property,Plant & Equipement	2	1,57,06,548	1,32,34,361
Capital work-in-progress		16,49,262	39,98,266.96
		1,73,55,810	**1,72,32,628**
CURRENT ASSETS (B)			
Stocks	3	3,62,77,540	1,57,61,935
Accounts Receivable	4	37,37,925	12,42,603
Cash & Bank Balances	5	5,76,004	3,41,162
		4,05,91,469	**1,73,45,701**
TOTAL ASSETS		**5,79,47,279**	**3,45,78,329**
CURRENT LIABILITIES			
Accounts Payable	6	2,68,18,427	1,40,78,953
Non - current liabilities		2,56,92,189	1,92,80,620
		-	
NET ASSETS		**54,36,663**	**12,18,756**
REPRESENTED BY:			
Stated capital	7	33,60,000	33,60,000
Income Surplus		20,76,663	-21,41,244
TOTAL		**54,36,663**	**12,18,756**

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

……………………………… ………………………………
DIRECTOR DIRECTOR

TRADING AND PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 March 2021

	Notes	(Amount in GHS) As on 31.03.2021	(Amount in GHS) As on 31.03.2020
TURNOVER		10,55,80,099	5,04,52,747
LESS: COST OF OPERATIONS	9	(8,76,32,542)	(4,69,78,290)
GROSS MARGIN		**1,79,47,557**	**34,74,456**
OTHER INCOME	8	-	-
		1,79,47,557	**34,74,456**
LESS:			
SELLING , AND GENERAL & ADMIN. EXPENSES	10	(69,11,923)	(50,94,243)
FINANCIAL EXPENSES	11	(68,17,727)	(5,21,458)
NET PROFIT/(LOSS) BEFORE TAX		**42,17,907**	**(21,41,244)**
TAXATION			
NET PROFIT/(LOSS) AFTER TAX TRANSFRRED TO INCOME SURPLUS ACCOUNT		**42,17,907**	**(21,41,244)**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 March 2021

	STATED CAPITAL	INCOME SURPLUS 2021	INCOME SURPLUS 2020
BALANCE - 1st APRIL	33,60,000	(21,41,244)	-
NET PROFIT/(LOSS) FOR THE YEAR		42,17,907	(21,41,244)
Dividend for the year		-	-
	33,60,000	**20,76,662**	

CASH FLOW SATEMENT
FOR THE YEAR ENDED 31 March 2021

	(Amount in GHS)	(Amount in GHS)
RECONCILIATION OF OPERATING PROFIT TO	**As on**	**As on**
NET CASH FLOW FROM OPERATING ACTIVITIES	**31.03.2021**	**31.03.2020**
Net Profit as per accounts	42,17,907	(21,41,244)
Depreciation & Loss on Assets sold	6,30,643	3,54,243
(Increase)/Decrease in stock	(2,05,15,604)	(1,57,61,935)
(Increase)/Decrease in accounts receivable	(24,95,322)	(12,42,603)
Increase/(Decrease) in accounts payable	1,27,39,475	1,40,78,953
Depreciation on Assets sold	-	-
Deferred Expenditure	-	-
Loss/(Profit) on Discard of fixed asset	-	-
Net Cash Inflow from Operations	**(54,22,901)**	**(47,12,586)**
Net Cash Flow from Operating Activities	**(54,22,901)**	**(47,12,586)**
INVESTING ACTIVITIES		
Acquistion of Fixed Assets	-	-
Discard of Fixed Assest	-	-
Net Cash Flow provided/used from Investing Activities	**-**	**-**
FINANCING ACTIVITIES		
Proceed from Deposit for shares	-	-
Dividend Paid	-	-
Increase/Decrease In Loan	2,55,82,806	1,92,80,620
Net Cash Flow from Operating Activities	**2,55,82,806**	**1,92,80,620**
Net Cash Flow	**2,01,59,906**	**1,45,68,035**
ANALYSIS OF CHANGES IN	**2,34,842**	**3,41,162**
CASH & CASH EQUIVLENTS		
Cash at beginning year	**3,41,162**	**-**
Cash on Hand	1,02,452	-
Bank Balances	2,38,710	-
Cash At the end of year	**5,76,004**	**3,41,162**
Cash on Hand	99,995	1,02,452
Bank Balances	4,76,009	2,38,710

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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. DEFERRED EXPENDITURE

These are expenses incurred before commencement of operations.

3. STOCKS

Particulars	(Amount in GHS) As at 31.03.2021	(Amount in GHS) As at 31.03.2020
Raw Material	1,15,84,919	1,62,332
Finished Goods	42,70,649	10,18,570
Stock in Transit RM	76,24,509	-
Work in Process	44,95,756	77,62,731
Consumables	4,89,227	1,98,692
Stock in Transit	60,78,065	58,14,465
store & spares	17,34,415	7,65,318
Stock In Trade	-	39,827
Total	**3,62,77,540**	**1,57,61,935**

4. ACCOUNTS RECEIVABLE

Particulars	(Amount in GHS) As at 31.03.2021	(Amount in GHS) As at 31.03.2020
Trade Debtors	-	-
Prepayments	1,39,565	53,761
Trade Receivables-related party	2,16,429	2,05,606
Trade Receivables	-	64,800
Advance for Raw Material & Expenses	23,06,881	8,86,456
Advances to employees	9,38,437	29,274
Capital advances	1,36,612	2,707
Loan & Advance	-	-
Total	**37,37,925**	**12,42,603**

5. CASH AND BANK BALANCES

Particulars	(Amount in GHS) As at 31.03.2021	(Amount in GHS) As at 31.03.2020
Cash on Hand	99,995	1,02,452
Bank balances	4,76,009	2,38,710
Total	**5,76,004**	**3,41,162**

6. ACCOUNTS PAYABLE

Particulars	(Amount in GHS) As at 31.03.2021	(Amount in GHS) As at 31.03.2020
Current liabilities		
Sundry creditors Related Party	70,06,975	-
Trade Payables	1,00,03,946	76,89,158
Advance received from Customer-related party	44,21,144	52,48,802
Unealised-Foreign Exchange gain/Loss	-	12
-Statutory remittances	20,53,727	82,437
Payable for purchase of fixed assets	31,874	10,11,903
Cash credit / overdraft	33,00,761	46,640
Total	**2,68,18,427**	**1,40,78,952**
Non - current liabilities		
(a) Financial Liabilities	2,55,82,806	**1,92,15,910**
(b) Provisions	1,09,383	64,710
	2,56,92,189	**1,92,80,620**

NOTES TO THE FINANCIAL STATEMENT

7. STATED CAPITAL

Particulars	**(Amount in GHS) As at 31.03.2021**	**(Amount in GHS) As at 31.03.2020**
Authorized Shares of no par value	10,00,00,000	
Issued Shares	33,60,000	33,60,000
	Proceeds (GHS)	**Proceeds (GHS)**
Proceeds of Issue for Cash	33,60,000	33,60,000

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

8. OTHER INCOME

Particulars	**(Amount in GHS) 01.04.20 to 31.03.21**	**(Amount in GHS) 01.04.19 to 31.03.20**
Exchange Gain		
Other Income	-	-
Interest received US$ account	-	-
Interest received Others(Net of Tax)	-	-
Miscellenous Incomes		
Total	**-**	**-**

NOTES TO THE FINANCIAL STATEMENTS

9. COST OF OPERATIONS

Particulars	**(Amount in GHS) 01.04.20 to 31.03.21**	**(Amount in GHS) 01.04.19 to 31.03.20**
Opening Stock		
Work-In-Progress	77,71,013.55	-
Finished Goods	60,73,076.41	-
Stock in Trade	39,827.01	-
Total Opening Stock (A)	**1,38,83,916.97**	**-**
Add:- Direct Operational Costs		
Direct Material Consumed (annex "A")	6,57,17,247	3,89,33,030
Consumption of Consumables (annex "B")	70,63,860	50,21,379
Purchase of Stock-in-Trade (Traded Goods)	44,56,564	1,42,59,194
Direct Labour	9,93,832	6,03,058
Power & Fuel	11,47,279	4,18,432
Repair & Maintenance Factory & P&M	13,76,254	6,39,489
Factory Rent	61,792	52,386
Container Damage Charges	-	-
Depreciation on P&M	21,37,331	9,35,240
Total Direct Operational Cost (B)	**8,29,54,158**	**6,08,62,207**
Total Overhead Cost (A+B)	**9,68,38,075**	**6,08,62,207**
Less:- Stocks - 31 March		
work - in - Progress	45,48,449	77,71,014
Finished Goods	42,70,649	60,73,076
Stock in Trade	3,86,435	39,827
Cost of Operation	**8,76,32,542**	**4,69,78,290**

NOTES TO THE FINANCIAL STATEMENT

10. SELLING , GENERAL & ADMIN EXPENSES

Particulars	(Amount in GHS) 01.04.20 to 31.03.21	(Amount in GHS) 01.04.19 to 31.03.20
Salaries & Wages (Bonus & Leave Encashment)	20,46,560	13,83,127
Staff Welfare	3,13,708	2,58,756
Travelling & Conveyance (Local)	5,34,017	1,54,101
Motor Vehicle Running Expenses	72,729	1,13,275
Printing & Stationery & Postage	21,370	12,227
Legal & Professional Fees	1,20,963	54,336
Audit Fees	1,000	6,000
Electricity & Water		3,79,068
Guest House Rent	75,626	63,334
Advertising and sales promotion	1,08,491	-
Repair & Maintenance other than P&M	1,62,160	1,87,301
Insurance Expenses	56,853	33,436
Business Promotion		74,662
Damage / Lost by Theft		-
Donation		-
Miss Balance W/O		-
Fee & Subscripton		-
Duties & Penalties		-
Rebate & Discount		-
Loss on Discard of Fixed Assets	40,759	-
Depreciation Others than P & M	6,30,643	3,54,243
Telephone & Communication	71,291	61,062
Foreign Travelling Expenses		1,78,403
Security Expenses- Guest		-
Selling & Distribution Expenses	19,29,610	9,24,644
Security Guard Expenses- Factory		97,823
Power & Fuel		-
Other Miscellenous Exp	7,26,143	7,58,444
TOTAL	**69,11,923**	**50,94,243**

11. FINANCIAL EXPENSES

Particulars	(Amount in GHS) 01.04.20 to 31.03.21	(Amount in GHS) 01.04.19 to 31.03.20
Bank Charges	3,19,016	2,27,318
Interest on Loan	7,82,223	2,94,140
other interest	-	
TOTAL	**11,01,239**	**5,21,458**

NOTES TO THE FINANCIAL STATEMENT

Particulars	(Amount in GHS) 01.04.20 to 31.03.21	(Amount in GHS) 01.04.19 to 31.03.20
Annexure "A"		
Opening Stock	9,13,514	
Add: Purchase (Including Freight & Import Exp)	7,59,39,771	3,98,46,544
Less: Closing stock of Raw Material	1,11,36,038	9,13,514
Consumption of Raw Material	**6,57,17,247**	**3,89,33,030**

Particulars	(Amount in GHS) 01.04.20 to 31.03.21	(Amount in GHS) 01.04.19 to 31.03.20
Annexure "B"		
Consumption of Consumables		
Opening stock of consumables	9,64,504	
Add: Purchase of Consumables & expenses	65,88,364	59,85,883
Less: Closing Stock of consumable	4,89,008.21	9,64,504
Consumption of Consumables	**70,63,860**	**50,21,379**