RECYCLERS GHANA LIMITED

ANNUAL REPORT 2021-22

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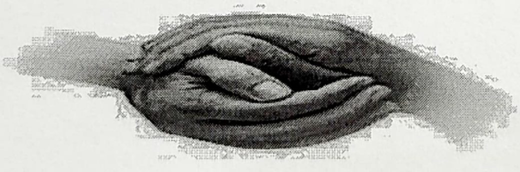


ANNUAL REPORT 2021-22

COMPANY INFORMATION

DIRECTORS

PREM SUKH SEVDA
MANESH KUMAR JANGIR
NARESH GOEL

SECREATARY

MICHAEL ARTHUR AIDOO
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

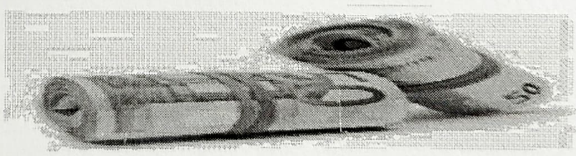
PARKER ALLOTEY CONSULT
P.O.BOX.CO. 1088
TEMA, GHANA
TEL :- 0303-212707 , FAX NO. :- 0303-212708
Mail ID :- pal_adu@yahoo.co.uk

ANNUAL REPORT 2021-22

RECYCLERS GHANA LIMITED

FINANCIAL HIGHLIGHTS

Particulars	(Amount in GHS) 2022 GHS	(Amount in GHS) 2021 GHS
TURNOVER	223,612,912	105,580,099
NET PROFIT/(LOSS) BEFORE TAX	31,671,810	4,292,388
NET PROFIT/(LOSS) AFTER TAX	31,671,810	4,292,388
NET CASH FLOW FROM OPERATING ACTIVIES	(5,644,940)	(5,430,301)
SHARE CAPITAL	3,360,000	3,360,000
RESERVE & SURPLUS	33,821,955	2,150,144
CAPITAL EXPENDITURE	12,108,475	-



FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2022
REPORT OF THE BOARD OF DIRECTORS

Financial Statements
The Directors have the pleasure in submitting to the members of the company, their second annual report together with the audited financial statement for the year ended 31 March, 2022.

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 Companies Act 2019 (Act 992). 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	31,671,810
From which is deducted taxation and Levies	-
Giving a Net profit/(Loss) after taxation of	31,671,810
To which must be added balance brought	
Forward on the Income Surplus Account	2,150,144
Leaving a balance on the income surplus account of	**33,821,954**

Dividend
The Directors do not recommend the payment of dividend for the Year ended 31 March, 2022.

Auditors
In accordance with Section 139(5) of the Companies Act 2019 (Act-992), the auditors, Messrs Parker Allotey Consult will continue in office as auditors of the company.

On Behalf of Directors

(Director) **(Director)**

Dated: 16-05-2022

INDEPENDENT AUDITORS' REPORT TO RECYCLERS GHANA LTD

We have audited the financial statements of Recyclers Ghana Ltd for the year ended 31st March 2022, which comprise the statement of comprehensive income, the statement of financial position, the cash flow statement and the statement of changes in equity as well as related notes to the financial statements, including significant accounting policies set out on pages 7 to 20.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the ADRH as at 31st March, 2022, and its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Companies Act 2019 (Act 992).

Basis of Opinion: We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report.

We are independent of Recyclers Ghana Ltd in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements: The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and in the manner required by the Companies Act 2019, (ACT 992), and for such internal controls as Directors determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and issuing the going-concern basis of accounting. The Directors are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements: Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal controls.

We also:

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expecting an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events of conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going-concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements present the underlying transactions and events in a manner that achieve fair presentation. We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

- Provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore key audit matters. We describe those matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extreme rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to overweigh the benefits of such communication.

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 appears from our examination of those books and finally,
- The Statement of Financial Position and Income Statements Account of the Company are in agreement with the books of accounts.

Parker Allotey Consult
Licences No: ICAG/F/2022/130
Chartered Accountants
Thorkey House
Tema – Ghana
Principal: Emmanuel Parker Allotey
Practicing Certificate No: ICAG/P/1157

16/05/22

PARKER ALLOTEY CONSULT
(CHARTERED ACCOUNTANTS)

RECYCLERS GHANA LIMITED

BALANCE SHEET
AS AT 31 MARCH 2022

	Notes	(Amount in GHS) As on 31.03.2022	(Amount in GHS) As on 31.03.2021
NON-CURRENT ASSETS (A)			
Property,Plant & Equipement	1	16,633,554	15,706,998
Capital work-in-progress	2	9,747,955	1,649,262.00
		26,381,510	**17,356,260**
CURRENT ASSETS (B)			
Stocks	3	51,789,351	36,277,540
Accounts Receivable	4	40,743,082	3,737,925
Cash & Bank Balances	5	7,235,387	576,004
		99,767,821	**40,591,469**
TOTAL ASSETS		**126,149,331**	**57,947,729**
CURRENT LIABILITIES			
Accounts Payable	6	38,853,990	26,736,995
Non - current liabilities		50,113,386	25,700,589
		-	-
NET ASSETS		**37,181,955**	**5,510,145**
REPRESENTED BY:			
Stated capital	7	3,360,000	3,360,000
Income Surplus		33,821,955	2,150,145
TOTAL		**37,181,955**	**5,510,145**

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

....
DIRECTOR

....
DIRECTOR

TRADING AND PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 March 2022

	Notes	(Amount In GHS) As on 31.03.2022	(Amount In GHS) As on 31.03.2021
TURNOVER		223,612,912	105,580,099
LESS: COST OF OPERATIONS	9	(173,461,071)	(92,201,751)
GROSS MARGIN		**50,151,841**	**13,378,349**
OTHER INCOME	8	-	-
		50,151,841	**13,378,349**
LESS:			
SELLING , AND GENERAL & ADMIN. EXPENSES	10	(16,480,342)	(7,985,721)
FINANCIAL EXPENSES	11	(1,999,689)	(1,101,239)
NET PROFIT/(LOSS) BEFORE TAX		**31,671,810**	**4,291,388**
TAXATION			
NET PROFIT/(LOSS) AFTER TAX TRANSFRRED TO INCOME SURPLUS ACCOUNT		**31,671,810**	**4,291,388**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 March 2022

	STATED CAPITAL	INCOME SURPLUS 2022	INCOME SURPLUS 2021
BALANCE - 1st APRIL	3,360,000	2,150,144	(2,141,244)
NET PROFIT/(LOSS) FOR THE YEAR		31,671,810	4,291,388
	3,360,000	33,821,954	2,150,144

CASH FLOW SATEMENT
FOR THE YEAR ENDED 31 March 2022

	(Amount In GHS) As on 31.03.2022	(Amount In GHS) As on 31.03.2021
RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit as per accounts	31,671,810	4,291,388
Depreciation & Loss on Assets sold	3,083,223	630,643
(Increase)/Decrease in stock	(15,511,811)	(20,515,604)
(Increase)/Decrease in accounts receivable	(37,005,157)	(2,495,322)
Increase/(Decrease) in accounts payable	12,116,995	12,658,043
Depreciation on Assets sold	-	-
Deferred Expenditure	-	-
Loss/(Profit) on Discard of fixed asset	-	-
Net Cash Inflow from Operations	**(5,644,940)**	**(5,430,852)**
Net Cash Flow from Operating Activities	**(5,644,940)**	**(5,430,852)**
INVESTING ACTIVITIES		
Acquistion of Fixed Assets	(12,108,475)	(19,917,113)
Discard of Fixed Assest	-	-
Net Cash Flow provided/used from Investing Activities	**(12,108,475)**	**(19,917,113)**
FINANCING ACTIVITIES		
Proceed from Deposit for shares	-	-
Increase/Decrease In Loan	24,412,797	25,582,806
Net Cash Flow from Operating Activities	**24,412,797**	**25,582,806**
Net Cash Flow	**6,659,383**	**234,842**
ANALYSIS OF CHANGES IN CASH & CASH EQUIVLENTS	**6,659,383**	**234,842**
Cash at beginning year	576,004	341,162
Cash on Hand	99,995	102,452
Bank Balances	476,009	238,710
Cash At the end of year	7,235,387	576,004
Cash on Hand	303,875	99,995
Bank Balances	6,931,512	476,009

NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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. STOCKS

Particulars	(Amount In GHS) As at 31.03.2022	(Amount In GHS) As at 31.03.2021
Raw Material	8,274,420	11,584,919
Finished Goods	6,104,684	4,270,649
Stock in Transit RM	6,314,154	7,624,509
Work in Process	19,135,768	4,495,756
Consumables	1,116,216	489,227
Stock in Transit	8,321,116	6,078,065
store & spares	2,522,992	1,734,415
Stock in Trade	-	-
Total	**51,789,351**	**36,277,540**

4. ACCOUNTS RECEIVABLE

Particulars	(Amount In GHS) As at 31.03.2022	(Amount In GHS) As at 31.03.2021
Trade Debtors		-
Prepayments	348,739	139,565
Trade Receivables-related party	16,176,800	216,429
Trade Receivables	3,492,323	-
Advance for Raw Material & Expenses	18,318,049	2,306,881
Advances to employees	1,377,227	938,437
Capital advances	1,029,944	136,612
Total	**40,743,082**	**3,737,925**

5. CASH AND BANK BALANCES

Particulars	(Amount In GHS) As at 31.03.2022	(Amount In GHS) As at 31.03.2021
Cash on Hand	303,875	99,995
Bank balances	6,931,512	476,009
Total	**7,235,387**	**576,004**

6. ACCOUNTS PAYABLE

Particulars	(Amount In GHS) As at 31.03.2022	(Amount In GHS) As at 31.03.2021
Current liabilities		
Sundry creditors Related Party	4,375,416	7,006,975
Trade Payables	10,624,825	9,922,064
Advance received from Customer-related party	16,541,468	4,421,144
Unealised-Foreign Exchange gain/Loss	-	-
-Statutory remittances	-	2,053,727
Payable for purchase of fixed assets	30,290	32,324
Cash credit / overdraft	7,281,992	3,300,761
Total	**38,853,990**	**26,736,995**
Non - current liabilities		
(a) Financial Liabilities	49,994,003	25,582,806
(b) Provisions	119,383	117,783
	50,113,386	**25,700,589**

NOTES TO THE FINANCIAL STATEMENT

7. STATED CAPITAL

Particulars	(Amount In GHS) As at 31.03.2022	(Amount In GHS) As at 31.03.2021
Authorized Shares of no par value	100,000,000	
Issued Shares	3,360,000	3,360,000
	Proceeds (GHS)	Proceeds (GHS)
Proceeds of Issue for Cash	3,360,000	3,360,000

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

8. OTHER INCOME

Particulars	(Amount In GHS) 01.04.21 to 31.03.22	(Amount In GHS) 01.04.20 to 31.03.21
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) 01.04.21 to 31.03.22	(Amount in GHS) 01.04.20 to 31.03.21
Opening Stock		
Work-In-Progress	4,548,449.00	7,771,013.55
Finished Goods	4,270,649.00	6,073,076
Stock in Trade	386,435.00	39,827
Total Opening Stock (A)	**9,205,533.00**	**13,883,916.97**
Add:- Direct Operational Costs		
Direct Material Consumed (annex "A")	127,323,581	67,396,502
Consumption of Consumables (annex "B")	19,848,372	8,158,516
Purchase of Stock-In-Trade (Traded Goods)	34,387,696	4,456,564
Direct Labour	2,385,281	993,832
Power & Fuel	3,897,177	2,942,576
Repair & Maintenance Factory & P&M	2,569,755	1,376,254
Factory Rent	65,247	61,792
Container Damage Charges	-	-
Depreciation on P&M	2,399,027	2,137,331
Total Direct Operational Cost (B)	**192,876,135**	**87,523,366**
Total Overhead Cost (A+B)	**202,081,668**	**101,407,283**
Less:- Stocks - 31 March		
work - in - Progress	19,135,768	4,548,449
Finished Goods	6,104,684	4,270,649
Stock in Trade	3,380,145	386,435
Cost of Operation	**173,461,071**	**92,201,751**

NOTES TO THE FINANCIAL STATEMENT

10. SELLING , GENERAL & ADMIN EXPENSES

Particulars	(Amount In GHS) 01.04.21 to 31.03.22	(Amount In GHS) 01.04.20 to 31.03.21
Salaries & Wages (Bonus & Leave Encashment)	2,980,926	1,964,679
Staff Welfare	497,509	313,708
Travelling & Conveyance (Local)	416,449	280,828
Motor Vehicle Running Expenses	231,113	72,729
Printing & Stationery & Postage	30,159	21,370
Legal & Professional Fees	67,395	120,963
Audit Fees	10,000	9,400
Electricity & Water	1,931,892	1,147,279
Guest House Rent	79,327	75,626
Advertising and sales promotion	-	-
Repair & Maintenance other than P&M	272,807	162,160
Insurance Expenses	87,525	56,853
Business Promotion	288,714	108,491
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	684,197	630,643
Telephone & Communication	77,780	71,291
Foreign Travelling Expenses	789,368	253,189
Security Expenses- Guest	-	
Selling & Distribution Expenses	6,883,118	1,929,610
Security Guard Expenses- Factory	103,177	137,116
Power & Fuel	-	
Other Miscellenous Exp	1,048,887	589,027
TOTAL	16,480,342	7,985,721

11. FINANCIAL EXPENSES

Particulars	(Amount In GHS) 01.04.21 to 31.03.22	(Amount In GHS) 01.04.20 to 31.03.21
Bank Charges	499,182	319,016
Interest on Loan	1,500,507	782,223
TOTAL	1,999,689	1,101,239

NOTES TO THE FINANCIAL STATEMENT

Particulars	(Amount In GHS) 01.04.21 to 31.03.22	(Amount In GHS) 01.04.20 to 31.03.21
Annexure "A"		
Opening Stock	11,136,038	913,514
Add: Purchase (Including Freight & Import Exp)	121,081,818	77,619,026
Less: Closing stock of Raw Material	4,894,275	11,136,038
Consumption of Raw Material	**127,323,581**	**67,396,502**

Particulars	(Amount In GHS) 01.04.21 to 31.03.22	(Amount In GHS) 01.04.20 to 31.03.21
Annexure "B"		
Consumption of Consumables		
Opening stock of consumables	489,008	964,504
Add: Purchase of Consumables & expenses	22,998,572	7,683,020
Less: Closing Stock of consumable	3,639,208	489,008
Consumption of Consumables	**19,848,372**	**8,158,516**