Recyclers Ghana Limited

Annual Report 2019-20

ANNUAL REPORT 2019-20

Contents

COMPANY INFORMATION

DIRECTORS	MANESH KUMAR JANGIR NARESH GOEL
SECREATARY	MICHAEL KOFI 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	SEGECO FLATS THORKEY HOUSE P. O. BOX CO. 1088, TEMA.
BANKERS	MERCHANT BANK GHANA LIMITED NORTH RIDGE , ACCRA FEDILITY BANK GHANA LIMITED RIDGE-TOWER, ACCRA 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

FINANCIAL HIGHLIGHTS

Particulars	(Amount in GHS) 2020 GHS
TURNOVER	50,452,747
NET PROFIT/(LOSS) BEFORE TAX	(2,141,244)
NET PROFIT/(LOSS) AFTER TAX	(2,141,244)
NET CASH FLOW FROM OPERATING ACTIVIES	(4,712,587)
SHARE CAPITAL	3,360,000
RESERVE & SURPLUS	(2,141,244)
CAPITAL EXPENDITURE	-

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 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.

The Financial Results of Company are set as follows	**(Amount in GHS)**
The Net Profit/(Loss) for the year before Taxation	(2,141,244)
From which is deducted taxation and Levies	-
Giving a Net profit/(Loss) after taxation of	(2,141,244)
To which must be added balance brought Forward on the Income Surplus Account	-
Leaving a balance on the income surplus account of	**(2,141,244)**

Dividend

The Directors do not recommend the payment of dividend for the Year ended 31 March, 2020.

Auditors

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

On Behalf of Directors

N.K. Gohel

(Director)

(Director)

Dated: 20-06-2020

REPORT AND FINANCIAL STATEMENTS 2020
INDEPENDENT AUDITORS' REPORT

To the members of RECYCLERS GHANA LIMITED

OPINION

We have audited the financial statements of RECYCLERS GHANA LIMITED, which comprise the statement of financial position as of March 31, 2020, the statemnt of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and the notes to the financial statements, including a summary of significant accounting policies and other explanatory notes as set out on pages 11 to 15.

In our opinion, the accompaning financial statements present fairly, in all material respects, the financial position of the company as at 31st March, 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act 2019 (Act 992).

Basis for Opinion

we conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standrds are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

we are independent of the company 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 have obtained is suffient 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 IFRS and in the manner required by the Companies Act 2019 (Act 992), and for such internal control as Directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the companys ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going-concern basis of accounting.

The Directors are responsible for overseeing the company'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 mistatement, 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 a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in the 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. we also:

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

. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropraite in the circumstances, but not for the purpose of expecting an opinion on the effectiveness of the company's internal control.

. Evaluate the appropraiteness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

. Conclude on the appropraiteness 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 or conditions that may cast significant doubt on the Association'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 company to cease to continue as a

. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant deficiencies in internal control that we identify during our audit.

We also 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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely 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 outweigh the benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Companies Act, 2019 (Act 992) requires

. 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 finally

. The Statement of Financial Position and Income Statements Account of the company are in agreement with the books of account.

. The Engagement partner on the audit resulting in this independent auditors report is **Emmanuel Parker Allotey (ICAG/P/1157)**

PARKER ALLOTEY CONSULT
(CHARTERED ACCOUNTANTS)
TEMA

Parker Allotey Consult (ICAG/F/2020/130)
Chartered Accountants
Thorkey House,
Tema, Ghana,
Date: 23/06/20

RECYCLERS GHANA LIMITED

ANNUAL REPORT 2019-20

BALANCE SHEET
AS AT 31 MARCH 2020

	Notes	(Amount in GHS) As on 31.03.2020
NON-CURRENT ASSETS (A)		
Property,Plant & Equipement	2	13,234,361
Capital work-in-progress		3,998,267
		17,232,628
CURRENT ASSETS (B)		
Stocks	3	15,761,935
Cash & Bank Balances	5	341,162
		17,345,701
TOTAL ASSETS		**34,578,329**
CURRENT LIABILITIES		
Accounts Payable	6	14,078,953
Non - current liabilities	6	-
		19,280,620
NET ASSETS		**1,218,756**
REPRESENTED BY:		
Stated capital	7	3,360,000
Income Surplus		(2,141,244)
TOTAL		**1,218,756**

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

N.K. Gohel
.... DIRECTOR

.... DIRECTOR

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

	Notes	(Amount in GHS) As on 31.03.2020
TURNOVER		50,452,747
LESS: COST OF OPERATIONS	9	(46,978,290)
GROSS MARGIN		**3,474,456**
		3,474,456
LESS:		
SELLING , AND GENERAL & ADMIN. EXPENSES	10	(5,094,243)
FINANCIAL EXPENSES	11	(521,458)
NET PROFIT/(LOSS) BEFORE TAX		**(2,141,244)**
TAXATION		
NET PROFIT/(LOSS) AFTER TAX TRANSFRRED TO INCOME SURPLUS ACCOUNT		**(2,141,244)**

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

	STATED CAPITAL	INCOME SURPLUS 2020
BALANCE - 1st APRIL	3,360,000	-
NET PROFIT/(LOSS) FOR THE YEAR		(2,141,244)
	3,360,000	**(2,141,244)**

FOR THE YEAR ENDED 31 March 2020

	(Amount in GHS) As on 31.03.2020
RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit as per accounts	(2,141,244)
Depreciation & Loss on Assets sold	354,243
(Increase)/Decrease in stock	(15,761,935)
(Increase)/Decrease in accounts receivable	(1,242,603)
Increase/(Decrease) in accounts payable	14,078,953
Depreciation on Assets sold	-
Deferred Expenditure	-
Loss/(Profit) on Discard of fixed asset	-
Net Cash Inflow from Operations	**(4,712,587)**
Net Cash Flow from Operating Activities	**(4,712,587)**
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	19,280,620
Net Cash Flow from Operating Activities	**19,280,620**
Net Cash Flow	**14,568,035**
ANALYSIS OF CHANGES IN CASH & CASH EQUIVLENTS	**341,162**
Cash at beginning year	-
Cash on Hand	-
Bank Balances	-
Cash At the end of year	**341,162**
Cash on Hand	102,452

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.

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

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 31.03.2020
Raw Material	162,332
Finished Goods	1,018,570
By Products	-
Work in Process	7,762,731
Consumables	198,692
Stock in Transit	5,814,465
store & spares	765,318
Stock In Trade	39,827
Total	**15,761,935**

4. ACCOUNTS RECEIVABLE

Particulars	As at 31.03.2020
Prepayments	53,761
Trade Receivables-related party	205,606
Trade Receivables	64,800
Advance for Raw Material & Expenses	886,456
Advances to employees	29,274
Capital advances	2,707
Total	**1,242,603**

5. CASH AND BANK BALANCES

Particulars	(Amount in GHS) As at 31.03.2020
Total	**341,162**

6. ACCOUNTS PAYABLE

Particulars	(Amount in GHS) As at 31.03.2020
Trade Payables	7,689,158
Advance received from Customer-related party	5,248,802
Unealised-Foreign Exchange gain/Loss	12
-Statutory remittances	82,437
Payable for purchase of fixed assets	1,011,903
Cash credit / overdraft	46,640
Total	**14,078,953**

Non - current liabilities

Financial Liabilities	**19,280,620**

NOTES TO THE FINANCIAL STATEMENT

7. STATED CAPITAL

Particulars		(Amount in GHS) As at 31.03.2020
Authorized Shares of no par value		100,000,000
Issued Shares:	Number of Shares	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.

NOTES TO THE FINANCIAL STATEMENTS

9. COST OF OPERATIONS

Particulars	**(Amount in GHS)**
Opening Stock	-
Work-In-Progress	-
Finished Goods	-
Stock in Trade	-
Total Opening Stock (A)	-
Add:- Direct Operational Costs	
Direct Material Consumed (annex "A")	38,933,030
Consumption of Consumables (annex "B")	5,021,379
Purchase of Stock-in-Trade (Traded Goods)	14,259,194
Direct Labour	603,058
Power & Fuel	418,432
Repair & Maintenance Factory & P&M	639,489
Factory Rent	52,386
Container Damage Charges	-
Depreciation on P&M	935,240
Total Direct Operational Cost (B)	**60,862,207**
Total Overhead Cost (A+B)	**60,862,207**
Less:- Stocks - 31 March	
work - in - Progress	7,771,014
Finished Goods	6,073,076
Stock in Trade	39,827
Cost of Operation	**46,978,290**

NOTES TO THE FINANCIAL STATEMENT

10. SELLING , GENERAL & ADMIN EXPENSES

Particulars	(Amount in GHS)
	-
Salaries & Wages (Bonus & Leave Encashment)	1,383,127
Staff Welfare	258,756
Travelling & Conveyance (Local)	154,101
Motor Vehicle Running Expenses	113,275
Printing & Stationery & Postage	12,227
Legal & Professional Fees	54,336
Audit Fees	6,000
Electricity & Water	379,068
Guest House Rent	63,334
Repair & Maintenance other than P&M	187,301
Insurance Expenses	33,436
Business Promotion	74,662
Depreciation Others than P & M	354,243
Telephone & Communication	61,062
Foreign Travelling Expenses	178,403
Security Guard Expenses- Factory	97,823
Other Miscellenous Exp	758,444
TOTAL	**5,094,243**
Particulars	-
Bank Charges	227,318
Interest on Loan	294,140
TOTAL	**521,458**

RECYCLERS GHANA LIMITED

NOTES TO THE FINANCIAL STATEMENT

Particulars	**(Amount in GHS)**
Annexure "A"	-
Opening Stock	
Add: Purchase (Including Freight & Import Exp)	39,846,544
Less: Closing stock of Raw Material	913,514
Consumption of Raw Material	**38,933,030**

Particulars	**(Amount in GHS)**
Annexure "B"	-
Consumption of Consumables	
Opening stock of consumables	
Add: Purchase of Consumables & expenses	5,985,883
Less: Closing Stock of consumable	964,504.06
Consumption of Consumables	**5,021,379**

Note 2 - Property, Plant and Equipment
As on March 31, 2020

Value in GHS

Particulars	Freehold land	Buildings	Plant and equipments	Office Equipment	Computer and accessories	Furniture and fixtures	Vehicles	Total
Cost								
As at March 31, 2018								-
Additions during the year		32,163.94	123,752.80	10,459.57		6,493.00	73,179.00	246,048.31
As at March 31, 2019	-	**32,163.94**	**123,752.80**	**10,459.57**	-	**6,493.00**	**73,179.00**	**246,048.31**
Additions during the year		6,044,627.84	8,079,406.74	47,486.06	19,015.09	83,932.90	32,933.94	14,307,402.57
Disposals/ Adjustments								-
Translation difference			-					-
As at March 31, 2020	-	**6,076,791.78**	**8,203,159.54**	**57,945.63**	**19,015.09**	**90,425.90**	**106,112.94**	**14,553,450.88**
Depreciation								
As at March 31, 2018		514.28	8,319.49	1,011.89		983.88	14,635.80	25,465.34
Translation difference								-
As at March 31, 2019	-	**514.28**	**8,319.49**	**1,011.89**	-	**983.88**	**14,635.80**	**25,465.34**
Charge for the year		181,279.15	1,065,976.73	10,278.87	1,449.59	15,255.68	19,384.10	1,293,624.12
As at March 31, 2020	-	**181,793.43**	**1,074,296.22**	**11,290.76**	**1,449.59**	**16,239.56**	**34,019.90**	**1,319,089.46**
Net block								
As at March 31, 2020	-	**5,894,998.35**	**7,128,863.32**	**46,654.87**	**17,565.50**	**74,186.34**	**72,093.04**	**13,234,361.42**
As at March 31, 2019	-	31,649.66	115,433.31	9,447.68	-	5,509.12	58,543.20	220,582.97
As at March 31, 2018	-	(514.28)	(8,319.49)	(1,011.89)	-	(983.88)	(14,635.80)	(25,465.34)