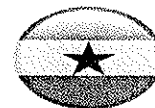


Gravita Ghana Limited

Annual Report 2017-18

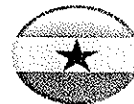


GRAVITA GHANA LIMITED

Contents

1.	<i>Company information</i>	2
2.	<i>Financial Highlights</i>	3
3.	<i>Report of Directors</i>	4
4.	<i>Report of Auditors</i>	5-6
5.	<i>Balance sheet</i>	7
6.	<i>Profit and Loss account</i>	8
7.	<i>Cash flow statement</i>	9
8.	<i>Significant Accounting Policies & Notes to Accounts</i>	10-16





COMPANY INFORMATION

DIRECTORS

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 ,
FAX NO. :- 0303-
212708
Mail ID :- pal_adu@yahoo.co.uk

ANNUAL REPORT 2017-18




FINANCIAL HIGHLIGHTS

Particulars	(Amount in GHS)	
	2,018 GHS	2,017 GHS
TURNOVER	33,793,413	24,274,668
NET PROFIT/(LOSS) BEFORE TAX	259,242	249,533
NET PROFIT/(LOSS) AFTER TAX	220,356	249,533
NET CASH FLOW FROM OPERATING ACTIVITIES	(150,530)	994,131
SHARE CAPITAL	314,363	314,363
RESERVE & SURPLUS	6,269,262	6,048,905
CAPITAL EXPENDITURE	146,597	616,356



**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH, 2018
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, 2018.

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

	(Amount in GHS)
The Net Profit/(Loss) for the year before Taxation	259,242
From which is deducted taxation and Levies	38,886
Giving a Net profit/(Loss) after taxation of	220,356
To which must be added balance brought Forward on the Income Surplus Account	6,048,905
Leaving a balance on the income surplus account of	6,269,261

Dividend

The Directors do not recommend the payment of dividend for the Year ended 31 March, 2018.

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

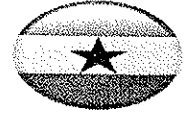
(Director)



(Director)

Dated: 10 May 2018

Page no. 4



GRAVITA GHANA LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF GRAVITA GHANA LTD ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018.

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, 2018, 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.

Page no. 5

ANNUAL REPORT 2017-18

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 2018, 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: 10 May 2018

PARKER ALLOTTEY CONSULTANTS
(CHARTERED ACCOUNTANTS)
Parker Allotey Consult
(Chartered Accountants)
1 CAG/F/2018/130



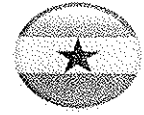
**BALANCE SHEET
AS AT 31 MARCH 2018**

		(Amount in GHS)	
	Notes	As on 31.03.2018	As on 31.03.2017
<u>NON-CURRENT ASSETS (A)</u>			
Property, Plant & Equipment	2	917,447	991,740
		917,447	991,740
<u>CURRENT ASSETS (B)</u>			
Stocks	3	4,335,632	3,179,898
Accounts Receivable	4	1,821,879	7,638,029
Cash & Bank Balances	5	313,186	610,313
		6,470,698	11,428,242
TOTAL ASSETS		7,388,143	12,419,980
<u>CURRENT LIABILITIES</u>			
Accounts Payable	6	804,519	6,056,712
WORKING CAPITAL		5,666,180	5,371,529
NET ASSETS		6,583,624	6,363,268
<u>REPRESENTED BY:</u>			
Stated capital	7	314,363	314,363
Income Surplus		6,269,261	6,048,905
TOTAL		6,583,624	6,363,268

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

.....
DIRECTOR

.....
DIRECTOR



**TRADING AND PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED 31 March 2018**

	Notes	(Amount in GHS)	
		For the year ended 31.03.2018	For the year ended 31.03.2017
TURNOVER		33,793,413	24,109,445
LESS: COST OF OPERATIONS	9	(30,728,926)	(21,906,287)
GROSS MARGIN		3,064,487	2,203,159
OTHER INCOME	8	125,443	494,002
		3,189,930	2,697,160
<u>LESS:</u>			
SELLING , AND GENERAL & ADMIN. EXPENSES	10	(2,834,368)	(2,354,224)
FINANCIAL EXPENSES	11	(96,320)	(93,404)
NET PROFIT/(LOSS) BEFORE TAX		259,242	249,533
TAXATION		38,886	-
NET PROFIT/(LOSS) AFTER TAX TRANSFERRED TO INCOME SURPLUS ACCOUNT		220,356	249,533

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 March 2018**

	STATED CAPITAL	INCOME SURPLUS 2018	INCOME SURPLUS 2017
BALANCE - 1st APRIL	314,363	6,048,905	5,799,372
NET PROFIT/(LOSS) FOR THE YEAR		220,356	249,533
	314,363	6,269,261	6,048,905

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 March 2018**

(Amount in GHS)

RECONCILIATION OF OPERATING PROFIT TO

NET CASH FLOW FROM OPERATING ACTIVITIES

	For the year ended 31.03.2018	For the year ended 31.03.2017
Net Profit as per accounts	220,356	249,533
Depreciation & Loss on Assets sold	220,890	232,502
(Increase)/Decrease in stock	(1,155,734)	141,218
(Increase)/Decrease in accounts receivable	5,816,151	(1,337,462)
Increase/(Decrease) in accounts payable	(5,252,193)	1,659,780
Loss/(Profit) on Discard of fixed asset	-	48,560
Net Cash Inflow from Operations	(150,530)	994,131

Net Cash Flow from Operating Activities	(150,530)	994,131
--	------------------	----------------

INVESTING ACTIVITIES

Acquisition of Fixed Assets	(146,597)	(616,356)
Discard of Fixed Asset	-	(48,560)

Net Cash Flow provided/used from Investing Activities	(146,597)	(664,917)
--	------------------	------------------

FINANCING ACTIVITIES

Increase/Decrease In Loan	-	-
Net Cash Flow from Operating Activities	-	-

Net Cash Flow	(297,126)	329,215
----------------------	------------------	----------------

<u>ANALYSIS OF CHANGES IN CASH & CASH EQUIVLENTS</u>	(297,126)	329,215
---	------------------	----------------

Cash at beginning year	610,313	281,098
Cash on Hand	4,229	269
Bank Balances	606,084	280,828

Cash At the end of year	313,186	610,313
Cash on Hand	25,735	4,229
Bank Balances	287,452	606,084



NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

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

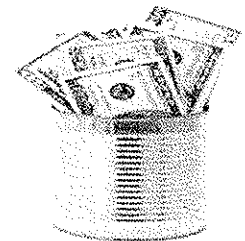
Stocks are valued at lower of cost and net realizable value.

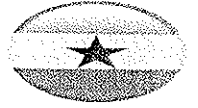
e) Taxation

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 31.03.2018	As at 31.03.2017
Raw Material	48,612	429,317
Finished Goods	-	1,831,321
By Products	-	77,130
Work in Process	66,068	353,339
Consumables	7,265	134,077
Stock in Transit store & spares	3,720,000	12,593
Stock In Trade	352,575	342,122
Total	141,112	-
	4,335,632	3,179,898

4. ACCOUNTS RECEIVABLE

Particulars	(Amount in GHS)	
	As at 31.03.2018	As at 31.03.2017
Prepayments	18,509	91,890
Security Deposits-Ghana Telecom Communication	318	2,480
Advance for Raw Material & Expenses	1,797,730	7,531,733
Loan & Advance	5,321	11,928
Total	1,821,879	7,638,030

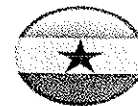
5. CASH AND BANK BALANCES

Particulars	(Amount in GHS)	
	As at 31.03.2018	As at 31.03.2017
Cash on Hand	25,735	4,229
Bank balances	287,452	606,084
Total	313,186	610,313

6. ACCOUNTS PAYABLE

Particulars	(Amount in GHS)	
	As at 31.03.2018	As at 31.03.2017
Trade Payables	326,408	869,928
Outstanding Liabilities	478,111	5,186,784
Total	804,519	6,056,712





NOTES TO THE FINANCIAL STATEMENT

7. STATED CAPITAL

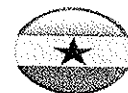
Particulars	(Amount in GHS)	
	As at 31.03.2018	As at 31.03.2017
Authorized Shares of no par value	<u>520,000</u>	<u>520,000</u>
Issued Shares of No par value	<u>314,363</u>	<u>314,363</u>
Proceeds of Issue for Cash	<u>314,363</u>	<u>314,363</u>

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

8. OTHER INCOME

Particulars	(Amount in GHS)	
	01.04.17 to 31.03.18	01.04.16 to 31.03.17
Exchange Gain	-	493,743
Miscellaneous Incomes	125,443	259
Total	125,443	494,002

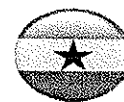




NOTES TO THE FINANCIAL STATEMENTS

9. COST OF OPERATIONS

Particulars	(Amount in GHS)	
	01.04.17 to 31.03.18	01.04.16 to 31.03.17
Opening Stock		
Work-In-Progress	353,339	738,537
Finished Goods	1,908,451	1,180,194
Stock in Trade	-	-
Total Opening Stock (A)	2,261,790	1,918,731
Add:- Direct Operational Costs		
Direct Material Consumed (annex "A")	21,686,354	19,274,932
Consumption of Consumables (annex "B")	932,242	1,213,021
Purchase of Stock-in-Trade (Traded Goods)	4,841,284	-
Direct Labour	173,489	296,597
Power	241,476	497,281
Repair & Maintenance Factory & P&M	138,662	328,469
Factory Rent	477,514	407,527
Other Manufacturing expenses	22,205	37,561
Depreciation on P&M	161,089	193,958
Total Direct Operational Cost (B)	28,674,316	22,249,345
Total Overhead Cost (A+B)	30,936,106	24,168,077
Less:- Stocks - 31 March		
work - in - Progress	66,068	353,339
Finished Goods	-	1,908,451
Stock in Trade	141,112	-
Cost of Operation	30,728,926	21,906,287



NOTES TO THE FINANCIAL STATEMENT

10. SELLING , GENERAL & ADMIN EXPENSES

Particulars	(Amount in GHS)	
	01.04.17 to 31.03.18	01.04.16 to 31.03.17
Salaries & Wages (Bonus & Leave Encashment)	971,317	877,476
Staff Welfare	95,656	70,365
Travelling & Conveyance (Local)	16,351	69,307
Motor Vehicle Running Expenses	30,468	31,740
Printing & Stationery & Postage	3,294	3,695
Legal & Professional Fees	12,663	87,078
Audit Fees	2,000	1,500
Guest House Rent	58,664	52,998
Guest House Expenses	36,301	18,701
Repair & Maintenance other than P&M	93,347	31,799
Insurance Expenses	29,330	25,830
Business Promotion	44,116	49,599
Loss on Discard of Fixed Assets	-	48,560
Depreciation Others than P & M	59,801	38,544
Telephone & Communication	14,694	14,650
Foreign Travelling Expenses	197,176	179,885
Selling & Distribution Expenses	1,043,350	656,936
Security Guard Expenses- Factory	32,160	-
Other Miscellenous Exp	93,680	95,560
TOTAL	2,834,368	2,354,224

11. FINANCIAL EXPENSES

Particulars	(Amount in GHS)	
	01.04.17 to 31.03.18	01.04.16 to 31.03.17
Bank Charges	96,320	89,964
Interest on Loan	-	3,440
TOTAL	96,320	93,404

NOTES TO THE FINANCIAL STATEMENT

(Amount in GHS)

Particulars	01.04.17 to 31.03.18	01.04.16 to 31.03.17
Annexure "A"		
Opening Stock	429,317	863,618
Add: Purchase (Including Freight & Import Exp)	25,015,551	18,840,631
Less: Closing stock of Raw Material	3,758,514	429,317
Consumption of Raw Material	21,686,354	19,274,932

(Amount in GHS)

Particulars	01.04.17 to 31.03.18	01.04.16 to 31.03.17
Annexure "B"		
Consumption of Consumables		
Opening stock of consumables	488,792	538,767
Add: Purchase of Consumables & expenses	813,389	1,163,046
Less: Closing Stock of consumable	369,938	488,792
Consumption of Consumables	932,242	1,213,021

GRAVITA GHANA LIMITED

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

NOTE-2
NON CURRENT ASSETS

Gross Book Value	(Amount in GHS)						
	Factory Building	CWIP	Plant & machinery	Motor Vehicle	Office Equipments	Furniture & Fittings	Total Assets
Balance b/fwd 01.04.2017	301,675	110,430	1,510,589	171,291	21,825	16,403	2,132,013
Adjustment Sold/Transfer	-	(110,430)	(190,213)	-	-	-	(300,643)
Additions	1,045	4,995	175,744	67,978	7,265	-	257,027
	302,720	4,995	1,496,120	239,269	28,890	16,403	2,088,397
<u>Depreciation</u>							
Balance b/fwd 01.04.2017	71,935	-	1,006,683	39,412	9,032	13,211	1,140,273
Depreciation Adjustment on assets Sold	-	-	(190,213)	-	-	-	(190,213)
Charge for the Year	14,157	-	161,089	39,879	3,514	2,251	220,890
	86,092	-	977,559	79,291	12,546	15,462	1,170,950

Net Book Value							
31.03.2017	229,740	110,430	503,906	131,879	12,593	3,192	991,740
31.03.2018	216,628	4,995	518,561	159,978	16,344	941	917,447

Note:- 1 During the FY 2017-18 CWIP Value Transfer to Plant & machinery as Capitalisation of below Assets:-

S.No.	Asset description	GHS
1	Chimney 1000/600 L-30	12,569
2	Induce Draft Fan Rotary Fan	8,665
3	Hydraulic Scrap Balling Press	89,196
	Total	110,430

Note:- 1 During the FY 2017-18 Below Assets are Retired/Discarded from the Group of Plant & Machinery:-

S.No.	Asset description	GHS
1	Blast Furnace	(32,979)
2	Bag House-96	(157,234)
	Total	(190,213)