

AIA GHANA LIMITED

FINAL REPORT AND FINANCIAL STATEMENTS

Together with the Directors' and Independent Auditors' Reports

FOR THE PERIOD ENDED

31 MARCH 2021



AIA Ghana Limited

AIA GHANA LIMITED
FINAL REPORT AND FINANCIAL STATEMENTS

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AIA GHANA LIMITED
CORPORATE INFORMATION

NAME OF THE COMPANY	AIA Ghana Limited
NATURE OF BUSINESS	The Authorized business of the Company is General Trading, Import and Export of General Goods, Mining Support Service, Manufacturing and Supply of Grinding Media and Mill Liner to the Mining Industry
DIRECTORS	Himanshu Kantilal Patel Rudolph Opata Matey Paryank Ramesh Shah Rizwan Aslam Gilani Vivek Singh Rathaur
SECRETARY	Cletus Akodam Karbo BAE 27/25, 7th Avenue Community 18, Baatsona - Tema
REGISTERED OFFICE AND ADDRESS	Suit 214/215 Christman House Kofi Annan Street Airport Residential Area P.O. Box CT 3701 Cantonments - Accra
AUDITORS	AAB & Associates Chartered Accountants Firm Number (ICAG/F/2021/007) P.O. Box 3092 Accra
BANKERS	Stanbic Bank Ghana Limited

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF
AIA GHANA LIMITED**

Report of the Directors

The Directors have the pleasure in presenting their report and the audited Financial Statements of the Company for the period ended 31 March 2021.

Statement of Directors' Responsibilities

The Company's Directors are responsible for the preparation and fair presentation of the Financial Statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act, 2019 (Act 992) and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Nature of Business

The authorized business or objects of the Company is General Trading, Import and Export of General Goods, Mining Support Service, Manufacturing and Supply of Grinding Media and Mill Liner to the Mining Industry.

Dividends

No dividend has been recommended by the Directors for the period.

Directors

The Directors in office at the date of this report are as follows:

Directors	Nationality
Himanshu Kantilal Patel	British
Rudolph Opata Matey	Ghanaian
Paryank Ramesh Shah	Indian
Rizwan Ashlam Gilani	Indian
Vivek Singh Rathaur	Indian

Share Capital

Authorized Shares	100,000,000
Issued Shares	4,421,700
Shares Allotted:	
Vega Industries (Middle East) F.Z.E	4,421,700

There have been no changes to the authorized or issued share capital as at the period ended March 31, 2021.

Events after the reporting period

There were no events after the reporting period which could have a material effect on the Financial Position of the Company as at March 31, 2021 and loss attributable to equity holders on that date other than as disclosed in the Financial Statements.

Going Concern

The Directors are of the opinion that the Company has adequate financial resources to continue in operation for the foreseeable future and accordingly the Financial Statements have been prepared on a going concern basis. The Directors are satisfied that the Company has access to sufficient funding sources to meet its foreseeable cash requirements. The Directors are not aware of any new material changes that may adversely impact the Company.

The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may adversely affect the Company.

Approval of the Financial Statements

The Financial Statements of the Company were approved by the Board of Directors on and signed on its behalf by:

.....
DIRECTOR

.....
DIRECTOR

**REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF
AIA GHANA LIMITED**

Report on the Financial Statements

We have audited the Financial Statements of AIA Ghana Limited, which comprise the Statement of Financial Position as at 31 March 2021, the Statements of Comprehensive Income, Changes in equity and Cash flows for the year then ended, and notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information as set out on pages 9 to 15.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of AIA Ghana Limited as at 31 March 2021 and of its Financial Performance and Cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described under the Auditor's Responsibilities for the Audit of the Financial Statements of our report. We are independent of the Company in accordance with the International Federation of Accountants Code of Ethics for Professional Accountants (including International Independent Standards) (the Code) issued by the international Ethics Standards Board for Accountants (IESBA). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Directors' Responsibility for the Financial Statement

The Company's Directors are responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and for such internal control as the directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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 Standards 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.

Report on Other Legal and Regulatory Requirements

The Ghana Companies Act, 2019 (Act 992) requires that in carrying out our audit work we consider and report on the following matters. We confirm that:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion proper books of accounts have been kept by the Company, so far as appears from our examination of those books; and
- iii. The Statement of Financial Position and Comprehensive Income Statement of the Company are in agreement with the books of accounts.

The engagement partner on the audit resulting in this independent auditor's report is Anthony Attu (ICAG/P/1189)

aab & associates

SIGNED BY: ANTHONY ATTU (ICAG/P/1189)

AAB & ASSOCIATES (ICAG/F/2021/007)

CHARTERED ACCOUNTANTS

P.O.BOX 3092

ACCRA

May 14,2021

AIA GHANA LIMITED
STATEMENT OF FINANCIAL POSITION
FOR THE PERIOD ENDED 31 MARCH 2021

	Note	2021 GH¢	2020 GH¢
ASSETS			
Current Assets			
Inventory (Semi-Finished Goods)	3	18,950,278	679,925
Other Assets and Prepayments	10	20,301,329	15,328,769
Cash and Cash Equivalents	9	12,607,200	8,759,072
Taxation	8	1,193,578	768,969
		-----	-----
		53,052,386	25,536,735
		-----	-----
Total Assets		53,052,386	25,536,735
		=====	=====
EQUITY AND LIABILITIES			
Stated Capital		4,967,710	4,967,710
Retained Earnings		136,290	(409,331)
		-----	-----
Shareholders' Funds		5,104,000	4,558,379
Current liabilities			
Intercompany Payables	12	46,618,451	20,186,628
Other Payables and accrual	11	1,329,935	791,728
		-----	-----
Total Liabilities		47,948,386	20,978,356
		-----	-----
Total Equity and liabilities		53,052,386	25,536,735
		=====	=====

.....
DIRECTOR

.....
DIRECTOR

AIA GHANA LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2021

	Note	2021 GH¢	2020 GH¢
Revenue	4	75,474,630	66,520,960
Cost of Sales	6	(71,246,057)	(63,839,679)
Gross Profit		<u>4,228,573</u>	<u>2,681,281</u>
Other Operating Loss	5	(659,895)	(399,048)
General and Administrative Expenses	7	(2,598,936)	(1,610,336)
Profit before Tax		<u>969,742</u>	<u>671,897</u>
Provision for Tax	8	(242,436)	(167,974)
Profit after Tax		<u>727,307</u>	<u>503,923</u>
Other Comprehensive Income:			
Unrealized exchange loss		88,459	(191,844)
Unrealized exchange gain		(270,145)	459,221
Total Comprehensive Income		<u><u>545,621</u></u>	<u><u>(771,300)</u></u>

AIA GHANA LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2021

	Share Capital GH¢	Income Surplus GH¢	Shareholders Account GH¢	Total GH¢
Balance at 1 st April 2020	4,967,710	(409,331)	-	4,558,378
<hr/>				
Changes within period				
Profit for the period	-	727,307	-	727,307
Other Comprehensive Income	-	(181,686)	-	(181,686)
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Balance at 31 March 2021	4,967,710	136,290	-	5,104,000

AIA GHANA LIMITED
STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2021

	2021	2020
	GH¢	GH¢
Cash flows from operating activities		
Profit from operations	969,742	671,897
Other Comprehensive Income	(181,686)	267,377
<i>Adjustment for:</i>		
<i>Change in:</i>		
Net Increase in Other Receivables and Prepayments	(4,972,561)	(15,327,262)
Net (Increase) /Decrease in Inventories	(18,270,352)	11,973,502
Net Increase in Intercompany Payable	26,431,823	6,351,023
Net Increase in Other Payables and accruals	538,207	642,508
Cash flow from operations	<u>4,515,173</u>	<u>3,638,264</u>
Tax Paid	(667,045)	(816,038)
Net cash flow from operating activities	<u>3,848,128</u>	<u>(3,763,007)</u>
Cash flows from financing activities	-	-
Net cash used in financing activities	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents	<u>3,848,128</u>	<u>3,763,007</u>
Cash and cash equivalents at 1 April 2020	8,759,072	4,996,065
Cash and cash equivalents at 31 March 2021	<u><u>12,607,200</u></u>	<u><u>8,759,072</u></u>

AIA GHANA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2021

1. REPORTING ENTITY

AIA Ghana Limited is a Company registered and incorporated in Ghana. The address of the Company's registered office can be found on page 2 of the annual report. The Company engages in General Trading, Import and Export of General Goods, Mining Support Service, Manufacturing and Supply of Grinding Media and Mill Liner to the Mining Industry.

2. BASIS OF PREPARATION

a. Statement of compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

b. Basis of measurement

The Financial Statements are prepared on the historical cost basis except for financial assets and liabilities that are stated at fair values.

c. Functional and presentation currency

The Financial Statements are presented in Ghana Cedis (GH¢), which is the Company's functional and presentation currency.

d. Use of estimates and judgments

The preparation of Financial Statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the application of policies and reported amounts of assets and liabilities and income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on amounts recognised in the Financial Statements are described in notes 3 to 13.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to this Financial Statement.

(a) **Foreign currency transactions**

Foreign currency transactions are translated into the functional currency using exchange rates at the start of the month. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation, at year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Comprehensive Income. Non-monetary assets and liabilities are translated at historical exchange rates, if held at historical cost or exchange rates at the date that fair value was determined, if held at fair value and the resulting foreign exchange gains and losses recognized in the Statement of Comprehensive Income or shareholders' equity, as appropriate.

(b) **Property, Plant and Equipment**

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset.

(ii) Depreciation

Depreciation is recognized in the Statement of Profit or Loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Depreciation methods, useful lives and carrying amount are reassessed for own used assets at each reporting date.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds from disposal with the carrying amounts and are recognized in profit or loss as other income.

(c) **Trade and other receivables**

Trade receivables are stated at amortised cost, less impairment losses. Specific allowances for doubtful debts are made for receivables of which recovery is doubtful. General allowances for doubtful debts are recorded for the remaining receivables taking into account past experiences.

(d) **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and bank balances and are carried at amortised cost. Bank overdrafts that are repayable on demand, and which form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the Statement of Cash flows.

(e) **Revenue**

Revenue is measured at the fair value of the consideration received or receivable, net trade discounts and taxes. The revenue recognition is in line with the IFRS 15

(f) **Net Finance cost**

Finance income comprises interest income on funds invested and is recognised in the Statement of Comprehensive Income using the effective interest method.

(g) **Dividend**

Dividend payable is recognised as a liability in the period in which they are declared and the shareholders right to receive payment has been established.

(h) **Events after the reporting period**

Events subsequent to the reporting date are reflected in the Financial Statements only to the extent that they relate to the year under consideration and the effect is material.

(i) **Inventories**

Inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

4. REVENUE

	2021	2020
	GH¢	GH¢
Domestic Sales	75,474,630	66,520,960
	<u>75,474,630</u>	<u>66,520,960</u>

5. OTHER INCOME

Interest Received	209,649	114,362
Realized Exchange Gains	665,780	705,561
Realized Exchange Losses	(1,535,324)	(1,218,971)
	<u>(659,895)</u>	<u>(399,048)</u>

6. COST OF SALES

Cost of Finished Goods Sold	71,246,057	63,839,679
	<u>71,246,057</u>	<u>63,839,679</u>

7. GENERAL AND ADMINISTRATIVE EXPENSES

	2021	2020
	GH¢	GH¢
Salary Expense	33,975	31,677
Bank Charges Expenses	220,086	148,308
Professional & Legal Charges	46,785	57,229
Professional Fees – Accounting	218,605	195,715
Audit Fees	30,902	25,728
License Fee Expenses	65,928	71,524
Commission Expenses	740,979	689,814
Interest to Bank Account	-	8,483
Warehouse, Transport & Haulage	1,134,952	381,858
Membership & Subscription Expense	73,250	-
Insurance	33,474	-
	<u>2,598,936</u>	<u>1,610,336</u>

8. TAXATION

	Opening Balance GH¢	Payments GH¢	Charge for the Year GH¢	Closing Balance GH¢
2020	(120,905)	(816,038)	167,974	(768,969)
2021	-	(667,045)	242,436	(424,609)
	<u>(768,969)</u>	<u>(667,045)</u>	<u>242,436</u>	<u>(1,193,578)</u>

9. CASH AND BALANCES WITH BANKS

Stanbic Bank GHS A/C - Call Deposit	4,380,810	6,055,201
Stanbic Bank USD A/C	8,216,425	2,023,873
Stanbic Bank GHS A/C	9,965	102,631
Stanbic Bank Current A/C Margin USD	-	577,367
	<u>12,607,200</u>	<u>8,759,072</u>

Cash, cash equivalent and bank overdrafts include the following for the purposes of the cash flow statement:

Cash and cash equivalents	12,607,200	8,759,072
TOTAL	<u>12,607,200</u>	<u>8,759,072</u>

10. OTHER ASSETS AND PREPAYMENTS

	2021 GH¢	2020 GH¢
Sundry debtors (Domestic)	17,998,173	14,563,082
WHT Receivables	2,290,901	765,687
Other Assets	1,960	-
Prepaid Expense	10,295	-
	<u>20,301,329</u>	<u>15,328,769</u>

11. OTHER PAYABLES AND ACCRUALS

Withholding Tax Payable	44,347	58,925
Audit Fees Accrued	28,752	25,728
Vendor Payable Account	1,049,039	707,075
Other Payable	25,877	-
VAT Payables	181,920	-
	<u>1,329,935</u>	<u>791,728</u>

12. INTERCOMPANY LIABILITIES

Intercompany payables	46,618,451	20,186,628
	<u>46,618,451</u>	<u>20,186,628</u>

13. STATED CAPITAL

The Company is registered with 100,000,000 (**2020:** 100,000,000) ordinary shares at par value of which 4,421,700 (**2019:** 4,421, 700) have been issued as follows:

	31 March 2021		31 March 2020	
	No. of shares	Amount GH¢	No. of shares	Amount GH¢
Issued for cash	4,421,700	4,967,710	4,421,700	4,967,710
	<u>4,421,700</u>	<u>4,967,710</u>	<u>4,421,700</u>	<u>4,967,710</u>

There is no unpaid liability on any shares and there are no calls or installments unpaid and there are no treasury shares.