



# AYRTON DRUG MANUFACTURING LTD

## UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2019

	Notes	30/09/2019 GH¢	30/09/2018 GH¢
<b>Non current assets</b>			
Property, plant and equipment	3	6,032,844	6,893,922
Prepaid lease and land		353,654	362,368
Intangible		317,803	-
Deferred tax assets		557,627	210,893
		<u>7,261,927</u>	<u>7,467,183</u>
<b>Current assets</b>			
Inventories	4	9,570,624	10,721,312
Trade and other receivable	5	15,003,839	14,588,328
Amount due to/from Associated company		3,171,196	4,904,867
Current taxation		-	-
Cash and bank	6	79,439	1,182,992
<b>Total Current Assets</b>		<u>27,825,098</u>	<u>31,397,499</u>
<b>Total Assets</b>		<u>35,087,024</u>	<u>38,864,682</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Issued capital		4,475,000	4,475,000
Other capital reserve		1,739,436	1,739,436
Income surplus		10,932,618	17,115,182
		<u>17,147,054</u>	<u>23,329,618</u>
<b>Current liabilities</b>			
Trade and other payable	7	6,343,503	8,406,571
Amount due to Associated Company		1,036,406	-
Income tax payable		1,595,273	602,995
Short term borrowings	8	8,964,789	6,525,498
<b>Total Liabilities</b>		<u>17,939,971</u>	<u>15,535,064</u>
<b>Total Equity and liabilities</b>		<u>35,087,024</u>	<u>38,864,682</u>

Director  
Daniel Apeageyi Kissi

Chairman  
Nik Amarteifio

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2019**

	2019	2018
<b>9 COST OF SALES</b>	<b>GHC</b>	<b>GHC</b>
Raw Materials and consumables	2,734,319	1,148,486
Production Wages/Salaries	954,442	635,541
Depreciation-Production	66,691	63,969
Production Overhead	462,119	662,185
	<b>4,217,571</b>	<b>2,510,182</b>
	-	
<b>10 Other Income</b>	<b>2019</b>	<b>2018</b>
	<b>GHC</b>	<b>GHC</b>
Sundry Income	67,121	5,794
Disposal Profit	49,000	-
	<b>116,121</b>	<b>5,794</b>
<b>11 SELLING AND DISTRIBUTION COST</b>	<b>2019</b>	<b>2018</b>
	<b>GHC</b>	<b>GHC</b>
This includes		
Employee benefit	271,165	260,465
SSNIT contribution	32,006	31,352
Motor Vehicle cost	66,052	121,770
Depreciation and Amortisation	66,691	40,135
Carriage	26,944	123,891
<b>12 GENERAL AND ADMINISTRATION COST</b>	<b>2019</b>	<b>2018</b>
This Includes:	<b>GHC</b>	<b>GHC</b>
Director Emoluments		82,013
Employees Benefit other than SSNIT Contribution	782,686	625,635
SSNIT contribution	99,084	57,596
Audit fees & Expenses	67,222	25,187
Staff Bonus	120,000	120,000
Consultancy Charges	27,269	69,628
Communication & Postage	80,029	123,378
Depreciation and Amortisation	40,721	21,648
Bad Debts Provision	60,000	60,000
<b>13 Finance costs</b>	<b>2019</b>	<b>2018</b>
	<b>GHC</b>	<b>GHC</b>
Interest on short-term borrowings	503,304	342,793

**AYRTON DRUG MANUFACTURING LTD**  
**UNAUDITED STATEMENT OF**  
**PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER 2019**

		30/09/2019	30/09/2018
	Notes	GHC	GHC
Revenue		5,605,189	6,566,028
Cost of sales	9	(4,217,571)	(2,510,182)
<b>Gross profit</b>		<b>1,387,618</b>	<b>4,055,846</b>
Other income	10	67,121	5,794
Exchange Gain/(Loss)		66,349	(156,211)
Selling and distribution costs	11	(524,191)	(669,218)
Administrative expenses	12	(1,745,623)	(2,005,887)
<b>Operating Profit/(loss)</b>		<b>(748,726)</b>	<b>1,230,324</b>
Finance income		(7,704)	-
Finance costs	13	(495,600)	(342,793)
<b>Profit/(loss) before tax</b>		<b>(1,252,030)</b>	<b>887,531</b>
Income tax expense		-	(203,081)
<b>Profit/(loss) after tax</b>		<b>(1,252,030)</b>	<b>684,450</b>
Earnings per share		<b>(0.0058)</b>	<b>0.01682</b>
Diluted earnings per share		<b>(0.0058)</b>	<b>0.01682</b>



# AYRTON DRUG MANUFACTURING LTD

## UNAUDITED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER 2019

	Stated capital GH¢'000	Retained Earnings GH¢'000	Other Reserves GH¢'000	Total GH¢'000
<b>Period ended 30th September, 2019</b>				
At 1 JULY 2019	4,475,000	12,184,648	1,739,436	18,399,084
Profit/(Loss) for the period	-	(1,252,030)	-	(1,252,030)
Reversal during the period	-	-	-	-
<b>At 30th September 2019</b>	<b>4,475,000</b>	<b>10,932,618</b>	<b>1,739,436</b>	<b>17,147,054</b>
				-
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
<b>Period ended 30th September, 2018</b>				
At 1 JULY 2018	4,475,000	16,227,651	1,739,436	22,442,087
Profit/(Loss) for the period	-	384,450	-	384,450
Reversal during the period	-	-	-	-
<b>At 30th September, 2018</b>	<b>4,475,000</b>	<b>16,612,101</b>	<b>1,739,436</b>	<b>22,826,537</b>

# AYRTON DRUG MANUFACTURING LTD

## UNAUDITED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 30TH SEPTEMBER 2019

	Notes	30/06/2019 GH¢	30/09/2018 GH¢
<b>OPERATING ACTIVITIES</b>			
Operating (loss)/profit before tax		(1,252,030)	887,531
<b>Adjustment</b>			
Depreciation and amortisation	3	141,086	125,752
Write off of property, plant and equipment		-	-
Deferred tax		-	-
Stock write off		-	-
Bad debts written off		-	-
Investment written off		-	-
Unrealised exchange loss/(Gain)		-	-
Profit / loss on disposal		(49,000)	-
Interest income		7,704	-
Interest expense		495,600	342,793
<b>Operating cash flow before working capital changes:</b>		<b>(656,640)</b>	<b>1,356,076</b>
(Increase)/Decrease in inventories		(1,000,071)	(104,513)
(Increase)/Decrease in trade and other accounts receivable		1,243,353	309,225
Increase/(Decrease) in trade and other accounts payable		(163,389)	2,736,961
<b>Operating cash flow before interest and tax</b>		<b>(576,747)</b>	<b>4,297,749</b>
Interest received		(7,704)	-
Interest paid		(495,600)	(342,793)
Income tax paid		218,876	(207,391)
<b>Net cash flows from operating activities</b>		<b>(861,175)</b>	<b>3,747,565</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	4	-	(4,411)
Purchase of intangible asset		-	-
Proceeds from disposal		49,000	-
<b>Net cash flows used in investing activities</b>		<b>49,000</b>	<b>(4,411)</b>

**FINANCING ACTIVITIES**

Dividends paid to equity holders	-	-
Net receipts from short term borrowings	-	-
Due to/from related company	765,906	(3,985,493)
Net cash flows used in financing activities	<u>765,906</u>	<u>(3,985,493)</u>
<b>Net decrease in cash and cash equivalents</b>	(46,269)	(242,339)
<b>Cash and cash equivalents at beginning</b>	<u>(8,839,081)</u>	<u>(5,100,166)</u>
<b>Cash and cash equivalents at close</b>	<u><u>(8,885,350)</u></u>	<u><u>(5,342,505)</u></u>

**Analysis of Cash and cash equivalents**

	<b>GHC</b>	<b>GHC</b>
Cash and bank	35,089	830,270
Other Banks	(601,273)	255,696
Ghana Commercial Bank-Cedi	(4,319,165)	(5,243,801)
2018 GCB Disbursement Credit Account	<u>(4,000,000)</u>	<u>(1,184,670)</u>
Cash and cash equivalents at close	<u><u>(8,885,350)</u></u>	<u><u>(5,342,505)</u></u>

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2019**

**1 Corporate information**

Ayrton Drug Manufacturing Limited is a company registered and incorporated in Ghana under the Companies Act, 2019 (Act 992) as a Public limited liability company whose shares are publicly traded. The registered office is located at B1/24 Abeka Road, Tesano in Accra. The company became a subsidiary of Dannex Limited whose registered office is in Ghana when it acquired 53.47% of Adcock Ingram's (former parent) shares in November 2016.

The company is engaged in the manufacture as well as importation and supply of pharmaceutical products in West Africa.

**2 Summary of significant accounting policies**

**2.1 Basis of preparation**

The financial statements have been prepared on a historical cost basis unless otherwise indicated. The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and also in a manner required by the Companies Act, 1963 (Act 179). The financial statements are prepared on a going concern basis.

**2.2 Functional and reporting currency**

The financial statements are presented in Ghana Cedis (GH¢). The Ghana Cedi is the functional and reporting currency of the company.

**2.3 Foreign currencies translations**

Transactions in foreign currencies are measured and recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the reporting date. At the reporting date non-monetary items at historical cost are translated using the exchange rates as at the dates of the initial transactions.

**2.4 Property, plant and equipment**

The company recognises an item of property, plant and equipment (PPE) as an asset when it is probable that future economic benefits will flow to it and the cost can be reliably measured by the company. Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is provided on the depreciable amount of each component of property, plant and equipment on a straight-line basis over the anticipated useful life of the asset.



**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2019**

The current annual depreciation rates for each class of property, plant and equipment are as follows:

Leasehold land	Over the lease term	Over the lease term %
Factory buildings	3	3
Plant and equipment	15	15
Laboratory, equipment and furniture	10	10
Office furniture and equipment	15	15
Motor vehicles and bicycles	25	25
Computer and accessories	33.3	33.3
Medical books	8.5	8.5

Costs associated with day-to-day servicing and maintenance of assets is expensed as incurred

**2.6 Inventories**

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials are measured at the weighted average cost method.

Finished goods and work in progress comprises the cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. Finished goods are also measured at the weighted average cost method

**2.7 Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise of cash at bank and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts which are repayable on demand and which form an integral part of the company's cash management. Cash and cash equivalents are measured subsequently at amortised cost.

**2.8 Employee benefits**

The Company contributes to the defined Contribution Scheme (the Social Security Fund) on behalf the of employees.

Social security contributions is a National Pension Scheme under which the company pays 13% of employees' basic monthly salaries to a state managed Social Security Fund for the benefit of the employees. All employer contributions are charged to the statement of profit or loss and other comprehensive income as incurred and included under employee benefits. Employees contribute 5.5% of basic salaries to the Fund.



**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2019**

**2.9 Provident Fund**

Employees contribute a minimum of 5% of their basic salary and the employer contributes the 5% in to provident fund. This is a defined Contribution Scheme.

**2.10 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duty.

**Sale of goods**

Revenue from the sale of goods is recognised when the significant risk and rewards of ownership have passed to the buyer, usually on delivery of the goods.

**2.11 THE AUDIT COMMITTEE**

All board members belong to the Audit Committee which is chaired by Richard Adu-Poku.

The terms of reference and the scope of the Audit Committee's functions include the following:

To recommend the appointment of the external auditors of the company.

To liaise with the external auditors for the purposes of ensuring and maintaining audit quality, effectiveness and risk management.

To review with the auditors their report on the financial statements of the company.

To review the adequacy of the systems of internal control and of the degree of compliance with material policies, laws and code of ethics and business practices of the company.

To provide a direct channel of communication between the Board and the external and internal auditors, Chief Finance Officer and compliance officers of the company.

To report to the Board of Directors of developing policies that will enhance the control and operating systems of the company.

The Audit Committee met regularly during the period under review as part of the continuous process of meeting its responsibilities detailed above.

The Audit Committee was involved in monitoring the work of the internal audit department and carried out Safety, Health and Environment Audit as well over the period.

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2019**

3 Property Plant and Equipment Cost or Valuation	PPE Total	Building	Freehold Land	Plant and equipment	Office equip /Furn	Factory/Lab equipment and furn	Computer and accessories	M Veh Motor
Balance at the beginning of the year	15,335,840	5,408,748	304,242	3,586,665	645,885	1,444,944	631,808	2,
Repalcement and expansion (Sch 3001)	-	-	-	-	-	-	-	-
Transfer from WIP	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Other disposals in normal course of business	(78,992)	-	-	-	-	-	-	-
<b>Balance at end of year</b>	<b>15,256,848</b>	<b>5,408,748</b>	<b>304,242</b>	<b>3,586,665</b>	<b>645,885</b>	<b>1,444,944</b>	<b>631,808</b>	<b>2,</b>

Accumulated Depreciation	PPE Total	Building	Freehold Land	Plant and equipment	Office equip /Furn	Factory/Lab equipment and furn	Computer and accessories	M Veh Motor
Balance at the beginning of the year	(8,827,714)	(909,586)	-	(3,358,325)	(569,559)	(1,267,596)	(579,684)	(2,)
Depreciation Amortisation charge for the year	(121,629)	(40,566)	-	(14,577)	(5,634)	(6,616)	(10,589)	-
Other disposals in normal course of business	-	-	-	-	-	-	-	-
Impairment charge for the year	78,992	-	-	-	-	-	-	-
<b>Balance at end of year</b>	<b>(8,870,350)</b>	<b>(950,152)</b>	<b>-</b>	<b>(3,372,902)</b>	<b>(575,193)</b>	<b>(1,274,212)</b>	<b>(590,273)</b>	<b>(2,)</b>

Net Book Value as at 30th September, 2019	PPE Total	Building	Freehold Land	Plant and equipment	Office equip /Furn	Factory/Lab equipment and furn	Computer and accessories	Motor & M Bic
Net Book Value as at 30th September, 2018	6,386,497	4,458,596	304,242	213,763	70,692	170,732	41,535	-
	7,377,631	4,661,424	304,242	286,648	98,862	203,811	51,312	-

**2018**

Property Plant and Equipment Cost or Valuation	PPE Total	Building	Freehold Land	Plant and equipment	Office equip /Furn	Factory/Lab equipment and furn	Computer and accessories	Motor & M Bic
Balance at the beginning of the year	15,801,906	5,408,748	304,242	3,586,665	645,885	1,444,944	587,275	2,1
Repalcement and expansion (Sch 3001)	12,371	-	-	-	-	-	2,520	4
Transfer from WIP	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Other disposals in normal course of business	-	-	-	-	-	-	-	-
<b>Balance at end of year</b>	<b>15,814,277</b>	<b>5,408,748</b>	<b>304,242</b>	<b>3,586,665</b>	<b>645,885</b>	<b>1,444,944</b>	<b>589,795</b>	<b>2,5</b>

Accumulated Depreciation	PPE Total	Building	Freehold Land	Plant and equipment	Office equip /Furn	Factory/Lab equipment and furn	Computer and accessories	Motor & M Bic
Balance at the beginning of the year	(8,361,651)	(720,280)	-	(3,290,300)	(543,267)	(1,236,723)	(533,053)	(1,9)
Depreciation Amortisation charge for the year	(74,995)	(27,044)	-	(9,718)	(3,756)	(4,411)	(5,430)	-
Other disposals in normal course of business	-	-	-	-	-	-	-	-
Impairment charge for the year	-	-	-	-	-	-	-	-
<b>Balance at end of year</b>	<b>(8,436,647)</b>	<b>(747,324)</b>	<b>-</b>	<b>(3,300,017)</b>	<b>(547,023)</b>	<b>(1,241,133)</b>	<b>(538,483)</b>	<b>(1,9)</b>

Net Book Value as at 30th September, 2018	PPE Total	Building	Freehold Land	Plant and equipment	Office equip /Furn	Factory/Lab equipment and furn	Computer and accessories	Motor & M Bic
Net Book Value as at 30th September, 2017	7,377,631	4,661,424	304,242	286,648	98,862	203,811	51,312	5
	7,106,995	4,758,546	304,242	389,311	121,048	260,597	94,385	2

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30TH SEPTEMBER, 2019**

<b>4 INVENTORIES</b>	<b>2019</b>	<b>2018</b>
	<b>GHC</b>	<b>GHC</b>
Stocks of Raw Materials	7,521,763	6,850,989
Stocks of W.I.P	10,107	109,615
Stocks of Finished Goods	1,058,843	3,213,755
Laboratory Materials Stock	162,692	124,442
Spare Parts	817,219	422,511
	<b>9,570,623</b>	<b>10,721,312</b>
<b>5 TRADE AND OTHER RECEIVABLES</b>	<b>2019</b>	<b>2018</b>
	<b>GHC</b>	<b>GHC</b>
Trade receivables	17,305,221	13,025,379
Other receivables	1,006,676	1,686,402
Staff debtors	90,140	87,440
	<b>18,402,037</b>	<b>14,799,221</b>
<b>6 CASH AND CASH EQUIVALENTS</b>	<b>2019</b>	<b>2018</b>
	<b>GHC</b>	<b>GHC</b>
Main Cash	68,564	830,270
Bank	10,876	1,182,992
	<b>79,439</b>	<b>2,013,262</b>
<b>7 TRADE AND OTHER PAYABLES</b>	<b>2019</b>	<b>2018</b>
	<b>GHC</b>	<b>GHC</b>
Trade payables	2,166,391	5,234,448
Non-trade payables	3,020,756	3,801,845
Accrued charges	1,156,356	329,722
	<b>6,343,503</b>	<b>9,366,015</b>
<b>8 Short term borrowings</b>	<b>2019</b>	<b>2018</b>
	<b>GHC</b>	<b>GHC</b>
Overdraft	4,964,789	5,243,801
Short term Loan	4,000,000	1,184,670
	<b>8,964,789</b>	<b>6,428,471</b>