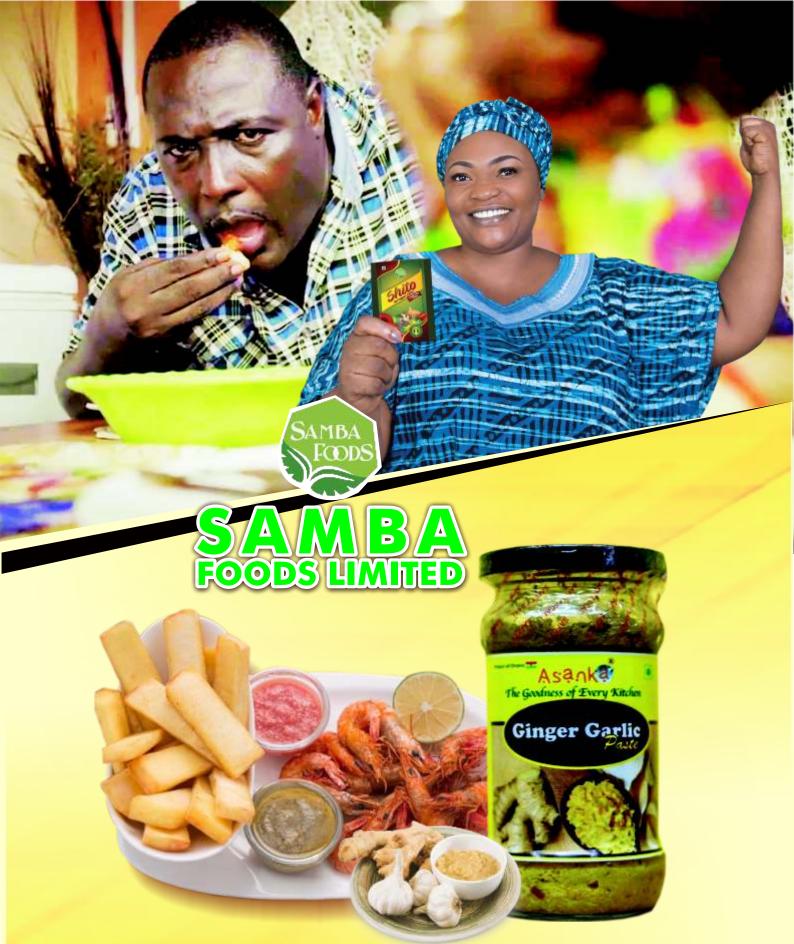


ANNUAL REPORT 2019

HEAD OFFICE/FACTORY ADDRESS: West Coast Dyeing Industries Compound Heavy Industrial Area Tema, Adjacent Tema Oil Refinery (TOR) www.sambafoodsghana.com





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2019 ANNUAL REPORT

Our Mission

"We are committed to build a world class food experience, to nourish, enrich and delight the taste buds of Ghana and beyond."



Our Vision

"With our Super Ability, Our Core Value's and our experience in processing and food innovations, we excel and expand to new segment with excellent quality and exceptional value in Food industry and beyond."





HEAD OFFICE/FACTORY ADDRESS:

West Coast Dyeing Industries Compound Heavy Industrial Area Tema, Adjacent Tema Oil Refinery (TOR) www.sambafoodsghana.com

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Notice of Virtual Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 5th Annual General Meeting ("AGM") of the shareholders of Samba Foods Limited ("the Company") will be held VIRTUALLY from the office of Samba Foods Limited, West Coast Dyeing Industries Compound, Heavy Industrial Area, Tema on Thursday 8th October, 2020 at 11: 00am for the following purposes:

AGENDA

- 1. To receive and consider the reports of Directors and Auditors together with the Financial Statement for the year ended December 31,2019 thereon.
- 2. Introduction of New Shareholders.
- a. Prime Insurance Company Limited.
- 3. To elect the following Non-Executive Board Members appointed during the year pursuant to section 72(1) of the Company's Regulations.
- i. Mr. Matthias Rogers-Akpatah
- ii. Mr. Thomas Gyabaah
- 4. The authorization by Members for the Directors to appoint and fix the remuneration of the auditors.
- 5. Any other business.

Dated, This 27th Day of August, 2020 in Tema.

By Order of the Board.

S.K ANNOR

The Secretary

NOTES:

- 1. A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend (via online participation) and vote on his/her behalf. Such a proxy need not be a member of the Company.
- 2. The appointment of a proxy will not prevent a member from subsequently attending and voting at the meeting (via online participation). Where a member attends the meeting in person (participates on line), the proxy appointment shall be deemed to be revoked.
- 3. A copy of the Form of Proxy is attached and may be completed and deposited at the registered office of the Registrars of the Company, Universal Merchant Bank Limited, 123 Kwame Nkrumah Avenue, Sethi Plaza, Adabraka, Accra, to arrive no later than 48 hours before the appointed time for the meeting.

Accessing and Voting at the Virtual AGM

- 4. A unique token number will be sent to shareholders by email and/or SMS from 30th September, 2020 to give them access to the Meeting.
- 5. Shareholders who do not receive this token should contact the Registrar Universal Merchant Bank Limited via Registrars@Myumbbank.com or call 0302220952/0302226112; 0541226363 / 0244694682 before the date of the Meeting to be sent the unique token.
- 6. Shareholders who do not submit their proxy forms to the registrar of the Company prior to the meeting may vote electronically during the Virtual AGM, using their unique token number.

Further assistance on accessing the meeting and voting electronically will be sent via email/SMS. For more information, please contact the Registrar:

Universal Merchant Bank Limited 123 Kwame Nkrumah Avenue Sethi Plaza, Adabraka, Accra P.O. Box GP 401, Accra-Ghana Telephone: +233 302 633 988

Fax: +233 302 667 305

Website: www.myumbbank.com



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Corporate INFORMATION

BOARD OF DIRECTORS Charles Darko

(Chairman)

Leticia Osafo - Addo (Managing Director)

Kwame Osafo – Addo (Non-Executive)

Awo Dede Osafo – Addo (Non-Executive)

Matthias Rogers-Akpatah (Non-Executive)

Thomas Gyabaah (Non-Executive)

S.K Annor (Company Secretary)

REGISTERED OFFICE West Coast Dyeing Industries Compound, Heavy Industrial Area - Tema

POSTAL ADDRESS P. O. Box B186 C2, Tema

AUDITORS IAKO Consult

P. O. Box 617 Teshie - Nungua Estates Accra

BANKERS Zenith Bank Ghana Limited GCB Bank Limited





Contact Us On





STATEMENT

My Dear Distinguished Shareholders, Ladies and Gentlemen.

On behalf of the Board of Directors, Management and Staff of Samba Foods Limited, I would like to welcome you all to the 5th Annual General Meeting of your Company. I would also take the opportunity to welcome shareholders attending their first Annual General Meeting of Samba Foods Limited, especially representatives of Prime Insurance Company Limited. I am pleased to present to you the Annual Report ended 31st December, 2019. As trusted Administrators, we always look forward to sharing with our shareholders the accomplishments of what we have been delegated to manage.

Last year, 2019, marked twenty-six (26) years since the operationalization of Samba Foods Limited, a milestone that needs to be celebrated. It has been a long journey with many achievements and challenges which we have been able to meet squarely. The company in 1993 as Processed Foods and Spices Limited and was later transformed to Samba Foods Limited when it got listed on the Alternative Market of the Ghana Stock Exchange. As we reflect over the past years, a period of relative macro-economic stability, it is remarkable how much the company has achieved. The commendable sales performance of the company from GH¢ 342,020.00 to GH¢ 557,965.00 representing 38.7% increment in 2019. This shows the critical role the company plays in the Food and Beverage industry and demonstrates the strong position of your company in the processing and manufacturing industry. Even though, the company recorded a slight reduction in the Asset of the company by 1.5% in 2019 and Equity of the business by 1.5% compared to the previous year, we are almost reaching our breakeven margin.

Despite the impressive strides made in 2019, maintaining fiscal discipline and staying on a practical sustainability was crucial to the Board to achieve the above. We also directed our attention on policies which ensure reduction in wastage and thoughtful use of the limited resource of the company. These policies had a strong impact on our financial position in 2019, recording an increase in sales and showing a reduction in net loss after tax. The Board also continue to approve and recruit additional management staffs to help manage the affairs of operations. I sincerely appreciate all our work force for their hard work and commitments to their duties at work.

Distinguished Shareholders, Ladies and gentlemen, I want to announce that, your company have gotten to a new horizon of development which need all our support and dedication to capture the lion share of the market.

Firstly, I would like to thank all our shareholders whose enormous help have been influential in making Samba Foods Limited what it is today. I would also appreciate the financial and advisory support we received from valued shareholders. Finally, my heart goes to my colleague Board members and the entire staffs of Samba Foods Limited for their enthusiasm and hard work. Thank you.

CHARLES DARKO











Managing Director's DEMOCRATICAL ENGINEERS Managing Director's

Mr. Chairman, fellow Board Members, Esteemed shareholders, Invited guest, The press core, Ladies and gentlemen.

I am pleased for the honor and privilege I have this day to welcome you all to the 5^{th} Annual General Meeting of our company, Samba Foods Limited. The past year has been very eventful and very exciting. As a company, we cannot but express our special gratitude to our hardworking staffs, the Board of Directors and you our beloved Shareholders for the unwavering support given us within the period under review.

I would use this opportunity to give a brief report and financial performance of Samba Foods Limited ended December 31, 2019. The year under review had diverse opportunities among the challenges we encountered both internal and external. However, our production and sales saw a substantial increase in margin, having impact on our financial position ended December, 2019 thereon.

BUSINESS ENVIRONMENT

Ghana continues to enjoy a stable objectivity which has supported peace and economic growth. The political opponent and the media continue to be vibrant and focused on keeping government on its toes. Our assessment of doing business in Ghana shows a positive indication with no political interference.

The business environment for foods processing and manufacturing companies within the year under review was patent by more uncertainty. In the face of such hesitant environment, it was more important for us to remain steadfast to our plan set for the year. We focused much on our immediate strategy performance while we prepare to deliver our ultimate goals. Through the continuous innovation of our products portfolio, we were able to serve our customers with hygienic, tastier and convenient foods.

Managing Director's Review

ECONOMIC PERFORMANCE

The government's implementation of cautious economic policies resulted in the rebuilding and consolidation of monetary and macro-economic stability. These policies generated positive impact on economic growth rate of 6.5% in the year, help reducing inflation rate from 9.84% in 2018 to 7.21% in 2019. This also resulted in market-friendly environment for operations of Samba Foods Limited.

Ghana's economy continued to expand in 2019 as the first quarter gross domestic product (GDP) was estimated at 6.7% compared with 5.4% in the same period of 2018. Fiscal performance for the first half of 2019 showed an overall budget deficit of 3.3% of GDP,

higher than the target of 2.9% of GDP.

OPERATIONAL PERFORMANCE

Distinguished Shareholders, Ladies and Gentlemen, the general performance for processing and manufacturing market was very vibrant and competitive in 2019. Nevertheless, the performance of your company Samba Foods Limited was very impressive compared to the previous years.

Sales

At the close of the 2019 financial year ended 31st December, 2019, we recorded an increase in sales of GHS 557,965.00 representing a year on-year increase of 38.7% over that of 2018.

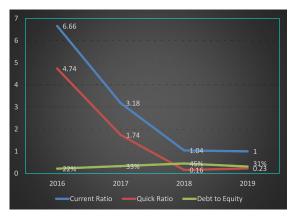
Sales Performance



<u>Figure 1.02 Liquidity Ratio index</u>

Liquidity Ratio

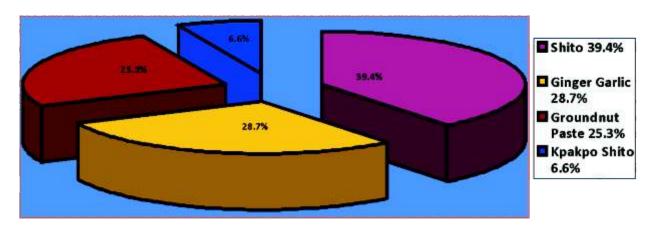
Current and Quick Ratio recording averaged ratio 3.62 and 2.21 respectively, confirming a strong liquidity position of the company. Gearing also showing averaged 36% over the period, suggesting the use of equity and spontaneous financing rather than debt from the financial institution to finance the business.



Managing Director's Review

Products Performance

■ Figure 1.03 Demand for products index



The above curve shows the demand strength of various products within the financial year ending 31st December, 2019. The total sales of Shito contributed 39.4% of total sales in 2019. Groundnut Paste/Roasted stands at 25.3%, Ginger Garlic Paste shows 28.7% and Kpakpo Shito at 6.6%.

Operational Reforms

Mr. Chairman, distinguish shareholders, Ladies and gentlemen, Samba foods Limited identifies the need for good corporate governance as a means of achieving organizational goals and satisfying the need of shareholders. In line with this, the company has pursued to comply with all statutory requirements and best practices to protect the environment and its employees, and tried to improve shareholders value in the process. The company adopts both medium and long term growth strategies in order to achieve its goals. The use of modern technology and continued to research to improve and develop new products to satisfy the needs of changing customer and consumer needs. We have also employed a professional accountant and adopted best standard accounting practices to facilitate transparency and accountability. We also employed and formed a marketing team to develop marketing strategies and tap into the underserved and unserved market. A group of expertise in mechanical and electrical engineers were also engaged on par time bases to report on status of equipment and run a maintain schedule for the smooth running of equipment. Quality Assurance Officers were engaged to also handle the standards of operations at the factory.

Mr. Chairman, fellow Board members, shareholders, ladies and gentlemen, we had our Chief Operating Officer (Mr. Pravin Amin) also resigning from post as the C.O.O of the company.

There has been change in the organization chart to allow a smooth flow of communication at the working environment.

Managing Director's Review

STATUS OF CLIENTS

On our clientele front, we initiated a campaign at the last quarter of the year to reach out for more corporate entities to build up our clientele base apart from KFC. We were able to add up other international brands like Simbisa Brands of South Africa (Pizza Inn and Chicken Inn), Grill'd Restaurant and The Counter Custom Beggar.

OUTLOOK

Mr. Chairman, Cherished Shareholders, Ladies and gentlemen, we look forward to strengthen monetary fundamentals in the year ahead as Government embarks on its financial restraint. We are also very optimistic about the future and anticipate strong financial performance in 2020 as we set the right priorities and focusing on implementation.

The Management and Employees are mindful of the opportunities and challenges in the ensuing years in achieving the said goals and we are committed to steering your Company to accomplish such tasked for the benefit of all stakeholders.

The company won several awards in the course of the year under review, reflective of an acknowledgment for its vital contribution to building the economy of Ghana. Below is the list of such awards received:

- 1. **Best Food Brand of the year** Ghana Leadership Awards 2019
- 2. Best Manufacturing Business of the Year Ghana Leadership Awards 2019

In conclusion, the Management of Samba Foods Limited will like to express our deepest gratitude to the Shareholders, Board of Directors, All Staffs, Value Customers, Our Partners and the general Public for their continued support and patronage over the years.

I am as well very grateful to all my colleague Board Members for their exemplary support and encouragement I always receive from them. Thank you very much.

Thank you and God Richly bless us all.

Dr. Mrs. Leticia Osafo-Addo



Directors Annual 2019 REPORT



Report of the Directors

In accordance with the requirements of Section 132 of the Companies Act, 1963, (Act 179), the Directors are presenting the report of the Company for the year ended December 31, 2019.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The Directors are responsible for the preparation of financial statements for each financial year which gives a true and fair view of the state of affairs of the company and of the profit or loss and cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and then applied consistently, made judgements and estimates that reasonable and prudent and followed International Financial Reporting Standards (IFRS) and the requirements of the Companies Code, 1963, (Act 179)

The Directors are responsible for ensuring that the company keeps proper accounting records that disclose with reasonable accuracy, at any time, the financial position of the company. The Directors are also responsible for safeguarding the assets of the of the company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

Food Processing
Producers of Spices
Import and Export Services
Exporters of Processed Foods
Farming

FINANCIAL RESULTS

The results of the company are set out in the financials. The Company recorded a net loss after tax of GH¢ 200,300 as against a net loss of GH¢ 347,641 in 2018.

DIRECTORS

Mr. Charles Darko Dr. Mrs. Leticia Osafo - Addo Mr. Kwame Osafo - Addo Miss Awo Dede Osafo - Addo Mr. Matthias Rogers-Akpatah Mr. Thomas Gyabaah

By Order of the Board

Name: Charles Tetteh Darko Name: Leticia Osafo - Addo

Signed: Signed: Signed:



2019 - 2020

Report of the Independent Auditor to Members

Of Samba Foods Limited

OPINION

We have audited the financial statements of Samba Foods Limited (the Company), which comprise the statement of financial position as at December 31, 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes as set out on pages 11 to 31. In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Company as at December 31, 2019, and (of) its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by The Companies Act 1963 (Act 179) and any other relevant local legislation.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and in the manner required by The Companies Act 1963 (Act 179) and any other relevant local legislation, and for such internal control as The Board of Directors determine is 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 Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless The Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process. 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.

Report of the Independent Auditor to Members

Of Samba Foods Limited

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 misstatement, whether due to fraud or error, and to issue anauditor'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, individually 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 judgment 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 risks, and obtain audit evidence that is sufficient and appropriate 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 appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by The Board of Directors.
- Conclude on the appropriateness of The Board of 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 Company'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 the date of our auditor's report. However, future events or conditions may cause the Company 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 represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with The Board of 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 identify during our audit.

We also provide The Board of 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 safeguards.

Report of the Independent Auditor to Members

Of Samba Foods Limited

From the matters communicated with The Board of 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 public interest benefits of such communication".

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The Companies Act 1963 (Act 179) requires that in carrying out our audit 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 account have been kept by the Company, so far as it appears from our examination of those books; and
- iii. the balance sheet (statement of financial position) and profit or loss (statement of profit or loss and other comprehensive income) of the Company is in agreement with the books of accounts.

Signed by: Arnold Tetteh Okai (ICAG/P/1077)
For and on Behalf of:
IAKO CONSULT (ICAG/F/2019/003)
CHARTERED ACCOUNTANTS
32 Samora Machel Road, Asylum Down

P. O. Box TN 617

Accra

Date.....



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FINANCIAL HIGHLIGHTS

For the year ended 31 December 2019

Samba Foods Limited Financial Statements

For the year ended 31 December 2019

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2019 GH¢	2018 GH¢
Income	4	559,965	342,020
Direct Expenses	5	376,516	239,804
Gross Profit/(Loss)		181,449	102,216
Other Income	8	-	-
Administrative Expenses	6	184,881	265,531
Depreciation and Amortization	10	194,790	171,417
Finance Charges	7	1,185	572
Net Profit/(Loss) Before Taxation		199,407	335,304
Tax Expense	11a	893	12,337
Net Profit/(Loss) After Taxation		200,300	347,641

Statement Of Financial Position

AS AT 31 DECEMBER 2019

Assets	Notes	2019 GH¢	2018 GH¢
Non-Current Assets	10	0 470 001	0 (01 0 (5
Plant, Properties & Equipment	10	3,473,801	3,621,845
Intangible Assets	9	23,372	46,745
		3,497,173	3,668,590
Current Assets	10	410.052	2.40.400
Inventories	12	418,853	349,489
Loans and Receivables	13	95,720	51,813
Taxation	11	27,395	27,395
Cash & Bank	14	12,268	17,177
		554,236	445,874
Total Assets		4,051,409	4,114,464
EQUITY AND LIABILITIES		2,750,498	2,750,498
Equity		(2, 343,928)	(2,143,628)
Stated Capital	15	2,222,559	2,222,559
Income Surplus	. •	2,629,129	2,829,429
Revaluation Surplus		, .	
		91,038	5,638
Current Liabilities		475,731	424,779
Accounts Payable	16	566,769	430,417
Other Payables	17		,
onion ayables	.,		
		703,758	702,865
Non-Current Liabilities		151,753	151,753
Deferred Tax Liabilities	11	855,511	854,618
Term Loan	18	4,051,409	4,114,464
101111 20011	10	1,221,101	.,,,

The Board of Directors approved these financial statements on

DIRECTOR

DIRECTOR

Statement of Cash Flows

AS AT 31 DECEMBER 2019

Notes	2019 GH¢	2018 GH¢
Operating activities	(200,300)	(335,304)
Loss from operations	(200,300)	(333,304)
Adjustments for:		
Depreciation and Amortization	171417	171,517
Decrease / (Increase) in Inventories	(69,364)	(64,145)
Decrease / (increase) in receivables	(43,907)	303,723
(Decrease) / increase in payables	136,352	213,249
Deferred Tax		289,040
Net cash generated from operating activities	(4,909)	289,040
Taxation		_
Tax Paid	-	_
Cash flow included in investing activities:		
Purchase of PPE	_	(293,441)
Intangible Assets	-	-
Net cash from investing activities	-	(293,441)
Cash flows from financing activities		
Increase in Stated Capital	-	-
Medium Term Loans	-	-
Shareholders Advance	-	-
Net cash used in financing activities	-	_
Net increase/ (decrease) in cash and cash equivalents	(4,909)	(4,501)
Cash and cash equivalents at beginning of year	17,177	21,678
Cash and cash equivalents at end of year	12,268	17,177
<u> </u>		

Statement of Changes in Equity

AS AT 31 DECEMBER 2019

	Stated Capital	Income Surplus	Revaluation Surplus	Total
At the beginning of the year	(2,750,498)	(2,143,628)	2,222,559	2,829,429
Increased Stated Capital Profit/(Loss) for the period	-	200300	- -	_
Year Ended 31 December 2019	2,750,498	2,343,928	2,222,559	200300
				2,629,129
At the beginning of the year	2,750,498	1,795,987	2,222,559	3,177,070
Increased Stated Capital Profit/(Loss) for the period	-	347,641	-	347,641
Year Ended 31 December 2018	2,750,498	2,143,628	2,222,559	2,829,429

Notes to the Financial Statements

For the year ended 31 December 2019

1.0 CORPORATE INFORMATION

NATURE OF COMPANY

Samba Foods is a limited liability company incorporated in Ghana under the Companies Code 1963, Act 179. The company is domiciled in Ghana with its registered office at **West Coast Dyeing Industries Compound**, **Heavy Industrial Area**, **Tema**.

The company is authorized and licensed by the Ghana Stock Exchange to trade on the stock exchange. The Registrar of Companies also accords the company the legal and regulatory mandate to undertake the following:

- i. Food Processing
- ii. Producers of Spices
- iii. Farming
- iv. Exporters of Processed Foods

Authorization for Publication

Judgments and Estimates

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

The estimates and the underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates is 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 judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the note 3.

For the year ended 31 December 2019

New Standards and Interpretations not yet adopted

Amendments/Improvements

IFRS 17 Insurance Contracts

Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. [IFRS 17:1]

Effective Date

Effective for annual periods beginning on or after 1

January 2021

IFRS 17 replaces the following standard:

FRS 4nsuranceontracts

IFRS 17

IFRS 17 Insurance Contracts establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. [IFRS 17:1]

Scope

An entity shall apply IFRS 17 *Insurance Contracts* to: [IFRS 17:3] Insurance contracts, including reinsurance contracts, it issues;

- i. Reinsurance contracts it holds; and
- ii. Investment contracts with discretionary participation features it issues, provided the entity also issues insurance contracts.

Some contracts meet the definition of an insurance contract but have as their primary purpose the provision of services for a fixed fee. Such issued contracts are in the scope of the standard, unless an entity chooses to apply to them IFRS 15 Revenue from Contracts with Customers and provided the following conditions are met: [IFRS 17:8]

For the year ended 31 December 2019

- a) The entity does not reflect an assessment of the risk associated with an individual customer in setting the price of the contract with that customer;
- b) the contract compensates the customer by providing a service, rather than by making cash payments to the customer; and
- c) the insurance risk transferred by the contract arises primarily from the customer's use of services rather than from uncertainty over the cost of those services.

2.0 ACCOUNTING POLICIES

BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for sale financial assets and financial assets and financial liabilities (including derivatives instruments) at fair value through profit or loss.

Significant Accounting Estimates, Assumptions & Judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policy. Key areas in which judgment is applied include:

Statement of Compliance

These financial statements of Samba Foods Limited have been prepared in accordance with International Financial reporting Standards (IFRS) IFRS 1, First—Time Adoption of International Financial Reporting Standards, has been applied in preparing these financial statements. This is in conformity with the directives of the Institute of Chartered Accountants (ICAG) in collaboration with other regulatory bodies like Ghana Stock Exchange.

Segmental Reporting

The Company is only operating business in Ghana and therefore subject to only one geographical and economic condition. It therefore has no reporting segment and not necessary to prepare additional segment information as per IAS 14. The Company is not yet organized to support segment reporting as per IFRS 8 which has not been earlier adopted.

Functional and Presentation Currency

The financial statements are presented in Ghana Cedis, which is the Company's functional and presentation currency.

Foreign currencies

Foreign currency transactions are recorded in the functional currency using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are restated into the

For the year ended 31 December 2019

assets and liabilities denominated in foreign currencies are restated into the functional currency at rate of exchange ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the restatement of monetary assets and liabilities denominated in foreign currencies at year end are recognized in the income statement under the heading "other operating income or "other operating expenses".

The effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the cash flow statements as part of the reconciliation of cash and cash equivalent at the beginning and end of the period. This amount is presented separately from cash flows from operating, investing and financing activities and includes the differences, if any, had those cash flows been reported at end of period exchange rates.

Property, Plant and Equipment

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 on a straight-line basis over the anticipated useful life of the asset. The depreciable amount related to each asset is determined as the difference between the cost and the residual value of the asset. The residual value is the estimated amount, net of disposal costs that the Company would currently obtain form the disposal of an asset in similar age and condition as expected at the end of the useful life of the asset. The current annual depreciation rates for each class of property, plant and equipment are as follows:

	%
Land	60 years lease
Computers	30
Factory Equipment	20
Motorvehicles	20
Office Equipment, Furniture & Fittings	15

Costs associated with routine servicing and maintenance of assets are expensed as incurred. Subsequent expenditure is only capitalized if it is probable that future economic benefits associated with the item will flow to the Company.

The carrying values of property and equipment are reviewed for indications of impairment annually, or when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

For the year ended 31 December 2019

Intangible assets

Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over 2 years.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

For the year ended 31 December 2019

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain the expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Contingent liabilities and contingent assets are not recognized in the financial statements but are disclosed.

Employee benefits - Social security & Provident Funds

The Company contributes to the national pension fund (defined contribution) governed by the Social Security & National Insurance Trust Fund law on behalf of employees. All employer contributions are charged to the income statement as incurred and are included under staff costs.

Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria are met before revenue is recognized.

Revenue Recognition

Revenue arises from the sale of goods and provision of services where these activities give rise to economic benefits received and receivable by the Company on its own account and result in increases in equity.

Sale of aoods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company and

For the year ended 31 December 2019

 The costs incurred or to be incurred in respect of thetransaction can be measured reliably.

Income tax

(a) Current income tax

Current income tax assets and liabilities for the current and prior period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

(b) Deferred income tax

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Revenues, expenses and assets are recognized net of the amount of values added tax except.

- Where the value added tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the value add tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable and
- Receivables and payables are stated with the amount of value added taxincluded.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

For the year ended 31 December 2019

(c) Value Added Tax (VAT)

Revenues, expenses and assets are recognized net of the amount of VAT except:

- (i). where the value added tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- (ii) Receivables and payables are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the Ghana Revenue Authority is included as part of receivables or payables in the statement of financial position.

Financial instruments – Initial recognition and subsequent measurement

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Available for Sale Assets

Available for sale financial assets are measures at fair value on the balance sheet, with gains and losses arising from changes in the fair value of investments recognized directly in equity, until the financial asset is either sold, becomes impaired or matures, at which time the cumulative gain or loss previously recognized in equity is recognized in the income statement. Interest calculated using the effective interest method is recognized in the income statement; dividends on available-for-sale equity instruments are recognized in the income statement when the Company's right to receive payment is established. Purchases and sales of securities and other financial assets are recognized on trade date, being the date that the Company is committed to purchase or sell an asset. If an available for sale instrument is determined to be impaired, the respective cumulative unrealized losses previously recognized in equity are included in the income statement in the period in which the impairment is identified. Impairment losses on available for sale equity instruments are reversed equity.

For the year ended 31 December 2019

Held-to-Maturity Assets

Held-to-maturity assets are non-derivative financial instruments with fixed or determinable payments and maturity dates. Financial assets including Government of Ghana Index linked bonds are securities that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity and are measured at amortized cost using the effective interest method, less impairment losses.

Loans and Receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows - bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the statement of financial position.

Financial Liabilities

Financial liabilities are classified as non-trading, held for trading or designated as held at fair value through profit and loss. Non-trading liabilities are recorded at amortized cost applying the effective interest method. Held for trading liabilities or liabilities designated as held at fair value through profit and loss, are accounted for as indicated above.

Determination of Fair Value of Financial Instruments

The fair value of a financial instrument traded in active markets at the balance sheet date is based on their quoted market price or dealer price quotations without any deduction of transaction costs. Where market prices are not available the Company establishes a fair value by using valuation techniques. These include the use of recent arm's-length transactions, reference to other instrument s that are substantially the same, discounted cash flow analysis and other valuation techniques commonly used by market participants. For private equity investments that are not publicly traded, management uses comparisons to similar companies, relevant third party

For the year ended 31 December 2019

arm's length transactions and other information specific to the investment.

Derecognition of Financial Assets and Liabilities

A financial asset or a portion thereof, is derecognized when the Company's rights to cash flows has expired; or when the Company has transferred its rights to cash flows relating to the financial assets, including the transfer of substantially all the risk and rewards associated with the financial assets or when control over the financial assets has passed.

A financial liability is derecognized when the obligation is discharged, cancelled or expired.

Impairment of Financial Assets

(a) Framework for impairing financial assets

At each balance sheet date, the Company assesses whether, as a result of one or more events occurring after initial recognition, there is objective evidence that a financial asset or group of financial assets has become impaired. Evidence of impairment may include indications that the borrower or group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, or the fact that the debt is being restructured to reduce the burden on the borrower.

Impairment provisions are recognized when there is objective evidence (such as significant financial difficulties on the part of the counter party or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognized within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

(c) Available-for-Sale Financial Assets

For available-for-sale financial investments, the Company assesses at each balance sheet date whether there is objective evidence that an investment or group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include significant or prolonged decline in the fair value of the investment below its cost. Where there is evidence of impairment, the

For the year ended 31 December 2019

cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the income statement) is removed from equity and recognized in income statement. Impairment losses on equity investments are not reversed through the same income statement. Increases in fair value after impairment are recognized directly in equity.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortized cost. Interest continues to be accrued at the original effective interest rate on the reduced carrying amount of the asset and is recorded as part of 'Interest and similar income. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the income statement.

Issued debt and equity financial instruments

Financial instruments issued by the Company are classified as liabilities if they contain an obligation to transfer economic benefits. Financial instruments issued by the Company are classified as equity where they confer on the holder a residual interest in the Company.

Cash and cash equivalents

Cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including: cash and non-restricted balances with bank, treasury bills and other eligible bills, loans and advances, amounts due from other companies and short-term government securities.

Dividend

Dividend declared is treated as an appropriation of profit in the year of approval while dividend proposed is disclosed as a note to the financial statements.

Trade payables

Trade payables are recognized initially at the transaction price and subsequently measured at amortized cost using the effective interest method.

Leasing

The company as a lessee

Operating leases relate to leases of building with lease terms of between 3 and 5 years. All operating lease contracts over 5 years contain clauses for 5-yearly market rental reviews. The company does not have an option to purchase the leased land at the expiry of the lease periods.

For the year ended 31 December 2019

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Placement

Placements are recognized initially at the transaction price (that is, the present value of cash payable to the bank, including transaction costs). Placements are subsequently stated at amortized cost. Interest expense is recognized on the basis of the effective interest method and is included in finance costs.

Placements are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

4. Income

	2019 GH¢	2018 GH¢
Sales	557,965	342,020
	557,965	342,020

5. Direct Cost

	2019	2018
	GH¢	GH¢
Opening Stock – Raw material	345,904	272,564
Purchases	65,221	217,851
Factory Wages	291,817	49,889
Overheads	88,842	36,209
Cost of Goods Produced	791,784	576,513
Add: Finished Goods b/f	3,585	12,780
Less: Raw Materials c/d	(401,082)	(345,904)
Less: Finished Goods c/d	(17,771)	(3,585)
	376,516	239,804

For the year ended 31 December 2019

6. Administrative Expenses

	2019 GH¢	2018 GH¢
Audit Fees Salaries Communication Marketing Expenses Travelling & Transport Printing & Stationery Medicals Vehicle Running Expenses Rent Electricity & Water Security Cleaning & Sanitation Meetings Insurance Listing Expenses Rates Rep. & Mtce - Office Equipment Registration & Licensing	17,000 69,396 1,210 3,334 21,308 3,785 1,856 37,353 1,498 7,441 0 1,761 1,547 1,850 4,000 0 8,843 2,699	17,000 166,725 4,224 395 16,123 2,223 2,776 22,810 5,980 3,643 - 1,724 2,598 2,547 4,000 - 1,578 5,435
	184,881	265,531

7. Financial Charges

	2019 GH¢	2018 GH¢
Interest Charges	-	-
Bank Charges	1,185	572
	1,185	572

8. Other Income

	2019 GH¢	2018 GH¢
Interest income	-	-
Vehicle Donation	_	<u>-</u>
	-	-

For the year ended 31 December 2019

9. Intangible Assets

	2019 GH¢	2018 GH¢
Balance Brought Forward Addition	116,864 -	116,864
	116,864	116,864
Amortization Current Charge	70,119 23,373	46,746 23,373
	93,492	70,119
	23,372	46,745

This relates to expenses incurred to put rented factory premises in Shape. The balance carried forward and any additions during the year is written off over the remaining live of the lease.

10. Property Plant and equipment

Cost	Leasehold Premises GH¢	Motor Vehicles GH¢	Office Equip & Furniture GH¢	Computers GH¢	Factory Equipment GH¢	Total GH¢
Cost 1/1/19 Revaluation Additions	2,494,767 - -	169,000 - -	160,115 - -	19,100 - -	1,772,300 - -	4,615,282 - -
Bal 31/12/19	2,494,767	169,000	160,115	19,100	1,772,300	4,615,282
Depreciation						
Cost 1/1/19	353,452	139,920	97,921	13,695	388,449	993,437
Charge for the Yr.	54,609	24,880	23,222	1,215	44,118	148,044
Bal 31/12/19	408,061	164,800	121,143	14,910	432,567	1,141,481
NBV 19	2,086,706	4,200	38,972	4,190	1,339,733	3,473,801

For the year ended 31 December 2019

Cost	Leasehold Premises GH¢	Motor Vehicles GH¢	Office Equip & Furniture GH¢	Computers GH¢	Factory Equipment GH¢	Total GH¢
Cost 1/1/18 Revaluation Additions	2,494,767 - -	169,000 - -	160,115 - -	19,100 - -	1,772,300 - -	4,615,282 - -
Bal 31/12/18	2,494,767	169,000	160,115	19,100	1,772,300	4,615,282
Depreciation						
Cost 1/1/18	298,843	115,040	74,699	12,480	344,331	845,393
Charge for the Yr.	54,609	24,880	23,222	1,215	44,118	148,044
Bal 31/12/18	353,452	139,920	97,921	13,695	388,449	993,437
NBV 18	2,141,315	29,080	62,194	5,405	1,383,851	3,621,845

11a. INCOME TAX EXPENSE

	2019 GH¢	2018 GH¢
Current Income Tax Deferred Tax	- (893)	- (12,337)
	(893)	(12,337)

Deferred Tax

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 25% (2018: 25%). The movement on the deferred income tax account is as follows:

11b. DEFERRED TAX Asset/(Liability)

	2019 GH¢	2018 GH¢
At start of year Income statement credit/(charge)	702,865 893	690,528 12,337
Balance at December 31	703,758	702,865

For the year ended 31 December 2019

11c. Corporate Tax

Year of Assessment	Balance B/Fwd GH¢	Tax Charged / Adjustments GH¢	Tax paid GH¢	Tax Outstanding
2014 2015 2016 2017	11,753 7,495 23,005 27,395	8,183 - - -	3,925 15,510 4,390	7,495 23,005 27,395 27,395
2017 2018 2019	27,395 27,395 27,395	- -	- -	27,395 27,395

12. Inventories

Raw Materials	2019 GH¢	2018 GH¢
Packaging Materials Trading	13,581 387,502 17,771	3,124 342,780 3,585
	418,854	349,489

13. Loan and Receivables

	2019 GH¢	2018 GH¢
Raw Materials Packaging Materials Trading	95,720 - -	51,813 - -
	95,720	51,813

For the year ended 31 December 2019

14. Cash and Bank

	2019 GH¢	2018 GH¢
Unibank Zenith Bank GHC Zenith Bank USD Zenith Fixed Deposit Cash on Hand	2,862 220 - 9,186	27 17,150 - - -
	12,268	17,177

15. Stated Capital Authorized Shares

		2019 GH¢	2018 GH¢
1,000,000,000 Ordinary Shares Issued Shares	No. of shares		
Equity Contribution	5,976,053	2,750,498	2,750,498
Total	5,976,053	2,750,498	2,750,498

16. Accounts Payables

	2019 GH¢	2018 GH¢
Creditors Statutory	26,515 64,523	5,638 -
	91,038	5,638

For the year ended 31 December 2019

17. Other Payables

Audit Fees Salaries	2019 GH¢	2018 GH¢
Rent Sundry Expenses Directors	45,000 328,900 5,122 28,649 68,060	34,000 331,406 5,122 - 54,251 54,251
	475,731	424,779

18. Medium Term Loans

Lender	Balance as at Jan 1 2019 GH¢	Addition / Adjustments GH¢	Payments GH¢	Balance as at 31 Dec 2019
Venture Capital MOFA / ADB Loan	91,753 60,000	- -	- -	91,753 60,000
	151,753	-	-	151,753

MOFA relates to the cost of importing factory equipment.

19. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both.

The Company's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Company. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2019

Key management compensation

The compensation paid or payable to key management for employee services is shown below:

	2019 GH¢	2018 GH¢
Total key management compensation	162,150	69,381

20. Financial Risk Management

The company has exposure to the following risks from its use of financial instruments:

Credit risk

Liquidity risk

Market risk

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

Risk Management Framework

The Board of Directors has overall for the establishment and oversight of the company's risk management framework. The Board has established the Audit and Finance committee, which are responsible for developing and monitoring the company's risk management policies in their specified areas. The team includes selected members of executive management and report regularly to the Board of Directors on their activities.

The company's risk management policies are established to identify and analyze the risk faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market in conditions, products and services offered. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The company's Audit and Finance Committee is responsible for monitoring compliance with the company's risk management policies and procedures, and for reviewing the adequacy of risky management framework in relation to the risks faced by the company. This committee is assisted in these functions by a risk management structure in all the units of the company which ensures a consistent assessment of risk management control and procedures.

For the year ended 31 December 2019

Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers.

Allowances for Impairment

The company establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of risk and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for homogenous assets in respect of losses that have been incurred but not yet been identified. The collective loss allowance is determined based on historical data of payment for similar assets.

Liquidity Risk

Liquidity risk is the risk that the company either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access them only at excessive cost. The company's approach to managing liquidity is to ensure that it will maintain adequate liquidity to meet its liabilities when due.

Market Risks

Market risk is the risk that changes in the money and capital market such as interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control. Market risk exposures within acceptable parameters, while optimising the return on investments.

Foreign Currency Risk

The company is not exposed to currency risk as there are no transactions and balances denominated in currencies other than the functional currency

Operational Risk

Operational risk is the exposure to financial or other damage arising through unforeseen events or failure in operational processes and systems. Examples include inadequate controls and procedures, human error, deliberate malicious acts including fraud and business interruption. These risks are controlled and monitored through system controls, segregation of duties, exception and exposure reporting, business

21. Fair Values

Fair values versus carrying amounts

For the year ended 31 December 2019

The fair values of financial assets and liabilities together with carrying amount shown in the balance sheet are as follows

Assets	31 December 2019Carrying Amount GH¢	Fair Value GH¢	31 December 2018 Carrying Amount GH¢	Fair Value GH¢
Inventories Loans and Receivables Cash & Bank	418,853 95,720 12,268	418,853 95,720 12,268	349,489 51,813 17,177	349,489 51,813 17,177
	526,841	526,841	418,479	418,479
Liabilities Account Payables Other Payables Term Loan	91,038 475,731 151,753	91,038 475,731 151,753	5,638 424,779 151,753	5,638 424,779 151,753
	718,522	718,522	582,170	582,170

22. Event after the reporting period

No significant event occurred after the end of the reporting date which is likely to affect these financial statements.

23. Commitments

There were no commitments capital expenditure at the balance sheet date as at 31 December 2019

Financial Transparency and Information Disclosure

1. Objectives of the Company:

To resolve Post Harvest losses and Food Securities Issues in the country.

2. Board's responsibilities regarding financial communications:

The Board recognizes the importance of two-way communication with the Company's shareholders. The Chair, and the CEO, meet regularly with major shareholders and report the views of such shareholders to the Board. As well as the Company giving a balanced report of financial results and progress at each AGM, all shareholders have an opportunity to ask questions in person.

There is no decision making process for approving transactions with related parties

For the year ended 31 December 2019

Auditing

4. Internal control systems.

The Board is responsible for maintaining a sound system of risk management and internal control, and for regularly reviewing its effectiveness. It has delegated authority to the Audit Committee to assist it in fulfilling its responsibilities in relation to internal control and financial reporting.

The Board confirms that there is a robust process for identifying, evaluating and managing the principal risks to the achievement of Samba Food's objectives. This has been in place throughout 2019 and up to the date of this Report and is regularly reviewed by the Board and accords with the Internal Control.

5. Process for appointment of external auditors

The procedure for the selection and appointment of external auditor is based on the following framework:

- (i) The Board is responsible for appointing the external auditor, subject to shareholder approval;
- (ii) If the role of external auditor becomes vacant, or if the Audit and Risk Committee otherwise considers it appropriate to do so, the Audit and Risk Committee will conduct a formal selective tendering process. Tenders will be evaluated in accordance with established criteria as appropriate at the time;
- (iii) The Committee shall ensure that prospective auditors are provided with sufficient information about the Company to develop an appropriate proposal and fee estimate;
- (iv) Once the review process has taken place the Audit and Risk Committee provides the Board with information concerning the process adopted in undertaking the review, the recommended external auditor and the reasons for the recommendation;
- 6. Process for interaction with external auditors.
- (i) Upon engagement, the external auditor will report to the Audit & Risk Committee, have unfettered access to management, staff, records, company facilities and will be permitted reasonable time to conduct its audit; and
- (ii) The Audit and Risk Committee will annually review the external auditor's performance and independence.

For the year ended 31 December 2019

7. Duration of current auditors.

5 yrs. Since 2014

8. Auditors' involvement in non-audit work and the fees paid to the auditors.
Our Auditors are not involved in non-audit work. The external auditor services are limited to the statutory audit

Corporate Responsibilities and Compliance

9. Policy and performance in connection with environmental and social responsibility.

The company does have a Corporate Social Responsibilities Policy. But no CSR activity was conducted in 2016 because the operating performance of the company has not been positive.

10. A Code of Ethics for all company employees.

Directors, officers, employees and contract staff are required to comply with the Company Code of Conduct, which is intended to help them put Company's business principles into practice. This code clarifies the basic rules and standards they are expected to follow and the behaviour expected of them.

Code of ethics is part of the employee hand book. All employees have a hand book for ease of reference

We strive to maintain a healthy industrial relations environment in which dialogue between management and employees – both directly and, where appropriate, through employee representative bodies – is embedded in our work practices. On a quarterly basis, management briefs employees on our operational and financial results through various channels, including team meetings, face-to-face gatherings, an and email from the Chief Executive Officer.

Strong employee engagement is especially significant in maintaining strong business delivery in times of great change. We promote safe reporting of views about our processes and practices.

11. Code of Ethics for the Board and waivers to the ethics code.

For the year ended 31 December 2019

Members of the Board of Directors are committed to observing and promoting the highest standards of ethical conduct in the performance of their responsibilities on the board. Board members pledge to accept this code as a minimum guideline for ethical conduct and shall:

Accountability

- 1. Faithfully abide by the company regulations, by-laws and policies of Samba Foods.
- 2. Exercise reasonable care, good faith and due diligence in organizational affairs.
- 3. Fully disclose, at the earliest opportunity, in formation that may result in a perceived for actual conflict of interest.
- 4. Fully disclose, at the earliest opportunity, information of fact that would have significance in board decision-making.
- 5. Remain accountable for prudent fiscal management to association members, the board, and where applicable, to government and Professional Excellence.
- 6. Maintain a professional level of courtesy, respect, and objectivity in all {Name of Organization} activities.
- 7. Strive to uphold those practices and assist members of the board in upholding the highest standards of conduct.

Board and Management Structure and Process

- 12. Risk management objectives, system and activities Objectives
 - To identify and prioritise potential risk events
 - Help develop risk management strategies and risk management plans
 - Use established risk management methods, tools and techniques to assist
 - in the analysis and reporting of identified risk events
 - Find ways to identify and evaluate risks
 - Develop strategies and plans for lasting risk management strategies

Management has overall responsibility for the management of risks, and for the implementation and maintenance of control systems in accordance with the Board's policies. Specifically, divisional heads are responsible for ensuring that a process for creating risk awareness exists throughout the division. The divisional heads are responsible for all aspects of the operations in their divisions, including operational risk management and risk minimization.

For the year ended 31 December 2019

Accountability for managing risks is clearly assigned to divisional heads. Also Divisional heads do understand the risks associated with providing services and be able to assess and control these risks.

13. Types and duties of outside board and management positions.

Charles Darko - Executive Director (Reipco Industries)

Leticia Osafo-Addo - Managing Director (Samba Food)

Kwame Osafo-Addo - (Managing Director-Kwame Law LLC-Minnesota)

Awo Osafo-Addo - (Scientist-Yale University-Connecticut)

Matthias Rogers-Akpatah - (Professional Insurer - Prime Insurance Co.)

Thomas Gyabaah - (Accountant – Prime Insurance Company)

- 14. Number of outside board and management positions held by the directors.
- 15. Qualifications and biographical information on board members.
- 16. Professional development and training activities.

NONE

17. Composition of board of directors (executives and non-executives).

Charles Darko - Chairman - Non Executive

Leticia Osafo-Addo - Managing Director - Executive

Kwame Osafo-Addo - Director - Non Executive

Awo Osafo-Addo - Director - Non Executive

Matthias Rogers-Akpatah - Director - Non Executive

Thomas Gyabaah - Director - Non Executive

Performance evaluation process
 NO

19. Role and functions of the board of directors and committees of the board.



For the year ended 31 December 2019

ROLE OF DIRECTORS

The roles of the Chair, a non-executive role, and the CEO are separate, and the Board has agreed their respective responsibilities. The Chair is responsible for the leadership and management of the Board and for ensuring that the Board and its committees function effectively. One way in which this is achieved is by ensuring Directors receive accurate, timely and clear information.

The CEO bears overall responsibility for the implementation of the strategy agreed by the Board, the operational management of the Company and the business enterprises connected with it. He is supported in this by the Executive Committee which he chairs.

NON-EXECUTIVE DIRECTORS

Non-executive Directors are appointed by the Board or by shareholders at general meetings and, in accordance with the Code. Upon appointment, Nonexecutive Directors confirm they are able to allocate sufficient time to meet the expectations of the role.

The Non-Executive Directors bring a wide range and balance of skills and experience to the Company. Through their contribution to Board meetings and to Board committee meetings, they are expected to challenge constructively and help develop proposals on strategy and bring independent judgement on issues of performance and risk.

The Board recognises its collective responsibility for the long-term success of the Company. This includes: overall strategy and management; corporate structure and capital structure; financial reporting and control, oversight and review of risk management and internal control; significant contracts; and succession planning and new Board appointments.

20. Existence of procedure(s) for addressing conflicts of interest among board members.

CONFLICTS OF INTEREST

Certain statutory duties with respect to directors' conflicts of interest are in force under the Companies Act 1963 (the Act). In accordance with the Act and the regulations, the Board may authorise any matter that otherwise may involve any of the Directors breaching their duty to avoid conflicts of interest.

The Board has adopted a procedure to address these requirements. It includes the Directors completing detailed conflict of interest questionnaires. The matters disclosed in the questionnaires are reviewed by the Board and, if considered appropriate, authorised in accordance with the Act and the

For the year ended 31 December 2019

Regulations. Conflicts of interest as well as any gifts and hospitality receive by and provided by Directors are kept under review by the Board.

21. Independence of the board of directors.

All the Non-Executive Directors are considered by the Board to be wholly independent.

- 22. Determination and composition of directors' remuneration
- 23. Checks and balances" mechanisms balancing the power of the CEO with the power of the board. The roles of the Chair, a non-executive role, and the CEO are separate, and the Board has agreed their respective responsibilities. The Chair is responsible for the leadership and management of the Board and for ensuring that the Board and its committees function effectively. One way in which this is achieved is by ensuring Directors receive accurate, timely and clear information. The CEO bears overall responsibility for the implementation of the strategy agreed by the Board, the operational management of the Company and the business enterprises connected with it. He is supported in this by the Executive Committee which he chairs. The Management Committee operates under the direction of the CEO in support of his responsibility for the overall management of the Company's business. The CEO has final authority in all matters of management that are not within the duties and authorities of the Board or of the shareholders' general meeting.

Proxy/Authorisation Form

<u>l/We</u>				
being	g a memb	er/members of Samba Food	ds Limited hereby appoint	
beho	alf at the		eeting as my / our Proxy to vote on my/ou of the Company to be held on Thursdo nereof.	
The A	nnual Ge	neral Meeting hereby resolv	es the following:	
To re			Directors and Auditors together with th cember 31,2019 thereon.	ıe
INTRO		I OF NEW SHAREHOLDERS urance Company Limited		
b. I.		the following Executive Boar hias Rogers-Akpatah	rd members	
ii.	Mr. Thom	nas Gyabaah		
The c the audi		on by Members for the Direc	ctors to appoint and fix the remuneration o	of
Date	d this	dayof	2020	
Share	eholder's S	ignature:		
		<u>a</u>		

NOTE:

Before sending the attached form, please tear off this part and keep it. A member who is unable to attend the Meeting is allowed to vote by proxy through online participation. The attached form has been designed to enable you to appoint a proxy. You may insert in the blank space on the form the name of any person (whether a Member of the Company or not) who will attend the Meeting and vote on your behalf by online participation.

However, to ensure that someone will be present at the Meeting to act as your proxy by online participation, the Chairman of the Meeting has been inserted as your proxy if the named person is unable to attend the Meeting by online participation. Please complete, sign and send the proxy form so that it reaches the address indicated 4 not later than 48 hours before the commencement time of the Meeting.

Achievement Awards













































