

DANNEX AYRTON STARWIN PLC



UN-AUDITED STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021

	12/31/2021 GHC	12/31/2020 GHC	
Non current assets			
Property, plant and equipment	21,310,684	21,221,854	-
Intangible	200,445	395,229	-
Investment	2,416,650	2,416,650	-
	<u>23,927,779</u>	<u>24,033,733</u>	
Current assets			
Inventories	17,625,194	13,645,581	-
Trade and other receivable	14,778,348	12,495,296	-
Amount due from Related Party		-	-
Cash and bank	8,783,823	(1,218,354)	-
Total Current Assets	<u>41,187,365</u>	<u>24,922,523</u>	
Total Assets	<u>65,115,144</u>	<u>48,956,256</u>	
Equity and liabilities			
Equity			
Issued capital	33,058,701	33,058,701	-
Fair Value Reserve	184,405		-
Other capital reserve	2,792,215	505,503	-
Income surplus	(25,719,584)	(26,778,766)	-
	<u>10,315,737</u>	<u>6,785,438</u>	
Non-current liabilities			
Deferred tax	815,463	815,463	-
Longterm Borrowing	19,020,733	7,048,516	-
	<u>19,836,197</u>	<u>7,863,979</u>	
Current liabilities			
Trade and other payable	16,044,167	18,088,452	-
Amount due to Related Party		-	-
Income tax payable	(767,537)	761,181	-
Short term borrowings	19,686,580	15,457,206	-
Total Liabilities	<u>34,963,210</u>	<u>34,306,838</u>	
Total Equity and liabilities	<u>65,115,144</u>	<u>48,956,256</u>	

Director
Daniel Apegyei Kissi

Director
Nik Amarteifio

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UN-AUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2021

	12/31/2021 GHC	12/31/2020 GHC
Revenue	74,524,088	65,917,358
Cost of sales	(36,425,653)	(36,631,937)
Gross profit	38,098,435	29,285,421
Other income	617,108	420,829
Selling and distribution costs	(10,031,410)	(6,160,333)
General and administrative cost	(23,855,416)	(25,362,345)
Operating Profit/(loss)	4,828,717	(1,816,428)
Finance income		
Finance costs	(3,610,024)	(3,215,031)
Profit/(loss) before tax	1,218,693	(5,031,459)
Income tax expense	-	(126,966)
Profit/(loss) after tax	1,218,693	(5,158,425)
Other Comprehensive Income		
Re-measurement of defined benefit liability	2,471,117	245,873.00
Related tax	-	-
Changes in fair value of investments	-	488,881.00
Tax on other Investment	-	(229,251.00)
Other comprehensive income for the period net of tax	2,471,117	505,503
Total Comprehensive Income for the period	3,689,810	(4,652,922)
Earnings per share	0.0144	(0.0609)
Diluted earnings per share	0.0144	(0.0609)

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UN-AUDITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2021

	12/31/2021	12/31/2020
	GHC	GHC
OPERATING ACTIVITIES		
Operating (loss)/profit before tax	1,218,693	(5,031,459)
Depreciation and amortisation	2,067,992	1,924,361
Profit / loss on disposal	(100,797)	(93,028)
Actuarial Gains	2,311,605	-
Interest expense	3,610,024	3,215,031
Operating cash flow before working capital changes:	9,107,517	14,904
(Increase)/Decrease in inventories	(3,979,613)	1,799,951
(Increase)/Decrease in trade and other accounts receivable	(2,283,052)	267,983
Increase/(Decrease) in trade and other accounts payable	(2,044,285)	1,905,445
Operating cash flow before interest and tax	800,568	3,988,283
Interest received		
Interest paid	(3,610,024)	(3,215,031)
Income tax paid	(1,528,717)	(1,580,483)
Net cash flows from operating activities	(4,338,173)	(807,230)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,838,976)	(2,025,942)
Purchase of intangible asset	(125,024)	-
Proceeds from disposal	102,759	83,350
Net cash flows used in investing activities	(1,861,241)	(1,942,592)
FINANCING ACTIVITIES		
Dividends paid to equity holders		
Net receipts/(Payment) from borrowings	1,895,872	(1,297,756)
Medium Term Loan	29,762,925	8,245,683
Net cash flows used in financing activities	31,658,797	6,947,927
Net decrease in cash and cash equivalents	25,459,383	4,198,104
Cash and cash equivalents at beginning	(16,675,560)	(9,189,800)
Cash and cash equivalents at close	8,783,823	(4,991,696)

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UN-AUDITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2021

	Share Capital GH¢'000	Retained Earnings GH¢'000	Fair Valur Reserve GH¢'000	Other Reserve GH¢'000	Total GH¢'000
2021					
At 1 Jan 2021	33,058,701	(26,778,766)	184,405	321,098	6,785,438
Profit/(Loss) for the period		1,218,693	-	2,471,117	3,689,810
Reversal during the period		(159,512)			(159,512)
At 31st December 2021	33,058,701	(25,719,584)	184,405	2,792,215	10,315,737
2020					
At 1 Dec 2019	33,058,701	(20,810,641)	-	-	12,248,060
Profit/(Loss) for the period		(3,181,676)			(3,181,676)
Reversal during the period					-
At 31st December 2020	33,058,701	(23,992,317)	-	-	9,066,383

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021

1 Corporate information

Dannex Ayrton Starwin PLC is a company registered and incorporated in Ghana under the Companies Act, 2019 (Act 922) as a limited liability company whose shares are publicly traded. The registered office is located at 5 Dadeban Road (W3), Ring Road North Industrial Area in Accra.

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

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, 2019 (Act 922). 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.

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

	%
Leasehold land	Over the lease term
Factory buildings	2-3
Plant and equipment	13.33-20
Laboratory, equipment and furniture	10 - 20
Office furniture and equipment	15 - 20
Motor vehicles and bicycles	20 - 25
Computer and accessories	25 - 33.3
Medical books	8.5
Costs associated with day-to-day servicing and maintenance of assets is expensed as incurred	

2.5 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

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021

2.6 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.

2.7 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.

2.8 Provident Fund

Employees contribute a minimum of 10% of their basic salary and the employer contributes the 6.5% in to provident fund. This is a defined Contribution Scheme.

2.9 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.

3 Comparative information

3.1 The company began operations in December 2019 therefore the 2020 comparative figures is from December 2019 to September 2020