

*SOLAR NITRO GHANA LIMITED*

*REPORT AND STATEMENT OF AFFAIRS FOR THE YEAR  
ENDED 31ST MARCH 2019*

*OSEI KWABENA & ASSOCIATES  
(CHARTERED ACCOUNTANTS)  
KINGSMAN AUTO GARAGES,  
OPPOSITE LETAP JEWELRY  
GRAPHIC ROAD  
SOUTH INDUSTRIAL AREA, ACCRA  
P. O. BOX 10276  
ACCRA-NORTH*

*SOLAR NITRO GHANA LIMITED*

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**SOLAR NITRO GHANA LIMITED**  
**DIRECTORS, OFFICIALS AND REGISTERED OFFICES:**

**DIRECTORS:** Francis Decker  
Milind Bhalchand RA  
Suresh Parameshw Aran Menon

**SECRETARY AND** Trustee Services Limited

**REGISTERED OFFICE:** House No. 4  
Momotse Avenue  
P.O.Box GP. 1632  
Accra, Ghana

**AUDITORS:** Osei Kwabena & Associates  
(Chartered Accountants)  
Kingsman Auto Garages  
Opposite Letap Jewelry  
Graphic Road  
South Industrial Area, Accra  
P. O. Box 10276  
Accra-North

**BANKERS:** Standard Chartered Bank Limited,  
Ghana  
First National Bank

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SOLAR NITRO GHANA LIMITED  
REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED MARCH 31, 2019

1. The Directors have the pleasure in submitting their report together with the audited Statement of Affairs of SOLAR NITRO GHANA LIMITED for the year ended 31<sup>st</sup> March, 2019.

*Principal Activities*

The authorized business of the company is to:

- a. Manufacturing, assembling, packaging and sale of packaged and bulk commercial emulsion explosives
- b. Construction and operation of manufacturing plants and related facilities for use in the manufacture of bulk emulsion explosives
- c. Retailers and wholesalers of commercial explosives and explosives devices
- d. Exporters of commercial explosives and explosive devices
- e. Provision of mining support and quarrying services.

*Operational Results*

The company is yet to start operation and thus has no operational results for its financial year ended 31<sup>st</sup> March 2019, though it has incurred cost in the form of registration and license, legal professional and audit fees and some administrative expenses since its incorporation on the 22<sup>nd</sup> December, 2017 to 31<sup>st</sup> March, 2019 (Refer to note 10) on page 11.

*Auditors*

2. In accordance with Section 134 (5) of the Companies Act 1963, Messrs Osei Kwabena & Associates will continue in office as auditors of the company.

*Statement of Directors' Responsibilities*

The Ghana Companies Act, 1963 (ACT 179) requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and its Income Statement for the year.

*In preparing the financial statements, the Directors are required to:*

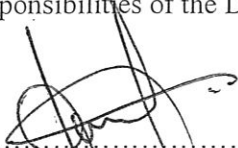
Select suitable accounting policies and apply them consistently.

Make judgements and estimates that are reasonable and prudent.

State whether applicable accounting standards have been followed, subject to any material departures, disclosed and explained in the financial statements.

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 and which enables them to ensure that the financial statements comply with the Companies Act 1963, (ACT 179). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The above statement which should be read in conjunction with the report of the Auditors, which is set out on page 4 and 5, is made with the view to distinguishing for shareholders the respective responsibilities of the Directors and the Auditors in relation to the financial statements.

  
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DIRECTOR

  
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DIRECTOR

**SOLAR NITRO GHANA LIMITED**  
**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF SOLAR NITRO GHANA LIMITED**  
**FOR THE YEAR ENDED MARCH 31, 2019**

*Report on the Audit of the Statement of Affairs*

*Opinion*

In our opinion, the accompanying statement of affairs gives a true and fair view of the financial position of Solar Nitro Ghana Limited as at March 31, 2019, for the year ended in accordance with International Financial Reporting Standards (IFRSs) and comply with Ghana Companies Act, 1963 (ACT 179).

We have audited the statement of affairs of the Company, as at March 31, 2019 for the year ended, and notes to the statement of affairs, including a summary of significant accounting policies.

*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 within the meaning of Ghana Companies Act, 1963 (ACT 179) and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Directors and those charged with Governance for the Financial Statements*

The Directors are responsible for the preparation and fair presentation of this statement of affairs in accordance with IFRSs and with the requirements of the Ghana Companies Act 1963 (ACT 179), and for such internal control as Directors determine is necessary to enable the preparation of statements of affairs that are free from material misstatement, whether due to fraud or error. Those charged with governance are responsible for overseeing the Company's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

The objectives of our audit are to obtain reasonable assurance about whether the statement of affairs as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor'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.

*Scope of the Audit*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of affairs. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the statement of affairs, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the statement of affairs in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the statement of affairs.

*SOLAR NITRO GHANA LIMITED  
INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SOLAR NITRO GHANA LIMITED  
FOR THE YEAR ENDED MARCH 31, 2019*

*REPORT ON OTHER LEGAL REQUIREMENTS*

The Ghana 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 purpose of our audit;
- ii. in our opinion, proper books of accounts have been kept by the company, so far as appears from our examination of those books; and
- iii. the company's statement of affairs is in agreement with the books of account.

*Osei Kwabena & Associates*

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*OSEI KWABENA & ASSOCIATES (ICAG/F/2019/111)  
(CHARTERED ACCOUNTANTS)  
PAUL OSEI KWABENA (ICAG/P/1161)  
ACCRA, GHANA*

*DATE: 30\* MAY 2019.*  
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**SOLAR NITRO GHANA LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31ST MARCH, 2019**

<b>NON-CURRENT ASSETS</b>	Notes	<b>2019</b> <b>GHS</b>	<b>2018</b> <b>GHS</b>
Property, plant and equipment	1	2,439	3,113
Capital work - in- progress	1	4,300,806	412,555
Deferred tax asset		83,775	83,775
<i>Total Non-Current Assets</i>		<u>4,387,020</u>	<u>499,443</u>
<b>CURRENT ASSETS</b>			
Prepayments and Advances	2	5,281,392	145,998
Current tax asset	3	7,500	-
Bank balance	4	228,927	4,412,642
<i>Total current assets</i>		<u>5,517,819</u>	<u>4,558,640</u>
<b>Total Assets</b>		<u>9,904,840</u>	<u>5,058,083</u>
<b>EQUITY &amp; LIABILITIES</b>			
Stated capital	5	4,500,000	4,500,000
Retained earnings		(195,823)	(195,149)
<i>Total equity</i>		<u>4,304,177</u>	<u>4,304,851</u>
<b>LONG TERM LIABILITIES</b>			
Non-current liabilities	6	4,709,203	656,572
Deferred tax liability		-	-
<i>Total long-term liabilities</i>		<u>4,709,203</u>	<u>656,572</u>
<b>CURRENT LIABILITIES</b>			
Accounts Payables	7	106,777	93,057
Current tax liability	8	2,908	3,603
Other Current liability	9	781,775	-
<i>Total current liability</i>		<u>891,460</u>	<u>96,660</u>
<b>Total Equity &amp; Liabilities</b>		<u>9,904,840</u>	<u>5,058,083</u>

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 DIRECTOR

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 DIRECTOR

The attached notes 1 to 9 on pages 7 to 11 form an integral part of the financial statements

**SOLAR NITRO GHANA LIMITED**  
**NOTES TO THE STATEMENT OF AFFAIRS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

**1. General Information**

Solar Nitro Ghana Limited is a Limited Liability Company Incorporated in Ghana. Their principal business activity is to manufacture, construct, assemble, import and export sale of packaged and bulk commercial emulsion explosives and provision of mining support and quarrying services. The address of its Registered Office and principal place of business are: P. O. Box GP 1632, Accra Ghana and House No.4 Momotse Avenue - Accra.

**2. Accounting policies**

The significant accounting policies which have been used in preparing this statement of affairs are as follows:

***Basis of accounting***

The statements of affairs have been prepared under the historical cost convention.

***a. Property, Plant and Equipment***

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready to be put to use.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period / year during which such expenses are incurred.

Gains or losses arising from disposal of Property, Plant and Equipment are measured as the different between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.



**SOLAR NITRO GHANA LIMITED**  
**NOTES TO THE STATEMENT OF AFFAIRS**  
**FOR THE YEAR ENDED MARCH 31, 2019**

***b. Depreciation and amortization***

Depreciation on Property, Plant and Equipment is provided using the Straight Line Method ('SLM') over the useful lives of the assets estimated by the management. The management estimates the useful lives for the Property, Plant and Equipment as follows:

<i>Assets</i>	<i>Company's estimate of useful life (years)</i>
Furniture and fixtures	8 to 10
Office Equipments and Computers	3 to 6
Vehicles including Pump Trucks	8 to 10

The management has estimated, supported by independent assessment by professionals, the useful lives of the above classes of assets.

***c. Impairment of Property, Plant and Equipment and other intangible assets***

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal /external factors.

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs to sell and its 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 assessment of the time value of money and risks specific to the asset.

***d. Foreign currency transactions***

The functional currency of the company is Ghana Cedis. Transactions in foreign currencies are initially recorded in the functional currency using the spot rate at the date of transaction. Foreign currency monetary items at the reporting date are translated using the closing date rate.

***e. Borrowing Costs***

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing Costs directly attributable to acquisition of construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**SOLAR NITRO GHANA LIMITED**  
**NOTES TO THE STATEMENT OF AFFAIRS**  
**FOR THE YEAR ENDED 31ST MARCH, 2019**

**2 Prepayments & Advances**

	2019	2018
	<b>GHS</b>	<b>GHS</b>
Solar Overseas Netherlands B.V.	96,210	96,210
Francis Decker	-	42,450
Prepayment	5,100,253	
Ghana Revenue Authority- VAT	84,929	7,338
	<u><b>5,281,392</b></u>	<u><b>145,998</b></u>

**3 Taxation**

	<i>Balance as at</i>	<i>Charge fo.</i>	<i>Payment</i>	<i>Balance as at</i>
	<i>1/4/2018</i>	<i>year</i>	<i>during the year</i>	<i>31/03/2019</i>
	GHS	GHS	GHS	GHS
2019	-	-	(7,500)	(7,500)

**4 Bank Balance**

Standard Chartered Bank (USD)	9,962	8,852
Standard Chartered Bank (USD)	3,790	-
Standard Chartered Bank (CEDI)	202,372	4,403,790
First National Bank(USD) Offshore	448	-
First National Bank(USD) Onshore	448	-
First National Bank(CEDI)	9,945	-
Cash-in- Hand	1,962	-
	<u><b>228,927</b></u>	<u><b>4,412,642</b></u>

**SOLAR NITRO GHANA LIMITED**  
**NOTES TO THE STATEMENT OF AFFAIRS**  
**FOR THE YEAR ENDED 31ST MARCH, 2019**

**5 Stated Capital**

The Company is registered with Ten Million(10,000,000) authorised ordinary shares of no par value of which four million, five hundred thousand had been issued for a cash consideration of Four Million, Five Hundred Thousand Ghana Cedis (GHS4,500,000.00)

**Retaining Earning**

	2019 GHS	2018 GHS
Opening Balance	(195,149.00)	-
During the year	(674.00)	(195,149.00)
Closing Balance	(195,823.00)	(195,149.00)

**6 Non-Current liabilities**

	2019 GHS	2018 GHS
Solar Overseas Netherlands B.V.	-	656,572
Solar Overseas Mauritius Ltd.	4,709,203	-
	<u>4,709,203</u>	<u>656,572</u>

**SOLAR NITRO GHANA LIMITED**  
**NOTES TO THE STATEMENT OF AFFAIRS**  
**FOR THE YEAR ENDED 31ST MARCH, 2019**

**7 Accounts & Other Payables**

Audit Fees	18,676	15,602
Francis Decker	-	66,390
Ernest Osei	-	11,065
Emmanuel Amposah	1,279	-
Social Security & National Insurance Trust	43,164	-
Provident fund	4,316	-
Ghana Revenue Authority - P.A.Y.E	38,971	-
Printware Services Ltd.	371	-
	<u>106,777</u>	<u>93,057</u>

**8 Taxation**

	<i>Balance as at</i> 1/4/2018	<i>Charge fo.</i> year	<i>Payment</i> during the year	<i>Balance as at</i> 31/03/2019
	GHS	GHS	GHS	GHS
2019	-	-	(7,500)	(7,500)
			2019	2018
			<b>GHS</b>	<b>GHS</b>
Ghana Revenue Authority - Withholding Taxes			<u>2,908</u>	<u>3,603</u>

**9 Other Current Liability**

	2019	2018
	GHS	GHS
Solar Overseas Netherlands B.V.	781,775	-
	<u>781,775</u>	<u>-</u>