

SOLAR NITRO GHANA LIMITED

**REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR
ENDED MARCH 31, 2020**

**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:

Francis Decker

Milind Bhalchand RA

Suresh Parameshw Aran Menon

SECRETARY

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, 2020

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 31st March, 2020.

Principal Activities

The authorised business of the company is:

- 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 31st March 2020, 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 22nd December, 2017 to 31st March, 2019 (Refer to note 10) on page 11.

Auditors

2. In accordance with Section 139 of the Companies ACT 2019 (ACT 992) Messrs Osei Kwabena & Associates will continue in office as auditors of the company.

Statement of Directors' Responsibilities

The Ghana Companies Act, 2019 (ACT 992) 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 2019, (ACT 992). 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, 2020

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, 2020, for the year ended in accordance with International Financial Reporting Standards (IFRSs) and comply with Ghana Companies Act, 2019 (ACT 992).

We have audited the statement of affairs of the Company, as at March 31, 2020 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, 2019 (ACT 992) 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 2019 (ACT 992), 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, 2020**

REPORT ON OTHER LEGAL REQUIREMENTS

The Ghana Companies Act, 2019 (ACT 992) 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 (ICAG/F/2019/111)
(CHARTERED ACCOUNTANTS)
JUSTICE EMMANUEL BILSON (ICAG/P/1585)
ACCRA, GHANA**

DATE: 25th June, 2020

SOLAR NITRO GHANA LIMITED
NOTES TO THE STATEMENT OF AFFAIRS
FOR THE YEAR ENDED MARCH 31, 2020

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 difference 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, 2020

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
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED MARCH 31, 2020

	Notes	2020 GH¢	2019 GH¢
Revenue	2	2,053,207	-
Cost of Sales	3	1,438,271	-
Depreciation Expense		44,946	674
		<u>1,483,217</u>	<u>674</u>
Gross operating profit		569,990	(674)
General & administrative expenses	4	332,042	-
Operating profit/(loss)		237,948	(674)
Other income		66	-
		<u>238,014</u>	<u>(674)</u>
Finance Cost	5	(77,138)	-
Profit Before Tax		160,876	(674)
Tax Expense		(40,219)	-
PROFIT AFTER TAX		<u><u>120,657</u></u>	<u><u>(674)</u></u>

STATEMENT OF CHANGES IN EQUITY
AS AT MARCH 31, 2020

	Stated Capital GH¢	Retained Earnings GH¢	Total GH¢
Year ended March 31, 2020			
Balance as at January	4,500,000	(195,823)	4,304,177
Shares issued	-	-	-
Net profit/(loss) for the year	-	120,657	120,657
Balance	<u>4,500,000</u>	<u>(75,166)</u>	<u>4,424,834</u>
Year ended March 31, 2019			
Balance as at January			
Shares issued	4,500,000	-	4,500,000
Net profit/(loss) for the year	-	-	-
Balance	<u>4,500,000</u>	<u>-</u>	<u>4,500,000</u>

SOLAR NITRO GHANA LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

		2020	2019
		GH¢	GH¢
NON-CURRENT ASSETS			
Property, Plant and Equipment	14	371,897	2,439
Capital Work-in-Progress		17,217,659	4,300,806
Deferred Tax asset		83,775	83,775
Other non-current Assets	6	3,626,590	3,210,094
Total Non-Current Assets		<u><u>21,299,921</u></u>	<u><u>7,597,114</u></u>
CURRENT ASSETS			
Inventory	7	1,689,614	-
Trade Receivables	8	947,987	164,072
Prepayments and Advances	9	1,641,903	1,914,726
Bank Balance	10	1,174,170	228,927
Total Current Assets		<u><u>5,453,674</u></u>	<u><u>2,307,725</u></u>
Total Assets		<u><u>26,753,595</u></u>	<u><u>9,904,839</u></u>
EQUITY & LIABILITIES			
Stated capital	11	4,500,000	4,500,000
Retained earnings		(75,166)	(195,823)
Total Equity		<u><u>4,424,834</u></u>	<u><u>4,304,177</u></u>
LONG-TERM LIABILITIES			
Non-current liabilities	12	19,580,432	4,709,203
Deferred tax liabilities			
Total Long-Term Liabilities		<u><u>19,580,432</u></u>	<u><u>4,709,203</u></u>
CURRENT LIABILITIES			
Accounts Payables	13	1,097,069	106,776
Current tax liability		205,405	2,908
Other Current liability		1,445,854	781,775
Total current liability		<u><u>2,748,328</u></u>	<u><u>891,459</u></u>
Total Equity & Liabilities		<u><u>26,753,595</u></u>	<u><u>9,904,839</u></u>



 DIRECTOR

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 DIRECTOR

The attached notes 1 to 15 on pages 9 to 13 form an integral part of the financial statements and should be read in conjunction therewith.

SOLAR NITRO GHANA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
	GH¢	GH¢
2 Revenue from operation		
Income	2,053,207	-
Other Income	66	-
	<u>2,053,272</u>	<u>-</u>
3 Cost of Sales		
Opening stock	-	-
Purchases	2,301,231	-
	<u>2,301,231</u>	<u>-</u>
Closing stock	862,960	-
Cost of Sales	<u>1,438,271</u>	<u>-</u>
4 General & Administrative Expenses		
Insurance	10,099	-
Professional Fees	3,372	-
Rent	48,850	-
Repair & Maintenance	1,752	-
Travelling	16,604	-
Bank Charges & Other Extra Ordinary Losses	8,612	-
Conveyance	110	-
Miscellaneous Expenses	17	-
Printing And Stationery	823	-
NHIL & GETFUND	14,260	-
Telephone & Internet Expenses	2,003	-
Salaries, wages and bonus	222,924	-
Staff welfare expenses	2,615	-
	<u>332,042</u>	<u>-</u>

SOLAR NITRO GHANA LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

5 Finance Cost

Loan interest	77,138	-
	<u>77,138</u>	<u>-</u>

6 Other Current Assets

	2020	2019
	GH¢	GH¢
Associated Engineers India	814,613	814,614
Premier Spares Pvt Ltd	2,495,312	2,495,312
Kapio Engineering	316,665	110,969
	<u>3,626,590</u>	<u>3,420,895</u>

7 Inventories

	2020	2019
	GH¢	GH¢
Traded Goods	862,960	-
Goods in Transit - Stores and Spares Consumable	291,553	-
Goods in Transit - RM	535,101	-
	<u>1,689,614</u>	<u>-</u>

8 Trade Receivables

	2020	2019
	GH¢	GH¢
Mac Mining & CONSTRUCTIONS	342,600	160,208
Vivo Energy	5,000	3,864
AKY MINING SERVICES	412,000	-
Wileb Mining Supplies Ltd	109,289	-
Eastern Quarries	79,098	-
	<u>947,987</u>	<u>164,072</u>

SOLAR NITRO GHANA LIMITED
NOTES TO THE STATEMENT OF AFFAIRS
FOR THE YEAR ENDED 31ST MARCH, 2020

9 Prepayments & Advances

	2020	2019
	GH¢	GH¢
Solar Overseas Netherlands B.V.	96,210	96,210
Egypt Hydrocarbon Cororation	497,455	-
Silver Auto Limited	-	1,578,169
EUROCHEM GROUP AG	485,350	-
Advance to Employees	24,412	-
Prepaid Expenses	7,050	7,602
Current Tax Refund	7,500	7,500
Ghana Revenue Authority- Input VAT Account	523,926	84,929
Unadjusted Forex Gain/Loss	-	140,316
	<u>1,641,903</u>	<u>1,914,726</u>

10 Bank Balance

	2020	2019
	GH¢	GH¢
Standard Chartered Bank (USD)	1,146,605	9,962
Standard Chartered Bank (USD)	4,667	3,790
Standard Chartered Bank (CEDI)	7,768	202,372
First National Bank(USD) Offshore	485	448
First National Bank(USD) Onshore	485	448
First National Bank(CEDI)	9,485	9,945
Cash-in- Hand	4,675	1,962
	<u>1,174,170</u>	<u>228,927</u>

11 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 (GH¢4,500,000.00)

Retaining Earning

	2020	2019
	GH¢	GH¢
Opening Balance	(195,823)	-
During the year	120,657	(195,823)
Closing Balance	<u>(75,166)</u>	<u>(195,823)</u>

SOLAR NITRO GHANA LIMITED
NOTES TO THE STATEMENT OF AFFAIRS
FOR THE YEAR ENDED 31ST MARCH, 2020

12 Non-Current liabilities		2020	2019
		GH¢	GH¢
Solar Overseas Mauritius Ltd. (Loan)		19,580,432	4,709,203
		<u>19,580,432</u>	<u>4,709,203</u>
 13 Accounts & Other Payables		 2020	 2019
		GH¢	GH¢
Audit Fees		-	-
Solar Industries India Ltd		352,998	-
Economic Explosives		473,656	-
Green Line Logistics		105,357	-
Workspace Limited		30,422	-
Ernest Osei		-	1,279
Printware Services Ltd.		-	371
Provision for Expenses		134,637	105,126
		<u>1,097,069</u>	<u>106,776</u>
 14 Taxation			
	Balance as at	Charge for the	Payment
	04/01/2019	year	during the year
	GH¢	GH¢	GH¢
			2020
			GH¢
Income Tax			32,219
Ghana Revenue Authority - Withholding Taxes			173,185
			<u>205,405</u>
			<u>-</u>
 15 Other Current Liability		 2020	 2019
		GH¢	GH¢
Solar Overseas Netherlands B.V.		847,046	781,775
VAT on Sales		5,637	-
Solar Mining		210,174	-
Structpro Limited		43,160	-
Trustee Services Limited		99,480	-
DBS Industries Limited		3,227	-
Dorfel Ghana LIMITED		72,221	-
Escofan Limited		164,910	-
		<u>1,445,854</u>	<u>781,775</u>