

DYNATECH INDUSTRIES GHANA LTD

**ANNUAL REPORTS
&
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST DECEMBER 2023**

**DYNATECH INDUSTRIES GHANA LTD
ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023**

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**DYNATECH INDUSTRIES GHANA LTD
CORPORATE INFORMATION**

BOARD OF DIRECTORS

Mr. Shirish R. Mehta
Mr. Abhijit Bandyopadhyay

REGISTERED OFFICE

Plot No 138 A, Baatsonaa, Tema Motorway
Industrial Area, Spintex Road, Near Coco Cola
Round About, Accra, Ghana

AUDITORS

ASL Consulting
Chartered Accountants
P. O. Box KN 2932
Accra

SECRETARIES & SOLICITORS

Accra Nominees Limited

BANKERS

Standard Chartered Bank Ghana Limited.
ABSA Bank of Ghana Ltd.
Zenith Bank of Ghana Ltd
United Bank Of Africa (Ghana) Ltd.
Stanbic Bank (Ghana) Ltd

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF
DYNATECH INDUSTRIES GHANA LTD**

The Directors presented their report and financial statements of the Company for the period ended 31st December 2023.

DIRECTOR'S RESPONSIBILITY STATEMENT

The company's Directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position at 31st December 2023, the statement of comprehensive income, the statement of changes in equity and cash flow statement for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act 2019 (Act 992) of Ghana.

The Director's responsibility includes: designing, implementing and maintain internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Directors have made an assessment of the company's ability to continue as a going concern and have reason to believe the business will not be a going concern in the year ahead, because production of roofing sheets has ceased since July, 2023.

FINANCIAL STATEMENTS AND DIVIDEND

The results for the year are as set out in the attached financial statements.

The Directors do not recommend the payment of a dividend for the period. (2022: Nil)

NATURE OF BUSINESS

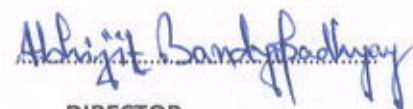
The company is authorized to undertake business in the manufacturing and sale of roofing sheet and any other activities connected therewith.

There was no change in the nature of the company's business during the year.

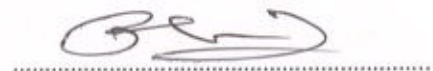
APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the company, as indicated above, were approved by the board of directors on

5th day April 2024 and are signed on their behalf by:



DIRECTOR



DIRECTOR

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
DYNATECH INDUSTRIES GHANA LTD**

Opinion

We have audited the financial statement of Dynatech Industries Ghana LTD, which comprises the of financial position as at December 31, 2023, 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 26.

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, 2023 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 2019 (Act 992) 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 Statement section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of opinion.

We are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standard Board for Accountant (IESBA). We have fulfilled our other ethical responsibility in accordance with the Code.

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, 2023, and (of) its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Other Information

The directors are responsible for the other information. The other information comprise corporate governance but does not include the company financial statements and our auditors report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or

**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF
DYNATECH INDUSTRIES GHANA LTD**

otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the Directors determines 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 Directors are responsible for assessing the company's ability to continue as a going concern, basis of accounting unless the Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the company's financial reporting process.

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 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.

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 misstatements 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.

**INDEPENDENT AUDITORS REPORT
TO THE MEMBERS OF
DYNATECH INDUSTRIES GHANA LTD**

- 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.

Report on Other Legal and Regulatory Requirements

Section 127 of the 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 account have been kept and the statements of financial position and comprehensive income are in agreement with the books of account; and
- III. the statement of financial position and the income statement of the company are in agreement with the books of account.



SAMUEL ANOKYE/P/1538

For And On Behalf Of:

ASL CONSULTING ICAG/F/2024/023

CHARTERED ACCOUNTANTS

P. O. BOX KN 2932

KANESHIE

02/04/2024

DYNATECH INDUSTRIES GHANA LTD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31ST DECEMBER 2023

	Note	2023 GH¢	2022 GH¢
Revenue	3	6,287,381	5,038,328
Cost of sales	4	(5,356,847)	(4,389,839)
Gross profit		930,534	648,489
Other income	5	3,403,930	40,338
General and administrative expenses	6	(1,204,632)	(1,176,931)
Profit/(loss) before interest and tax		3,129,832	(488,104)
Finance cost	7	(56,069)	(911,055)
Profit/(Loss) before taxation		3,073,763	(1,399,159)
Taxation	9(i)	(1,200,013)	333,262
Profit/(Loss) for the year		1,873,750	(1,065,897)
Other comprehensive income		-	-
Total comprehensive income for the year		1,873,750	(1,065,897)

The accompanying notes on pages 11 to 26 are an integral part of these financial statements

**DYNATECH INDUSTRIES GHANA LTD
STATEMENT OF FINANCIAL POSITION
AT 31ST DECEMBER 2023**

		2023	2022
	Note	GH¢	GH¢
NON-CURRENT ASSETS			
Property, plant and equipment	17	1,602,748	2,588,309
		<hr/>	<hr/>
Total non-current assets		1,602,748	2,588,309
CURRENT ASSETS			
Inventory	10	137,572	301,243
Trade and other receivables	11	4,685,866	2,710,374
Prepayment	12	49,852	131,401
Tax asset	9(ii)	-	25,364
Deferred tax	9(iii)	-	1,062,043
Cash and Bank Balance	13	1,131,818	427,634
		<hr/>	<hr/>
Total current asset		6,005,108	4,658,059
		<hr/>	<hr/>
TOTAL ASSETS		7,607,856	7,246,368
		<hr/>	<hr/>
EQUITY			
Stated capital	16	6,563,961	6,563,961
Retained Earnings		(10,597,773)	(12,471,523)
		<hr/>	<hr/>
Total Equity		(4,033,812)	(5,907,562)
NON-CURRENT LIABILITY			
Deferred tax	9(iii)	61,127	-
Loan	15	11,138,910	11,138,910
		<hr/>	<hr/>
Total non-current Liability		11,200,037	11,138,910
CURRENT LIABILITY			
Trade and other payable	14	425,437	561,985
Bank Overdraft	13	-	1,453,035
Taxation	9(ii)	16,194	-
		<hr/>	<hr/>
Total current Liabilities		441,631	2,015,020
		<hr/>	<hr/>
Total equity and liabilities		7,607,856	7,246,368
		<hr/>	<hr/>

Abnijiit Sa. netafaalhyay
DIRECTOR

[Signature]
DIRECTOR

The accompanying notes on pages 11 to 26 are an integral part of these financial statements.

DYNATECH INDUSTRIES GHANA LTD
STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31ST DECEMBER 2023

	Share Capital GH¢	Retained Earnings GH¢	Total Equity GH¢
Balance at 1 st January 2023	6,563,961	(12,471,523)	(5,907,562)
Total comprehensive income			
Profit/(Loss) for the year	-	1,873,750	1,873,750
Transactions with owners of the company recognized directly in equity			
Dividend paid	-	-	-
Balance at 31 st December 2023	<u>6,563,961</u> =====	<u>(10,597,773)</u> =====	<u>(4,033,812)</u> =====
Balance at 1 st January 2022	6,563,961	(11,405,626)	(4,841,665)
Total comprehensive income			
Profit/(Loss) for the year	-	(1,065,897)	(1,065,897)
Transactions with owners of the company recognized directly in equity			
Dividend paid	-	-	-
Balance at 31 st December 2022	<u>6,563,961</u> =====	<u>(12,471,523)</u> =====	<u>(5,907,562)</u> =====

The accompanying notes on pages 11 to 26 are an integral part of these financial statements.

DYNATECH INDUSTRIES GHANA LTD
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31ST DECEMBER 2023

	Note	2023 GH¢	2022 GH¢
CASH FLOW FROM OPERATING ACTIVITIES			
Profit/(Loss) before taxation		3,073,763	(1,399,158)
<i>Adjustments for:</i>			
Profit on asset disposal		(3,783,738)	-
Depreciation charges	17	202,099	238,325
		-----	-----
		(507,876)	(1,160,833)
Changes in:			
Inventory	10	163,671	927,826
Trade and other receivables	11 & 12	(1,893,942)	(2,651,588)
Trade and other payables	14	(136,547)	81,107
		-----	-----
Cash generated from operations		(2,374,694)	(2,803,488)
Tax Paid/ Changes in Current Taxes	9(ii)	(35,286)	4,636
		-----	-----
Net cashflow from operating activities		(2,409,980)	(2,798,852)
		-----	-----
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from asset disposal		4,567,200	-
		-----	-----
Net Cashflow used in investing activities		4,567,200	-
		-----	-----
CASHFLOWS FROM FINANCING ACTIVITIES			
MINL LTD-LOAN	15	-	758,530
		-----	-----
Net Cash used in financing activities		-	758,530
		-----	-----
Net decrease in cash and cash equivalents		2,157,220	(2,040,322)
Cash and cash equivalents at 1 January	13	(1,025,402)	1,014,921
		-----	-----
Cash and Cash equivalents at 31 December	13	1,131,818	(1,025,401)
		=====	=====

The accompanying notes on pages 11 to 26 are an integral part of these financial statements.

DYNATECH INDUSTRIES GHANA LTD
NOTE FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2023

1. REPORTING ENTITY

Dynatech Industries Ghana LTD is a company registered and domiciled in Ghana. The address of the company's registered office can be found on page 2 of the annual report. The company's is authorized to undertake business in the manufacturing and sale of roofing sheets and the exportation of paper and aluminum scrap and any other activities connected therewith.

2. BASIS OF PREPARATION

a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB)

b. Basis of measurement

Financial statements are prepared on the historical cost basis except for financial instruments that are stated at fair values.

c. Functional currency

The financial statements are presented in Ghana Cedi which is the company's functional and presentation currency. All financial information presented in Ghana Cedi has been rounded to the nearest cedi.

d. Use of estimates and judgment

The preparation of financial statements in conformity with IFRS requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets, 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 judgment 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 underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate 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.

DYNATECH INDUSTRIES GHANA LTD
NOTE FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2023 (CONT'D)

3. REVENUE	2023	2022
	GH¢	GH¢
Manufacturing (Domestic)		
GC Sheet	22,989	1,026,366
Trade (Domestic)		
Alu. Zinc Roofing Sheets	6,256,353	4,005,463
Prepainted Corr. Sheets	8,039	6,499
	-----	-----
Total	6,287,381	5,038,328
	=====	=====

4(a). COST OF SALES	2023	2022
	GH¢	GH¢
Opening Inventory	301,243	1,229,069
Purchases	4,317,781	2,946,305
Direct Expenses (4b)	875,395	515,709
	-----	-----
Goods available for Sales	5,494,419	4,691,082
Less; Closing Inventory	(137,572)	(301,243)
	-----	-----
Total	5,356,847	4,389,839
	=====	=====

4(b). DIRECT EXPENSES	2023	2022
	GH¢	GH¢
Manufacturing & Maintenance	142,440	69,007
Consumption of stores and Consumables	6,624	1,695
Custom Duty	539,556	292,843
Other Manufacturing Expenses	739	1,074
Power and Fuel	39,042	26,707
Repairs and Maintenance	146,994	124,383
	-----	-----
Total	875,395	515,709
	=====	=====

DYNATECH INDUSTRIES GHANA LTD
NOTE FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2023 (CONT'D)

5. OTHER INCOME

	2023	2022
	GHC	GHC
Interest on Call Deposits	22,391	40,338
Profit on disposal	3,381,539	-
	-----	-----
Total	3,403,930	40,338
	=====	=====

6. GENERAL AND ADMINISTRATIVE EXPENSES

	2023	2022
	GHC	GHC
Auditors Remuneration	15,000	15,000
Bank Charges	10,339	16,246
Business Promotion	18,490	17,323
Freight, Forwarding and Handling Expenses	200	-
Insurance	18,263	18,263
General Expenses	-	230
Immigration Fees	26,022	20,707
Labour Charges	86,579	81,753
License Fees	45,438	17,287
Postage, Courier & Fax	3,881	672
Printing & Stationery	1,478	369
Professional Fees	3,400	12,117
Provision & Toiletries	13,019	7,576
Security Charges	35,737	30,552
Subscription & Membership Fees	17,730	19,861
Water Charges	16,872	9,545
Rent	366,242	283,209
Telephone & Communication Expenses	10,680	12,856
Travelling and Conveyance	47,167	44,468
Vehicle Upkeep	68,835	48,374
Depreciation	202,099	238,325
Salaries Wages and Bonus	142,892	213,801
Medical Expenses	33,300	51,815
Other Welfare	20,970	16,581
	-----	-----
Total	1,204,632	1,176,931
	=====	=====

DYNATECH INDUSTRIES GHANA LTD
NOTE FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2023 (CONT'D)

7. FINANCE COST

(See accounting note 18 d)

	2023 GH¢	2022 GH¢
Interest on Overdraft	56,069	86,565
Interest on Dollar Loan	-	824,490
	-----	-----
Total	56,069	911,055
	=====	=====

8. PROFIT BEFORE TAX

Is stated after charging;

	2023 GH¢	2022 GH¢
Auditor's remuneration	15,000	15,000
Depreciation (Note 17)	202,099	238,325
Employees Benefit	197,162	282,197
	-----	-----

9. TAXATION

(i) Tax recognised in profit and loss

	2023 GH¢	2022 GH¢
Tax Provision	76,844	-
Deferred tax (iii)	1,123,169	(332,262)
	-----	-----
Total	1,200,013	(332,262)
	=====	=====

(ii) Tax recognised in Statement of financial position

	2023 GH¢	2022 GH¢
Balance as at 1 st January	25,364	30,000
Payment for the year	35,286	25,364
Tax charged in Profit and Loss	-	-
Additional Liability - Tax Audit	-	(76,186)
Additional tax credit/payment after Audit	-	46,186
	-----	-----
Balance at 31st December	60,650	25,364
	=====	=====

(iii) Movement in Deferred tax Asset Balance during the year

	GH¢	GH¢
Balance at 1 st January	1,061,043	728,781
Changes to the income statement	(1,123,169)	332,262
	-----	-----
Balance at 31st December	(61,127)	1,061,043
	=====	=====

DYNATECH INDUSTRIES GHANA LTD
NOTE FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2023 (CONT'D)

10. INVENTORY

(See accounting note 18 m)

	2023 GH¢	2022 GH¢
Closing Inventory	137,572	301,243
Total	137,572 =====	301,243 =====

11. TRADE AND OTHER RECEIVABLES

	2023 GH¢	2022 GH¢
Trade Receivables	4,646,558	2,681,478
<i>Other Receivables</i>		
Deposits	595	595
Advances to Staff	16,889	15,550
Loan to Staff	60	60
VAT	7,132	-
Withholding Tax Receivable	14,632	12,691
Total	4,685,866 =====	2,710,374 =====

12. PREPAYMENT

	2023 GH¢	2022 GH¢
Prepaid Rent	49,852	131,401
Total	49,852 =====	131,401 =====

13. CASH AND CASH EQUIVALENTS

	2023 GH¢	2022 GH¢
Cash at Bank	1,108,703	390,038
Cash on hand	23,115	37,596
Cash and cash equivalents in statement of financial position	1,131,818	427,634
Bank overdraft	-	(1,453,035)
Cash and cash equivalent in the statement of cash flows	1,131,818 =====	(1,025,401) =====

DYNATECH INDUSTRIES GHANA LTD
NOTE FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2023 (CONT'D)

14. TRADE AND OTHER PAYABLES

	2023 GH¢	2022 GH¢
Trade Payables	422,311	418,822
<i>Other Payables</i>		
Withholding Taxes and ICU	1,143	76,700
VAT	-	62,374
GetFund, NHIL & Covid levies	255	-
SSNIT	766	1,356
PAYE	962	2,733
	-----	-----
Total	425,437	561,985
	=====	=====

15. LONG TERM LOANS

	2023 GH¢	2022 GH¢
Borrowing –inflow loan	11,138,910	11,138,910
	-----	-----
Total	11,138,910	11,138,910
	=====	=====

16. CAPITAL AND RESERVES

(i) **Share capital**

(a) Ordinary shares

	No. of Shares		Proceeds	
	2023	2022	2023 GH¢	2022 GH¢
Authorised				
Ordinary shares with No par value	100,000,000	100,000,000		
	=====	=====		
Issued				
For cash	6,563,961	6,563,961	6,563,961	6,563,961
	=====	=====	=====	=====

(b) Shares in treasury

There are no shares in treasury

(c) Retained earnings

This represents the residual of cumulative annual profits that are available for distribution to shareholders.

DYNATECH INDUSTRIES GHANA LTD
NOTE FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2023 (CONT'D)

17. PROPERTY, PLANT AND EQUIPMENT

(See accounting note 18e)

	Office Equipment GH¢	Computer Computer GH¢	Furniture & Fittings GH¢	Motor Vehicles GH¢	Land & Building GH¢	Plant & Machinery GH¢	Total GH¢
Cost							
As at 1/1	38,145	62,334	24,810	320,696	2,281,801	7,867,126	10,594,912
Additions	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	(3,675,603)	(3,675,603)
As at 31/12	<u>38,145</u>	<u>62,334</u>	<u>24,810</u>	<u>320,696</u>	<u>2,281,801</u>	<u>4,191,523</u>	<u>6,919,309</u>
Accumulated Depreciation							
As at 1/1	34,507	52,883	24,136	315,466	841,400	6,738,211	8,006,603
Charge	728	3,780	135	1,569	57,616	138,271	202,099
Disposal	-	-	-	-	-	(2,892,142)	(2,892,142)
As at 31/12	<u>35,235</u>	<u>56,663</u>	<u>24,271</u>	<u>317,035</u>	<u>899,016</u>	<u>3,984,341</u>	<u>5,316,561</u>
Net Book Value							
At 31/12/23	<u>2,910</u>	<u>5,671</u>	<u>540</u>	<u>3,661</u>	<u>1,382,785</u>	<u>207,181</u>	<u>1,602,748</u>
At 31/12/22	<u>3,638</u>	<u>9,451</u>	<u>675</u>	<u>5,230</u>	<u>1,440,401</u>	<u>1,128,914</u>	<u>2,588,309</u>

DYNATECH INDUSTRIES GHANA LTD
NOTE FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 2023 (CONT'D)

18. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the company and in preparing an opening balances sheet at 1st January 2012 for the purpose of transition to IFRS.

a. Financial instruments

(i) Non-derivative Financial assets and liabilities

Non-derivative financial instruments comprise investment in shares and treasury bills, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial assets are recognized initially at fair value which is its cost excluding transaction costs. Subsequent to initial recognition, non-derivative financial assets are measured at fair value through the comprehensive income.

The company classified its non-derivative financial instruments in the following categories.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are measured at amortized cost using the effective interest rate method, less impairment.

- Financial assets at fair value through profit and loss

This relates to all other liabilities that are not designated at fair value through profit or loss.

(ii) Offsetting

Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only when, the company has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards.

(iii) Amortized cost measurements

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

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(iv) Share capital (Stated capital)

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as deduction from equity, net of any tax effects.

(v) Identifying impairment

A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in companies that share similar credit risk characteristics.

All impairment losses are recognized in the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

The carrying amounts of the company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

b. Foreign currency

The company's foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rate of monetary assets and liabilities denominated in foreign currencies, are recognized in the statement of comprehensive income. Non-monetary assets and liabilities are translated at historical exchange rates if held at historical cost or exchange rates at the date that fair value was determined if held at fair value, and the resulting foreign exchange gains and losses are recognized in the income statement or shareholder's equity as appropriate.

c. Revenue recognitions

Revenue from the provision of service in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns, trade discount and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed agreement, recovery of the consideration is probable, the associated costs and possible return of service can be estimated reliably, and the amount of revenue can be measured reliably. The timing of revenue occurs upon the provision of service to the client.

All operating income and expenses are recognized in the statement of comprehensive income based on accrual accounting in order to secure proper matching of income and expense, which relate to the same transaction or other event. Foreign currency gains and losses are reported on a net basis.

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d. Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in statement of comprehensive income, using the effective interest method. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in the statement of comprehensive income using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

e. Property, plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in statement of comprehensive income as incurred.

The company capitalizes borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

(iii) Depreciation

Depreciation is recognized in the statement of comprehensive income on a reducing balance basis over the estimated useful life of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Land & Building	-	4%
Plant & Machinery	-	13%
Office Equipment	-	20%
Motor Vehicles	-	30%
Computers	-	40%
Furniture & Fittings	-	20%

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Major spare parts and stands by equipment, and spare parts and servicing equipment used only in connection with an item of property, plant and equipment are classified as property, plant and equipment.

Depreciation methods, useful lives and residual values are reassessed at each reporting date and adjusted if appropriate. Gains and losses on disposal of property, plant and equipment are included in the statement of comprehensive income.

f. Other receivables

Other receivable are stated at their cost less impairment losses.

g. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balances and these are carried at amortized cost in the balance sheet.

h. Post balance sheet events

Events subsequent to the balance sheet date are reflected only to the extent that they relate directly to the financial statement and the effect is material.

i. Defined contribution plans

A defined contribution plan is a post-employment benefits plan under which an entity pays fixed contribution to a separate entity and will have no legal or constructive obligation to pay future amounts. Obligation for contribution to defined contribution schemes are recognized as an expense in the statement of comprehensive income when they are due.

j. Taxation

The company provided for income taxes at the current tax rates on the taxable profits of the company.

Income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the statement of financial position date, any other adjustment to tax payable in respect of previous years.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

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k. Comparatives

Where necessary the comparative information has been changed to agree to the current year presentation.

l. Investments

Investment are stated at fair value

m. Inventory

All inventories are recognized at the lower of cost and the net realizable value.

19. DETERMINATION OF FAIR VALUES

A number of the company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair value is disclosed in the note specific to that asset or liability

a. Other receivables

The fair value of other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The future cash flow are not discounted if they are receivable for not more than six months.

b. Cash and cash equivalents approximates their carrying value.

The fair value of cash and cash equivalents approximates their carrying value.

c. Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

20. CAPITAL COMMITMENTS

There was no capital commitment at the balance sheet date and at 31st December, 2023.

21. CONTINGENT LIABILITIES

There was no contingent liability as at 31st December, 2023.

DYNATECH INDUSTRIES GHANA LTD
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22. EXCHANGE CONTROL

All remittances from Ghana are subject to the approval of the exchange control authorities.

23. RELATED PARTY TRANSACTION

All related parties transactions during the year were transacted at fair value.

24. FINANCIAL RISK MANAGEMENT

(i) Overview

The company has exposure to the following risk from its use of financial instrument:

- Credit risk
- Market risks

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

Risk management framework

The directors have overall responsibility for the establishment and oversight of the company's risk management framework.

The company's directors and management team are responsible for monitoring compliance with the company's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the company.

(ii) Credit risk

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

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Trade and other receivables

The company's exposure to credit risk is minimized as all sales are made to several individual and institutional customers. The company has transacted business with most of these customers over the years; the level of default in payment of outstanding debts has been kept low by management.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2023 GH¢	2022 GH¢
Financial assets measured at amortised cost		
Trade and other receivables	4,735,718	2,841,775
Cash equivalent	1,131,818	427,634
	5,867,536	3,269,409
	=====	=====

Cash equivalents

Cash equivalents are held with international banks that are deemed to have good ratings.

(iii) **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.

The following are contractual maturities of financial liabilities:

31ST DECEMBER 2023

	Carrying Amount GH¢	6mths or less GH¢	6-12mths GH¢	More than 12mths GH¢
Non-derivative financial liabilities				
Trade and other payables	425,437	425,437	-	-
	425,437	425,437	-	-
	-----	-----	-----	-----

31ST DECEMBER 2022

Non-derivative financial liabilities				
Trade and other payables	561,985	561,985	-	-
	561,985	561,985	-	-
	-----	-----	-----	-----

DYNATECH INDUSTRIES GHANA LTD
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(ii) Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the branch'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 optimizing the return.

The following significant exchange rates applied during the year.

	<i>Average Rate</i>		
	2023 GHC	2022 GHC	2021 GHC
USD 1	11.88	8.58	6.01

Sensitivity analysis

This analysis assumes that all other variables, in particular interest rates, remain constant.

As of 31 ST DECEMBER	2023			2022		
	% change	Income statement impact: Strengthening	Income statement impact: Weakening	% change	Income statement impact: Strengthening	Income statement impact: Weakening
CHF	38%	38%	38%	43%	43%	43%

A 38% weakening of the Ghana cedi against the US Dollar at 31st December 2023 would have increased equity and profit or loss by the percentage shown above. On the other hand, a 43% strengthening of the Ghana cedi against the above currency at 31st December 2022 would have had the equal but opposite effect by the percentage shown above.

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Interest rate risk

Fair value sensitivity analysis for fixed rate instrument

The branch did not have fixed rate instrument at 31ST December 2023 and also at 31ST December 2022.

Fair value

Fair values versus carrying amounts

The fair value of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

(i) **Loans and receivables**

	31ST DECEMBER 2023		31ST DECEMBER 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Trade and other Receivables	4,735,718	4,735,718	2,841,776	2,841,776
	=====	=====	=====	=====

(ii) **Other financial liabilities**

	31ST DECEMBER 2023		31ST DECEMBER 2022	
	Carrying Amount GH¢	Fair Value GH¢	Carrying Amount GH¢	Fair Value GH¢
Trade and other payables	425,437	425,437	561,985	561,985
	-----	-----	-----	-----
	425,437	425,437	561,985	561,985
	=====	=====	=====	=====