

3F GHANA LIMITED

Annual Financial Report

CORPORATE INFORMATION

BOARD OF DIRECTORS

SHIV BHAGWAN GOENKA
SITARAM GOENKA
SUSHIL GOENKA
JIVESH GOENKA
JAMES KOBINA ROCKSON

SECRETARY

KWABENA DORBU

REGISTERED OFFICE

GROUND FLOOR
10, OTSWE STREET
OSU AKO- ADJEI
ACCRA

AUDITOR

DEON & NOED INTERNATIONAL
(CHARTERED ACCOUNTANTS)
P. O. BOX KN 3618,
KANESHIE - ACCRA.
Tel: 0277 799 999

BANKERS

ECOBANK GHANA LIMITED
NATIONAL INVESTMENT BANK LTD.
SG-SSB
STATE BANK OF INDIA (BELGIUM)

3F GHANA LIMITED

Annual Financial Report

REPORT OF THE DIRECTORS TO MEMBERS OF 3F GHANA LIMITED

The Directors have pleasure in presenting to you their report and audited financial statements of the operations of **3F GHANA LIMITED** for the year ended 31st March, 2015.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for the preparation of the 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 for that period. In preparing these financial statements the management has selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent in the circumstances and followed International Financial Reporting Standards (IFRS).

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 management is also responsible for safeguarding the assets of the company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activities of 3F Ghana Limited have not changed.

DIVIDENDS

The directors do not recommended the payment of dividend for the year ended 31st March, 2015.

AUDITORS

In accordance with Section 134(5) of the Ghana Companies Code, 1963 (Act 179), the Auditors, Deon & Noed International (Chartered Accountants) will continue to remain in office.

BY ORDER OF THE BOARD:

Sd/-
JIVESH GOENKA.
DIRECTOR

Sd/-
JAMES KOBINA ROCKSON
DIRECTOR

DATE: 03.08.2015

3F GHANA LIMITED

Annual Financial Report

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the accompanying financial statements of 3F GHANA LIMITED which comprise the Statement of Financial Position as of 31st March, 2015, Statement of Comprehensive Income, cash flow and changes in equity for the year then ended and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes as set out on page 9-15.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with Ghana Accounting Standards and with the requirements of the Companies Code, 1963 (Act 179). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements 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 also 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 financial statements.

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

3F GHANA LIMITED

Annual Financial Report

3

OPINION

In our opinion, the financial statements present fairly, in all material respects, the financial position of **3F Ghana Limited** as at 31st March, 2015, and its financial performance for the year then ended in accordance with the Ghana Accounting Standards and in the manner required by the Companies Code, 1963 (Act 179) of Ghana.

REPORT ON OTHER LEGAL REQUIREMENTS

The Companies Code, 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 appears from our examination of those books; and
- iii) the company's balance sheet and profit and loss account are in agreement with the books of account.

Sd/-

Christopher Kwame Sokpor
ICAG/P/02639

DEON & NOED INTERNATIONAL (ICAG/F/2014/051)
Chartered Accountants

D 263/4, 47 Old Brewery Road
Adabraka Official Town
P. O. Box KN 3618
KANESHIE - ACCRA

DATE: 03.08.2015

3F GHANA LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31ST MARCH 2015**

		2015	2014
		GH¢	GH¢
ASSETS	NOTE		
NON-CURRENT ASSETS			
Propert, Plant & Equipment	13	7,523,120.52	7,141,506.39
Investment in Subsidiaries	2	647,197.50	647,197.50
		<u>8,170,318.02</u>	<u>7,788,703.89</u>
CURRENT ASSETS			
Stocks	3	4,376,873.68	21,273,060.94
Accounts Receivable	4	6,620,288.71	7,029,475.23
Cash & Bank	5	693,132.57	1,214,725.37
Branch and Divisions (Dr)	12	3,949,544.26	
Exchange Equalisation			2,851,391.29
Duties and Taxes (Dr.Bal)		2,314.61	
Prepaid		177,040.56	
Loans and Advances		5,843,741.77	
		<u>21,662,936.16</u>	<u>32,368,652.83</u>
TOTAL ASSETS		<u><u>29,833,254.18</u></u>	<u><u>40,157,356.72</u></u>
EQUITY & LIABILITIES			
Stated Capital	7	2,331,088.00	2,331,088.00
Income Surplus Account		4,656,327.63	2,350,329.66
CURRENT LIABILITIES			
Accounts Payable	6	6,582,358.98	21,974,929.68
Advances received from Customers		1,812,895.51	
Working Capital Loan	11	14,365,733.86	13,501,009.38
Branch and Division (Cr)	12	84,850.20	
		<u>22,845,838.55</u>	<u>35,475,939.06</u>
LONGTERM LIABILITIES			
Long term Loans			
TOTAL LIABILITIES AND EQUITY		<u><u>29,833,254.18</u></u>	<u><u>40,157,356.72</u></u>

BY ORDER OF THE BOARD OF DIRECTORS

Sd/-
JIVESH GOENKA
DIRECTOR

Sd/-
JAMES KOBINA ROCKSON
DIRECTOR

DATE: 03.08.2015

3F GHANA LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2015

	NOTE	2015 GH¢	2014 GH¢
Income		46,775,030.07	32,736,049.90
Cost of sales	8	(39,470,625.27)	(25,098,290.31)
Gross Profit		<u>7,304,404.80</u>	<u>7,637,759.59</u>
Other Income	9	98,539.43	444,238.19
Operating Income		<u>7,402,944.23</u>	<u>8,081,997.78</u>
General & Admim Expense	10	(5,096,946.26)	(3,720,891.47)
Profit/(Loss) before Tax		<u>2,305,997.97</u>	<u>4,361,106.31</u>
Taxation		-	-
Profit/(Loss) after Tax		<u><u>2,305,997.97</u></u>	<u><u>4,361,106.31</u></u>

STATEMENT OF CHANGES IN EQUITY

	STATED CAPITAL GH¢	INCOME SURPLUS GH¢	TOTAL GH¢
2015			
Blance as at 1 April 2014	2,331,088.00	2,350,329.66	4,681,417.66
Profit for the Year	-	2,305,997.97	2,305,997.97
Balance at 31 March 2015	<u>2,331,088.00</u>	<u>4,656,327.63</u>	<u>6,987,415.63</u>
2014			
Blance as at 1 April 2013	2,331,088.00	1,789,223.35	4,120,311.35
Profit for the Year	-	4,361,106.31	4,361,106.31
Dividend	-	(3,800,000.00)	(3,800,000.00)
Balance at 31 March 2014	<u>2,331,088.00</u>	<u>2,350,329.66</u>	<u>4,681,417.66</u>

3F GHANA LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST MARCH 2015**

	2015	2014
	GH¢	GH¢
<u>Cash generated by operations</u>		
Profit/(Loss) before tax	2,305,997.97	4,361,106.31
<u>Adjustment for non cash items and interest:</u>		
Depreciation	485,937.16	387,583.88
Increase/(Decrease) in Exchange Equalisation	-	681,867.69
Increase/(Decrease) in Exchange Equalisation	2,851,391.29	(1,269,769.83)
<u>Changes in working capital</u>		
Movement in inventories	16,896,187.26	(13,544,976.02)
Movement in accounts receivable	409,186.52	1,693,783.48
Movement in Advance received from Customers	1,812,895.51	-
Movement in branch and division (Dr)	(3,949,544.26)	-
Movement in branch and division (Cr)	84,850.20	-
Movement in prepayment	(177,040.56)	-
Movement in accounts payable	(15,392,570.70)	8,717,721.14
Total cash generated by operations	5,327,290.39	1,027,316.65
Tax and duties paid	2,314.61	-
Net cash generated from operating activities	5,324,975.78	1,027,316.65
 <u>Cash utilised in investing activities</u>		
Acquisition of fixed assets	(867,550.38)	(477,856.81)
Net cash utilised in investing activities	(867,550.38)	(477,856.81)
 <u>Cash utilised in financing activities</u>		
Long term loan	(5,843,741.77)	(972,562.50)
Short term loan	856,114.90	5,000,106.24
Dividend		(3,800,000.00)
Net increase in cash and cash equivalents	(521,592.80)	777,003.58
Movement in cash and cash equivalents		
At beginning of year	1,214,725.37	437,721.79
At end of year	693,132.57	1,214,725.37

3F GHANA LIMITED

ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

The following is a summary of the more important accounting policies adopted by 3F Ghana Limited in the preparation of these financial statements:

(A) Basis of accounting

Financial statements are prepared in accordance with and comply with International Financial Reporting Standards. They are prepared under the historical cost convention.

(B) Depreciation

Depreciation of non-current assets are calculated to write off their book values on a straight line basis over their expected useful lives. The principal rates used for this purpose are:

Equipment	10%	Plant & Machinery	5%
Furniture	10%	Computer	20%
Motor Vehicles	25%	Leasehold building	2.50%

(C) Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all direct expenditure incurred in bringing the items to their current state under normal operating conditions.

(D) Debtors

These are stated at their face values. Known bad debts are fully provided for and specific provisions are made for any debt considered doubtful.

(E) Cash and Cash Equivalent

For the purposes of the statement of the statement of cash flows: cash and cash equivalents comprise of cash on hand, deposits held at call with banks, other short term investments and bank overdrafts.

(F) Turnover

This represents value of goods invoiced to third parties less returns and discounts.

(G) Foreign Currency Translation

Translations in foreign currencies are translated at rates prevailing at the time of the transaction. Foreign currency assets and liabilities are translated at rates prevailing at balance sheet date

(H) Comparative figures

The comparative figures covered the year ended March 31, 2014

3F GHANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

2. Investment in Subsidiaries

This represent equity investments in:

	GH¢	2015 GH¢	GH¢	2014 GH¢
3F Benin SARL	1,870.00		1,870.00	
3F Burkina Faso SARL	2,004.70		2,004.70	
3F Ghana Commodities Ltd	610,027.80		610,027.80	
3F Mali SARL	1,870.00		1,870.00	
3F Nigeria Impex Ltd	28,400.00		28,400.00	
3F Senegal SARL	3,025.00	<u>647,197.50</u>	<u>3,025.00</u>	<u>647,197.50</u>

3. Stocks	GHC	2015 GHC	GHC	2014 GHC
This consist of :				
Hexane	266,958.40		183,031.19	
Shea Nuts			16,262,572.78	
Sheabutter	4,009,571.00		4,587,230.45	
Shea deoil cake	38,440.00		140,109.34	
Palm kernel oil crude	-		1,050.77	
Soya extract	-		-	
Palm kernel with shell	-		30,618.58	
Palm kernel seed	-		326.14	
		4,314,969.40		21,204,939.26
Non trading	-			
Flexi tanks	47,120.00		63,080.00	
Pp Sacks	14,784.28		5,041.68	
		61,904.28		68,121.68
		4,376,873.68		21,273,060.94

4. Accounts Receivable	GHC	2015 GHC	GHC	2014 GHC
Trade Debtors	22,720.65		-	
Other Debtors	6,465,654.18		6,795,670.25	
Staff Loans and Advances	-		62,202.51	
Prepayments	131,913.88		171,602.47	
		6,620,288.71		7,029,475.23

		2015 GH¢	2015 GH¢	GH¢	2014 GH¢
5. Bank and Cash					
Bank Accounts		692,229.60		1,214,604.94	
Cash-in-hand		30,530.51		29,747.97	
Bank overdraft		(3,805.72)		(3,805.72)	
Cash overdraft		(25,821.82)	693,132.57	(25,821.82)	1,214,725.37
6. Accounts Payable					
Trade		2,782,880.21		966,864.43	
Others		3,799,478.77		20,968,360.11	
IRS Payable				-	
Expense			6,582,358.98	39,705.14	21,974,929.68
7. Stated Capital					
Authorised			2015 Value GH¢	No. of Shares GH¢	2014 Value GH¢
Ordinary Class A		5,000,000.00		5,000,000.00	
Ordinary Class B		2,000,000.00		2,000,000.00	
Issued and fully paid		2,331,088.00	2,331,088.00	2,331,088.00	2,331,088.00
8. Cost of Sales					
Opening Stock	Sched 1	21,273,060.93		7,728,084.84	
Purchases		19,601,161.01	40,874,221.94	30,010,007.33	37,738,092.17
Closing Stock			(4,376,873.68)		(15,095,341.46)
			36,497,348.26		22,642,750.71
Direct Expenses					
Clearing and forwarding		721,766.38		911,139.75	
Depreciation		417,129.16		310,612.16	
Direct Labour		225,201.30		182,731.95	
Electricity and Water		1,211,616.74		688,995.81	
Factory staff welfare		-		-	
Freight		141,069.60		2,465.00	
Loading & Offloading Charges		76,938.53		122,172.50	
Shea Doc Handling		-		18,137.78	
Forwarding Charges		-		11,231.87	
Packaging & Handling		-		58,207.95	
Plant and Machinery repairs		179,555.30		149,844.83	
Warehouse rent		-	2,973,277.01		2,455,539.60
			39,470,625.27		25,098,290.31

9. Other Income	GH¢	2015 GH¢	GH¢	2014 GH¢
Exchange Gain	53,560.60		317,534.25	
Sale of Scrap	-		-	
Misc Income	44,978.83		31,703.94	
Dividend Income	-		95,000.00	
Sale from non-trading items	-	98,539.43	-	444,238.19

10. General & Admin Expenses	GH¢	2015 GH¢	GH¢	2014 GH¢
Audit Fees	11,750.00		7,210.00	
Bank Charges	168,270.20		99,016.62	
Business Development	91,580.70		25,824.40	
Consulting charges	6,493.20		7,314.40	
Courier Charges	5,824.17		795.54	
Depreciation charge	68,808.00		76,971.72	
Directors' Sitting Fees	900.00		900.00	
Donations	-		1,500.00	
Dstv Charges	1,300.00		926.00	
Administration Exps	3,280.80		16,066.40	
Exchange Equalisation	2,851,391.29		2,263,489.15	
Ground rent	16,587.24		3,682.20	
Insurance	118,592.20		51,030.24	
Interest on term loan	-		34,984.70	
Interest on Working Capital	-		-	
Internet and Communication	16,054.65		12,586.85	
Motor vehicle running fuel	43,390.00		12,003.75	
Newspapers and periodicals	191.79		-	
Registration, permits and license	-		30,661.00	
Guest house expense	35,324.60		-	
General Expenses	11,120.94		-	
Repairs to motor vehicles	3,047.47		9,679.16	
Repairs to Building	-		18,620.00	
General Maintenance	166,358.52		25,186.45	
Rent	51,870.03		41,799.93	
Security Service	56,771.17		28,527.71	
13% Employer Soc. Sec Contribu	5,742.41		3,893.39	
Staff bonus	9,430.56		15,397.00	
Staff commuted leave	3,589.57		16,515.00	
Staff salaries	677,811.27		534,493.92	
Statutory Expenses	355,825.53		951.00	
Staff welfare and medicals	38,570.60		116,924.20	
Stationery & print. & consum.	3,431.95		6,472.30	
Warehouse maintenance	-		-	
Travelling & Transport	273,637.40	5,096,946.26	257,068.64	3,720,491.67

11. Short term Loans	GH¢	2015 GH¢	GH¢	2014 GH¢
Short term loans	-		-	
Working Capital Loan from bank	14,365,733.86		9,501,009.38	
Exchange Equalisation on Bank Loan	-	14,365,733.86	4,000,000.00	13,501,009.38

12. Branch and Divions	GH¢			
3F Benin Sarl	11,477.70			
3F Cote D Ivoire	24,287.23	84,850.20		
3F Ghana Commodities Ltd	2,704,546.20			
3F Ghana Commodities Ltd Ex Eq 1314	1,138,162.55			
3F Ghana Trading Ltd	15,379.28			
3F IVC	50,596.40			
3F NIGERIA	5,094.90			
	3,949,544.26	84,850.20		

13. PPE SCHEDULE

Particulars	Leasehold Land & building	Plant & Machinery	Computer	Office Equipment	Motor Vehicle	Furniture & Fittings	Air conditioner	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Cost								
Balance as at 1 April 2014	2,679,834.19	6,212,243.17	3,123.48	33,879.24	165,005.57	56,082.78	4,139.00	9,154,307.43
Additions	2,958.00	788,943.95	13,776.80	4,300.00	57,195.00	377.00		867,550.75
Balance as at 31 March 2015	2,682,792.19	7,001,187.12	16,900.28	38,179.24	222,200.57	56,459.78	4,139.00	10,021,858.18
								-
								-
Depreciation								-
Balance as at 1 April 2014	280,533.98	1,544,116.05	3,123.48	17,561.38	143,993.07	23,081.29	391.80	2,012,801.05
Charge for the year	67,069.80	350,059.36	3,380.06	3,817.92	55,550.14	5,645.98	413.90	485,937.16
Balance as at 31 Mar 2015	347,603.79	1,894,175.40	6,503.54	21,379.30	199,543.21	28,727.27	805.70	2,498,738.22
								-
Net book value								-
								-
2015	2,335,188.40	5,107,011.72	10,396.74	16,799.94	22,657.36	27,732.51	3,333.30	7,523,119.96
								-
2014	4,314,969.40	4,668,127.12	-	16,317.86	21,012.50	33,001.49	3,747.20	9,057,175.57