



## REPORT OF THE INDEPENDENT AUDITOR TO MEMBERS OF SAMBA FOODS LIMITED

### Opinion

We have audited the consolidated financial statements of **SAMBA FOODS LIMITED (the Company)**, which comprise the statement of financial position as at December 31, 2017, and the statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present a *true and fair view* of the financial position of the Company as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

### 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 in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Expenses Approval**

**Deficient expense payment procedure (Some payment vouchers had not been signed by the approver)**

**Best practice requires that payment vouchers are prepared for all expenses with the signatures of the voucher preparer, the authorizing officer and or the approving officer appended as well as that of the recipient.**

**The audit team also observed that some payment vouchers were not signed by the recipient whilst others were not signed by the approving officer.**

**Again, some few payment vouchers without receipts and invoices were also sighted**

#### **Withholding Taxes**

**Taxes not being withheld on goods and services**



In accordance with section 116 (2) of the Income Tax Act 2015 act 896 as amended, A resident person, other than an individual, shall withhold tax on the gross amount of the payment at the rate specified in the First

Schedule when the person makes a payment to another resident person who does not fall within subsection (1) or section 114 for

- (a) the supply or use of goods,
- (b) the supply of any works, or
- (c) the supply of services,

in respect of a contract between the payee and the resident person.

Our audit revealed that taxes were not withheld on some payments made during the year.

### **Responsibilities of Directors and Those Charged with Governance 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 determine 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, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance 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.

### **Report on Other Legal and Regulatory 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; and
- ii) in our opinion, proper books of account have been kept by the Company, so far as it appears from our examination of those books.



*A. O. O.*

Signed by: Arnold Tetteh Okai (ICAG/P/1077)

For and on Behalf of:  
IAKO CONSULT (ICAG/F/2018/003)  
CHARTERED ACCOUNTANTS  
32 Samora Machel Road, Asylum Down  
P. O. Box TN 617  
Accra

Date.....*27/03/18*.....



**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 GH¢	2016 GH¢
Income	4	444,044	207,121
Direct Expenses	5	(323,652)	(325,136)
<b>Gross Profit/(Loss)</b>		120,392	(118,015)
Other Income	8	88,990	179,140
Administrative Expenses	6	(300,638)	(233,521)
Depreciation and Amortization	10	(158,947)	(158,947)
Finance Charges	7	(3,562)	(240)
<b>Net Profit/(Loss) Before Taxation</b>		(253,765)	(331,583)
<b>Tax Expense</b>	11a	1,466	(64,849)
<b>Net Profit/(Loss) After Taxation</b>		<u>(252,299)</u>	<u>(396,432)</u>

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017**

<b>ASSETS</b>	<b>Notes</b>	<b>2017</b>	<b>2016</b>
<b>Non-Current Assets</b>		<b>GH¢</b>	<b>GH¢</b>
Plant, Properties & Equipment	10	3,476,448	3,612,022
Intangible Assets	9	70,118	93,492
		<b>3,546,566</b>	<b>3,705,514</b>
<b>Current Assets</b>			
Inventories	12	285,344	98,123
Loans and Receivables	13	355,536	132,402
Taxation	11	27,395	27,395
Cash & Bank	14	21,678	457,057
		<b>689,953</b>	<b>714,977</b>
<b>Total Assets</b>		<b>4,236,519</b>	<b>4,420,491</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Stated Capital	15	2,750,498	2,750,498
Income Surplus		(1,795,987)	(1,543,688)
Revaluation Surplus		2,222,559	2,222,559
		<b>3,177,070</b>	<b>3,429,369</b>
<b>Current Liabilities</b>			
Accounts Payable	16	3,760	7,888
Other Payables	17	213,408	99,487
		<b>217,168</b>	<b>107,375</b>
<b>Non-Current Liabilities</b>			
Deferred Tax Liabilities	11	690,528	691,994
Term Loan	18	151,753	191,753
<b>Total Equity and Liabilities</b>		<b>4,236,519</b>	<b>4,420,491</b>

The Board of Directors approved these financial statements on 26/03/18



DIRECTOR



DIRECTOR

The accompanying notes on pages 13 to 33 from part of these financial statements and should be read in conjunction therewith.

**STATEMENT OF CASH FLOWS AS AT 31 DECEMBER 2017**

	Notes	2017 GH¢	2016 GH¢
<b>Operating activities</b>			
Loss from operations		(252,299)	(396,432)
<b>Adjustments for:</b>			
Depreciation and Amortization		158,948	158,947
Decrease / (Increase) in Inventories		(187,221)	18,237
Decrease / (increase) in receivables		(223,134)	699,730
(Decrease) / increase in payables		109,793	69,116
Deferred Tax		(1,466)	64,849
<b>Net cash generated from operating activities</b>		<b>(395,379)</b>	<b>614,447</b>
<b>Taxation</b>			
Tax Paid		-	(4,390)
<b>Cash flow included in investing activities:</b>			
Purchase of PPE		-	(987,271)
Intangible Assets		-	(104,510)
<b>Net cash from investing activities</b>		<b>-</b>	<b>(1,091,781)</b>
<b>Cash flows from financing activities</b>			
Increase in Stated Capital		-	-
Medium Term Loans		(40,000)	(106,750)
Shareholders Advance		-	-
<b>Net cash used in financing activities</b>		<b>(40,000)</b>	<b>(106,750)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>(435,379)</b>	<b>1,040,775</b>
Cash and cash equivalents at beginning of year		457,057	4,757
<b>Cash and cash equivalents at end of year</b>		<b>21,678</b>	<b>457,057</b>

**STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2016**

	Stated Capital	Income Surplus	Revaluation Surplus	Total
At the beginning of the year	2,750,498	(1,543,688)	2,222,559	3,429,369
Increased Stated Capital	-	-	-	-
Profit/(Loss) for the period	-	(252,299)	-	(252,299)
<b>Year Ended 31 December 2017</b>	<b>2,750,498</b>	<b>(1,795,987)</b>	<b>2,222,559</b>	<b>3,177,070</b>
At the beginning of the year	2,750,498	(1,147,256)	2,222,559	3,825,801
Increased Stated Capital	-	-	-	-
Profit/(Loss) for the period	-	(396,432)	-	(396,432)
<b>Year Ended 31 December 2016</b>	<b>2,750,498</b>	<b>(1,543,688)</b>	<b>2,222,559</b>	<b>3,429,369</b>