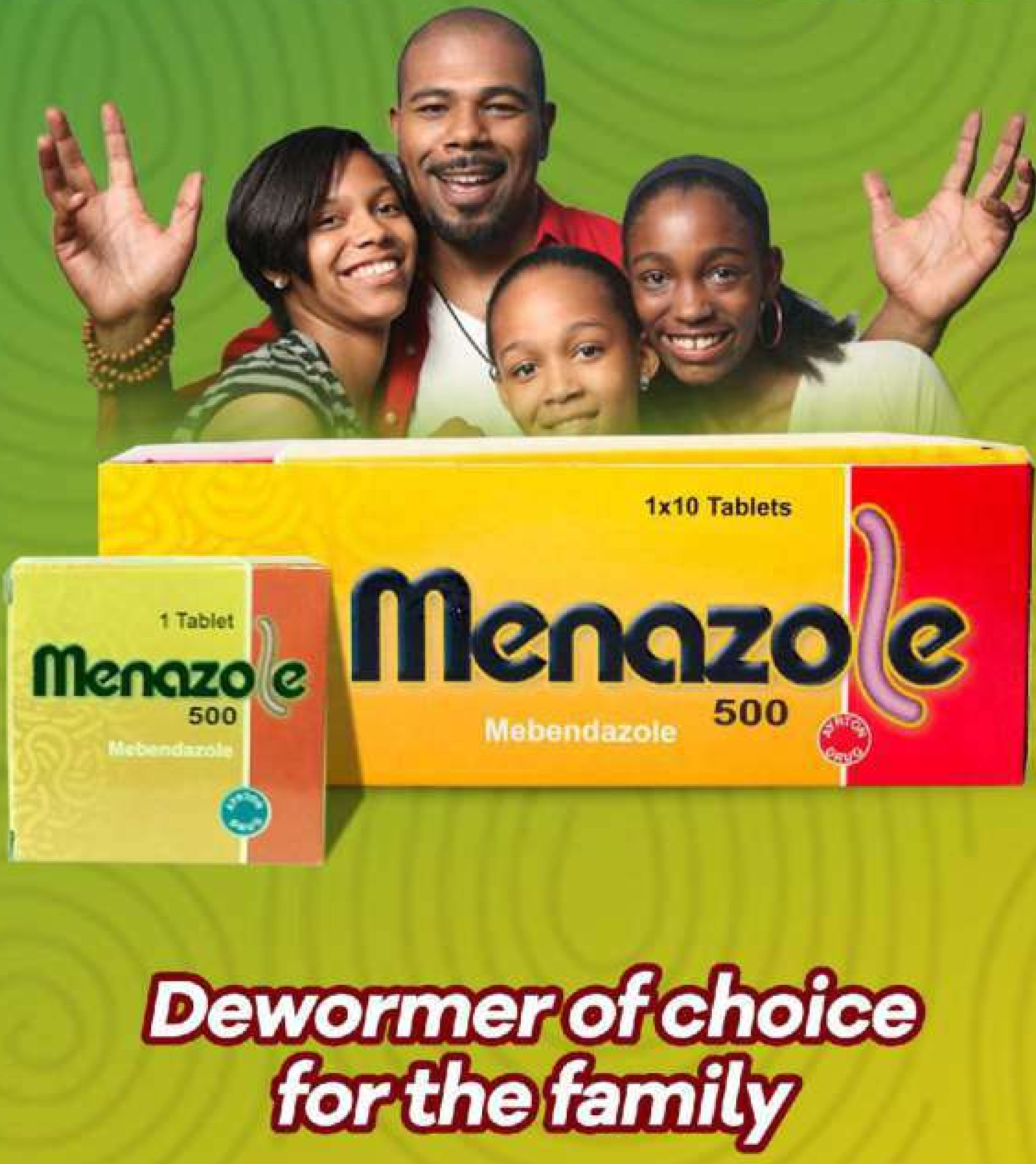
DAS PHARMA

Dannex Ayrton Starwin

Caring For Life

2020
ANNUAL REPORT

Menazole
500



Dewormer of choice for the family

One tablet swallowed as a whole

DANNEX AYRTON STARWIN PLC

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DANNEX AYRTON STARWIN PLC

CURRENT BOARD OF DIRECTORS

Nik Amarteifio - Chairman

Daniel Apeagyei Kissi
Chief Executive Officer

Alex Bonney

Dr. Barima Afrane

Amarteokor Amarteifio

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the 1st Annual General Meeting of **DANNEX AYRTON STARWIN PLC** will be held virtually and streamed live from the offices of Dannex Ayrton Starwin Plc on **Thursday, November 4, 2021** at **10:30** am to transact the following business;

1. To receive and adopt the Reports of the Directors, the Auditors and the Financial Statements for the period ended 31st December 2020.

2. To authorize the Directors to fix the remuneration of the Auditors.

3. To appoint three new Directors.

4. To consider and pass a resolution to support the renewal of Overdraft and Import Finance Facilities at GCB Bank

DATED THIS 10th DAY OF SEPTEMBER, 2021

BY ORDER OF THE BOARD

....

KWESI AUSTIN
(SECRETARY)

DANNEX AYRTON STARWIN PLC
CORPORATE INFORMATION

BOARD OF DIRECTORS

Nik Amarteifio	-	Executive Chairman
Daniel Apeagyei Kissi	-	Chief Executive Officer
Alex K. Braye Bonney		
Dr. Barima Afranie		
Amarteokor Amarteifio		
Richard Adu-Poku (Resigned: 15 July 2020)		

REGISTERED OFFICE
No. 5 Dadeban Road (W3)
North Industrial Area
P. O. Box
Accra

SOLICITOR
Amarteifio and Co.
House No. 6, 11th Lane
P. O. Box 4916
Accra, Ghana

SECRETARY
Opoku Amponsah
2nd Floor
World Trade Center, Ridge
Accra-Ghana

AUDITOR
KPMG
Chartered Accountants
13 Yiyiwa Drive, Abelemkpe
P. O. Box GP 242
Accra

BANKERS
- Ecobank Ghana Plc
- GCB Bank Limited
- Societe Generale Ghana Plc
- Stanbic Bank Limited
- Universal Merchant Bank Limited
- Zenith Bank (Ghana) Limited

CHAIRMAN'S SPEECH

OPENING REMARKS

Distinguished shareholders, Ladies and Gentlemen, on behalf of the Board of Directors and my personal behalf, I welcome you to this 1st Annual General Meeting of Dannex Ayrton Starwin Plc after the successful merger between Dannex Limited, Ayrton Drug Manufacturing Limited and Starwin Products Limited. As you are aware, the three companies merged their operations and became a legal entity on 19th December 2019. The merged entity which was launched and listed on the Ghana Stock Exchange on 15th January 2020 is trading under the name DAS Pharma. The purpose of this new entity is to create a leading pharmaceutical manufacturing and distribution company in Ghana and the West Africa sub-Region. It is my privilege therefore, to present the Annual Report and Financial statements for the first period of your company for the year 2020.

The year 2020 was a difficult year for the world economy and Ghana was no exception. Most businesses were negatively affected globally as a result of the Covid-19 pandemic. Companies collapsed, profits plummeted and sadly a great many people lost their lives.

Despite these challenges, the Board through the management were able to safeguard the safety and wellbeing of employees in ensuring business continuity. The company ensured that there were no job losses by putting in pragmatic measures to curb the effect of the pandemic.

Our earnings however, fell short of our plans and expectations for the period. The company recorded a turnover of GH¢65,918,268. Operating Loss was GHs1,817,483 and Loss for the period amounted to GHS5, 158,244

DIVIDEND

In view of the losses incurred during the period your Board is unable to recommend any dividend for the financial period ended 31st December 2020.

CORPORATE GOVERNANCE

Dannex Ayrton Starwin Plc is fully committed to the Ghana Corporate Governance Directives and principles. We believe our business has attained its reputable public entity because it has been built on transparency. We always put the interest of our wider stakeholders (suppliers, employees, regulatory bodies and shareholders) at the forefront for every decision we make. The company complies with statutory requirements and has put in place a system to protect the public, company assets and all its stakeholders.

The company will continue to apply a sound operational control system in order to safeguard the interest of shareholders. As indicated in the statement of responsibilities of the directors and the notes to the accounts, the company adopts standard accounting practices to facilitate transparency in the disclosure of information and the reliability of the financial statements.

DIRECTORS

The main activity of the Board of Directors is to provide clear directions and strategic recommendations to the management team of the company. Furthermore, one of the roles of the Board of Directors is to oversee the company's risk management control measures. These control measures are revised in a periodic manner to ensure that the economic and the market environments are considered.

The current Board is made up of five Directors. The Chairman and the Chief Executive Officer are Executive Directors while the other three are non-executive Directors.

To augment the Board in the effective running of its sub-committees, three new persons are being recommended for shareholders' approval. We believe these persons will bring to the Board a rich diversity of experiences which will be of much value to the company. Their brief profiles are available in this brochure.

AUDIT SUB-COMMITTEE

The Audit sub-Committee as set up by the Board, is independent and acts as the watchdog of the Board. The Chair is always an independent non-executive member of the Board. The duties of the sub-committee include: oversight of the financial performance and reporting of the company, taking corrective steps to reinforce the results of the internal and external audits. In addition, the committee reviews the company's progress against the recommendations and directives in the External Auditor's report. The full Board however, retains responsibility for the decisions and outcomes of the Audit sub-committee.

The Audit sub-committee played a key role in the final review of the 2020 Financial Statements.

CORPORATE SOCIAL RESPONSIBILITY

Dannex Ayrton Starwin Plc has a Corporate Social Responsibility (CSR) policy that seeks to involve the company, its employees and other relevant stakeholders in the communities we operate and in the country as a whole. The objective is to support various activities from recognized organizations, communities and individuals as well as initiate own programmes and projects that will bring lasting benefits to communities and society.

Our CSR policy focuses on three key areas: Health, Education, and Community Development.

During the year 2020, your company provided assistance to the Covid-19 National Trust Fund, Ghana Medical Association, health institutions including the Kaneshie Polyclinic and the Ridge Hospital, support for various organizations to sponsor health walks and blood donations. We will continue to support such laudable activities in the future.

INTERNAL CONTROL

Dannex Ayrton Starwin Plc has internal control systems for identifying, managing and monitoring risks, these are intended to provide reasonable assurance that the risks facing the company are being controlled.

They also ensure that the company's standard operation procedures (SOP) and control measures are followed and efficiently executed.

CODE OF BUSINESS ETHICS

The company has a documented code of business policies embedded in our HR Policy, to guide all employees in the execution and performance of their day to day duties. This code encompasses all aspects of the business.

REPORT OF THE DIRECTORS
TO THE MEMBERS OF DANNEX AYRTON STARWIN PLC

The Directors present their report and the financial statements of Dannex Ayrton Starwin Plc ("the Company") for the 13-month period ended 31 December 2020.

Directors' responsibility statement

The Directors are responsible for the preparation of the financial statements that give a true and fair view of Dannex Ayrton Starwin Plc, comprising the statements of financial position at 31 December 2020, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the 13-month period 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 and in the manner required by the Companies Act, 2019 (Act 992). In addition, the directors are responsible for the preparation of the report of the directors.

The Directors are also responsible 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, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the ability of the Company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Nature of business

The Company is registered to carry on the business of manufacturing and selling of pharmaceutical products.

Objective of the company

The objective of the Company is to care for life with brands, products and services which significantly reduce disease burden and promote good health and vitality.

Shareholding structure

Dannex Ayrton Starwin Plc is 60% owned by Equatorial Cross Acquisitions Limited (ECA), 17.1% owned by Social Security and National Insurance Trust (SSNIT). The remaining 22.9% is owned by a number of institutional and private investors.

Financial statements/ Business review

The financial results of the Company for the period ended 31 December 2020 are set out in the financial statements, highlights of which are as follows:

	GH¢
Loss before tax	(5,031,278)
Loss after tax	(5,158,244)
Total Assets	52,296,518
Total Liabilities	45,510,879
Total Equity	6,785,639
	=========

Financial statements/ Business review (cont'd)
The Directors do not recommend the payment of dividend.
The Directors consider the state of the Company's affairs to be satisfactory.

Particulars of entries in the Interests Register during the financial period
The entity did not maintain an Interests Register because no director had interests in any contract.

Related party transactions
Information regarding directors' interests in ordinary shares of the Company and remuneration is disclosed in Note 26 to the financial statements. The Board Chairman owns 100% shares in Equatorial Cross Acquisitions, which holds 60.04% shares of Dannex Ayrton Starwin Plc. Other than service contracts, no director had a material interest in any contract during the period. Related party transactions and balances are also disclosed in Note 26 to the financial statements.

Corporate social responsibility and code of ethics
A total of GH¢ 180,000 was spent under the Company's social responsibility programme with key focus on education and health. With the onset of the Covid-19 pandemic, the Company engaged some of its social partners to make contributions to support selected institutions in the fight against the pandemic.

Board of Directors

Profile

Executive	Qualification	Outside board and management position
Nik Amarteifio	BA Economics MBA - Finance and Marketing	Board Member, GCB Bank Limited Board Member, N.F.B Company Limited Board Member, Omni Media Company Limited Board Member, Yaro Capital Ghana Limited Board Member, Consult Ghana Limited Chairman, Equatorial Cross Acquisitions Limited Vice Chairman, Ghana Agro Foods Company (GAFCO)
Daniel Apeagyei Kissi	BSc (Hons) Mechanical Engineering	NIL
Non-Executive		
Alex K. Braye Bonney	Dip. Regulatory Economics	Board Director, Ghana Water Company Limited
Dr. Barima Afranie	BSc Chemistry (MCL) PhD Pharmacy	Gulf Integrated Biochemical Solutions Limited Entrance Pharmaceuticals & Research Centre
Amarteokor Amarteifio	Dip. Social Work BA Social Work MA Social Work	NIL

Biographical information of directors

Age category	Number of directors
41 - 60 years	1
Above 60 years	4

Role of the Board

The Directors are responsible for the long term success of the Company, determining the strategy direction of the Company and reviewing the operating, financial and risk performance. There is a formal schedule of matters reserved for the board of directors, including approval of the Company's annual business plan, the Company's strategy, acquisitions, disposals and capital expenditure projects above certain thresholds, all guarantees, treasury policies, the financial statements, the Company's dividend policy, transactions involving the issue or purchase of Company shares, borrowing powers, appointments to the Board, alterations to the memorandum and articles of association, legal actions brought by or against the Company, and the scope of delegation to Board committees and the management committee. Responsibility for the development of policy and strategy. Operational management is delegated to the Chief Executive Officer who is supported in this regard by an Executive Committee currently comprised of 1 (one) Executive Director and 6 (six) Senior Managers.

Internal control systems

The Directors have overall responsibility for the Company's internal control systems and annually reviews their effectiveness, including a review of financial, operational, compliance and risk management controls. The implementation and maintenance of the risk management and internal control systems are the responsibility of the executive directors and other senior management. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. The directors have reviewed the effectiveness of the internal control systems, including controls related to financial, operational and reputational risks identified by the Company as at the reporting date and no significant failings or weaknesses were identified during this review.

Directors' performance evaluation

Every year the performance and effectiveness of the Board of Directors ("the Board), its committees and individual directors is evaluated. The evaluation is conducted by the completion of detailed and comprehensive written survey questionnaires. The results of the evaluation are shared with all members of the Board. Overall, it was noted that the board of directors and its committees were operating in an effective manner and performing satisfactorily, with no major issues identified.

Conflicts of interest

The Company has established appropriate conflicts authorisation procedures, whereby actual or potential conflicts are regularly reviewed, and authorisations sought as appropriate. During the period, no such conflicts arose, and no such authorisations were sought.

Board balance and independence

The composition of the board of directors and its Committees is regularly reviewed to ensure that the balance and mix of skills, independence, knowledge and experience is maintained. The Board Chairman is not independent and all, with the exception of one of the non-executive directors are independent as pertains to the management of the company. The continuing independence and objective of the Judgement of the non-Executive Directors is being reviewed by the Board of Directors.

Capacity building of directors to discharge their duties

On appointment to the Board, Directors are provided with full, formal and tailored programmes of induction, to enable them gain in-depth knowledge about the Company's business, the risks and challenges faced, the economic environment and the legal and regulatory environment in which the Company operates. Programmes of strategic and other reviews, together with the other training programmes provided during the period, ensure that Directors continually update their skills, knowledge and familiarity with the Company's businesses. This further provides insights about the industry and other developments to enable them effectively fulfill their role on the Board and committees of the Board.

Auditor

The Audit Committee has responsibility delegated from the board of directors for making recommendations on the appointment, reappointment, removal and remuneration of the external auditor. KPMG has been appointed as auditor of Dannex Ayrton Starwin Plc and this is the Company's first period of audit. Prior to the merger of the three entities, KPMG was the auditor of Dannex Limited for 4 years and Starwin Products Limited for over 10 years. KPMG does not provide non-audit services to the Company.

Audit fees

The audit fee for the period ended 31 December 2020 is GH¢180,000.

Merger of Dannex Limited, Ayrton Drug Manufacturing Limited and Starwin Products Limited

On 7 June 2018, the Boards of Dannex Limited, Ayrton Drug Manufacturing Limited and Starwin Products Limited announced that they had agreed to the terms of a recommended merger of the three companies to be effected by way of a Ghanaian Scheme of Amalgamation under Section 231 to 235 of the Companies Act 1963 (Act 179) and that on conclusion of the Merger, the Merged Company will be known as Dannex Ayrton Starwin Plc.

Shareholders of Ayrton Drug Manufacturing Limited and Starwin Products Limited at their separate extraordinary general meetings held on 27 December 2018 agreed to the Scheme of Amalgamation while in the case of Dannex Limited, its shareholders endorsed the arrangement on 30 January 2019.The High Court of Justice (Commercial Division) subsequently confirmed the merger on 25 November 2019.

The merger, which has brought about the new entity-Dannex Ayrton Starwin Plc has been approved by the Ghana Stock Exchange (GSE) and the Securities and Exchange Commission (SEC). Pursuant to the merger, the Companies have transferred their total assets and total liabilities at book values to the newly merged entity effective 19 December 2019. Dannex Ayrton Starwin Plc was listed on the Ghana Stock Exchange on 15 January 2020.

Approval of the report of the directors

The report of the Directors of Dannex Ayrton Starwin Plc was approved by the Board of Directors on

....30 June.....2021 and signed on their behalf by:

NIK AMARTEIFIO
....
Name of Director

....
Signature

DANIEL APEAGYEI KISSI
....
Name of Director

....
Signature

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DANNEX AYRTON STARWIN PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Dannex Ayrton Starwin Plc("the Company"), which comprise the statement of financial position at 31 December 2020, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the 13 month period then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 17 to 65.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company at 31 December 2020, and of its financial performance and cash flows for the 13 month period then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2019 (Act 992).

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' International Code of Ethics for Professional Accountants (including International Independence Standards) (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.

Revenue Recognition (GH¢65,918,268) Refer to Note 8 to the financial statements	
The key audit matter	*How the matter was addressed in our audit*
Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when goods are delivered to a customer and thus control has been transferred. There is a time lag between issues of goods to distributors and receipts of those goods close to the year end. Revenue may be recorded when control has not been transferred to the customer.	Our principal audit procedures included the following: — Identifying relevant controls over the revenue recognition process for all the revenue streams, evaluating the design and implementation, and testing the operating effectiveness of these controls; — For a sample of significant sales transactions, tracing the transactions back to source documents to ensure that the transactions actually occurred, and the amounts were accurate; — Performing predictive analysis on individual product lines of the company; — Performing gap analysis on revenue details for the period; — Assessing whether sales transactions on either side of the balance sheet date as well as credit notes issued after year end had been recorded in the appropriate accounting period; and — Evaluating the adequacy of the Company's disclosures on revenue recognition in the financial statements in accordance with the applicable financial reporting framework.

Existence, accuracy and valuation of inventory (GH¢13,645,760) Refer to Note 18 to the financial statements	
The key audit matter	*How the matter was addressed in our audit*
The Company keeps many inventory lines with significant values for the relevant segments. Inventory may not be measured appropriately due to nonexistence, obsolescence or inaccurate unit costs assigned to items with significant values.	— Evaluating the design and implementation and testing the operating effectiveness of controls over periodic inventory counts and management reviews of inventory reconciliation; — Observing year-end inventory counts and checked that the physical quantities agree with the system quantities per the Company's records. On a sample basis, recomputing the unit cost of inventory used in the year-end inventory valuation by agreeing the costs to supporting documentation such as purchase invoices and landed costs; and — Enquiring into identified slow moving inventory and assessing reasonableness of impairment allowance recognised on such inventory. — Considering the adequacy of disclosures in relation to inventory recognised in the financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors as required by the Companies Act, 2019 (Act 992) and Corporate Information which we obtained at the date of this report. The Chairman's statement, Chief Executive Officer's statement, Audit Committee's report and Corporate Governance statement which we expect to be available to us after that date. The other information does not include the financial statements and our auditor's 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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 of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act,
2019 (Act 992), 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.

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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement 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 Directors.

- Conclude on the appropriateness of the 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 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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992)

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.

In our opinion, proper books of account have been kept, so far as appears from our examination of those books.

The statements of financial position and profit or loss and other comprehensive income are in agreement with the accounting records and returns.

We are independent of the Company under audit pursuant to Section 143 of the Companies Act, 2019 (Act 992).

The engagement partner on the audit resulting in this independent auditor's report is Labaran Amidu (ICAG/P/1472).

KPMG
....
FOR AND ON BEHALF OF:
KPMG: (ICAG/F/2021/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P OBOXGP 242, ACCRA

30 June 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER, 2020

	Note	2020 GH¢
Revenue	8	65,918,268
Cost of Sales	9	(36,631,759)
Gross profit		29,286,509
Other operating income	12	419,593
Selling and distribution expenses	10	(8,043,808)
Administrative expenses	11	(23,548,512)
Impairment loss on trade receivables	25	68,735
Operating loss		(1,817,483)
Finance income	13	1,236
Finance costs	13	(3,215,031)
Loss before tax		(5,031,278)
Income tax expense	14a	(126,966)
Loss for the period		(5,158,244)
Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
Remeasurement of defined benefit obligations	23	245,873
Related income tax	14b	(61,468)
Equity investment at FVOCI		
net change in fair value	17	488,881
Related income tax	14b	(167,783)
Other comprehensive income for the period, net of tax		505,503
Total Comprehensive Income for the period		(4,652,741)
Basic/Diluted earnings per share (GH¢ per share)	30	(0.0609)

The notes on pages 21 to 65 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2020

Assets	Note	2020 GH¢
Property, plant and equipment	15	21,221,853
Intangible assets	16	395,229
Equity Investment at FVOCI	17	2,416,650
Non-current assets		24,033,732
Inventories	18	13,645,760
Trade and other receivables	19	13,715,929
Amount due from related party	26	263,753
Cash and cash equivalents	20	637,344
Current assets		28,262,786
Total assets		52,296,518
Equity		
Share capital	24	33,058,701
Fair value reserve	24	321,099
Other reserves	24	184,405
Retained earnings	24	(26,778,566)
Total equity		6,785,639
Liabilities		
Lease liabilities	15c	109,169
Loans and borrowings	21	14,656,190
Employee benefit obligations	23	4,380,548
Deferred tax liabilities	14e	815,464
Non-current liabilities		19,961,371
Lease liabilities	15c	40,008
Bank overdraft	20	5,596,337
Current tax liabilities	14d	761,180
Loans and borrowings	21	4,108,892
Trade and other payables	22	13,905,177
Amount due to related party	26	1,137,914
Current liabilities		25,549,508
Total liabilities		45,510,879
Total equity and liabilities		52,296,518

These financial statements were approved by the Board of Directors on 30 June 2021 and were signed on their behalf by:

NIK AMARTEIFIO
Name of Director
Signature

DANIEL APEAYEI KISSI
Name of Director
Signature

The notes on pages 21 to 65 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER, 2020

	Share Capital GH¢	Fair Value Reserve GH¢	Other Reserves GH¢	Retained Earnings GH¢	Total Equity GH¢
Balance at 19 December 2019	33,058,701	-	-	(21,620,322)	11,438,380
Loss for the period	-	-	-	(5,158,244)	(5,158,244)
Other comprehensive income					
Changes in fair value on financial asset at FVOCI		321,099	-	-	321,099
Remeasurement of employee benefits			184,405	-	184,405
Total comprehensive income for the period	-	321,099	184,405	(5,158,244)	(4,652,741)
Balance at 31 December 2020	33,058,701	321,099	184,405	(26,778,566)	6,785,639

The notes on pages 21 to 65 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER, 2020

	Note	2020 GH¢
Cash flows from operating activities		
Loss after taxation		(5,158,244)
Adjustments for:		
Depreciation of property, plant and equipment	15	1,438,270
Depreciation on leases	15	342,093
Amortisation-Intangibles	16	143,998
Net finance cost	13	2,504,889
Unrealised exchange difference		1,607
Profit on disposal of property, plant and equipment	15b	(83,350)
Write off of property, plant and equipment	15	9,678
Income tax expense	14a	126,966
		(674,093)
Changes in:		
Inventories	18	1,776,878
Trade and other receivables	19	(970,337)
Amount due from related party	26	-
Trade and other payables	22	1,684,106
Amount due to related party	26	-
Employee benefit obligations	23	379,765
Cash generated from operating activities		2,196,319
Interest paid	13	(1,857,226)
Income taxes paid	14d	(1,706,269)
Net cash used in operating activities		(1,367,176)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	15b	83,350
Acquisition of property, plant and equipment	15	(2,903,633)
Acquisition of intangible assets	16	(86,400)
Net cash used in investing activities		(2,906,683)
Cash flows from financing activities		
Proceeds from loans and borrowings	21	11,426,718
Repayment of borrowings	21	(7,242,694)
Payment on lease liabilities	15c	40,008
Net cash from financing activities		4,224,032
Net decrease in cash and cash equivalents		(49,827)
Cash and cash equivalents at beginning		(4,907,559)
Effect of movements in exchange rates on cash held		(1,607)
Cash and cash equivalents at 31 December	20	(4,958,993)

The notes on pages 21 to 65 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2020

1. REPORTING ENTITY

Dannex Ayrton Starwin Plc ("the Company") is a company incorporated and domiciled in Ghana. The Company's registered office can be found on Page 6 of the annual report. The Company is primarily involved in the manufacturing and sale of pharmaceutical products. The financial statements comprise the individual financial statements of the Company as at and for the period ended 31 December 2020.

Dannex Ayrton Starwin is listed on the Ghana Stock Exchange.

2. BASIS OF ACCOUNTING

This is the Company's first set of financial statements and have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2019 (Act 992).

3. FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Ghana Cedis, which is the Company's functional currency. All amounts have been rounded to the nearest Ghana Cedi, unless otherwise indicated.

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

(a) Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2020 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 23 - measurement of defined benefit obligations, key actuarial assumptions;
- Note 14 - recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilized; and
- Note 25 - measurement of Expected Credit Loss (ECL) allowance for trade receivables: key assumptions in determining the weighted -average loss rate.

(I) Measurement of fair values

When measuring fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the following inputs used in the valuation techniques as follows:

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognised transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 25 - Financial instruments.

5. BASIS OF MEASUREMENT

The financial statements have been prepared under the historical cost convention except for the following material items:

- Financial assets classified as equity investments at FVOCI, measured at fair value.
- Employee benefit obligations recognised at the present value of the defined benefit obligations.

6. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been adopted and applied in these financial statements, unless otherwise stated.

6.1 Foreign currency

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

6.2 Revenue from customers

The Company generates revenue primarily from the sale of pharmaceutical products. The Company sells its products primarily to two categories of customers: Open Market (Pharmacies and Chemical Sellers) and Institutions (Hospitals and Regional Medical Stores).

The Company recognises revenue when the goods are delivered and have been accepted by the customer who acknowledges receipt by signing a waybill or the invoice. The Company considers its sale of goods as a single performance obligation as its goods are not separately identifiable and distinct. Invoices are generated as and when the pharmaceutical products are sold. Invoices are usually payable within 60 days. Returned goods are usually faulty and near expiry products.

6.3 Employee benefits

(i) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss in the periods during which services are rendered by employees.

a. Social security contribution

Under a national pension scheme, the Company contributes 13% of employee's basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. The Company's obligation is limited to the relevant contributions, which have been recognised in the financial statements. The pension liabilities and obligations, however, rest with SSNIT.

b. Tier 3 Pension fund and saving scheme

The Company have a Tier 3 Pension fund for staff and management under which the Company contributes 6.5% of employee's basic salary to the scheme.

(iii) Defined benefit plan

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of the economic benefit available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of future economic benefit, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit liability which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Company determines the net interest expense (Income on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined liability (asset) during the period as a result of contribution and benefit payment.

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to the past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Termination

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognised cost for restructuring. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(v) Other long-term benefits

The Company's obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine its present value. The discount rate is the rate on long dated Government of Ghana bonds. Remeasurement are recognised in profit or loss in the period in which they arise.

6.4 Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated 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 capitalised as part of that equipment.

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

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Freehold land is not depreciated. The estimated useful lives are as follows:

- Right-of-use assets — 50-91 years
- Buildings — 2%-3%
- Laboratory, plant and machinery — 10% - 20%
- Motor vehicle — 20%- 25%
- Furniture and equipment — 15%- 20%
- Computer equipment — 25%- 33.3%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected to flow to the Company from either their use or disposal. Gains or losses on derecognition of an item of property and equipment are determined by comparing the proceeds from disposal, if applicable, with the carrying amount of the item and are recognised directly in profit or loss.

6.5 Intangible assets

Intangible assets (Computer software and trademarks) that are acquired by the Company are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in the profit or loss as incurred.

Amortisation is charged to profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Computer software development costs recognised as assets are amortised over their estimated useful lives, which does not exceed four years.

Trademark is amortised over an expected useful life of 3 years.

6.6 Inventories

Inventories are stated at the lower of cost or net realisable value. Net realisable value is the selling price less costs to sell. Cost is determined using the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

6.7 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of identified asset- this may be specified explicitly or implicitly and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Company has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use; and

- the Company has the right to direct the use of the asset. The company has the right when it has the decision· making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

The Company as a Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before commencement date, plus any initial direct costs attributable to the lease contract and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise of:

- Fixed repayment, including in-substance fixed payments
- The effects of prepayments or rent-free periods
- Contractually-stipulated increases in rent payments
- Lease payments in an optional renewal period if the Company is reasonably certain to exercise an exercise option.

The lease liability is measured at amortised cost using the effective interest method. A re-measurement of the lease liability and right-of-use asset is required under the following circumstances:

(a) A change in future lease payment amount due to a market rent review;
(b) A change in fixed future lease payment amount due to rent being linked to an inflation index;
(c) A change in expected lease term (e.g. no longer expect to exercise extension option or now expect to exercise an early termination option).

When the lease liability is re-measured in this way, a corresponding adjustment is made to the current amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has
been reduced to zero.

The Company presents right-of-use asset in property and equipment and lease liabilities in the statement of financial position.

Short term leases and leases of low-value assets
The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases of property that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

6.8 Financial instruments

(I) Recognition and initial measurement
Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair values plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

(a) Financial assets
Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirement to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(b) Financial assets - Business model assessment
The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

(c) Financial assets - assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs [e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- ·contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

(d) Financial assets- Subsequent measurement and gains and losses

Financial assets at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in FVOCI and are never reclassified to profit or loss.

(e) Financial liabilities - Classification, subsequent measurement and gains and losses
Financial liabilities are classified as measured at amortised cost and are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Other financial liabilities comprise trade and other payables, related party payables and bank overdraft .

(iii) Derecognition

(a) Financial assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all the risks and rewards of the transferred assets. In these cases, transferred assets are not derecognised.

(b) Financial liabilities
The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(c) Impairment

(i) Non-derivative financial assets

Financial instruments and contract assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition are measured at 12 month ECLs.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:
- the debtor is unlikely to pay its credit obligations to the Company in full due to bankruptcy
- there are adverse changes in the payment status of debtors
- the financial asset is more than 90 days past due (For trade receivables for open market customers, default is 183 days and above. For institutional customers 365 days and above)

The Company considers a debt security to have low credit risk when its credit rating is equivalent to the globally understood definition of "investment grade".

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12 month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs
ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impairedfinancial assets
At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a

detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation;

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

6.8 Financial instruments (cont'd) Measurement of ECLs (cont'd) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

6.9 Finance income and cost

Finance costs comprise interest expense on borrowings, bank charges and interest expense on lease liability recognised in profit or loss.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying assets are recognised in profit or loss using the effective interest method.

Finance income comprise interest income on funds invested or held in bank accounts, dividend income, and net foreign exchange gains.

The Company has presented interest expense on the lease liability separately from the depreciation charge for the right-of-use asset.

6.10 Income Tax

Income tax expense on profit or loss for the period comprises current and deferred tax. Tax is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable or receivable on taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax is measured at tax rates that are expected to be applied to temporary differences when they reverse.

A deferred tax asset is recognised for unused tax loses, unused tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. 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 realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences, differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or the tax assets and liabilities will be realised simultaneously.

6.11 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares.

6.12 Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs and income taxes.

6.13 Segment reporting

Operating segments reflect the Company's management structure and the way financial information is regularly reviewed by the Chief Executive Officer. Operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Officer (Chief Operating Decision-Maker (CODM)).

The Company operates as a single business unit that manufactures Syrups, Tablets, Creams, Suspension, Disinfectant, Lozenges, Powders, Capsules and Emulsion.

6.14 New standard and interpretation issued not yet effective

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after I January 2021 and have not been applied in preparing these financial statements. Those which may be relevant to the Company are set out below. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

Standard/Interpretation		**Effective date Periods beginning on or after**
Amendments to IAS 37 IAS I amendment	Onerous contracts - Cost of Fulfilling a Contract Classification of liabilities as current or non-current	I January 2022 I January 2023
IAS 16 amendment IAS 8 amendment	Property, Plant and Equipment: Proceeds before Intended Use Definition of Accounting Estimates	1 January 2022 1 January 2023
IAS 1 and IFRS Practice Statement 2 amendment	Disclosure Initiative: Accounting Policies	1 January 2023
IFRS 16 amendment	COVID-19 Related Rent Concessions	1 June 2020 (subsequent amendment effective 1 April 2021)

Onerous contracts - Cost of Fulfilling a Contract (Amendments to /AS 37)

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, issued by the International Accounting Standards Board, clarify that the costs of fulfilling a contract' when assessing whether a contract is onerous comprise both:

- the incremental costs - e.g. direct labour and materials; and
- an allocation of other direct costs - e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

The amendments apply for annual reporting periods beginning on or after I January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments will be recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives will not be restated. Earlier application is permitted.

The Company is yet to assess the potential impact on the financial statements.

Classification of liabilities as current or non-current (Amendments to /AS 1)
Under existing IAS I requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged. The amendments are to be applied retrospectively from the effective date.

The Company is yet to assess the potential impact on the financial statements.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Proceeds from selling items before the related item of property, plant and equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.

Companies will therefore need to distinguish between:
- costs associated with producing and selling items before the item of property, plant and equipment is available for use;
- and costs associated with making the item of property, plant and equipment available for its intended use.

Making this allocation of costs may require significant estimation and judgement.

The Company is yet to assess the potential impact on the financial statements.

The amendments apply for annual reporting periods beginning on or after l January 2022, with earlier application permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

Definition of accounting estimates (Amendments to IAS 8)
Distinguishing between accounting policies and accounting estimates is important because changes in accounting policies are generally applied retrospectively, while changes in accounting estimates are applied prospectively.

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:
- The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial

statements that are subject to measurement uncertainty".

- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- The Board clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The effects of changes in inputs and/or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

The Company is yet to assess the potential impact on the financial statements.

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Making information in financial statements more relevant and less cluttered has been one of the key focus areas for the International Accounting Standards Board (the Board).

The Board has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed;
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements;
- accounting policy information may be material because of its nature, even if the related amounts are immaterial.
- accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material.

The Company is yet to assess the potential impact on the financial statements.

The amendments are effective from 1 January 2023 but may be applied earlier.

COVID-19-Related Rent Concessions (Amendments to IFRS 16)
The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A Lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession.

The practical expedient will only apply if:
- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before 30 June 2021; (a subsequent amendment released in March 2021 has extended this date to 30 June 2022) and
- no other substantive changes have been made to the terms of the lease.

Lessees applying the practical expedient are required to disclose:
- that fact, if they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and
- the amount recognised in profit or loss for the reporting period arising from application of the practical expedient.

The original version of the practical expedient was, and remains, optional. However, the subsequent amendment is, in effect, not optional. This is because a lessee that chose to apply the practical expedient introduced by the 2020 amendment would have to consistently apply the extension to similar rent concessions.

The subsequent amendment is applicable retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings. The disclosure requirements of Paragraph 28(f) I of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors do not apply on initial application of the subsequent amendment. Lessees may need to reverse previous lease modification accounting if a rent concession was ineligible for the original practical expedient under the 2020 amendment but becomes eligible as a result of the extension.

The Company is yet to assess the potential impact on the financial statements.

The amendments are effective for periods beginning on or after 1 June 2020 (the subsequent amendment is effective on or after I April 2021), with earlier application permitted. A lessee applies the amendments retrospectively and recognises the cumulative effect of initially applying them in the opening retained earnings of the reporting period in which they are first applied.

6. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

6.14 New standard and interpretation issued not yet effective (cont'd)

The Company is yet to assess the potential impact on the financial statements.

The amendments are effective for periods beginning on or after 1 June 2020 (the subsequent amendment is effective on or after 1 April 2021), with earlier application permitted. A lessee applies the amendments retrospectively and recognises the cumulative effect of initially applying them in the opening retained earnings of the reporting period in which they are first applied.

8. REVENUE

(a) Revenue stream

The Company generates revenue primarily from the sale of pharmaceutical products

	2020 GH¢
Revenue from sale of goods	65,918,268

(b) Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by primary customer profiles and timing of revenue recognition (which is at a point in time).

	2020 GH¢
Type of customer	
Open Market	63,877,361
Institutions	2,040,907
	65,918,268

9. COST OF SALES

	2020 GH¢
Cost of raw material consumed	24,072,098
Depreciation of property, plant and equipment	1,056,357
Staff Cost (11(i))	6,772,501
Overheads	4,730,803
	36,631,759

10. SELLING AND DISTRIBUTION EXPENSES

	2020
	GH¢
Advertising and promotion	459,967
Depreciation of property, plant and equipment	96,530
Other selling and distribution expenses	1,062,112
Hotel Accommodation and allowances	1,147,688
Motor Vehicle Expenses	1,730,641
Rents, rate and insurance	336,801
Repairs and maintenance	909,248
Staff costs (11(i))	2,300,821
	8,043,808

11. GENERAL AND ADMINISTRATIVE EXPENSES

	2020
	GH¢
Auditor's remuneration	180,000
Amortisation of intangible assets	143,998
COVID 19 expenses	688,371
Communication	649,618
Depreciation of property, plant and equipment	627,476
Directors' remuneration	3,350,885
Donations	13,139
Net Exchange difference	11,765
Legal and professional expenses	990,890
Other administrative expenses	969,161
Penalties and Fines	90,426
Repairs and maintenance	1,395,960
Rents, rates and insurance	695,307
Sanitation	346,702
Security	683,790
Subscriptions and renewals	599,349
Staff costs (11(i))	11,425,093
Travelling and transport	433,823
Utilities	243,081
Asset write off of property, plant and equipment	9,678
	23,548,512

11. GENERAL AND ADMINISTRATIVE EXPENSES (CONT'D)

11(i) Staff costs under cost of sales, selling and distribution and general and administrative

Cost of sales (Note 9)	6,772,501
Selling and distribution expenses (Note 10)	2,300,821
General and administrative expenses (Note 11)	11,425,093
	20,498,415
This is made up of:	
Salaries and wages	17,686,926
Retirement benefit costs:	
- Tier 3 pension contributions	704,469
- Social Security contributions	1,438,351
Defined benefits and other long term benefits:	
Defined benefits	471,531
Other long term benefits	197,138
	20,498,415

The average number of employees at the end of the period were 633.

12. OTHER OPERATING INCOME

	2020 GH¢
Sundry income	336,243
Profit on disposal of property, plant and equipment	83,350
	419,593

Included in sundry income is bad debt recovered and proceeds from scraps.

13. FINANCE INCOME AND COST

	2020 GH¢
Finance income	
Interest on bank accounts	1,236
Finance cost	
Interest on loans and borrowings	(2,504,888)
Interest expense on leases	(14,911)
Bank charges	(695,232)
	(3,215,031)

14. TAXATION

(a) Amounts recognised in profit or loss

	2020 GH¢
Current tax expense	-
Deferred tax expense	-
	126,966
Total tax expense	126,966

(b) Amounts recognised in OCI

	Before Tax Credit GH¢	Tax (Expense) GH¢	Net of tax GH¢
Remeasurement of defined benefit liability	245,873	(61,468)	184,405
Equity investments at FVOCI – net change in fair value	488,881	(167,783)	321,099
	734,754	(229,251)	505,503

(c) Reconciliation of effective tax rate

Loss	(5,031,278)
Corporation tax rate at 25%	(1,257,820)
Expenses not deductible for tax purposes	2,216,113
Tax exempt income	(831,328)
Income tax credit	126,966
Effective tax	(3%)

(d) Current tax assets/ liabilities

The movement on the current tax account was as follows:

	Balance at 19 December 2019 GH¢	Payments/WHT Credit during the year GH¢	Charged to P/L account GH¢	Balance at 31 December 2020 GH¢
Income tax				
Up to 2018	1,342,725	-	-	1,342,725
2019	1,124,724	-	-	1,124,724
2020	-	(1,706,269)	-	(1,706,269)
	2,467,449	(1,706,269)	-	761,180

(e) Movement in deferred tax balances

	Net balance at 19 December 2019 GH¢	Recognised Profit/ Loss GH¢	In OCI liabilities GH¢	Net (asset)/ liabilities GH¢	Deferred tax (assets) GH¢	Deferred tax GH¢
Property, plant and equipment	252,165	2,287,684	-	2,539,849	2,539,849	-
Employee benefit obligations	(151,261)	(1,033,669)	61,468	(1,123,462)	-	(1,123,462)
Fair value gain	436,380	-	167,783	604,163	604,163	-
Tax losses	-	(620,266)	-	(620,266)	-	(620,266)
Inventories	-	(2,632)	-	(2,632)	-	(2,632)
Trade receivables	(78,037)	(504,151)	-	(582,188)	-	(582,188)
Net tax liabilities (assets)	459,247	126,966	229,251	815,464	3,144,012	(2,328,548)

The opening balances were transferred from the individual entities and have been combined into the new entity.

(f) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

	2020	
	Gross amount GH¢	Tax effect GH¢
Tax losses	2,481,063	620,266

(g) Tax losses carried forward

	GH¢	Expire date
Tax losses – 2020	2,481,063	2025

15. PROPERTY, PLANT AND EQUIPMENT

2020	Leasehold land & building, Freehold land GH¢	Fixtures & equipment GH¢	Computer equipment GH¢	Motor vehicles GH¢	Plant & machinery GH¢	Under construction GH¢	Total GH¢
Cost							
Balance at 19 December 2019	17,410,840	2,901,052	1,272,368	4,810,345	7,090,168	1,652,199	35,136,972
Additions	323,118	212,684	286,425	392,320	75,208	1,613,878	2,903,633
Transfers	29,706	-	-	-	182,497	(212,203)	-
Disposals	-	-	-	(349,408)	-	-	(349,408)
Write offs	-	-	(24,292)	(310,459)	-	-	(334,751)
Balance at 31 December 2020	17,763,664	3,113,736	1,534,501	4,542,798	7,347,873	3,053,873	37,356,445
Depreciation							
Balance at 19 December 2019	1,508,513	2,452,193	1,089,155	4,021,508	5,957,341	-	15,028,710
Charge for the period	567,957	171,659	150,639	410,223	479,885	-	1,780,363
Disposals	-	-	-	(349,408)	-	-	(349,408)
Write offs	-	-	(14,614)	(310,459)	-	-	(325,073)
Balance at 31 December 2020	2,076,470	2,623,852	1,225,180	3,771,864	6,437,226	-	16,134,592
Carrying amount							
At 31 December 2020	15,687,194	489,884	309,321	770,934	910,647	3,053,873	21,221,853

Depreciation has been charged to the statement of comprehensive income as follows:

	2020 GH¢
Cost of sales (Note 9)	1,056,357
Selling and distribution expenses (Note 10)	96,530
Administrative expenses (Note 11)	627,476
	1,780,363

There was no indication of impairment of property, plant and equipment held by the Company at 31 December 2020. The Company's leasehold land and building, plant, equipment and machinery have been used as security for loan and overdraft facility held with EXIM Bank and GCB Bank Limited.

15b. Disposal of property, plant and equipment

	2020 GH¢
Cost	349,408
Accumulated depreciation	(349,408)
Carrying amount	-
Proceeds	(83,350)
Profit on disposal	83,350

15c. Leases

(i) Leases as a lessee

The Company leases land and buildings. The land leases typically run for a period of 50 to 91 years and buildings for a period of one to two years. For lease of buildings that run for a period of one year, the Company has elected not to recognise right-of-use and lease liabilities for these leases because they are short-term leases. During the period, the Company entered into new building lease agreements for its territory warehouses.

(ii) Right-of-use assets

Right-of-use assets are presented as part of property, plant and equipment.

	Land GH¢	Buildings GH¢	Total GH¢
Balance at 19 December 2019	10,023,105	214,587	10,237,692
Additions to right-of-use assets	-	80,931	80,931
Depreciation for the period	(272,120)	(70,091)	(342,211)
Balance at 31 December 2020	9,750,985	225,427	9,976,412

15c. Leases

(ii) Amount recognised in the statement of profit or loss

	2020 GH¢
Interest on lease liabilities	14,911
Expenses relating to short-term leases	89,562

(iii) Amounts recognised in the statement of cash flows

	GH¢
Total cash outflow for leases*	40,008

(iv) Lease liabilities included in the statement of financial position at 31 December

Balance at beginning	174,273
Interest on lease liabilities	14,911
Payments made	(40,008)
Balance at 31 December	149,177

Less than one year	40,008
More than one year	109,169
	149,177

*Short term lease and interest on lease payments are classified as operating activities

Extension options

Some leases of office premises contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Company and not by the lessors. The Company assesses at lease commencement due date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is significant event or significant changes in circumstances within its control.

The Company has assessed that all contractual extension options will be exercised and have therefore included all potential future lease payments in the calculation of the lease liability.

16. INTANGIBLE ASSETS

Intangible asset represents trademark on certain brand of drugs acquired by the Company and the accounting software used by the Company.

	Software GH¢	Trademark GH¢	2020 Total GH¢
Cost			
Balance at 19 December 2019	714,178	304,677	1,018,855
Additions	86,400	-	86,400
At 31 December	800,578	304,677	1,105,255
Amortisation			
Balance at 19 December 2019	261,440	304,588	566,028
Charge for the year	143,909	89	143,998
At 31 December 2020	405,349	304,677	710,026
Carrying amount			
At 31 December 2020	395,229	-	395,229

17. EQUITY INVESTMENTS AT FVOCI

Equity investments at FVOCI	2020 GH¢
At 19 December 2019	1,927,769
Net change in fair value	488,881
At 31 December 2020	2,416,650

This relates to the value of 374,955 ordinary shares in Stanbic Bank Ghana Limited. These equity securities represent investments that the Company intends to hold for long term strategic purposes.

No dividend income was received during the period.

18. INVENTORIES

	2020 GH¢
Raw materials and packaging	8,671,909
Work in progress	175,834
Finished goods	3,202,965
Consumable spares	1,595,052
	13,645,760

At 31 December 2020, there were no inventories pledged as security. The amount of inventory recognized in cost of sales amounted to GH¢ 24,072,098. The written-down values of raw materials, work in progress, finished goods and packaging included in cost of sales amounted to GH¢ 1,134,360. Inventory items are written down when they expire. No reversal of write-down was recognised during the period.

19. TRADE AND OTHER RECEIVABLES

	2020 GH¢
Trade receivables	11,052,916
Other receivables	886,022
Prepayments	547,206
Staff receivables	1,229,785
	13,715,929

The maximum amount due from staff during the year attributable to the Company amounted to GH¢ 1,229,785.

Credit and market risks, and impairment losses
Information about the Company's exposure to credit and market risks, and impairment losses for trade receivables is included in Note 25.

20. CASH AND CASH EQUIVALENTS AND BANK OVERDRAFT

	2020 GH¢
Bank Balance	598,660
Cash balance	38,684
Cash and cash equivalents in statement of financial position	637,344
Bank overdrafts*	(5,596,337)
Cash and cash equivalents in statement of cash flows	(4,958,993)

*Included in bank overdrafts are credit facilities of GH¢ 6,000,000 at the rate of 10% obtained from GCB Bank Limited that are used to finance working capital and importation of raw materials. These facilities are payable on demand and expire 12 months from the date of disbursement.

21. LOANS AND BORROWINGS

	2020 GH¢
Current	
Exim Bank – Ghana	2,861,042
GCB Bank Limited Loan	1,247,850
	4,108,892
Non- Current	
Exim Bank – Ghana	4,187,474
GCB Bank Limited Loan	10,468,716
	14,656,190

Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 25.

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 2020 GH¢	Carrying amount 2020 GH¢
Exim Loan (Restructured) (a)	GH¢	8%	2023	7,048,516	7,048,516
GCB Bank Ltd Loan (b)	GH¢	10%	2025	11,716,566	11,716,566
Zenith Edaif Loan (ci)	GH¢	12.5%	2020	-	-
Zenith Edaif Loan (cii)	GH¢	12.5%	2021	-	-
				18,765,082	18,765,082

(a) This is GH¢ 11,250,000 and GH¢6,000,000 loan facilities obtained by the old entities from Exim Bank in April 2018 and November 2018. The purpose of the loan is to augment working capital and to refinance existing loans. This loan was restructured in April 2020. The loan was secured by a mortgage over the Ayrton Drugs commercial property.

(b) This is a GH¢ 11,426,718 loan facility obtained from GCB Bank Limited in July 2020. The purpose of the loan is to refinance outstanding loans with GCB Bank Limited, Zenith Bank Ghana Limited and Ecobank Ghana Plc. The loan was secured by a mortgage 9ver the processing plant, Starwin Commercial Property and Ayrton Drugs Property.

© This is GH¢4,080,333 and GH¢3,026,058 loan facility obtained from Zenith Bank (Ghana) Limited through EDAIF in December 2013 and May 2014 respectively. The loan was secured by a legal mortgage over the factory premises. These loans were refinanced and paid off by the GCB Bank Limited Loan obtained during the period.

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Opening balance GH¢	Additions GH¢	Capital repayment GH¢	Finance cost GH¢	Interest paid GH¢	Closing balance GH¢
Exim Loan (restructured)	8,466,223	-	(1,775,522)	796,645	(438,831)	7,048,516
GCB Bank Ltd Loan	-	11,426,718	-	641,635	(351,787)	11,716,566
Zenith EDAIF Loan	1,664,312	-	(1,664,312)	197,044	(197,044))	-
GCB Bank Ltd Disbursement	3,773,635	-	(3,773,635)	866,044	(866,044)	-
Lease facility	29,225	-	(29,225)	3,520	(3,520)	-
	13,933,395	11,426,718	(7,242,694)	2,504,888	(1,857,226)	18,765,082

22. TRADE AND OTHER PAYABLES

	2020 GH¢
Trade payables	6,228,606
Other payables	3,334,632
**Accrued expenses	4,341,939
	13,905,177

** Included in balance is GH¢ 1,491,390 relating to accrued unpaid leave as at period end.

Information about the Company's exposure to currency and liquidity risks is included in Note 25.

23. EMPLOYEE BENEFIT OBLIGATION

(i) Other long term benefits

Long service award is an unfunded scheme to reward staff for their continuous and dedicated service to the Company. Staff who serve for ten years and above are awarded with cash donations. The plan is not funded. The awards vary depending on the number of years served by employees who meet the qualifying criteria.

(ii) End of Service

It is a defined benefit scheme to provide employees with a lump sum on retirement, resignation or death having served the Company for a minimum of ten (10) years. End of Service Benefit is not funded.

For the above schemes, a full and independent actuarial valuation was carried out at the end of the period using the Projected Unit Credit Method in accordance with IAS 19 revised.

	Long service award	End of service	Net defined liability
Balance at 19 December 2019	1,780,546	2,404,642	4,185,188
Included in profit or loss			
Current service cost	236,117	168,245	404,362
Interest cost	235,414	330,714	566,128
	471,531	498,959	970,490
Included in OCI			
Remeasurement loss/(gain):			
Actuarial loss arising from financial assumptions	7,797	21,961	29,758
Actuarial gain arising from other sources	(309,618)	(267,834)	(577,452)
	(301,821)	(245,873)	(547,694)
Other			
Benefits paid	(227,436)	-	(227,436)
Balance at 31 December 2020	1,722,820	2,657,728	4,380,548
Represented by:			
End of service benefit			1,722,820
Long service awards			2,657,728
			4,380,548

The actuarial assumptions at the period-end were as follows:

Discount rate	16%
Salary inflation	12%
Withdrawal rates (See table below):	

Age	Males	Females
Less than 30	5%	5%
Less than 30	4%	4%
Age 30 to 39	3%	3%
Age 40 to 49	2%	2%
Age 50 to 60	0%	0%
Greater than 60		

Sensitivity analysis

Reasonable changes at the reporting date to the relevant actuarial assumptions, holding other assumptions constant, would have affected the employee benefit obligations by the amounts shown below:

	End of service benefits		Long service awards	
	2020 Increase GH¢	2020 Decrease GH¢	2020 Increase GH¢	2020 Decrease GH¢
Discount rate (1% movement)	2,405,042	2,950,294	1,629,008	1,826,976
Withdrawal rate (10% movement)	2,582,788	-	1,689,077	-
Salary rate (1% movement)	2,960,015	2,393,454	1,830,296	1,624,674
Mortality (1% movement)	2,363,972	-	1,613,439	-

Although the analysis does not take account of the full distribution of cash flow expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

24. SHARE CAPITAL AND RESERVES

Share capital

The authorised shares of the company are 500,000,000 ordinary shares of no par value. The shares are issued as follows:

	No. of shares 2020	Amount 2020 GH¢
Proceeds from issues for cash	84,765,899	33,058,701
	========	====·====

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share of general meetings of the Company.

There are no shares in treasury or unpaid liability on any shares. Additionally, there are no called-up shares.

Fair value reserve

The fair value reserve includes the cumulative net change in the fair value of equity securities designated at FVOCI.

Retained earnings

Retained earnings comprises the net amount after the equity share exchange as part of the merger arrangement between Dannex Limited, Ayrton Drugs Manufacturing Limited and Starwin Products Limited and the accumulated loss from the current period and gain from the re-measurement of employee benefit obligations.

Based on the share exchange ratio of 3 .13 Ayrton Shares for 1 Dannex Ayrton Starwin Plc Share, 12.50 Starwin Shares for 1 Dannex Ayrton Starwin Plc Shares and 1 Dannex Shares for 1 Dannex Ayrton Starwin PlcShares, the following shares were issued:

- To Starwin shareholders: a total of 5,959,808 Dannex Ayrton Starwin Plc shares
- To Ayrton shareholders: a total of 31,962, 142 Dannex Ayrton Starwin Plc shares
- To Dannex Plc shareholders: a total of 46,843,949 Dannex Ayrton Starwin Plc shares

Therefore, the total number of issued shares of the merged entity was 84,765,899 shares. The entitlement list for all shareholders of the three (3) companies as at the book closure date was prepared by the financial advisor and sponsoring broker and verified by NTHC Registrars.

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Accounting classification and fair values of financial instruments

The table below sets out the carrying amounts and fair values of the Company's financial assets and liabilities including their levels in the fair value hierarchy. It does not include fair value information for financial assets and liabilities whose carrying amount is a reasonable approximation of fair value

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company regularly reviews significant unobservable inputs and valuation adjustments.

The Company recognised transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The loans and borrowings are repayable on demand and the face value of the receivables is a close approximation of its fair value.

	Carrying amount FVOCI	Amortised cost	Other financial liabilities	Total
	GH¢	GH¢	GH¢	GH¢
Financial assets measured at fair value				
Equity Investment at FVOCI	2,416,650	-	-	2,416,650
Financial assets not measured at fair value				
Trade and other receivables (note 19) [1]	-	13,168,723	-	13,168,723
Cash and cash equivalents (note 20)	-	598,660	-	598,660
Amount due from related party (note 26)		263,753		263,753
	-	14,031,136	-	14,031,136
Financial liabilities not measured at fair value				
Bank overdraft (note 20)	-	-	5,596,337	5,596,337
Loans and borrowings (note 21)	-	-	18,765,082	18,765,082
Trade and other payables (note 22) [2]	-	-	12,346,451	12,346,451
Amount due to related party (note 26)			1,137,914	1,137,914
	-	-	37,845,784	37,845,784

1 – Excluded from trade and other receivables is prepayment of GH¢547,206.
2 – Excluded from trade and other payables are statutory taxes payable of GH¢1,558,726.

Fair value hierarchy

	Level 1	Level 2	Level 3	Total
	GH¢	GH¢	GH¢	GH¢
FVOCI				
Equity Investment at FVOCI	-	2,416,650	-	2,416,650

Measurement of fair values

	Type	Valuation technique
Financial instruments Measured at fair value	*Equity securities*	This is determined by reference to their unquoted prices in observable markets at the reporting date
Financial instruments not measured at fair value	*Other financial Liabilities/assets at amortised cost*	The valuation model considers the present value of future cashflows, discounted at the market rates of interest at the reporting date

(b) Financial risk management

Overview

On 20 January 2020, the World Health Organisation (WHO) declared an international health emergency due to the outbreak of a novel coronavirus, which originated in December 2019 in Hubei, China. WHO declared the coronavirus outbreak to be a pandemic on 11 March 2020 in recognition of its rapid spread across the globe, with over 150 countries, including Ghana and other African countries affected.

The outbreak of COVID-19 and the necessary containment measures, which include travel bans, quarantines and social distancing protocols, have resulted in disruption of business and economic activity globally. At the date of authorisation of the financial statements, Dannex Ayrton Starwin PLC is operating as normal. The ultimate severity of the COVID 19 outbreak on the Company's operations was minimal. The Company did not alter its financial risk management framework

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

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

I. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse risks faced by the Company, to set appropriate limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through training and established management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and review the adequacy of the risk management framework in relation to risks faced by the Company.

The Company's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(c) Financial risk management

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investment securities.

Trade and other receivables

The Company's exposure to risk is influenced mainly by the individual characteristics of each customer, the industry and country in which the customers operate. In monitoring customer credit risk, customers are grouped according to their credit characteristics; including whether they are open market customers (wholesalers, retailers) or institutional customers.

The Company has credit control policies which cover procedures for accepting new customers, setting credit limits, dealing with overdue amounts and delinquent payers. Credit exposure on trade receivable is covered by customers issuing post-dated cheques to cover amount owed. The Company does not require collateral in respect of trade and other receivables.

Cash and cash equivalents

Included in the Company and Company's cash and cash equivalents are cash and balances held with Banks. The cash and cash equivalents (except for cash on hand) are held with banks with the requisite authorisation to carry on the business of banking. These are thus deemed to have relatively low default risks.

Amount due from related party

The Company's exposure to credit risk in respect of the amounts due from related parties is minimised. The Company has transacted business with related parties over the years and there has been no defaults in payment of outstanding debts. No impairment has been recognised with respect to amounts due from related parties in the current period.

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:

	2020
	GH¢
Trade receivables (Note 19)	11,052,916
Amount due from related party (Note 26 (b(i)))	263,753
Other receivables (Note 19)	886,022
Cash and Bank (Note 20)	598,660
Staff receivables	1,229,785
	14,031,136

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	2020
	GH¢
Open Market	9,905,949
Institutions	1,146,966
	11,052,916

Credit quality of financial assets and impairment losses

The aging of trade receivables at the reporting date was:

	2020
	GH¢
Neither past due nor impaired	7,366,865
Past due 1- 60 days	2,729,430
Past due 61-120 days	563,127
Past due 121-182 days	250,664
Past due greater than 182 days	2,067,965
	12,978,051

Expected credit loss assessment for receivable as at 31 December 2020

The company uses an allowance matrix to measure the ECLs of its trade receivables.

Loss rates are calculated using a "roll rate" method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments, that is Open Market Customers and NHIA Accredited Customer.

The loss rate for Regional Medical Stores Customers is based on the Government of Ghana default rate as published by Moody's credit rating agency.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 December 2020.

OPEN MARKET CUSTOMERS

	Weighted average loss rate	Gross Carrying Amount	Loss Allowance	Credit Impaired
Current (not past due)	3.63%	6,927,979	(251,554)	No
1-60 days past due	6.14%	2,502,576	(153,771)	No
61-120 days past due	10.96%	458,870	(50,306)	No
121-182 days past due	21.13%	111,656	(23,596)	No
More than 183 days past due	58.29%	920,857	(536,762)	Yes
		10,921,938	(1,015,989)	

INSTITUTIONAL CUSTOMERS

NHIA ACCREDITED INSTITUTIONS	Weighted average loss rate	Gross Carrying Amount	Loss Allowance	Credit Impaired
Current (not past due)	17.89%	274,499	(49,118)	No
1-60 days past due	21.43%	123,195	(26,401)	No
61-120 days past due	24.69%	104,257	(25,741)	No
121-182 days past due	27.22%	125,074	(34,051)	No
183-243 days past due	36.63%	81,869	(29,993)	No
244 -304 days past due	42.85%	25,174	(10,788)	No
305-365 days past due	60.10%	-		No
More than 365 days past due	100%	705,946	(705,946)	Yes
		1,440,014	(882,038)	
REGIONAL MEDICAL STORES				
Current (not past due)	4.4%	616,099	(27,108)	
TOTAL		12,978,051	(1,925,135)	

Impairment losses on financial assets recognised in profit and loss were as follows:

	2020 GH¢
Impairment gain on trade receivables	(284,504)
Impairment loss on staff receivables	215,769
	(68,785)

(iii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to hold cash and cash equivalents and maintain undrawn committed facilities at a level sufficient to ensure the Company has available funds to meet its liabilities as they become due.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

			Contractual cash flows		
31 December 2020	Carrying amount GH¢	Total GH¢	6mnths or less GH¢	6-12mths GH¢	More than 12 mths GH¢
Non-derivative financial liability					
Bank overdraft	5,596,337	5,596,337	5,596,337	-	-
Secured loans and borrowings	18,765,082	19,358,221	-	4,108,892	15,249,329
Trade and other payables	12,346,451	12,346,451	12,346,451	-	-
	36,707,870	37,301,009	17,942,788	4,108,892	15,249,329

(d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

Foreign exchange risk

The Company imports raw materials and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar, British Pound. Foreign exchange risk arises from future commercial transactions, and recognised assets and liabilities.

Management's policy to manage foreign exchange risk is to hold foreign currency bank accounts which acts as a natural hedge for purchases of imported raw materials.

The Company's exposure to foreign currency risk is as follows. This is based on the carrying amount for monetary financial instruments.

	GBP	EUR	USD
Cash and cash equivalents	-	270	1,823
Trade payables	(6,463)	(114,785)	(514,833)
Net exposure	(6,463)	(114,515)	(513,010)

The following significant exchange rates have been applied during the period and at the period end.

GH¢	Average 2020	Period end 2020
GBP 1	7.4711	8.1104
EUR 1	6.6370	7.2994
USD 1	5.7965	5.9200

Sensitivity analysis

The following table shows the effect of a strengthening or weakening of GH¢ against all other currencies on the Company and Company's equity and profit or loss.

This sensitivity analysis indicates the potential impact on equity and profit, or loss based upon the foreign currency exposures recorded at 31 December (See "currency risk" above) and it does not represent actual or future gains or losses.

The sensitivity analysis is based on the percentage difference between the highest exchange rate and the average exchange rate per currency recorded in the course of the respective financial period.

A strengthening (weakening) of the GH¢, by the rates shown in the table, against the following currencies at 31 December would have increased (decreased) equity and profit or loss by the amounts shown below.

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

As of 31 December	2020		
In GH¢	% Change	Profit or Loss /Equity impact: Strengthening	Profit or Loss /Equity impact: Weakening
US$	±10	(303,702)	303,702
GBP	±10	(5,242)	5,242
Euro	±10	(83,589)	83,589

Equity price risk

Sensitivity analysis

For investments classified as fair value through other comprehensive income, a 3 percent increase in the equity prices at the reporting date would have increased equity by the amounts shown below. An equal change in the opposite direction would also decrease equity by the amounts shown below.

	2020 GH¢
Equity	72,500

The analysis assumes that all other variables remain constant.

Interest rate risk

Fair value sensitivity analysis for fixed rate instrument

The Company does not account for the fixed rate financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not impact profit or loss.

At the reporting date, the Company did not have any interest bearing financial instruments with a variable interest rate.

	Carrying amounts GH¢
Fixed rate instruments	
Bank overdraft	5,596,337
Loans and borrowings	18,765,082
	24,361,419

26. RELATED PARTY DISCLOSURES

(a) Ownership Structure

Dannex Ayrton Starwin Plc is 60% owned by Equatorial Cross Acquisitions Limited (ECA), 15% owned by Social Security and National Insurance Trust (SSNIT). The remaining 25% is owned by a number of individual shareholders. Shareholding information disclosed at Note 32.

(b) Outstanding balances arising from related party transactions

i. Amount due from related parties

	2020 GH¢
Equatorial Cross Acquisitions	263,753

This balance is mainly made up of vehicles purchased for the Board Chairman.

ii. Amount due to related parties

Equatorial Cross Acquisitions	1,137,914

This relates to an amount due to Adcock Ingram

There are no terms to the related party transactions, and they are not secured.

(c) Transactions with key management personnel

i. Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly including any Director (whether executive or otherwise) of the Company.

Key management personnel compensation included the following:

	2020 GH¢
Short-term employee benefits	
Executive Directors	3,188,421
Non-Executive Directors	139,000
Other key management personnel	1,577,451
	4,904,872
Other Long-term employee benefits	
Executive Directors and key management staff	199,810
Total employee benefit	5,104,682

ii. Key management personnel transactions

i. There is a personal guarantee by Nik Amarteifio, the Board Chairman of the company as collateral for obtaining the GCB Bank Limited loan facility.

The company has an approved scheme with Ecobank Ghana for management, an amount of GHS 438,608 has been drawn down.

(d) Other related party transactions

i. An amount of GH¢ 483, 163 was paid to Mr. Yaw Opare-Asamoah, a former Managing Director of Dannex Limited as outstanding payments owed.

ii. Alex Bonney, a member of the Board, provides HR consultancy services for the Company, an amount of GH¢ 121,892 was paid to him during the period as consultancy fees.

(e) Directors' shareholding

The Directors named below held the following number of shares in the company as at 31 December 2020:

Name of Director	No. of shares	% of issued capital
• Nik Amarteifio (ECA) *	50,891,061	60.0
• Amarteokor Amarteifio	3,207,604	3.8
	54,098,665	63.8

*Shares held through Equatorial Cross Acquisitions.

27. CAPITAL COMMITMENTS

The Company had no commitments for capital expenditure at the reporting date.

28. CONTINGENT LIABILITIES

A labour suit filed by two plaintiffs contesting their summary dismissal and termination of appointment respectively by the Defendant ("Starwin"- now DAS Plc). The case of the plaintiffs is that their dismissal and termination of appointment by DAS Plc was wrongful. They are therefore praying the Court to award damages and cost against DAS Plc in respect of same. Apart from damages and cost, the second plaintiff is also praying the Court to order DAS Plc to pay the sum of GH¢14,805.95 being allowances due him for serving as acting Managing Director, the sum of GH¢5,833.97 being one month salary in lieu of notice and the monetary value of 100 litres of fuel (approximately GH¢430.00) which ought to have been supplied to him by DAS Plc but was not.

All pretrial proceedings have been completed and trial is yet to commence.

In the event that the court delivers Judgment in favour of the Plaintiffs, the Company may be ordered by the Court to pay an approximately two years' salary to each of the Plaintiffs as damages; implying that the second Plaintiff may be awarded a total of the sums of money aforementioned and a maximum of two years' salary.

29. CAPITAL MANAGEMENT

The Company's policy is to develop a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company monitors capital using a ratio of adjusted net debt to equity ratio. For this purpose, adjusted net debt is defined as total liabilities less cash and cash equivalents. Adjusted equity comprises all components of equity as shown in the statement of financial position.

Management reviews its capital management approach on an ongoing basis and believes this approach given the size of the Company is reasonable.

The adjusted net debt to equity ratio for the Company at 31 December is as follows:

	2020 GH¢
Total liabilities	45,510,879
Less: cash and cash equivalents	(637,344)
Net debt	44,873,535
Total equity	6,785,639
Net debt to total equity	6.61

30. EARNINGS PER SHARE

The calculation of basic EPS has been based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

	2020 GH¢
Loss attributable to equity holders	(5,158,244)
Weighted average number of ordinary shares in issue (Note 24)	84,765,899
Basic/Diluted earnings per share	(0.0609)

At the reporting date, the basic earnings per share was the same as diluted earnings per share as there were no outstanding shares on conversion which could increase the weighted average number of ordinary shares in issue.

31. SEGMENT REPORTING

Operating segments reflect the Company's management structure and the way financial information is regularly reviewed by the Chief Executive Officer. Operating segments are reported in a manner consistent with internal reporting provided to the Chief Executive Officer.

The Company operates as a single business unit that manufactures Syrups, Tablets, Creams, Suspension, Disinfectant, Lozenges, Powders, Capsules and Emulsion.

Revenue by Products

	2020 GH¢
Syrups	34,240,856
Tablets	17,721,256
Creams	5,078,030
Suspensions	3,157,813
Disinfectants	13,960
Powders	5,024,351
Capsules	565,549
Emulsions	116,453
	65,918,268

Geographical information

Dannex Ayrton Starwin Plc sells its products only in Ghana

	Revenue 2020 GH¢
In Ghana	65,918,268

No individual customer contributed 10% or more to revenue. Segment revenue is based on the geographical location of customers, whilst segment asset is based on the geographical location of the assets.

The Company's non-current assets amounting to GH¢ 24,033,732 are in Ghana.

Major Customer

There was no revenue for transactions with a single external customer amounting to 10% of the Company's total revenue during the period.

32. SHAREHOLDING INFORMATION

(i) Number of Shares in issue

Earnings and dividend per share are based on 84,765,899 weighted average number of ordinary shares in issue during the period.

(ii) Number of Shareholders

The company had 84,765,899 ordinary shares at 31 December 2020 distributed as follows:

Holding	No. of Holders	Total Holding	% Holding
1-1000	7,713	1,897,609	2.2
1001-5000	660	1,339,515	1.6
5001-10000	64	463,948	0.6
10001 and over	84	81,064,827	95.6
	8,521	84,765,899	100

(iii) List of twenty shareholders as at 31 December 2020

Name of shareholder	No. of shares	% of issued capital
• Equatorial Cross Acquisitions (ECA)	50,891,061	60.0
• Social Security and National Insurance Trust	14,525,554	17.1
• Yaw Opare-Asamoah	6,546,035	7.7
• Amarteokor Amarteifio	3,207,604	3.8
• Mirfield Properties	1,621,318	1.9
• Jacob Amekor Blukoo-Allotey	394,485	0.5
• Worldwide Securities Limited	233,362	0.4
• Starwin Products Limited	202,490	0.2
• E.H. Booehene Foundation	198,041	0.2
• International Central Gospel Church – Christ Temple	166,400	0.2
• Teachers Fund	142,852	0.2
• Sylvia Stella Amissah	113,298	0.1
• Comfort Asiedu	106,811	0.1
• Godfried Ampofo	106,811	0.1
• Albert Gyang Boohene	100,385	0.1
• Estate of Bernard Forson	98,043	0.1
• Estate of P.I.A Quaye	87,672	0.1
• Worldwide Securities Ltd Trust A/C	87,636	0.1
• Starwin Trust Fund	86,782	0.1
• Estate of Patrick Okai	77,386	0.1
REPORTED TOTALS	78,994,025	93.1
NOT REPORTED	5,771,874	6.9
	84,765,899	100

(iv) Directors' shareholding

The Directors named below held the following number of shares in the Company as at 31 December 2020:

Name of Director	No. of shares	% of issued capital
• Nik Amarteifio (ECA)*	50,891,061	60.0
• Amarteokor Amarteifio	3,207,604	3.8
	54,098,665	63.8

*Shares held through Equatorial Cross Acquisitions.

33. SUBSEQUENT EVENTS

Events subsequent to the reporting date are reflected in the financial statements only to the extent that they relate directly to the financial statements and the effect is material. There were no events after 31 December 2020 that require disclosure in the financial statements.

34. MERGER OF DANNEX LIMITED, AYRTON DRUG MANUFACTURING LIMITED AND STARWIN PRODUCTS LIMITED

On 7 June 2018, the Boards of Dannex Limited, Ayrton Drug Manufacturing Limited and Starwin Products Limited announced that they had agreed to the terms of a recommended merger of the three companies to be effected by way of a Ghanaian Scheme of Amalgamation under Section 23 1 to 23 5 of the Companies Act 1963 (Act 179). On the conclusion of the Merger, the Merged Company will be known as Dannex Ayrton Starwin Plc.

Shareholders of Ayrton Drug Manufacturing Limited and Starwin Products Limited at their separate extraordinary general meetings held on 27 December 2018 agreed to the Scheme of Amalgamation while in the case of Dannex Limited, its shareholders endorse the arrangement on 30 January 2019.The High Court of Justice (Commercial Division) subsequently confirmed the merger on 25 November 2019.

The merger, which has brought about the new entity-Dannex Ayrton Starwin Plc has been approved by the Ghana Stock Exchange (GSE) and the Securities and Exchange Commission (SEC). Pursuant to the merger, the Companies have transferred their total assets and total liabilities at book values to the newly merged entity effective 19 December 2019. Dannex Ayrton Starwin Plc was listed on the Ghana Stock Exchange on 15 January 2020.

The table below shows the assets and liabilities the entities transferred to the new entity:

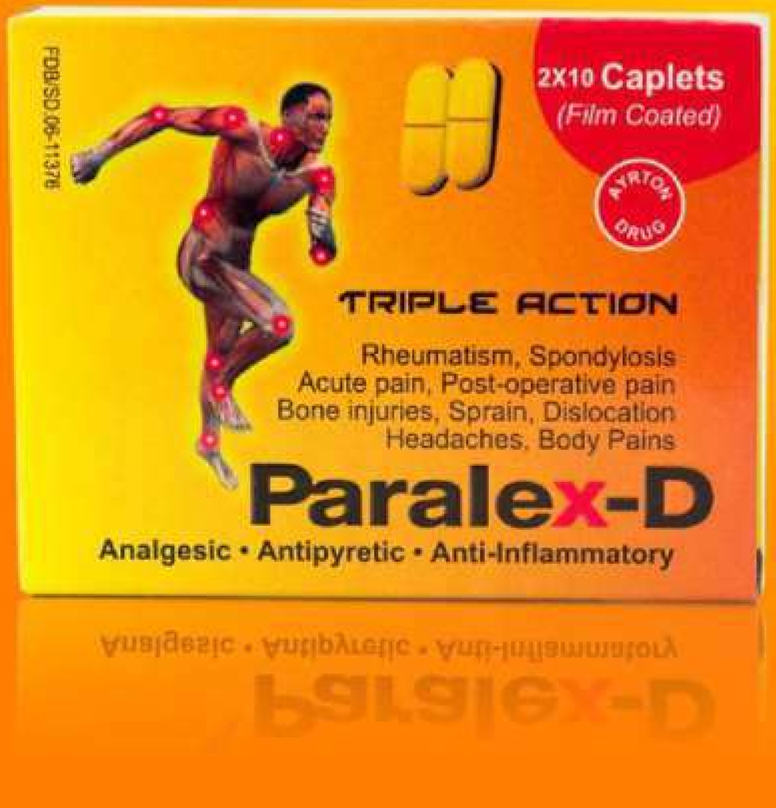
Caption	Dannex	Ayrton	Starwin	Total	Consolidated
Non-Current Assets	26,106,827	6,490,673	2,655,993	35,253,493	22,488,857
Current Assets	17,935,301	27,637,604	22,362,108	67,935,013	28,621,501
Non-Current Liabilities	(10,130,537)	-	-	(10,130,537)	13,876,555
Current Liabilities	(39,624,800)	(18,914,783)	(9,243,908)	(67,783,491)	25,795,423

2x10 Caplets
(Film Coated)

Paralex-D

Analgesic . Antipyretic . Anti-Inflammatory

TRIPLE ACTION



- FRACTURES
- BACK PAIN
- CANCER PAINS
- MIGRAINE
- RENAL COLIC
- SPONDYLOARTHRITIS
- DENTAL PAINS
- POST SURGICAL PAIN
- ARTHRITIS AND GOUT
- DISLOCATIONS AND SPRAINS
- FEVER AND BODY PAIN
- DYSMENORRHEA AND ENDOMETROSIS

DANNEX AYRTON STARWIN PLC

PROFILE ON NEW BOARD MEMBERS

KWASI YIRENKYI

Mr. Kwasi Yirenkyi has served as a Managing Director of Starwin Products Limited between November 2007 and July 2015. Prior to that, he was a Non-Executive Director of the Company between March 2005 and November 2007.

He has about 20 years of business operations experience. He previously worked with Merchant Bank Ghana Limited, now Universal Merchant Bank as a senior corporate manager.

He has also worked with Deloitte and Touche Consulting Ghana and Empretec Ghana. Kwasi is on the boards of Opportunity International Savings and Loans Limited and the SSNIT Guest House Company Limited.

He is a product of George Mason University and the Southern New Hampshire University, both in the United States of America.

HENRY OTU OCANSEY

Mr. Henry Otu Ocansey holds an Executive MBA in Finance (LEGON) and B.Sc Admin in (Accounts/Finance) from (GIMPA).

Henry joined Dannex in 2000, as a Management Accountant and was appointed Chief Accountant in 2004 and Head of Finance in 2006.

Prior to his joining Dannex Limited he worked with Pharmaplast Limited initially as a Cost Accountant and later as a Management Accountant.

He is a seasoned, experienced executive in the General Management field, an Accountant with a background in Commercial, Audit Management and Finance.

MR. BEN AGYEMAN

Mr. Ben Agyeman has over 25 years of working experience in the financial industry, particularly in Private Equity/Venture Capital, Mergers & Acquisitions and Project Finance in developing markets. He was a Managing Director of MPC Capital AG (Hamburg), a German based global Private Equity manager of real assets, with assets under management of over 4bn euros. He is an expert in equity and structured investments as well as infrastructure transactions. He was a former Investment Director at Gulf Finance House, based in the Kingdom of Bahrain in the Middle East.

Before that, Ben was an Investment Banker at UBS AG and prior to that a Technology Business Analyst at Lehman Brothers International. He is currently a Senior Advisor to Kreen Energy Ltd, UK. He holds an MBA from Columbia Business School in New York, USA and a B.Eng. (Hons) Electronic/Electrical Engineering from London South Bank University in the UK.

PROXY FORM

For use by Dannex Ayrton Starwin Plc shareholders at the Annual General Meeting to be held virtually on 4th November, 2021 at 10.30am (GMT)
I/We, (Note 1) ______________________________ of ____________________________ being the holder(s) of Dannex Ayrton Starwin Plc Shares, hereby appoint the Chairman of the meeting (Note 2) ________________________________ as my/our proxy to act for me/us at the Annual General Meeting (the "AGM") to be held virtually on 4th November, 2021 at 10:30am (GMT) for the purpose of considering and, if thought fit, approving the proposed resolutions referred to in the notice convening such meeting. At the AGM (and every adjournment thereof), the proxy is to vote for me/us on my behalf for or against the resolutions to be proposed at the EGM (and at any adjournment thereof) as indicated below.

IMPORTANT: Please indicate with an "X" in the appropriate box opposite the resolution how you wish your vote to be cast.

RESOLUTION	FOR	AGAINST
1. To receive and adopt the Reports of the Directors, the Auditors and the Financial Statements for the period ended 31st December, 2020		
2. To authorize the Directors to fix the remuneration of the Auditors.		
3(a). That the Directors of the Company be and are hereby empowered: I.) to exercise the powers to borrow an amount up to Six Million United States Dollars (US$6 Million) or its cedi equivalent from GCB Bank Limited which amount is in excess of the company's stated capital. ii) the Terms and conditions of the Banking facilities as contained in the Credit Facility Agreement dated 18th August 2021 circulated among shareholders are hereby approved. iii) to appoint authorized signatory or signatories to do all acts and things so as to carry into effect the purposes of the foregoing Resolution and to authorize and direct the due execution of all other documents to be entered into pursuant thereto and to take all action required for the exercise by the Company of its rights and the performance of its obligations under the Loan. b) That this borrowing by the Company in excess of the Stated Capital is for the duration of the facilities which expires on 29th June 2026 and supports any interim renewals of any of the facilities within the said time frame.		

4. To appoint Mr. Henry Ocansey as a Director		
5. To appoint Mr. Kwasi Yirenkyi as a Director		
6. To appoint Mr. Benjamin Agyeman as a Director		

Full name(s) and address(s) to be inserted in BLOCK CAPITALS.

Dated________________2021 Signature______________________

To facilitate arrangements for AGM, please tick here (without commitment on your part) if you propose to attend the AGM (having not appointed a proxy above) or if your proxy is to attend the meeting on your behalf.

This form of proxy should be read in conjunction with the accompanying Circular which contain important information regarding Dannex Artyon Starwin Plc.

Notes:

2. If any person other than the Chairman is to be appointed as proxy, strike out the words "the Chairman of the Meeting", add the name and address of the proxy preferred in the blank space provided and initial the alteration. The person to whom this proxy is given need not be a shareholder of Dannex Ayrton Starwin Plc but must attend the said meeting in person to represent you. Appointment of a proxy will not prevent a shareholder from attending and voting at the Meeting (or any adjournment thereof) in person.

3. In the case of joint shareholders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint shareholders. For this purpose, seniority is determined by the order in which the names stand in the Dannex Ayrton Starwin Plc Register in respect of the joint holding. In the case of a corporation, this proxy must be given under its common seal or be signed on its behalf by an attorney or officer duly authorized.

4. In order to be valid, this form of proxy and the power of attorney or other authority (if any) under which it is signed, or a copy of such authority certified notarially or in some other way approved by the directors of Dannex Ayrton Starwin Plc must be duly executed and deposited at the offices of NTHC Registrars, 18 Gamel Nasser Avenue, Ringway Estates, P. O. Box KIA 9563, Airport, Accra, Ghana not later than 2nd November, 2021. FAILURE TO DEPOSIT THE FORM OF PROXY AS REQUIRED WILL RESULT IN YOUR PROXY APPOINTMENT BEING INVALID.

5. Any alterations made to this form of proxy should be initiated by the person who signs it.

6. Please indicate with an “X” how you wish to cast your vote. Unless instructed, the proxy will vote, or abstain from voting, at his or her discretion. On any motion to amend the above resolutions, to propose a new resolution, to adjourn the AGM, or any other motion put to the AGM (other than to approve the above resolutions), the proxy will act at his/her/their discretion.

   SPECIAL NOTE: YOU ARE REQUESTED TO SIGN AND DATE THE ABOVE FORM OF PROXY.