



PRESS RELEASE

PR. No. 117/2024

INTRAVENOUS INFUSIONS PLC –
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

INTRAVENOUS has released its Annual Report and Financial Statements for the year ended December 31, 2023, as per the attached.

Issued in Accra, this 30th.
Day of April 2024.

- E N D -

att'd.

Distribution:

1. All LDMs
2. General Public
3. Company Secretary,
4. NTHC Registrars,
5. Custodians
6. Central Securities Depository
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Head Listing, GSE on 0302 669908, 669914, 669935

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Intravenous Infusions PLC

**Annual Report and Financial Statements
for the year ended 31 December 2023**



Intravenous Infusions PLC

Annual Report and Financial Statements for the year ended 31 December 2023

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Intravenous Infusions PLC

Annual Report and Financial Statements for the year ended 31 December 2023

General Information

Directors	Mr. Isaac Osei Mr. Moukhtar Soalihu Prof. (Mrs.) Gladys Amponsah Mr. Leon K. Appenteng Mr. Samuel K. A. Appenteng Prof. Williams A. Atuilik Mr. Emmanuel Blankson Mr. Edward Nana Osei	Chairman Managing Director Independent Director Non Executive Director Non Executive Director Independent Director Non Executive Director Non Executive Director	Appointed on 28/07/2023
Registered Office	Plot 4/7 Blk L Effiduase P.O.Box KF 63 Koforidua		
Bankers	Absa Bank Ghana LTD Agricultural Development Bank PLC CAL Bank PLC Consolidated Bank Ghana LTD Ecobank (Ghana) PLC Ecobank (Cote D'ivoire) Limited GCB Bank PLC National Investment Bank LTD OmniBSIC Bank Ghana LTD United Bank for Africa LTD Zenith Bank Ghana LTD		
Independent Auditor	Intellisys No. 15 Lardzeh Crescent North Dzorwulu, Accra P.O.Box KN 4169 Kaneshie - Accra GA-196-3610		
Company Secretary	Dehands Services LTD No.9 Carrot Avenue P.O.Box CT 9347 Accra		

Intravenous Infusions PLC

Annual Report and Financial Statements for the year ended 31 December 2023

Report of Directors

In accordance with the requirements of section 136 of the Companies Act 2019 (Act 992), we the Board of Directors of Intravenous Infusions PLC submit our report together with the audited financial statements of the Company for the year ended 31 December 2023.

Statement of Directors' responsibilities

The Directors are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content in the presentation of the statement of financial position, results of operations and business of the Company, and explain the transactions and financial position of the business of the Company at the end of the financial year. The annual financial statements are based on appropriate accounting policies consistently applied throughout the Company and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal controls established by the Company and place considerable importance on maintaining a strong control environment. To enable the Directors meet these responsibilities, the Board sets standards for internal controls aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Company and all employees are required to maintain the highest ethical standards in ensuring the Company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Company is on identifying, assessing, managing and monitoring all known forms of risk across the Company. While operating risk cannot be fully eliminated, the Company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management that the system of internal controls provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal controls can provide only reasonable, and not absolute, assurance against material misstatements or loss. The going-concern basis has been adopted in preparing the annual financial statements. Based on forecasts and available cash resources, the Directors have no reason to believe that the Company will not be a going concern in the foreseeable future.

Principal activities

Intravenous Infusions Public Limited Company (IIPLC) is a pharmaceutical company producing and distributing Intravenous Fluids in Ghana and the West African sub-region. The main business activity of IIPLC is the production of Intravenous Infusions and small volume injectables for therapeutic purposes. Intravenous Infusions therapy commonly called IV refers to the administration of fluids, drugs or blood directly into the circulatory system through a vein.

IIPLC production process is regulated and certified by the Food and Drugs Authority (FDA) and the Factory Inspectorate Division. Renewal for those certificates have been obtained for the 2023 financial year. The wholesaling and distribution are regulated by the Pharmacy Council under the Health Professions Regulatory Bodies Act, 2013 (Act 857) and the certificate has been renewed for the 2023 financial year.

Intravenous Infusions PLC

Annual Report and Financial Statements for the year ended 31 December 2023

Report of Directors

Financial Result

The statement of financial position has been signed by two Directors indicating the Board's approval of such statement of financial position and attached accounts on pages 10 to 33.

	2023 GHS	2022 GHS
Retained earnings at 1 January	1,049,155	4,558,310
Profit/(loss) for the year	2,543,387	(3,509,155)
Retained earnings as at 31 December	<u>3,592,542</u>	<u>1,049,155</u>

Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Events after reporting date

A subsidiary company by name FLEXFLAC LTD was successfully incorporated on 22nd March 2024. Further details on the company is disclosed under the interest in subsidiary in this same report.

Directors' interest in contracts

To our knowledge none of the Directors had any interest in contracts entered into during the year under review, hence there were no entries recorded in the Interests Register as required by Sections 194(6), 195(1)(a) and 196 of the Companies Act, 2019 (Act 992).

Authorised and issued stated capital

No changes were approved or made to the authorised or issued stated capital of the Company during the year under review.

Dividend

No dividend was declared nor paid to shareholders during the year under review (2022: Nil).

Directors

The Directors of the Company during the year and up to the date of this report are:

Mr. Isaac Osei	Chairman
Mr. Moukhtar Soalihu	Managing Director
Prof. (Mrs.) Gladys Amponsah	Independent Non-Executive Director
Mr. Leon K. Appenteng	Non-Executive Director
Mr. Samuel K. A. Appenteng	Non-Executive Director
Prof. Williams A. Atuilik	Independent Non-Executive Director
Mr. Emmanuel Blankson	Non-Executive Director
Mr. Edward Nana Osei	Non-Executive Director Appointed on 28/07/23

Secretary

The Company's designated secretary remains Dehands Services LTD.

Corporate Social Responsibility

No funds were allocated for corporate social responsibilities during the year under review. (2022: Nil)

Intravenous Infusions PLC

Annual Report and Financial Statements for the year ended 31 December 2023

Report of Directors

Interest in subsidiary

The company incurred a cost of GHS 9,720 in the year under review towards the registration of FLEXFLAC LTD a subsidiary to engage in retail and wholesale of pharmaceutical products, retail and wholesale of general health products, pet products and agrochemicals, retail and wholesale of general goods and services.

Corporate Responsibility and Compliance

The Company is registered with the Environmental Protection Agency (EPA) and has obtained the environmental permit and certificate for the year 2023. The Company submits environmental reports annually as well as environmental management plan every 3 years. The annual environmental report for the year 2023 was submitted.

Independent Auditor

Intellisys were the independent auditors for the year under review. The audit fee payable for the year 2023 was GHS 86,000 (2022: GHS 75,000).

The annual financial statements as set out on pages 10 to 33 were approved by the Board of Directors and signed on their behalf by:



Director

Date 24TH APRIL 2024



Director

Independent Auditor's Report

To the Shareholders of Intravenous Infusions PLC

Opinion

We have audited the financial statements of Intravenous Infusions PLC set out on pages 10 to 33, which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) with the IAS 29 directive issued by the Institute of Chartered Accountants Ghana and in the manner 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 Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants (IESBA), and we have fulfilled our ethical responsibilities in accordance with the 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 judgement, 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.

Independent Auditor's Report (continued)

Key audit matters (continued)

Key audit matter	How we addressed the issue
<p>IFRS 9 Impairment</p> <p>As described in note 14 to the financial statements, the impairment losses have been determined in accordance with the expected credit loss models set out in IFRS 9 (Financial Instruments).</p> <p>The Calculation of expected credit loss is based on the valuation models used by the Company. The calculation of expected credit loss involves assumptions, estimates and management judgement for example in respect to the probability and amount of the expected credit loss as well as determining significant increases in credit risk.</p> <p>Due to the significance of the carrying amount involved, complexity of the accounting methods and management judgement involved, receivables from customers are addressed as a key audit matter.</p>	<p>Our audit procedures in this area included among others:</p> <ul style="list-style-type: none">• We gained understanding of the Company's key credit processes comprising booking, monitoring and provisioning on receivables.• We reviewed the Company's IFRS 9 based impairment provisioning policy and compared with the requirements of IFRS 9 to check for consistency.• We evaluated the design and tested the implementation of the controls around the calculating and recording of the impairment balance.• We checked the appropriateness of the impairment balance for the year and assessed the accuracy of the disclosures in the financial statements.

Other Information

The Directors are responsible for the other information. The other information comprises the Director's Report, which we obtained prior to the date of this auditor's report. 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 and those charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act, 2019 (Act 992), and for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, 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.

Independent Auditor's Report (continued)

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 misstatements, 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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal controls 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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 controls 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.

Independent Auditor's Report (continued)

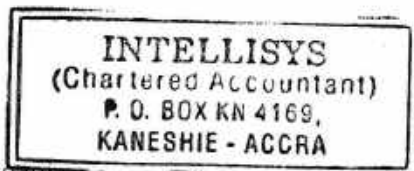
Report on Other Legal and Regulatory Requirements

The Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- In our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and
- The Company's statement of financial position and statement of profit or loss and other comprehensive income are in agreement with the books of account.
- In our opinion, to the best of our information and according to the explanations given to us, the accounts give the information required under the Act, in the manner so required and give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss for the financial year then ended.
- We are independent of the company 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 MyraStella Ansah (ICAG/P/1438).

Intellisys



Intellisys (ICAG/F/2024/078)
Chartered Accountants
No. 15 Lardzeh Crescent
North Dzorwulu, Accra

Date: 30th April, 2024

Intravenous Infusions PLC

Annual Report and Financial Statements for the year ended 31 December 2023

Statement of Profit or Loss and Other Comprehensive Income

Figures in GHS

	Notes	2023	2022
Revenue	5	31,416,619	20,355,205
Cost of sales	6	(14,135,876)	(11,599,227)
Gross profit		17,280,743	8,755,978
Other income	7	124,797	67,050
Operating and other expenses	8	(12,390,660)	(11,393,478)
Profit / (loss) before depreciation, interest and tax (PBDIT)		5,014,880	(2,570,450)
Depreciation	12	(794,509)	(564,825)
Amortization	13	(5,432)	(4,997)
Profit / (loss) before interest and tax (PBIT)		4,214,939	(3,140,272)
Finance costs	9	(722,637)	(392,304)
Profit / (loss) before tax		3,492,302	(3,532,576)
Income tax expense	10	(948,915)	23,421
Profit / (loss) for the year		2,543,387	(3,509,155)
Other Comprehensive Income		-	-
Total Comprehensive Income		2,543,387	(3,509,155)
Earnings/(loss) per ordinary share			
Basic earnings/(loss) per ordinary share (pesewa)	11	0.0093	(0.0128)
Diluted earnings/(loss) per ordinary share (pesewa)	11	0.0093	(0.0128)

Intravenous Infusions PLC

Annual Report and Financial Statements for the year ended 31 December 2023

Statement of Financial Position

Figures in GHS

	Notes	2023	2022
Assets			
Non-current assets			
Property, plant and equipment	12	23,259,657	22,211,072
Intangible assets	13	69,921	56,157
Investment in subsidiary	14	9,720	-
		<u>23,339,298</u>	<u>22,267,229</u>
Current assets			
Inventories	15	6,259,988	6,626,850
Trade and other receivables	16	16,600,318	16,621,839
Current tax	25	-	350,697
Cash and cash equivalents	17	293,633	952,489
		<u>23,153,939</u>	<u>24,551,875</u>
Total assets		<u>46,493,237</u>	<u>46,819,104</u>
Equity and liabilities			
Equity			
Stated capital	18	11,626,451	11,626,451
Capital Surplus	19	2,103,120	2,103,120
Retained Earnings		3,592,542	1,049,155
		<u>17,322,113</u>	<u>14,778,726</u>
Liabilities			
Non-current liabilities			
Deferred tax liabilities	20	393,673	252,317
Lease obligation	21	34,279	34,282
Borrowings	22	7,883,943	10,355,534
		<u>8,311,895</u>	<u>10,642,133</u>
Current liabilities			
Trade and other payables	23	15,679,618	15,675,699
Current tax	25	733	-
Borrowings	22	3,944,965	4,086,386
Loan from directors	24	1,233,913	1,636,160
		<u>20,859,229</u>	<u>21,398,245</u>
Total liabilities		<u>29,171,124</u>	<u>32,040,378</u>
Total equity and liabilities		<u>46,493,237</u>	<u>46,819,104</u>

The annual financial statements as set out on pages 10 to 33 were approved by the Board of Directors and signed on their behalf by:



Director

Date 24th APRIL 2024



Director

Intravenous Infusions PLC

Annual Report and Financial Statements for the year ended 31 December 2023

Statement of Changes in Equity

Figures in GHS	Stated capital	Capital Surplus	Retained Earnings	Total
Balance at 1 January 2023	11,626,451	2,103,120	1,049,155	14,778,726
Profit for the year	-	-	2,543,387	2,543,387
Balance at 31 December 2023	<u>11,626,451</u>	<u>2,103,120</u>	<u>3,592,542</u>	<u>17,322,113</u>
Balance at 1 January 2022	11,626,451	2,103,120	4,558,310	18,287,881
Loss for the year	-	-	(3,509,155)	(3,509,155)
Balance at 31 December 2022	<u>11,626,451</u>	<u>2,103,120</u>	<u>1,049,155</u>	<u>14,778,726</u>

Intravenous Infusions PLC

Annual Report and Financial Statements for the year ended 31 December 2023

Statement of Cash Flows

Figures in GHS

	Notes	2023	2022
Cash flows from operations			
Profit before tax		3,492,302	(3,532,576)
Adjustments to reconcile profit / (loss)			
Adjustments for depreciation and amortisation expense	12	799,941	569,822
Adjustments for decrease in inventories	15	366,862	1,027,581
Adjustments for decrease in trade and other receivables	16	21,521	770,948
Adjustments for increase in trade and other payables	23	3,919	4,300,124
Total adjustments to reconcile profit / (loss)		1,192,243	6,668,475
Net cash flows from operations		4,684,545	3,135,899
Dividend paid		-	(88,528)
Income taxes paid	25	(456,129)	(263,813)
Net cash flows from operating activities		4,228,416	2,783,558
Cash flows used in investing activities			
Investment in subsidiary	14	(9,720)	-
Transfer of property, plant and equipment	12	-	55,026
Purchase of property, plant and equipment	12	(1,843,094)	(2,419,709)
Purchase of intangible assets	13	(19,196)	(5,652)
Cash flows used in investing activities		(1,872,010)	(2,370,335)
Cash flows used in financing activities			
Interest on lease	21	6,852	6,875
Repayment of lease liability	21	(6,855)	(6,855)
Borrowings repayment	22	(2,613,012)	(1,903,624)
Loan received from directors	24	-	2,000,000
Loan repayment to directors	24	(1,086,500)	(230,000)
Forex exchange loss/gain	24	331,940	(133,840)
Accrued interest	24	352,314	-
Cash flows used in financing activities		(3,015,262)	(267,444)
Net (decrease) / increase in cash and cash equivalents		(658,856)	145,779
Cash and cash equivalents at beginning of the year		952,489	806,710
Cash and cash equivalents at end of the year	17	293,633	952,489

Intravenous Infusions PLC

Annual Report and Financial Statements for the year ended 31 December 2023

Accounting Policies

1. General Information

Intravenous Infusions PLC is a public limited liability company incorporated in Ghana. The address of its registered office and principal place of business is Plot 4/7, Blk L Effiduase, P.O.Box KF 63, Koforidua.

The principal activity of the Company is the manufacturing and marketing of intravenous infusions and small volume injectables for therapeutic purposes.

2. Statement of compliance

The annual financial statements of the Company have been prepared in accordance with the Companies Act, 2019 (Act 992) and all applicable International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants, Ghana.

Basis of preparation

The annual financial statements of the Company have been prepared in accordance with all applicable International Financial Reporting Standards (IFRS). The annual financial statements have been prepared under the historical cost convention, as modified by available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

Items included in the annual financial statements are measured using the currency of the primary economic environment in which the Company operates (functional currency). The Company's functional currency is the Ghana Cedis (GHS). Financial information presented in Ghana Cedis are rounded to the nearest whole number.

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the annual financial statements are disclosed in note 4.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Fair value measurement

Fair value of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that, the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

Intravenous Infusions PLC

Annual Report and Financial Statements for the year ended 31 December 2023

Accounting Policies

Summary of significant accounting policies continued...

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3.2 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Turnover represents net invoice value after the deduction of discounts and allowances given and accruals for estimated future rebates and returns. The methodology and assumptions used to estimate rebates and returns are monitored and adjusted regularly in the light of contractual and legal obligations, historical trends, past experience and projected market conditions. Market conditions are evaluated using wholesaler and other third-party analyses, market research data and internally generated information. Value added tax and other sales taxes are excluded from revenue.

3.3 Inventory

Inventories are stated at the lower of cost and net realisable value. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business less the cost of completion and selling expenses.

3.4 Expenditure

Expenditure is recognised in respect of goods and services received when supplied in accordance with contractual terms. Provision is made when an obligation exists for a future liability in respect of a past event and where the amount of the obligation can be reliably measured.

3.5 Property, Plant and Equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Intravenous Infusions PLC

Annual Report and Financial Statements for the year ended 31 December 2023

Accounting Policies

Summary of significant accounting policies continued...

Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

A revaluation surplus is recorded in other comprehensive income (OCI) and credited to the asset revaluation reserve / capital surplus in equity. However, to the extent that it reverses a revaluation deficit on the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other income' in the statement of profit or loss and other comprehensive income. When revalued assets are sold, the amounts included in other reserves are transferred to income surplus.

Depreciation is provided on the straight-line basis which, it is estimated, will reduce the carrying amount of the property, plant and equipment to their residual values at the end of their useful lives. Items of property, plant and equipment are depreciated from the date that they are installed and available for use. Land is not depreciated as it is deemed to have an indefinite life. Where an item of property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment.

The major categories of property, plant and equipment are depreciated at the following rates:

Leasehold land and building	3%
Plant, machinery and equipment	10% - 33.33%
Furniture and fittings	20%
Motor vehicles	20% - 25%

3.6 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Accounting Policies

Summary of significant accounting policies continued...

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

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

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

3.6.1 Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired.

For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Accounting Policies

Summary of significant accounting policies continued...

3.6.2 Debt instruments classified as at FVTOCI

Corporate debts are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amounts of these corporate debts as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these corporate bonds had been measured at amortised cost.

All other changes in the carrying amounts of these corporate bonds are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate debts are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

3.6.3 Equity instruments designated at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investment's revaluation reserve. The cumulative gain or loss is not to be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment.

3.6.4 Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Debt instruments that do not meet the amortised cost criteria of the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Accounting Policies

Summary of significant accounting policies continued...

3.6.5 Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The ECL on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that is possible within 12 months after the reporting date.

3.6.6 Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtors' ability to meet its debt obligations.

Accounting Policies

Summary of significant accounting policies continued...

3.6.7 Definition of default

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company). Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3.6.8 Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of a transferred asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss.

In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

3.6.9 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

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Accounting Policies

Summary of significant accounting policies continued...

Impairment losses of continuing operations, including impairment on inventories are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indications exist, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.7 Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consists of cash and short-term deposits, as defined above, net of outstanding Company overdrafts.

3.8 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

3.9 Income taxation

Current taxation liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the taxation rates and taxation laws that have been enacted or substantively enacted by the statement of financial position date. Current taxation is the amount of income taxes payable or recoverable in respect of the taxable profit or loss for a period.

Income taxation for the year includes current taxation and deferred taxation. Current taxation and deferred taxation are recognised in profit or loss, except to the extent that the taxation arises from a transaction or event which is recognised directly in equity. In the case of the taxation relating to items that are recognised directly to equity, current taxation and deferred taxation are also recognised directly to equity.

Deferred tax

Deferred taxation assets and liabilities arise from deductible and taxable temporary differences respectively. Temporary differences are the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their taxation bases. Deferred taxation assets also arise from unused taxation losses and unused taxation credits.

A deferred taxation liability is recognised for all taxable temporary differences, except to the extent that the deferred taxation liability arises from the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (taxation loss).

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Accounting Policies

Summary of significant accounting policies continued...

A deferred taxation asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred taxation asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (taxation loss).

Deferred taxation assets and liabilities are measured at the taxation rates that are expected to apply to the period when the asset is realised or the liability is settled, based on taxation rates and taxation laws that have been enacted or substantively enacted by the statement of financial position date. Deferred taxation assets and liabilities are not discounted.

3.10 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

4. Critical accounting judgements and key sources of estimation uncertainty

The Company's management makes assumptions, estimates and judgements in the process of applying the Company's accounting policies that affect the assets, liabilities, income and expenses in the annual financial statements prepared in accordance with IFRSs. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While management reviews its judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision policy affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Useful lives of property, plant and equipment

The Company determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The Directors will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non strategic assets that have been abandoned or sold. The rates are set out in note.

As described above, the Company reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, the Board determined that the useful lives of certain items of equipment should be extended due to the current assets still being in use.

Accounting Policies

Critical accounting judgements and key sources of estimation uncertainty continued...

4.2 Income taxation

Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws and the amount of timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded.

The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amounts of such provisions are based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the Company.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

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Notes to the Financial Statements

Figures in GHS

	2023	2022
5. Revenue		
Local	31,416,619	17,320,759
Foreign	-	3,034,446
	<u>31,416,619</u>	<u>20,355,205</u>
6. Cost of sales		
Stock of raw materials at 1 January	3,312,313	5,254,147
Purchases of raw materials	8,268,856	5,902,424
Stock of raw materials at 31 December	(2,972,762)	(3,312,313)
Non-trade stock at 1 January	1,725,565	1,082,677
Purchases of non-trade stock	177,536	471,476
Non-trade stock at 31 December	(2,009,626)	(1,725,565)
Stock of finished goods 1 January	1,588,972	1,317,607
Stock of finished goods at 31 December	(1,277,600)	(1,588,972)
	<u>8,813,254</u>	<u>7,401,481</u>
<i>Other direct expenses</i>		
Staff costs	2,091,819	2,062,992
Factory overheads	3,230,803	2,134,753
	<u>5,322,622</u>	<u>4,197,745</u>
	<u>14,135,876</u>	<u>11,599,226</u>
7. Other income		
Profit from disposal of property, plant and equipment (Note 7.1)	51,600	3,500
Miscellaneous income	73,197	63,550
	<u>124,797</u>	<u>67,050</u>
<p>Miscellaneous income relates mainly to the sale of distilled water which is a by-product from the production of infusions.</p>		
7.1 Profit from disposal of property, plant and equipment		
Cost	8,831	-
Accumulated depreciation	(8,831)	-
Net book value	-	-
Proceeds received	51,600	-
	<u>51,600</u>	<u>-</u>
<p>This relates to the disposal of carriages during the year.</p>		
8. Operating and other expenses		
Operating and other expenses comprise:		
Audit fee	86,000	75,000
Directors' emoluments	573,160	581,898
Donations and subscriptions	47,145	19,041
Other operating expenses	11,266,971	10,311,073
Provision for doubtful debts	148,035	117,323
Provision for judgement debt	269,349	289,143
	<u>12,390,660</u>	<u>11,393,478</u>

Provision for judgement debt represent the interest amount payable after the Court of Appeal ruling.

Intravenous Infusions PLC

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	2023	2022
9. Finance costs		
Loan interest	715,785	385,429
Lease interest	6,852	6,875
	<u>722,637</u>	<u>392,304</u>
<p>Included in the loan interest is an amount of GHS 290,626 representing the interest from two Letters of Credit that were obtained from the Import Line Credit with Ecobank Ghana PLC.</p>		
10. Income tax expense		
Current tax (Note 25)	807,559	-
Prior year adjustment	-	138,799
Deferred tax (Note 20)	141,356	(162,220)
	<u>948,915</u>	<u>(23,421)</u>
11. Earnings/(loss) per ordinary share		
Basic earnings/(loss) per ordinary share		
<p>Basic earnings/(loss) per ordinary share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the company by the weighted average number of ordinary shares outstanding during the year. This is calculated as:</p>		
Net profit/(loss) for the year attributable to equity holders	2,543,387	(3,509,155)
Number of ordinary shares	274,408,346	274,408,346
Basic earnings/(loss) per ordinary share	<u>0.0093</u>	<u>(0.0128)</u>

Diluted earnings/(loss) per ordinary share

There were no issue or conversion of shares during the year. Diluted earnings per ordinary share is the same as the basic earnings/(loss) per ordinary share.

Intravenous Infusions PLC

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12. Property, plant and equipment

Reconciliation for the year ended 31 December 2023

	Leasehold land & building	Plant, machinery & equipment	Motor vehicles	Furniture and fittings	Work in progress	Spare parts	Total
Balance at 1 January 2023	3,744,344	3,741,494	757,203	1,092,089	17,632,541	113,199	27,080,870
At cost	(762,796)	(2,605,278)	(580,175)	(803,788)	-	(117,760)	(4,869,797)
Accumulated depreciation							
Net book value	2,981,548	1,136,216	177,028	288,301	17,632,541	(4,561)	22,211,073

Movements for the year ended 31 December 2023

Additions	-	24,729	-	88,644	1,729,721	-	1,843,094
Depreciation	(122,580)	(460,118)	(127,296)	(84,516)	-	-	(794,510)
Transfers	-	3,049,542	-	-	(3,049,542)	-	-
Property, plant and equipment at the end of the year	2,858,968	3,750,369	49,732	292,429	16,312,720	(4,561)	23,259,657

Closing balance at 31 December 2023

At cost	3,744,344	6,815,765	757,203	1,171,902	16,312,720	113,199	28,915,133
Accumulated depreciation	(885,376)	(3,065,396)	(707,471)	(879,473)	-	(117,760)	(5,655,476)
Net book value	2,858,968	3,750,369	49,732	292,429	16,312,720	(4,561)	23,259,657

Transfers from work in progress relates to Automatic Glass Ampoules Filling, liquid viewing system, liquid soap manual filling system, cylindrical autoclave.

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Property, plant and equipment continued...

Reconciliation for the year ended 31 December 2022

	Leasehold land & building	Plant, machinery & equipment	Motor vehicles	Furniture and fittings	Work in progress	Spare parts	Total
Balance at 1 January 2022	2,661,500	3,724,428	760,343	996,517	16,408,314	168,225	24,719,327
At cost	(640,297)	(2,280,120)	(556,557)	(713,378)	-	(117,760)	(4,308,112)
Accumulated depreciation	2,021,203	1,444,308	203,786	283,139	16,408,314	50,465	20,411,215

Movements for the year ended 31 December 2022

Additions	-	17,066	1,480	70,542	2,330,621	-	2,419,709
Depreciation	(122,500)	(325,158)	(28,238)	(88,930)	-	-	(564,826)
Transfers	1,082,844	-	-	23,550	(1,106,394)	(55,026)	(55,026)
Property, plant and equipment at the end of the year	2,981,547	1,136,216	177,028	288,301	17,632,541	(4,561)	22,211,072

Closing balance at 31 December 2022

At cost	3,744,344	3,741,494	757,203	1,092,089	17,632,541	113,199	27,080,870
Accumulated depreciation	(762,797)	(2,605,278)	(580,175)	(803,788)	-	(117,760)	(4,869,798)
Net book value	2,981,547	1,136,216	177,028	288,301	17,632,541	(4,561)	22,211,072

Transfers from work in progress relates to FA-Renovation of MD Bungalow(WIP), FA- Renovation Works (Bungalow 1), FA-Renovation Works (Bungalow 2), Junction and Building Facial Signage – WIP & Boiler House Project.

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13. Intangible assets

	Tally software	Tally software upgrade	HR/Payroll module	Product development	Total
Reconciliation for the year ended 31 December 2023					
Balance at 1 January 2023					
At cost	7,685	81,708	26,620	16,950	132,963
Accumulated amortisation	(7,685)	(42,501)	(26,620)	-	(76,806)
Net book value	-	39,207	-	16,950	56,157
Movements for the year ended 31 December 2023					
Other acquisitions	-	7,131	-	12,065	19,196
Amortisation	-	(5,432)	-	-	(5,432)
Intangible assets at the end of the year	-	40,906	-	29,015	69,921
Closing balance at 31 December 2023					
At cost	7,685	88,839	26,620	29,015	152,159
Accumulated amortisation	(7,685)	(47,933)	(26,620)	-	(82,238)
Net book value	-	40,906	-	29,015	69,921
Reconciliation for the year ended 31 December 2022					
Balance at 1 January 2022					
At cost	7,685	81,708	26,620	11,298	127,311
Accumulated amortisation	(7,685)	(37,504)	(26,620)	-	(71,809)
Net book value	-	44,204	-	11,298	55,502
Movements for the year ended 31 December 2022					
Acquisitions through internal development	-	-	-	5,652	5,652
Amortisation	-	(4,997)	-	-	(4,997)
Intangible assets at the end of the year	-	39,207	-	16,950	56,157
Closing balance at 31 December 2022					
At cost	7,685	81,708	26,620	16,950	132,963
Accumulated amortisation	(7,685)	(42,501)	(26,620)	-	(76,806)
Net book value	-	39,207	-	16,950	56,157

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14. Investment in subsidiary

This is the amount incurred in 2023 towards the registration of FLEXFLAC LTD a subsidiary.

15. Inventories

Raw materials	2,972,762	3,312,313
Non-trade stock	2,009,626	1,725,565
Finished goods	1,277,600	1,588,972
	<u>6,259,988</u>	<u>6,626,850</u>

16. Trade and other receivables

Trade receivables	15,556,773	15,466,780
Other receivables	1,436,179	1,419,451
Allowance for doubtful debt (Note 16.1)	(487,141)	(339,106)
	<u>16,505,811</u>	<u>16,547,125</u>
Prepayments	94,507	74,714
	<u>16,600,318</u>	<u>16,621,839</u>

Analysis of trade receivables by customer type

Government	12,228,827	10,836,671
Non Government	832,055	1,050,809
Export	2,495,891	3,579,300
	<u>15,556,773</u>	<u>15,466,780</u>

16.1 Allowance for doubtful debt

Loss allowance per IFRS 9 at 1 January	339,106	221,783
IFRS 9 loss allowance for the year	148,035	117,323
Loss allowance per IFRS 9 at 31 December	<u>487,141</u>	<u>339,106</u>

Allowances for doubtful debts are recognised against trade receivables based on the amount of expected credit losses using the simplified approach under the IFRS 9 impairment of financial assets. The simplified approach calculates impairment losses as a lifetime expected credit losses. The provision matrix is adopted for the computations.

The aging analysis of trade receivables is as below;

< 30 days	2,836,039	2,979,442
31 to 60 days	2,209,112	3,278,589
61 to 90 days	2,014,968	2,765,684
91 to 120 days	1,116,673	1,711,742
121 to 150 days	1,019,670	1,532,433
151 to 180 days	1,019,670	709,164
181 to 270 days	1,800,164	1,095,470
271 to 365 days	1,180,012	1,095,470
> 365 days	2,360,465	298,773
	<u>15,556,773</u>	<u>15,466,767</u>

The impairment policy in respect of debts exceeding 365 days has been reviewed downwards due to improvement in uncollectability and in line with assurance of recoverability of the debts from the export market.

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17. Cash and cash equivalents

Cash on hand		42,108	16,166
Balances with banks		251,525	936,323
		<u>293,633</u>	<u>952,489</u>

18. Stated capital

	2023	2022		
	No. of shares	No. of shares	Amount (GHS)	Amount (GHS)
Issued for cash and fully paid	217,420,877	217,420,877	7,683,905	7,683,905
Preference shares converted to equity	20,324,119	20,324,119	540,000	540,000
Transfer from surplus	-	-	20,000	20,000
Conversion of Debt to Equity	36,663,350	36,663,350	3,372,563	3,372,563
Loan converted into equity	-	-	9,983	9,983
	<u>274,408,346</u>	<u>274,408,346</u>	<u>11,626,451</u>	<u>11,626,451</u>

19. Capital surplus

This represent revaluation gain of property, plant and equipment over the years.

20. Deferred tax liabilities

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 18.75%. The movement on the deferred income tax account is as follows:

At start of the year	252,317	414,537
Income statement charge	141,356	(162,220)
At end of year	<u>393,673</u>	<u>252,317</u>

21. Lease obligation

At 1 January	34,282	34,262
Lease interest for the year	6,852	6,875
Payment	(6,855)	(6,855)
At 31 December	<u>34,279</u>	<u>34,282</u>

This represents the present value of discounted cashflow from a right of use asset (leased land) at year end.

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	2023	2022
22. Borrowings		
Balance at 1 January	14,441,920	16,345,544
Repayments during the year	(2,613,012)	(1,903,624)
Balance at 31 December	11,828,908	14,441,920
Non-current portion of borrowings	7,883,943	10,355,534
Current portion of borrowings	3,944,965	4,086,386
	11,828,908	14,441,920
Medium term loan		
This is an existing facility with Ecobank Ghana PLC under the sponsorship of the Government of Ghana Stimulus Package. The loan facility is primarily to finance the purchase of equipment.		
The facility was restructured during the year into thirty-six (36) months with the ending period on November 2026. The repayment of principal and interest is twelve (12) quarterly instalment commencing after the end of the moratorium period. The interest rate is 20% per annum (including the Government of Ghana subsidy of 50% on interest payments as (per the stimulus package arrangement).		
23. Trade and other payables		
Trade payables	9,329,849	8,519,069
Directors' current account	464,349	172,349
Other payables (including taxes payable)	5,684,405	6,790,121
Short-term lease obligation	22,849	15,994
Accrued charges	178,166	178,166
	15,679,618	15,675,699
24. Loan from directors		
At 1 January	1,636,160	-
Amount drawdown	-	2,000,000
Repayment amount	(1,086,500)	(230,000)
Accrued interest on loan	352,314	-
Forex exchange loss/gain	331,940	(133,840)
At 31 December	1,233,913	1,636,160
Cedi loan GHS 1,000,000	316,967	800,000
Dollar loan USD 100,000	916,946	836,160
	1,233,913	1,636,160

Cedi loan GHS 1,000,000

This amount was loaned to the company at an interest rate of 28.6%. The repayment period is six months commencing 1 September 2022. The balance remained unpaid at year-end.

Dollar loan USD 100,000

This amount was loaned to the company at an interest rate of 6.5% per annum. The repayment period is six months commencing 1 November 2022. The balance remained unpaid at year-end.

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25. Current tax

	Balance at January	Paid during the year	Profit or loss account	Balance at December
	GHS	GHS	GHS	GHS
2021	(86,884)	-	-	(86,884)
2022	(263,813)	-	-	(263,813)
2023	-	(456,129)	807,559	351,430
	(350,697)	(456,129)	807,559	733

The tax position up to 2021 has been agreed with the tax authorities. 2023 tax liability is subject to the agreement of tax authorities.

26. Related party transactions

The total amount of outstanding balances due from related parties at the year end are as follows:

During the year, the Company did not give out loans to staff.

Staff loan balance	-	3,295
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Directors and key management personnel

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 non-executive) of that Company.

The total remuneration of Directors and other key management staff including allowances during the year are as follows:

Directors	573,160	581,898
Key management personnel	1,980,660	1,039,700
	2,553,820	1,621,598

Loan from directors

The amounts of loan received from directors and outstanding is:

At 1 January	1,636,160	-
Amount drawdown	-	2,000,000
Repayment amount	(1,086,500)	(230,000)
Accrued interest on loan	352,314	-
Foreign exchange loss	331,940	(133,840)
At 31 December	1,233,913	1,636,160

Interest in Subsidiary

This is the amount incurred in 2023 towards the registration of FLEXFLAC LTD a subsidiary.

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27. Contingencies and commitments

The Company operates in the Pharmaceutical industry and is subject to legal proceedings in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigation) will have a material effect on its results and financial position.

There are no contingencies associated with the Company's compliance or lack of compliance with regulations.

There is a pending court case with 50/50 prospect of success.

The Company had commitments towards the construction of a new factory and purchase of new equipments to boost productivity. This is being funded through a medium-term loan from Ecobank Ghana. The balance on the medium-term loan at 31 December 2023 was GHS 11,834,895 (2022: GHS 14,441,920).

28. Events after the reporting date

A subsidiary company by name FLEXFLAC LTD was successfully incorporated on 22nd March 2024.

29. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

30. Approval of annual financial statements

These financial statements were approved by the Board of Directors and authorised for issue on

24TH APRIL

, 2024