



PRESS RELEASE

PR. No 102/2021

**PESEWA ONE PLC (POP) -
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

POP released its Audited Financial Statements for the year ended 31 December 2020 as per the attached.

Issued in Accra, this 31st
Day of March, 2021

- E N D -

att'd.

Distribution:

1. All LDMs
2. General Public
3. Company Secretary, POP
4. UMB Registrars, (Registrars for POP shares)
5. Custodians
6. Central Securities Depository Ghana Ltd
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9. GSE Notice Board

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Head of Listing, GSE on 0302 669908, 669914, 669935

**WA*

PESEWA ONE PLC

FINANCIAL STATEMENTS - DECEMBER 31, 2020



Building Africa's Economy

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CORPORATE INFORMATION

DIRECTORS:	Franklin Owusu-Karikari Prince Abbey Osei Yaw Adjei Twiba Ahorbo Abdul Jaleel Hussein
SECRETARY:	Kojo Asare-Boateng P. O. Box GP 21500 Accra
REGISTERED OFFICE:	9 Liberty Street New Akuyea Addy Lane Adabraka, Accra - Ghana 0302 262 587
AUDITORS:	Tanda and Associate Partners Chartered Accountant Labanon Zone 3 Azuma St. Ashaiman P. O. Box AS 272 Accra-Ghana
BANKERS:	Fidelity Bank Limited Ecobank Ghana Limited
SOLICITOR:	LEX Premier & Associates 89 Star Oil Filling Station Building Baatsonaa - Spintex Road, Accra
REGISTRAR:	UMB Registrars P. O. Box GP 401 Accra

The Directors of the Pesewa One Plc are pleased to present their annual report together with the Financial Statements for the year ended December 31, 2020.

STATEMENT OF RESPONSIBILITIES OF THE DIRECTORS OF PESEWA ONE PLC

Ghana's Company law requires the Directors to prepare Financial Statements for each financial year which gives true and fair view of the state of affairs of the Company and of the Income Statement of the Company for that period. In preparing those Financial Statements, Pesewa One Plc is required to

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the International Financial Reporting Standards (IFRS) for Small and Medium-sized Entities issued by International Accounting Standards Board and in the manner required by the Companies Act, 2019 (Act 992) and the Regulations of the Company. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The Company has been registered to carry on the following activities:

- a) Incubating & Supporting Start-up businesses;
- b) Providing Service Platforms for Companies and Start-Ups; and
- c) Gathering and Providing Data to Institutions & Organisations.

FINANCIAL HIGHLIGHTS

	2020	2019
	GHS	GHS
For the year ended December 31		
Revenue	159,757	60,489
Loss after tax	(41,881)	(111,505)
Total Assets	447,464	424,059
Total Liabilities	234,850	169,564
Equity	212,614	254,495
At December 31		
Number of Staff	10	10

Nothing has come to the attention of the Directors of Pesewa One Plc to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.

DIVIDEND

The Directors did not recommend payment of any dividend for the year under review.

STATED CAPITAL

There have been no changes to the authorised or issued share capital during the year under review.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the company during the financial year or since the end of the financial year.

EVENTS ARISING SINCE THE END OF THE REPORTING PERIOD

The directors are not aware of any material fact or circumstance arising between the end of the financial year and the date of this report that would require adjustments to or disclosure in the financial statements.

HOLDINGS OF DIRECTORS

As at the date of this statement, the following Directors held directly or indirectly relevant interests in ordinary shares of Pesewa One Plc as follows:

Name of Director	No. of Shares	% Holding
Prince Abbey	1,877,500.00	37.55%
Osei Yaw Adjei	500,000.00	10.00%
Abdul Jaleel Hussein	125,000.00	2.50%

ANALYSIS OF SHAREHOLDING

Category	No of holders	No of shares	% of Shareholding
1-1,000	0	0	0.00%
1,001-5,000	7	32,500.00	0.65%
5,001-10,000	0	0	0.00%
10,000,-50,000	8	210,000.00	4.20%
Over 50,000	10	4,757,500.00	95.15%

SHAREHOLDERS OF PESEWA ONE PLC

Shareholder	No of Shares	Percentage Shareholding
Prince Abbey	1,877,500.00	37.55%
Anita Abbey	1,250,000.00	25.00%
Osei Yaw Adjei	500,000.00	10.00%
Eben Asamoah Bediako	500,000.00	10.00%
Green Vine Ventures Fund	150,000.00	3.00%
Abdul Jaleel Hussein	125,000.00	2.50%
Dr Leslie Ofori	125,000.00	2.50%
Emmanuel Asare	100,000.00	2.00%
Anita Addo	75,000.00	1.50%
Ruth Owusu Ansah	55,000.00	1.10%
Francis Sosu	45,000.00	0.90%
Alexander Tetteh	25,000.00	0.50%
Carlotta Sefakor Boadu	25,000.00	0.50%
Abass Adams	25,000.00	0.50%
Clement Abeyinga	25,000.00	0.50%
Clement Anyarkoh	25,000.00	0.50%
Emmanuel Dogbey	25,000.00	0.50%
Richard Atror	15,000.00	0.30%
Kofi Mensah Eyeson	5,000.00	0.10%
Maame Efe Adjei-Asiedu	5,000.00	0.10%
Solomon Tetteh	5,000.00	0.10%
Richard Tetteh	5,000.00	0.10%
Bright Afriyie	5,000.00	0.10%
Delight Geli	5,000.00	0.10%
Victor Easmon	2,500.00	0.05%
	5,000,000.00	

AUDITORS

In accordance with section 139 of the Companies Act 2019 (Act 992) Tanda & Associate Partners (Chartered Accountants) have been appointed as Auditors of the Company.

ON BEHALF OF THE BOARD



.....
DIRECTOR



.....
DIRECTOR

18th March, 2021

Audit Opinion

We have audited the financial statements of Pesewa One Plc which comprise the Statement of Financial Position as at December 31, 2020, the Statement of Comprehensive Income, and Statement of Cash flow for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, give a true and fair view of the financial position of the Company as at December 31, 2020, and of its financial performance and its Cash flow for the period then ended in accordance with the relevant International Accounting Standards issued by International Accounting Standards Board and in the manner required by the Companies Act, 2019 (Act 992) and the Regulations of the Company.

Other Information

The Directors are responsible for all other information presented to members of the Company in the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance and conclusion thereon.

Basis for Opinion

We conducted the audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Directors, as per the requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled all our ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Statements

As previously indicated, the Directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards for SMEs (IFRS-SME), and for setting up such internal controls as the Directors determine are 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.

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

Auditors' responsibility for the Audit of the Financial Statements

Our audit objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatements, whether due to fraud or error, and to issue the auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with ISAs will always detect every material misstatement when it exists. Misstatements can arise from fraud or error and are considered material, if, individually or in an aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, professional judgement and maintaining professional skepticism throughout the audit are essential. We also:

- identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, and designed and performed audit procedures responsive to those risks, while obtaining audit evidence sufficient and appropriate to provide enough 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 purposes of expressing an opinion on the effectiveness of the Institute's internal controls.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubts on the Institute's ability to continue as a going concern. If it is concluded that a material uncertainty exists, I am required to draw attention in the 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 the report. However, future events or conditions may cause the Institute 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 the audit.

The Engagement Partner on the audit resulting in this independent auditors' report is Daniel Quampah (ICAG/P/1075).

REPORT ON OTHER LEGAL REQUIREMENTS

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

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
- iii) the company's statement of financial position and the statement of comprehensive income and retained earnings are in agreement with the books of account.

Tanda & Associate Partners (ICAG/F/2021/369)
Labanon Zone 3. Azuma St. Ashaiman
P. O. Box AS 272
Ashaiman, Accra – Ghana

18th March 2021

PESEWA ONE PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2020

	Notes	2020 GHS	2019 GHS
Revenue	5	159,757	60,489
Cost of sales	6	<u>(92,583)</u>	<u>(19,098)</u>
Gross profit		<u>67,174</u>	<u>41,391</u>
General and administration expenses	7	<u>(95,435)</u>	<u>(148,066)</u>
Net profit before finance cost and tax		(28,261)	(106,675)
Finance cost	16	<u>(13,620)</u>	<u>(4,830)</u>
Net profit before tax		(41,881)	(111,505)
Taxation	12	<u>-</u>	<u>-</u>
Net profit after tax		<u>(41,881)</u>	<u>(111,505)</u>

The accounting policies and explanatory notes on pages 11 to 24 form an integral part of these Financial Statements.

PESEWA ONE PLC
STATEMENT OF FINANCIAL POSITION
AS AT DEEMBER 31, 2020

	Notes	2020 GHS	2019 GHS
Non-current assets			
Property, plant and equipment	8	16,396	21,861
Intangible assets	9	23,076	30,768
Investment	10	<u>297,627</u>	<u>231,094</u>
		<u>337,099</u>	<u>283,723</u>
Current assets			
Accounts and other receivables	11	106,390	125,590
Taxation	12	2,150	-
Bank and cash balances	13	<u>1,826</u>	<u>14,746</u>
		<u>110,366</u>	<u>140,336</u>
Total assets		<u><u>447,464</u></u>	<u><u>424,059</u></u>
Equity and liabilities			
Equity			
Share capital	14	366,000	366,000
Retained earnings		<u>(153,386)</u>	<u>(111,505)</u>
Total equity		<u>212,614</u>	<u>254,495</u>
Non-current liabilities			
Directors' accounts	15	152,630	148,564
Long-term loan	16	<u>48,220</u>	<u>-</u>
		<u>200,850</u>	<u>148,564</u>
Associated company	17	20,000	13,000
Accounts and other payables	18	<u>14,000</u>	<u>8,000</u>
		<u>34,000</u>	<u>21,000</u>
Total liabilities		<u>234,850</u>	<u>169,564</u>
Total equity and liabilities		<u><u>447,464</u></u>	<u><u>424,059</u></u>

The Financial Statements on pages 6 to 9 were approved by the Board of Directors on 18th March, 2021 and were signed on its behalf by:



.....
Director



.....
Director

The accounting policies and explanatory notes on pages 11 to 24 form an integral part of these Financial Statements.

PESEWA ONE PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR TO DECEMBER 31, 2020

	Share capital	Retained earnings	Total
	GHS	GHS	GHS
Balance as at 1 January 2020	366,000	(111,505)	254,495
Consideration for shares	-	-	-
Profit for the period	<u>-</u>	<u>(41,881)</u>	<u>(41,881)</u>
Balance as at 31 December 2020	<u>366,000</u>	<u>(153,386)</u>	<u>212,614</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR TO DECEMBER 31, 2019

	Share capital	Retained earnings	Total
	GHS	GHS	GHS
Balance as at 1 January 2019	-	-	-
Consideration for shares	366,000	-	366,000
Profit for the period	<u>-</u>	<u>(111,505)</u>	<u>(111,505)</u>
Balance as at 31 December 2019	<u>366,000</u>	<u>(111,505)</u>	<u>254,495</u>

The accounting policies and explanatory notes on pages 11 to 24 form an integral part of these Financial Statements.

PESEWA ONE PLC
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2020

	Notes	2020 GHS	2019 GHS
Operating activities:			
Loss before interest and tax		(28,261)	(106,675)
Adjustments for:			
Depreciation	8	5,465	5,465
Amortisation	9	7,692	7,692
(Increase) in receivables	11	19,200	(125,590)
Increase in trade and other payables	18	6,000	8,000
Interest paid		(4,400)	(4,830)
Tax paid	12	<u>(2,150)</u>	<u>-</u>
Net cash generated from operating activities		<u>3,546</u>	<u>(215,938)</u>
Investing activities:			
Purchases of property, plant & equipment	8	-	(27,326)
Purchases of intangible	9	-	(38,460)
Purchases of investments	10	<u>(66,533)</u>	<u>(231,094)</u>
Net cash used in investing activities		<u>(66,533)</u>	<u>(296,880)</u>
Financing activities:			
Directors' accounts	15	4,066	148,564
Associated company	17	7,000	13,000
Issues of shares	14	-	366,000
Issue of loan	16	<u>39,000</u>	<u>-</u>
Net cash received from financing activities		<u>50,066</u>	<u>527,564</u>
Net decrease in cash & cash equivalent		<u>(12,920)</u>	<u>14,746</u>
Analysis of cash and cash equivalents			
Cash and cash equivalent at the beginning of the year		14,746	-
Net decrease in cash & cash equivalent		<u>(12,920)</u>	<u>14,746</u>
Cash & cash equivalent as at 31 December 2020		<u>1,826</u>	<u>14,746</u>

The accounting policies and explanatory notes on pages 11 to 24 form an integral part of these Financial Statements.

1. REPORTING ENTITY

Pesewa One Plc is a publicly owned limited liability company incorporated in Ghana under the Companies Act 2019, (Act 992) It operates in Ghana at its registered office at House No. 9 Liberty Street, New Akuyea Addy Lane, Adabraka. Its main operations are carried out at Adabraka.

Basis of Preparation

(a) Statement of Compliance

The Financial Statement has been prepared in accordance with the International Financial Reporting Standards (IFRS) for Small and Medium-sized Entities issued by International Accounting Standards Board and in the manner required by the Companies Act, 2019 (Act 992) and the Regulations.

(b) Accounting Convention

The Financial Statements are prepared under the historical cost convention and presented in Ghana Cedis, which is the Company's presentation currency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the period presented in these Financial Statements by the Company.

(a) Revenue

This mainly comprises of provision of inspection services, access services, engineering services, maintenance specialist for oil and gas energy, power and other related services etc. for the period under consideration.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency of the respective entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

(c) Property and equipment

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

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

Land is not depreciated. Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Depreciation Rate
Furniture & Fittings	20%
Computers and accessories	20%
Motor Vehicle	20%
Equipment	20%

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable Cash flow (cash-generating units).

Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are included in the income statement.

(d) Financial instruments

(a) Financial assets

Classification and measurement

IFRS 9, 'Financial instruments' published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, as well as new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018.

From a classification and measurement perspective, IFRS 9 requires all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics. The IAS 39 measurement categories were replaced by: fair value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI), and amortised cost. IFRS 9 also allow entities to continue to irrevocably designate instruments that qualify for amortised cost or fair value through Other Comprehensive Income (OCI) instruments as FVPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments that are not held for trading may be irrevocably designated as FVOCI, with no subsequent reclassification of gains or losses to the income statement.

The accounting for financial liabilities is largely the same as the requirements of IAS 39, except for the treatment of gains or losses arising from an entity's own credit risk relating to liabilities designated at FVPL. Such movements will be presented in OCI with no subsequent reclassification to the profit or loss unless an accounting mismatch in profit or loss would arise. Having completed its initial assessment for classification and measurement under IFRS 9, the Company has concluded that there was no change in the measurement basis of these financial assets and liabilities.

On initial recognition, financial assets are classified as: financial assets at amortised cost, financial assets at fair value through other comprehensive income (FVOCI) or financial assets at fair value through profit or loss (FVTPL).

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial assets give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI).

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the 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 assets give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI)

Derecognition of financial assets

Financial assets are derecognised if the rights to receive cash flows from the asset have expired, the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

- (a) the Company has transferred substantially all the risks and rewards of the asset, or
- (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment

The Company recognises loss allowances for ECL on the following instruments that are not measured at FVTPL. No impairment loss is recognised on equity investments.

12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which a 12-month ECL is recognised are referred to as 'Stage 1 financial instruments.

Life-time ECL are the ECL that result from all possible default events over the expected life of the financial instrument. Financial instruments for which a lifetime ECL is recognised but which are not credit-impaired are referred to as 'Stage 2 financial instruments.

Write-off

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

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.

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(b) Financial liabilities

Financial liabilities include accounts and other payables, borrowings and other non-current liabilities. All financial liabilities are subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when the obligation specified in the contracts are discharged, cancelled or expire.

The Company's holding in financial liabilities represents mainly loans taken from banks and other financial institutions and other liabilities. Such financial liabilities are initially recognised at fair value and subsequently measured at amortised cost using effective interest rate method.

Derecognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

(i) Trade accounts payable

Trade accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(ii) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in income statement in the period in which they are incurred.

(i) New and amended standards not yet adopted by the Company

A number of new standards, amendments to standards and interpretations are effective for annual periods after on or after 31 December 2019, and have not been applied in preparing these financial statements. The Company does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated.

IFRS 17 Insurance Contract

Insurers need to implement IFRS 17 in 2022 and this standard contains different measurement models, important guidelines and new definitions.

IFRS 17 supersedes IFRS 4 Insurance Contracts and related interpretations and is effective for periods beginning on or after 1 January 2021, with earlier adoption permitted if both IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial instruments have also been applied.

Overview of the new accounting model

The Standard measures insurance contracts either under the general model or a simplified version of this called the Premium Allocation Approach. The general model is defined such that at initial recognition an entity shall measure a group of contracts at the total of (a) the amount of fulfilment cash flows (FCF), which comprise probability-weighted estimates of future cash flows, an adjustment to reflect the time value of money (TVM) and the financial risks associated with those future cash flows and a risk adjustment for non-financial risk; and (b) the contractual service margin (CSM).

On subsequent measurement, the carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises the FCF related to future services and the CSM of the group at that date. The liability for incurred claims is measured as the FCF related to past services allocated to the group at that date.

An entity may simplify the measurement of the liability for remaining coverage of a group of insurance contracts using the premium allocation approach on the condition that, at initial recognition, the entity reasonably expects that doing so would produce a reasonable approximation of the general model, or the coverage period of each contract in the group is one year or less.

Presentation in the statement of financial performance

An entity shall disaggregate the amounts recognised in the statement(s) of financial performance into an insurance service result, comprising insurance revenue and insurance service expenses, and insurance finance income or expenses. Income or expenses from reinsurance contracts held shall be presented separately from the expenses or income from insurance contracts issued.

An entity shall present in profit or loss revenue arising from the groups of insurance contracts issued, and insurance service expenses arising from a group of insurance contracts it issues, comprising incurred claims and other incurred insurance service expenses. Revenue and insurance service expenses shall exclude any investment components.

Other new and amended standards effective 1 January 2019 include Long-Term interest in Associates and Joint Ventures (Amendments to IAS 28), (IFRS3 Business Combinations and IFRS 1 Joint Arrangements, IAS12 Income Taxes and IAS 23 Borrowing Costs), Insurance Contracts IFRS 17 (Effective 1 January 2021).

None of these amendments are expected to have a material effect on the Company's Financial Statements.

(h) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

(i) Employee benefits

Retirement benefit obligations

The Company operates defined contribution retirement benefit schemes for its employees. The Company and all its employees contribute to the Social Security and National Insurance Trust (SSNIT), which is a defined contribution scheme.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The assets of the scheme are held in separate trustee administered funds, which are funded by contributions from both the Company and employees.

The Company's contributions to the defined contribution scheme are recognised as an employee benefit expense when they fall due. The Company has no further payment obligations once the contributions have been paid.

(j) Current and deferred income tax

The Company paid some withholding taxes to Ghana Revenue Authority. The Company is yet to be assessed by the Tax Authorities.

(k) Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information. Comparative figures have been adjusted to conform to changes in presentation in the current year.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight line basis over their estimated useful lives. The Company estimates the useful lives of these property, plant and equipment as follows:

Furniture & Fittings	5 years
Computer and Accessories	5 years
Equipment	5 years

These are common life expectancies that are applied. Changes in the expected level of the usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised.

4. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The Company does not hedge any of its risk exposures.

Financial risk management is carried out by the finance department under policies approved by the Pesewa One Plc.

Market risk

(i) Foreign exchange risk

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 act as a natural hedge for payment of goods and services.

Market risk (Continued)

The Company is not exposed to foreign exchange risk arising from various currency exposures.

(ii) Cash flow and fair value interest rate risk

The Company's interest rate risk would arise from borrowings. The Company regularly monitors financing options available to ensure optimum interest rates are obtained. At December 31, 2020, the Company did not have any exposure to cash flow and fair value interest rate risk.

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, including outstanding receivables and committed transactions. Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

	2020	2019
	GHS	GHS
Maximum Exposure to Credit Risk before Collateral Held		
Account Receivables	106,390	125,590
Cash and Bank Balances	1,826	14,746

For banks and financial institution, only reputable well-established financial institution licensed in Ghana are accepted. The Company does not grade the credit quality of receivables. Individual risk limits are set based on internal ratings in accordance with limits set by Pesewa One Plc. The utilization of credit limits is regularly monitored.

Cash at bank and short-term bank deposits are with licensed commercial banks in Ghana.

No other collateral is held in respect of the above assets. All receivables that are neither past due nor impaired are within their approved credit limits, and no receivables have their terms renegotiated.

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 manages liquidity risk by maintaining adequate cash reserves. Prudent liquidity risk management includes maintaining sufficient cash balances. The Company's liquidity requirements are monitored to ensure it has sufficient cash to meet its operational needs.

The table below analyses the Company's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted Cash flow.

Maturity analysis of financial liabilities

At December 31, 2020	Less than 6 months GHS	6 months to 1 year GHS	More than 1 year GHS	Total GHS
Directors' accounts	-	-	152,630	152,630
Long-term loan	-	-	48,220	48,220
Associated company	20,000	-	-	20,000
Accounts and other payables	14,000	-	-	<u>14,000</u>
				<u>234,850</u>
At December 31, 2019	Less than	6 months	More than	Total

	6 months	to 1 year	1 year	
	GHS	GHS	GHS	GHS
Directors' accounts	-	-	148,564	148,564
Associated company	13,000	-	-	13,000
Accounts and other payables	8,000	-	-	8,000
				<u>169,564</u>

Capital management

Capital management objectives are applicable to this Company.

Financial instruments by category

The Company's financial assets are accounts receivable, cash and cash equivalents, investment in treasury bills and fixed deposits (as reflected in the credit risk disclosures above). All financial assets are classified as 'Receivables' and carried at amortised cost.

The Company's financial liabilities are accounts payable (as reflected in the liquidity risk disclosures above). All financial liabilities are classified as 'Other financial liabilities at amortised cost.

5. Revenue

	2020	2019
	GHS	GHS
Revenue	<u>159,757</u>	<u>60,489</u>
	<u>159,757</u>	<u>60,489</u>

6. Cost of Sales

	2020	2019
	GHS	GHS
Pet food	73,027	19,098
Toilet rolls	<u>19,556</u>	-
	<u>92,583</u>	<u>19,098</u>

7. General and Administration Expenses

	2020	2019
	GHS	GHS
Operating expenses	74,277	126,909
Depreciation	5,465	5,465
Amortisation	7,692	7,692
Audit fees	<u>8,000</u>	<u>8,000</u>
	<u>95,435</u>	<u>148,066</u>

7a. Operating Expenses

	2020	2019
	GHS	GHS
Lease	21,700	19,200
Executive meeting expenses	-	1,211
Electricity and water	2,708	3,364
Allowance	-	18,040
Bank Charges	100	110
Travel & transport	11,051	29,674
Stationary	105	3,651
Meals	-	17,064
Maintenance	2,633	420
IT Expenses	4,290	-
Medical insurance	-	15,975
SSNIT	2,202	-
Professional fees	4,000	-
Licenses & permits	250	90
Staff training	11,651	11,500
Telephone and postage	2,615	2,655
Donation and awards	-	350
General expenses	10,974	3,200
	<u>74,277</u>	<u>126,504</u>

8. Property, Plant and Equipment

	Fixtures & fittings	Office Equipment	Other office Equipment	Total Assets
Cost/valuation	GHS	GHS	GHS	GHS
Balance as at 1 January	13,711	6,365	7,250	27,326
Additions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance as at 31 December	<u>13,711</u>	<u>6,365</u>	<u>7,250</u>	<u>27,326</u>
Depreciation				
Balance as at 1 January	2,742	1,273	1,450	5,465
Charge for the year	2,742	1,273	1,450	<u>5,465</u>
Balance as at 31 December	<u>5,484</u>	<u>2,546</u>	<u>2,900</u>	<u>10,930</u>
Net book value				
Balance as at 31 Dec 2020	<u>8,227</u>	<u>3,819</u>	<u>4,350</u>	<u>16,396</u>
Balance as at 31 Dec 2019	<u>10,969</u>	<u>5,092</u>	<u>5,800</u>	<u>21,861</u>

9. Intangible Assets

	2020	2019
	GHS	GHS
Balance b/f	30,768	38,460
Amortisation	<u>(7,692)</u>	<u>(7,682)</u>
	<u><u>23,076</u></u>	<u><u>30,778</u></u>

10. Investments

	2020	2019
	GHS	GHS
Investments in incubatee businesses	<u>297,627</u>	<u>231,094</u>
	<u><u>297,627</u></u>	<u><u>231,094</u></u>

11. Trade and Other Receivables

	2020	2019
	GHS	GHS
Rent paid in advance	<u>106,390</u>	<u>125,590</u>
	<u><u>106,390</u></u>	<u><u>125,590</u></u>

12. Taxation

Year of Assessment	Balance b/f	Tax Charged	Tax Paid	Tax Outstanding
31-Dec-19	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
31-Dec-20	<u>-</u>	<u>-</u>	<u>(2,150)</u>	<u>(2,150)</u>

13. Cash and Bank Balance

	2020	2019
	GHS	GHS
Cash at bank	-	12,645
Cash in hand	<u>1,826</u>	<u>2,101</u>
	<u><u>1,826</u></u>	<u><u>14,746</u></u>

14. Share Capital

	No. of Shares		Proceeds	
	2020 '000	2019 '000	2020 GHS	2019 GHS
Authorised Ordinary Shares	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>0</u>
Issued for Cash Consideration	<u>5,000</u>	<u>5,000</u>	<u>366,000</u>	<u>366,000</u>

There is no share in treasury and no call or instalment unpaid on any share.

15. Director's Account

	2020 GHS	2019 GHS
Directors' loan	<u>152,630</u>	<u>148,564</u>
	<u>152,630</u>	<u>148,564</u>

These are Long-Term Interest free loans granted the Company for which the Directors do not have any immediate intentions in calling for repayment.

16. Long-term Loan

Details	Principal GHS	Interest GHS	Repayment GHS	Total GHS
Loan-Leslie Ofori	24,000	8,970	(1,000)	31,970
Loan-Unique Charo Poku	5,000	900	(900)	5,000
Loan-Samuel Ghanny	5,000	2,250	(2,000)	5,250
Loan-Prince Somuah	<u>5,000</u>	<u>1,500</u>	<u>(500)</u>	<u>6,000</u>
	<u>39,000</u>	<u>13,620</u>	<u>(4,400)</u>	<u>48,220</u>

17. Associated Company

	2020 GHS	2019 GHS
Pesewa House Limited	<u>20,000</u>	<u>13,000</u>
	<u>20,000</u>	<u>13,000</u>

18. Trade and Other Payables

	2020	2019
	GHS	GHS
Account Payables	-	-
Accruals and other Payables	<u>14,000</u>	<u>8,000</u>
	<u>14,000</u>	<u>8,000</u>

19. Related Party Transactions

Pesewa House Limited is a wholly own subsidiary of Pesewa One Plc. During the year there were transactions between Pesewa One Plc and Pesewa House Limited.

All related party transactions disclosed were carried out at arm’s length. Outstanding balances at year-end are unsecured, interest free, and payable on demand.

There were no guarantees provided for or received from any related party receivable or payable. These transactions resulted in the following balance owed to an entity under common control.

	2020	2019
	GHS	GHS
Amount payable to related parties		
Pesewa House Limited	<u>20,000</u>	<u>13,000</u>
	<u>20,000</u>	<u>13,000</u>

20. Post Balance Sheet Events

Events subsequent to the Statement of Financial Position are reflected in the Statement of Financial Position only to the extent that they relate to the year under consideration and the effect is material.

21. Capital Expenditure Commitments

There were no capital expenditure commitments as at the Statement of Financial Position date.

22. Contingent Asset and Liability

There was no contingent asset nor liability as at the financial position date.

23. Going Concern

The financial statements have been prepared on a going concern basis as it is assumed that the company will continue be in existence into the foreseeable future.