

# ROUTE MOBILE LIMITED

## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

MENSAH JB AND ASSOCIATES

(CHARTERED ACCOUNTANTS)

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**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

MR. RAJDIKUMAR CHNADRAKANT  
MRS. FAIZATU TAKYI  
MR. SANDIKUMAR CHANDRAKANT  
MR. YAKUBU BOABENG ABDULAI

**SECRETARY**

MR. DESMOND NII SACKY

**MAIN BUSINESS**

TO PROVIDE TELECOMMUNICATION SOLUTIONS

**REGISTERED OFFICE**

ADJACENT ROYAL MART BUILDING COMPLEX  
OFF TSE ADDO – ZENITH UNIVERSITY ROAD  
P.O.BOX OS 1785 OSU  
ACCRA

**BANKERS**

GUARANTY TRUST BANK

**AUDITORS**

MENSAH JB & ASSOCIATES

**REPORT OF THE DIRECTORS TO THE MEMBERS OF THE COMPANY**

The Directors herewith present the audited accounts of the company for the year ended March 31, 2021.

**DIRECTOR'S RESPONSIBILITY**

The Board acknowledges its duty to:-

- i. Maintain proper books of accounts.
- ii. Prepare Financial Statements that comply with the Companies Act 2019 (Act 992) and give a true and fair view of the state of affairs and the operational results of the company.
- iii. Safeguard the assets of the company and take reasonable steps to detect and prevent any fraud or irregularities.

**PRINCIPAL ACTIVITIES**

The Board confirms the nature of business to be the provision of telecommunication solution

**ACCOUNTING FRAMEWORK**

The company has adopted the International Financial Reporting Standards (IFRS) as the accounting framework for the preparation of its accounts.

**RESULTS FOR THE YEAR**

	GH¢
Retained earnings at the beginning of the year	(1,583,227)
Loss for the year after all expenses deducted	(68,647)
Other Reserve	<u>60,767</u>
Leaving a balance to be carried forward to next year as	<b><u>(1,591,107)</u></b>

The Statement of Financial Position and the Report has been signed by two directors, indicating the Board's approval of the Financial Position and the annexed accounts.

**AUDITORS**

In accordance with the Companies Act 2019, Act 992, Messrs. Mensah JB & Associates will continue as Auditors of the company.

  
.....  
DIRECTOR

Date: .....

  
.....  
DIRECTOR

Date.....

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of ROUTE MOBILE LIMITED

### Opinion

We have audited the financial statements of Route Mobile Limited which comprise the statement of financial position as at March 31, 2021, and the statement of comprehensive income, statement of changes in equity and 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 as set out on pages 9 to 12.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the company as at March 31, 2021 of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act 2019 (Act 992) and the Electronic Communication Act 2008 (Act 775).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the company in accordance with the International Ethics Standards Board for Accountants' (IESBA) Code of Ethics for Professional Accountants and we have fulfilled our other 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 Board of Directors for the Financial Statements

The Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and in the manner required by the Companies Act 2019 (Act 992) and any other relevant local legislation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of 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 Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board 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 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 Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies.

The engagement partner on the audit resulting in this independent auditor's report is CHRISTOPH JYM ANAGBONU (Practicing Certificate Number ICAG/P/1071)

Signature of the Firm ..... *Mensah JB & Associates*

Name of the Firm: MENSAH JB & ASSOCIATES  
(Chartered Accountants)

License Number: ICAG/F/2021/016

Date ..... *5/05/2021*

**MENSAH JB & ASSOCIATES**  
P. O. BOX AN 19524  
ACCRA - NORTH  
Tel: (+233) 0302247228

**ROUTE MOBILE LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021**

	NOTES	2021 GH¢	2020 GH¢
<b><u>NON-CURRENT ASSETS</u></b>			
Property, Plant and Equipment	4	-	473
<b><u>CURRENT ASSETS</u></b>			
Related Party Advances	5b	163,206	474,766
Trade and Other Receivables	6	338,744	319,704
Bank and Cash	7	713,061	127,873
Taxation	9	22,926	21,000
		<u>1,237,937</u>	<u>943,343</u>
<b>TOTAL ASSETS</b>		<u><b>1,237,937</b></u>	<u><b>943,816</b></u>
<b><u>EQUITY AND LIABILITIES</u></b>			
Stated Capital	8	1,170,000	1,170,000
Other Reserves		60,767	60,767
Retained Earnings		(1,651,874)	(1,583,227)
		<u>(421,107)</u>	<u>(352,460)</u>
<b><u>LIABILITIES</u></b>			
Trade and Other Payables	10	811,395	511,613
Related Party Advances	5a	847,649	784,663
		<u>1,659,044</u>	<u>1,296,276</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>1,237,937</b></u>	<u><b>943,816</b></u>

APPROVED BY THE DIRECTORS ON .....2021

  
.....DIRECTOR

  
.....DIRECTOR

**ROUTE MOBILE LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED MARCH 31, 2021**

	NOTES	2021 GH¢	2020 GH¢
Revenue	11	535,810	579,166
Cost of Service	12	(342,115)	(515,113)
Gross Profit		193,695	64,053
General and Administrative Expenses	13	(219,398)	(262,195)
Profit/Loss before Tax		(25,703)	(198,142)
Foreign Exchange (Loss) / Gain	14	(42,944)	(33,998)
Taxation	9	-	-
<b>Loss for the year</b>		<b>(68,647)</b>	<b>(232,140)</b>

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2021**

	Stated Capital GH¢	Retained Earnings GH¢	Other Reserves GH¢	Total Equity GH¢
Balance as at April 1, 2020	1,170,000	(1,583,227)	60,767	(352,460)
Total Profit for the year	-	(68,647)	-	(68,647)
<b>Balance as at March 31, 2021</b>	<b>1,170,000</b>	<b>(1,651,874)</b>	<b>60,767</b>	<b>(421,107)</b>



**ROUTE MOBILE LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED MARCH 31, 2021**

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>2021</b>	<b>2020</b>
	<b>GHC</b>	<b>GHC</b>
Profit from Operations	(25,702)	(198,143)
Depreciation and Amortization	473	1,137
	<u>(25,229)</u>	<u>(197,006)</u>
<b>ADJUSTMENT FOR MOVEMENT IN WORKING CAPITAL</b>		
(Increase) / Decrease In Accounts Receivable	(19,040)	(84,631)
Increase / (Decrease) In Accounts Payable	301,357	386,484
	257,088	104,847
Exchange losses	(42,944)	(33,998)
Tax Paid	(3,500)	(6,000)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<u>210,644</u>	<u>64,849</u>
 <b>CASH FLOW FROM INVESTING ACTIVITIES</b>	 -	 -
 <b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	 <u>-</u>	 <u>-</u>
 <b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Related Party Transactions	374,546	(15,044)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<u>374,546</u>	<u>(15,044)</u>
 <b>NET CHANGES IN CASH AND CASH EQUIVALENTS</b>	 585,189	 49,805
Cash and Cash equivalent at the beginning of the year	127,872	78,067
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>	<u>713,061</u>	<u>127,872</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### 1. REPORTING ENTITY

ROUTE MOBILE Limited was registered on 21<sup>st</sup> of June 2016 with Route Mobile UK as the highest shareholder. The company operates in the telecommunication industry providing telecommunication solutions to its customers.

### 2. BASIS OF PREPARATION

#### A. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the International Financial Reporting Standards .

#### B. BASIS OF MEASUREMENT

The financial statements have been prepared under the historical cost convention

#### C. FUNCTIONAL AND PRESENTATION CURRENCY

The financial statements are prepared in Ghana Cedis which is the company's functional and presentational currency

#### D. USE OF ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions which are based on management's best judgement at the date of the financial statement deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. Where necessary, the comparatives have been reclassified or extended from the previously reported results to take into account presentational changes.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the company in the preparation of these financial statements are as follows:

#### a. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment are stated at historical cost less depreciation. Depreciation has been provided on straight-line basis at rates calculated to reduce the assets to nil at the end of their expected useful lives. The principal rates used for this purpose are:

Computer & Data Handling Equipment	20%
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#### b. Foreign Currency Transactions

The financial statements are presented in Ghana cedi which is the company's functional and presentational currency. Transactions in foreign currencies are translated into cedis at the rates prevailing at the date of the transaction. Residual balances denominated in Foreign Currencies are translated into cedis using the exchange rates prevailing at the Balance sheet date. Gains or losses resulting from currency transactions are dealt with through the income statement.

#### c. Trade Receivables

Trade receivables are carried at original invoice amount. An estimate is made for debts considered doubtful. Receivables are stated at their face value based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified.

**d. Revenue Recognition**

Revenue is measured at fair value of the consideration received or receivable net of VAT/NHIL, trade discounts and customers' returns. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is not recognized until the significant risk and reward of ownership of the goods and services have passed to the buyer and the amount of revenue can be measured reliably. Interest income is recognized as it accrues.

**e. Inventory**

Inventory is stated at the lower of cost and net realizable value. Costs include all direct expenses incurred in bringing the goods to their current state under normal operating conditions.

**f. Cash and Cash equivalent**

For the purposes of the statement of cash flow, cash and cash equivalent comprise cash in hand, deposits held at call with banks, and investments in money market instruments, net of bank overdrafts.

**g. Tax.**

ROUTEMOBILE LIMITED is registered under the Companies Act 2019, Act 992 and therefore eligible to pay tax at the current corporate tax rate.

4. NONCURRENT ASSETS SCHEDULE	Computer & Data Handling Equipment	Total
	GHC	GHC
<b>COST</b>	<b>20%</b>	
Balance at 1/04/2020	4,112	4,112
<b>DEPRECIATION</b>		
Balance at 1/04/2020	3,639	3,639
Charge for the year	473	473
Balance at 31/03/2021	4,112	4,112
<b>NET BOOK VALUE</b>		
NBV at 31/03/2021	-	-
NBV at 1/04/2020	473	473
	<b>2021</b>	<b>2020</b>
<b>5a. RELATED PARTY ADVANCES</b>	<b>GHC</b>	<b>GHC</b>
Loans and Advances from Related Parties	847,649	784,664
<b>5b. RELATED PARTY ADVANCES</b>		
Loans and Advances to Route SMS Solutions FZE	8,120	7,599
Loans and Advances to Route SMS Solutions Nigeria	511	376
Loans and Advances to Route Mobile UK Ltd	112,734	63,340
Loans and Advances to Route Mobile Ltd.	41,841	403,451
	<b>163,206</b>	<b>474,766</b>

**6. TRADE AND OTHER RECEIVABLES**

VAT,NHIL,GETFUND, & CST	103,265	88,864
Sundry Debtors	70,837	34,560
Other Deposit	155,642	100,000
Rent prepaid	9,000	8,541
	<b>338,744</b>	<b>231,966</b>

**7. CASH AND BANK BALANCES**

Guaranty Trust Bank (Ghana) Ltd Cedi	60,157	119,163
Guaranty Trust Bank (Ghana) Ltd Dollar	286	285
Guaranty Trust Bank (Ghana) Ltd Euro	652,618	8,425
	<b>713,061</b>	<b>127,873</b>

**8. STATED CAPITAL**

Issued and fully Paid for cash	<b>1,170,000</b>	<b>1,170,000</b>
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**9. TAXATION**

	Opening Balance GH¢	Tax Charged GH¢	Tax Paid GH¢	Closing Balance GH¢
2021 - CIT	(21,000)	-	(3,500)	(24,500)
2021 - WHT	(294)	1,868	-	1574
	<b>(21,294)</b>	<b>1,868</b>	<b>(3,500)</b>	<b>(22,926)</b>

**10. TRADE AND OTHER PAYABLES**

	2021 GH¢	2020 GH¢
Trade Creditors	131,494	8,400
Sundry Creditors	67,106	380,480
Intercompany Creditor Purchase	111,439	94,294
Advance from Customer	2,532	(22,984)
Provision for purchase	34,522	(3,925)
Withholding tax payable	-	(294)
Intercompany Payables-RMGL	434,845	-
Accrued Expenses - RMGL	29,457	-
	<b>811,395</b>	<b>455,971</b>

**11. REVENUE**

Product Sales	<b>535,811</b>	<b>547,069</b>
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**12. COST OF SERVICE**

Purchase of SMS Domestic	336,051	503,763
Purchase of SMS International	6,065	11,350
	<b>342,115</b>	<b>515,113</b>

**13. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES**

General Expenses	2,000	-
Postage and Telegram	-	460
Professional Charges	88,097	57,000
Utility - Electricity	2,500	3,000
Stationery Expenses	-	1,020
Business Promotion Expense	-	15,798
Office Expenses	28,104	49,603
Internet And Website Expenses	-	1,200
Registration Charges	-	5,000
Rent	35,541	44,246
Travelling Expenses (including Foreign Travel)	40,500	68,378
Bank Charges	8,240	1,825
Staff welfare	-	2,100
Audit Fee	12,643	11,429
Machinery Repair and Maintenance	1,300	-
Depreciation	474	1,137
	<u>219,398</u>	<u>262,195</u>

**14. FOREIGN EXCHANGE (LOSS)/GAIN**

(42,944)      (33,998)