

SOLAR EXPLOCHEM ZAMBIA LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

CONTENTS

	PAGE
Company information	1
Report of the directors	2 - 3
Statement of directors' responsibilities	4
Report of the independent auditor	5 - 6
Financial statements:	
Statement of profit or loss and other comprehensive income	7
Statement of changes in equity	8
Statement of financial position	9
Statement of cash flows	10
Notes: significant accounting policies	11 - 23
Notes	24 - 34
The following pages do not form an integral part of these financial statements:	
Manufacturing account	35
Schedule of other operating expenditure	36 - 37

COMPANY INFORMATION

COUNTRY OF INCORPORATION AND DOMICILE	: Zambia
COMPANY REGISTRATION	: L.C.O 79731
TAX PIN	: 1001953671
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	: Manufacturing of explosives and trading in accessories : ISO 9001:2008 Certified
BOARD OF DIRECTORS	: Sydney Chisenga : Suresh Menon : Shaileshkumar Sangrajka : Milind Bhalchandra Deshmukh : Caroline Misodzi : Vennam Tirupathi Reddy
CHIEF OFFICERS	: Mr. C.A.Bensam : Mr.V.T. Reddy
REGISTERED OFFICE	: Plot No. L/38251M : Luano Area : Kitwe-Chingola Road : Copperbelt Province : ZAMBIA
PRINCIPAL PLACE OF BUSINESS	: Plot No. L/38251M : Luano Area : Kitwe-Chingola Road : Copperbelt Province : ZAMBIA : Telephone +260-212-251219
POSTAL ADDRESS	: P. O. Box 22831 Chambeshi Copperbelt ZAMBIA
INDEPENDENT AUDITOR	: PKF Zambia Chartered Accountants
COMPANY SECRETARY	: Messrs Corpus Globe Consultants Limited
PRINCIPAL BANKERS	: Indo Zambia Bank Plc : First National Bank Zambia Limited
SHAREHOLDERS	: Solar Overseas Netherlands Cooperatie UA, incorporated in Netherlands : Ortin Investments Limited, incorporated in U.A.E.

REPORT OF THE DIRECTORS

The Directors submit their report and the audited financial statements for the year ended 31 March 2019, which disclose the state of affairs of the company.

PRINCIPAL ACTIVITIES

The principal activity of the company is the manufacturing of explosives and trading in accessories.

RESULTS	2019 ZMW	2018 ZMW
Profit before tax	63,284,878	49,224,558
Tax (charge)/credit	<u>(11,480,820)</u>	<u>(17,384,135)</u>
Profit for the year	<u>51,804,058</u>	<u>31,840,423</u>

SHARE CAPITAL

There were no changes in authorised and issued share capital during the year.

DIVIDEND

The Directors have not recommend for declaration of a dividend for the current year (2018: ZMW 15,225,000).

PROPERTY, PLANT AND EQUIPMENT

Details of major changes in property, plant and equipment are as follows:

The company purchased fixed assets amounting to ZMW 11,746,906 (2018: ZMW 2,881,388)

HEALTH, SAFETY AND WELFARE OF EMPLOYEES

The company continues to provide and maintain optimum standards of safety and house keeping required for the upkeep of the health and safety of employees.

SUBSEQUENT EVENTS

There were no subsequent events that the Directors of the company are aware of.

REPORT OF THE DIRECTORS (CONTINUED)


DIRECTORS

The Directors who held office during the year and to the date of this report are shown on page 1.

INDEPENDENT AUDITOR

The Company's auditor during the year was PKF Zambia Chartered Accountants. They have indicated willingness to continue in office in accordance with the Zambian Companies Act of 2017.

BY ORDER OF THE BOARD



DIRECTOR

_____ 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Zambia Companies Act of 2017 requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for that year. It also requires the Directors to ensure that the Company maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the Company. The Directors are safeguarding the assets of the Company.

The Directors accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. They also accept responsibility for:

- i) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements;
- ii) selecting and applying appropriate accounting policies; and
- iii) making accounting estimates and judgements that are reasonable in the circumstances.

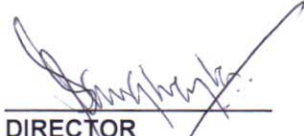
The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company as at 31 March 2019 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard and the requirements of the Zambian Companies Act of 2017.

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

Approved by the Board of Directors on and signed on its behalf by:



DIRECTOR



DIRECTOR

