Corporate Governance (CG)

Overview

PMMC Jewellery Limited (PJL) is committed to upholding the highest standards of corporate governance in the conduct of its business operations.

As a jointly owned jewellery production and marketing company, PJL recognises its responsibility to operate with integrity, transparency, accountability, and fairness in accordance with applicable laws, regulations, and the public sector governance frameworks in Ghana.

GENERAL INFORMATION

BOARD OF DIRECTORS	• Samuel Gyamfi Esq • Gertrude Emefa Donkor Esq • Dr. Edem Cudjoe Amengor • Mr. Richard Kwamina Prah • Ms. Adwoa Amankwaah Boateng Appiah
REGISTERED OFFICE	PMMC Jewellery Limited Diamond House Accra
AUDITORS	Auditor-General Audit Service P.O. Box M96 Ministries-Accra Email: info@audit.gov.gh Website: audit.gov.gh GPS Address: GA-110-8787
BANKERS	Fidelity Bank Ghana Limited Prudential Bank Absa Bank

REPORT OF THE DIRECTORS

The Directors present herewith their report and the audited financial statements of PMMC Jewellery Company Limited for the year ended 31 December 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors of PMMC Jewellery Company Limited are responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

The Company Directors are responsible for the preparation of the financial statements that give a true and fair view of the PMMC Jewellery Limited, comprising the Statement of Financial Position as at 31 December 2025, and the Statements of Profit or Loss and Other Comprehensive Income, changes In Equity and Statement of Cash Flows for the year then ended, and the Notes to the Financial Statements which include a summary of significant accounting policies and other explanatory notes, in accordance with the International Financial Reporting Standard and in the manner required by the Companies Act, 2019 (Act 992). In addition, the directors are responsible for the preparation of the Directors' Report.

The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement and the maintenance of effective risk management systems.

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.

PRINCIPAL ACTIVITY

The Company's primary function is to produce and market jewellery and all related businesses. The principal activities of the Company were in accordance with its objects set out in the Memorandum of Association.

FINANCIAL RESULTS

Total revenue for the year amounted to GH¢60,604,604 with a resultant profit of GH¢1,866,931. When added to the adjusted opening balance on total equity as of 1 January 2024 of GH¢14,402,153 it leaves a closing balance of GH¢16,269,084 as at 31 December 2025.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on......................................., and signed on their behalf by:

....

Samuel Gyamfi Esq. **Gertrude Emefa Donkor Esq.**

(Board Chairman) (Managing Director)

Appointed on 7TH NOVEMBER, 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF DIRECTORS

Report on the Audit of PMMC Jewellery Limited's Financial Statements

Opinion

We have audited the financial statements of PMMC Jewellery Company Limited, which comprise the statement of financial position at 31 December 2025, the statements of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements which include a summary of significant accounting policies and other explanatory notes as set out on pages 15 to 28.

In our opinion, these financial statements give a true and fair view of the financial position of PMMC Jewellery Company Limited at 31 December 2025 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and Public Financial Management Act 2016 (Act 921).

Basis for Opinion

We conducted our audit in accordance with International Standards for Supreme Audit Institutions. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Supreme Audit Institutions, together with the ethical requirements that are relevant to the financial statements in Ghana, 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.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and the Director's Report as required by the Companies Act, 2019 (Act 992), but 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 information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, the provisions required in the Companies Act, 2019 (Act 992), Public Financial Management Act, 2016 (Act 921) and it's enabling Regulations of 2019 (L.I. 2378) as well as the applicable accounting standards, and for such internal control as the Company determines its 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with International Standards for Supreme Audit Institutions, which is consistent with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Organisation of Supreme Audit Institutions, 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 based on these financial statements.

As part of an audit in accordance with International Standards for Supreme Audit Institutions, which is consistent with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Organisation of Supreme Audit Institutions, we exercise 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 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 by management.

- Conclude on the appropriateness of the Director's 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the Company to express an opinion on the separate financial statements. We are responsible for the direction, supervision, and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicating with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

Report on other legal and Regulatory 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 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 balance sheet (included in the Statement of Financial Position) and Profit and Loss account (included in the Statement of Comprehensive Income) agree with the books of account.

We are independent of the Company pursuant to Section 143 of the Act.

....

SAMUEL NII ODARTEY LAMPTEY
DEPUTY AUDITOR-GENERAL/CAD
for: **AUDITOR-GENERAL**
GPS: GA-110-8787
MINISTRIES BLOCK "O"
ACCRA, GHANA

Dated 20 April 2024

PMMC JEWELLERY COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025	2024
		GH¢	GH¢
Revenue	2	60,604,604	54,102,342
Cost of Sales	3	(40,386,938)	(37,335,534)
Gross Profit		20,217,666	16,766,808
Other Operating Income	4	3,204,199	340,557
Genaral and administration expenses	5	(20,932,624)	(17,335,095)
Operating Profit/(Loss)		2,489,242	(227,730)
Finance Cost		-	-
Profit/(Loss) Before Tax		2,489,242	(227,730)
Taxation		(622,310)	-
Profit/(Loss) after Tax		1,866,931	(227,730)
Other Comprehensive Income			
Total Comprehensive Income for the year		**1,866,931**	**(227,730)**

PMMC JEWELLERY COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	2025	2024
ASSETS		**GH¢**	**GH¢**
Non-Current Assets			
Property, Plant and Equipment	6	8,111,987	2,966,106
		8,111,987	**2,966,106**
Current Assets			
Inventory	7	53,909,131	30,081,697
Receivables	8	859,628	730,100
Prepayments	9	1,581,889	
Cash and Cash Equivalent	10	29,338,688	8,876,709
		85,689,336	**39,688,506**
Total Assets		**93,801,323**	**42,654,611**
EQUITY AND LIABILITIES			
Equity			
Stated Capital		4,000,000	4,000,000
Retained Earnings		12,269,084	13,722,476
		16,269,084	**17,722,476**
Non-current liabilities			
Due to Related Party	11	66,494,214	18,273,513
Current Liabilities			
Creditors	12	4,451,385	694,293
Income Tax Provision	13	6,586,640	5,964,329
		11,038,025	6,658,622
Total Equity and Liabilities		**93,801,323**	**42,654,611**

PMMC JEWELLERY COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

	Share Capital	Retained Earnings	Total
	GH¢	GH¢	GH¢
Balance as at 01/01	4,000,000	13,722,476	17,722,476
Prior year adjustment	-	(3,320,323)	(3,320,323)
Profit for the year	-	1,866,931	1,866,931
Balance as at 31/12	**4,000,000**	**12,269,084**	**16,269,084**

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2024

	Share Capital	Retained Earnings	Total
	GH¢	GH¢	GH¢
Balance as at 01/01	4,000,000	13,950,206	17,950,206
Loss for the year	-	(227,730)	(227,730)
Balance as at 31/12	**4,000,000**	**13,722,476**	**17,722,476**

PMMC JEWELLERY COMPANY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

	2025	2024
CASH FLOW FROM OPERATING ACTIVITIES	**GH¢**	**GH¢**
Profit/(Loss) before Taxation	2,489,242	(227,730)
Adjustment for :		
Depreciation	1,727,941	919,045
Operating Profit before Working Capital Changes	4,217,183	691,315
Decrease/(Increase) in inventory	(23,827,434)	(3,565,825)
Decrease/(Increase) in Trade Receivables	(129,528)	(96,173)
Increase/Decrease in prepayments	(1,581,889)	
Decrease/(Increase) in related party	48,220,701	10,815,209
Prior year adjustment	(3,320,323)	-
(Decrease)/Increase in Creditors	3,757,092	101,486
	23,118,619	7,254,696
Net Cash flow from Operating activities	27,335,802	7,946,012
INVESTING ACTIVITIES		
Payments for property, plant and equipment	(6,873,823)	(1,463,545)
FINANCING ACTIVITIES		
Net (Decrease)/Increase in Cash and Cash equivalents	20,461,979	6,482,467
Cash and Cash Equivalents as at 01/01	8,876,709	2,394,242
Cash and Cash Equivalents as at 31/12	**29,338,688**	**8,876,709**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. General Information

1a. PMMC Jewellery Company Limited is a wholy own jewellery company of the Ghana Gold Board. The primary business of the company is to produce and market jewellery and all related businesses.

The Company operates through 7 showrooms, 2 in Kumasi (i.e. Adum and Airport) and 5 in Accra (Head Office, Osu, Spintex, East Legon and Tema) and sevenl independent sales agents.

1b. Summary of Significant Accounting Policies

a. Basis of preparation

The financial statements have been prepared on an accrual basis, and the measurement basis applied is historical cost, except for financial assets and financial liabilities that have been measured at fair value. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standard Board (IASB).

(i) Foreign currency translation

a. Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('functional currency'). The financial statements are presented in Ghana Cedis (GH¢), which is the company's functional currency.

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rate 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 recognised in profit or loss. The exchange rate of GH¢11.50/USD has been used to translate all monetary assets and liabilities at the year-end.

(ii) Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current if it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or Cash or cash equivalent, unless restricted from being

exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle,
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

(iii) Revenue Recognition

a. Sale of Jewellery

- ***Retail Sales – Products***

Revenue from the sale of products through stores owned and operated by PJL is recognised when PJL transfers control of the jewellery to the customer. Payment is usually due when the customer picks up the product in the showroom, and revenue is measured at the amount of consideration received, net of discounts and taxes collected on behalf of the Ghana Revenue Authority (GRA). However, in some instances, collection is delayed, and a receivable is recognised, see note on receivables (sales agents).

- **Cash Sales – Finished Jewellery**

For cash transactions, revenue is recognised at the point where control of the jewellery transfers to the customer, which is generally when the customer takes possession of the item at the point of sale. Cash sales are made through any of PJL's 7 showrooms.

- **Custom-made Jewellery (Credit Sales)**

For custom-made jewellery orders, revenue is recognised when the finished item is delivered to the customer and customer acceptance is obtained. Amounts received from customers before completion and delivery of the custom-made jewellery are recognised as deferred income (contract liabilities). These are subsequently recognised as revenue when control passes to the customer, and full payment is received.

- **Sale through Agents**

PJL also sells jewellery through independent sales agents. Revenue is recognised when control of jewellery transfers to the agent and PJL has an enforceable right to consideration (evidenced by the agent's post-dated cheque deposit arrangement). At this point, PJL recognises revenue and a receivable for any outstanding consideration. Deposits received from agents before control of jewellery transfers are recognised as deferred income and subsequently as revenue upon transfer of control to the agent.

b. Income from repairs and polishing of jewellery

PJL provides repairs and polishing services. Revenue is recognised at the point when the service is completed, and the customer receives the repaired/polished item. The consideration is based on Management's estimate provided to the customer at the time the jewellery is received for assessment. Any consideration received before the repair/polishing is recognised as deferred revenue and subsequently recognised as revenue when the repair is completed, and the customer takes possession of the item.

iv. Expenditure

Expenses are recognised on an accrual basis when related cost is incurred, or related goods and services are received.

a. Cost of Goods Sold

Cost of goods sold is made up of the cost of inventory sold, which encompasses direct costs to manufacture jewellery, including;

- Direct materials, including gold, alloys, diamonds and other gemstones used in production, are necessary to bring jewellery to saleable conditions.
- Direct labour: This is made up of wages and related costs of production staff directly involved in manufacturing the jewellery sold.
- Manufacturing overheads: these include indirect production costs necessary to convert raw materials into finished jewellery, such as utilities.

Cost of goods sold also reflects changes in inventories during the year.

b. Selling and distribution expenses

Selling and distribution expenses are made up of costs incurred in marketing and selling finished jewellery. These include advertising, branding, delivery and logistics, among others.

c. General and administrative expenses.

General and administrative costs are recognised when incurred and include other operating costs which are not directly related to production. These include salaries and administrative staff costs, professional fees, insurance, bank charges, internet and utilities.

v. Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

vi. Value Added Tax (VAT)

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable.
- When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from or payable to Ghana. Revenue Authority is included as part of receivables or payables in the statement of financial position.

vii. Inventory

Assets are considered as inventory when they are:

- In the form of materials or supplies to be consumed in the production process
- In the form of materials or supplies to be consumed or distributed in the rendering of services
- Held for sale or distribution in the ordinary course of operations
- In the process of production for sale or distribution.

PMMC Jewellery Limited's inventory includes raw gold (18Kt, 22Kt), other production consumables and finished goods of jewellery. Inventory balances are recognised as current assets in the statement of financial position.

Inventory is valued using the weighted average cost of inventory. Inventory held for consumption in the production of finished jewelleries are valued at the lower of cost or net realisable value (NRV). Net realisable value is the expected selling price of the jewellery minus costs to finish and sell it. The carrying amounts of inventory are expensed when inventories are sold.Inventories are subject to physical verification based on the value and risk as assessed by management. PMMC Jewellery Limited uses the periodic inventory count approach, where the Company undertakes an inventory count monthly.

viii. Financial Assets

The entity recognises its financial assets on the date when they originate and all other financial assets and financial liabilities on the trade date - the date on which the entity commits to purchase or sell the asset. All financial assets are initially recognised at fair value and subsequently measured at fair value with changes therein, including any interest recognised in the profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred, and the entity has transferred substantially all risks and rewards of ownership.

a) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through amortisation.

They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The entity's loans and receivables comprise amounts due to PMMC and Aditan Enterprises and receivable from sales agents in the statement of financial position.

Trade receivables are reported at the amount expected to be paid, less impairments, which are assessed both individually and collectively. Impairment losses on trade receivables are reported under Operating costs. Trade receivables have a short-anticipated term and are therefore valued at a nominal amount without discounting.

- **Impairment of financial assets**

The entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event(s) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.
For the loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced, and the amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

ix. Financial Liabilities

Financial liabilities within the scope of IAS 39 are classified as other financial liabilities categories. The Company determines the classification of its financial liabilities at initial recognition. Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, less directly attributable costs. The Company's financial liabilities are loans primarily from PMMC.

x. Offsetting of Financial Instruments

Financial Assets and financial 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.

xi. Trade receivables

Trade receivables are mainly made up of amounts due from sales agents for jewellery advanced to them for sale. Collection is expected in one year or less (or in the normal operating cycle of the business).

xii. Cash and Cash Equivalents

In the statement of cash flows, cash and cash equivalents are made up of PJL's bank balances and cash on hand.

xiii. Trade Payables

Trade payables 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 not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate.

i. Provisions

Provisions are recognised when: the entity has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

xiv. Property, Plant and Equipment

An item is classified as PPE when it is held for use in the production or supply of jewellery, or for administrative purposes, and is expected to be used during more than one period. Recognition of an item as PPE occurs when it is probable that future economic benefits associated with the assets will flow to the entity and the cost of the assets to the Company can be measured reliably. Major renovations tailored to the branding needs of the company's rented showrooms are capitalised and include building refurbishment in property, plant and equipment.

- **Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment loss. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

- **Subsequent cost**

The cost of replacing parts of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. Cost of the day-to-day servicing and maintenance of property, plant and equipment are recognised in the income statement as incurred.

The assets' residual value and useful lives are reviewed and adjusted if appropriate at the end of each reporting period. Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Any 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 disposal are determined by comparing the proceeds with the carrying amount and are recognised within Disposal Gains/(Losses) in profit or loss.

- **Depreciation**

Depreciation is calculated and recognised in the profit or loss on a straight-line basis over the estimated useful lives of each asset or part of an item of PPE. Depreciation is charged in the year in which an asset is acquired, or a capital work-in-progress is available for use, while depreciation is ignored in the year in which an asset is disposed of. The following depreciation rates are used to charge depreciable expenses:

Item of PPE	Depreciations rates (%)
Building Refurbishment	12.5
Plant and Machinery	10
Furniture and fittings	14
Computers & Accessories	20
Motor vehicles	20

1c. Financial Risk Management Objectives and Policies

The entity'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 entity'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 management of the Company under policies approved by the Board of Directors.

(i) Credit risk

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

The Company's principal exposure to credit risk is its receivables due from sales agents. The amount receivable from the agents forms a large portion of the total receivables. Therefore, should the sales agents default in repaying the debt, it may affect the operations of the Company. However, in accordance with the terms of sale, Sales agents are obliged to submit post-dated checks to cover the full amount owed to PJL.

The table below shows the maximum exposure to credit risk by class of financial instrument:

	2025
	GH¢
Cash at bank and short-term deposits	29,338,688
Net trade and other receivables (excluding prepayments and contracts in progress)	859,628
Total credit risk exposure	**30,198,315**

The amount that best represents the entity's maximum exposure to credit risk is the carrying value of its financial assets in the statement of financial position.

(i) Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash and marketable securities, and the availability of funding from an adequate amount of committed credit facilities. Accordingly, the Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or damage to the Company. The Company manages its cash position and future outflows on an ongoing daily basis. The Company ensures that it has sufficient funds on demand to meet expected operational expenses and liabilities as and when they fall due.

Cash of the Company is placed in current accounts to provide sufficient funding to meet its obligations. At the end of the reporting date, bank accounts had a balance of GH¢29,338,688.

All the entity's short-term financial liabilities will be settled within 12 months based on the remaining period at the reporting date to the contractual maturity date. The long-term financial liabilities disclosed in the table below are the contractual undiscounted cash flows.

Financial liabilities	2025
	GH¢
Amount due to PMMC	66,494,214
Amount due to Aditan	3,757,419
	70,251,630

(i) Market Risk

Market risk is the risk that changes in market prices, foreign currency and interest rate etc., will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest

Interest rate risk shows how changes in the fair value or future value of cash flows of a financial instrument will fluctuate because of changes in market rates at the reporting date. The Company had no exposure to interest rate risk as at 31 December 2025.

(ii) Foreign Exchange Risk

Foreign exchange rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's revenue source, gold jewellery, is priced in in Dollars. Again, the closing stocks are maintained in US Dollars and translated at year-end in order to minimise the exposure to exchange rate fluctuations. The Company also has foreign currency balances with Absa and Prudential Bank and therefore, is exposed to Foreign exchange risk. Management is responsible for minimising the effect of the currency exposure by holding a bank account in foreign currency

vi. Price Risk

The Company is exposed to commodity price risk arising from fluctuations in the world market price of gold, which is largely denominated in US dollars. Changes in gold prices directly affect the Company's cost of raw materials, the pricing of finished jewellery, inventory valuations and profit margin.

vii. Pending Legal Case

The company is the second defendant in a legal action suit filed by Imperialdiam Ltd. in respect of jewellery supplied to the Precious Minerals Marketing Company and the PMMC Jewellery Company Limited between 2013 and 2017.

Though the matter is currently before court and the outcome cannot be determined, the recognized related party figure in the statement of financial position which is also disclosed in note 10 (Aditan) includes the contingent liability.

The Company is also involved in a separate legal case against a former employee, Augustina Acheampong, involving an amount of GH¢168,567. The matter is currently pending and has not yet been determined by the courts.

viii. Prio Year Adjustment.

During the year under review, a prior year adjustment of GH¢3,320,323 was recognized and charged against the opening balance of GH¢17,722,476 which leaves a net opening balance of GH¢14,402,153.

NOTES TO THE FINANCIAL STATEMENTS

		2025	2024
		GH¢	GH¢
2	**Revenue**		
	Sale of Jewellery	60,604,604	54,102,342
	Total	**60,604,604**	**54,102,342**
3	**Cost of Sales**		
	Cost Jewellery sold	38,412,647	36,093,731
	Selling and distribution	1,974,290	1,241,803
	Total	**40,386,938**	**37,335,534**
4	**Other Income**		
	Polishing, repairs and others	3,204,199	311,558
	Interest Income	-	28,999
	Total	**3,204,199**	**340,557**
5	**General and Administrative Expenses**		
	Bank Charges	391,045	202,502
	Board Members Fees	21,000	178,000
	Staff Cost	15,050,608	11,203,122
	Christmas Hampers		603,800
	Cleaning and Sanitation	152,029	96,464
	Communication Expenses	33,742	45,819
	Freght/handling charges	62,350	103,581
	Consulting and Legal	33,045	
	Death & Funeral Expenses	33,790	31,455
	Donations	4,000	137,800
	Electricity & water	231,366	158,635
	Office Sundry Expenses	551,035	543,658
	Insurance and Licenses	9,530	285435.87
	Software lincense	50,740	46085.00
	Publication & Subscription	3,000	
	Audit expeses	70,000	47,143
	Rent and Rates	799,987	1,046,803
	Security Expenses	160,788	237,257
	Stationery & Printing	106,904	85,650
	Training expenses	31,475	71,570
	Travelling & Transport	1,251,111	1,063,604
	Fuel	6,350	2,778
	Repairs and Maintenance	150,789	224,885
	Depreciation	1,727,941	919,045
	Total	**20,932,624**	**17,335,095**

6. Property, Plant & Equipments 2025

Cost	Building Refurbishment GH¢	PLANT & MACH. GH¢	FURNITURE & FITTINGS GH¢	COMPUTERS. & ACCESS GH¢	Motor Vehicle GH¢	TOTAL GH¢
Balance 01/01	3,680,427	1,282,992	1,665,556	220,321	267,252	7,116,548
Addition	6,612,239	149,879	*25,204*	*86,502*	-	6,873,823
Disposal	-	-	-	-	-	-
Balance @ 31/12	**10,292,666**	**1,432,871**	**1,690,760**	**306,823**	**267,252**	**13,990,371**
Depreciation						
Balance @ 1/1	2,172,569	868,606	725,845	116,170	267,252	4,150,443
Charge for the year	1,286,583	143,287	236,706	61,365	-	1,727,941
Disposal	-	-	-	-	-	-
Balance. @ 31/12	**3,459,153**	**1,011,893**	**962,552**	**177,535**	**267,252**	**5,878,384**
NBV @ 31/12	**6,833,513**	**420,978**	**728,208**	**129,288**	**-**	**8,111,987**

Property, Plant & Equipments 2024

	Building Refurbishment GH¢	PLANT & MACH. GH¢	FURNITURE & FITTINGS GH¢	COMPUTERS. & ACCESS GH¢	Motor Vehicle GH¢	TOTAL GH¢
Balance 01/01	2,991,432	1,070,545	1,204,790	118,984	267,252	5,653,003
Addition	*688,995*	212,447	*460,766*	*101336.47*	-	1,463,545
Disposal	-	-	-	-	-	-
Balance @ 31/12	**3,680,427**	**1,282,992**	**1,665,556**	**220,321**	**267,252**	**7,116,548**
Depreciation						
Balance @ 1/1	1,712,516	740,306	492,667	72,106	213,802	3,231,397
Charge for the year	460,053	128,299	233,178	44,064	53,450	919,045
Disposal	-	-	-	-	-	-
Balance. @ 31/12	**2,172,569**	**868,606**	**725,845**	**116,170**	**267,252**	**4,150,443**
NBV @ 31/12	**1,507,858**	**414,387**	**939,711**	**104,151**	**-**	**2,966,106**

NOTES TO THE FINANCIAL STATEMENTS

	2025 GH¢	2024 GH¢
7 Inventory		
Raw Materials	7,186,615	2,051,245
Finished Goods	46,722,516	28,030,452
	53,909,131	**30,081,697**
8 Trade Receivables		
Sales Agents	539,388	224,346
Staff Debtors	151,672	337,187
Other receivables	168,567	168,567
	859,628	**730,100**
9 Prepayments		
Rent	113,219	
Advertising	1,468,670	
	1,581,889	
10 Cash and Cash Equivalent		
Cash on Hand	493,243	598,494
Bank balances	28,845,445	8,278,215
Total	**29,338,688**	**8,876,709**
11 Due to Related Party		
PMMC	66,494,214	14,516,094
Additan Enterprise	-	3,757,419
	66,494,214	**18,273,513**

12 Creditors

Additan Enterprise	3,757,419	-
Audit expenses payable	470,000	400,000
Deposits	223,966	294,293
	4,451,385	**694,293**

13 Taxation

Balance at 01/01	5,964,329	5,964,329
Income Tax Provision	622,310	-
Balance at 31/12	**6,586,640**	**5,964,329**

Stated Capital

Authorised number of shares (10,000,000)

Issued and fully paid (4,000,000@1)	**4,000,000**	**4,000,000**