

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF
PROFIN (GHANA) LIMITED**

The Directors of the Company have the pleasure in submitting their Annual Report together with the Financial Statements for the year ended 31st December, 2016.

DIRECTORS RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Directors are responsible for the preparation and fair presentation of these financial statements in a manner required by the Companies Act, 1963 (Act 179) and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors have made an assessment of the ability of the Company to continue as a going concern and have no reason to believe the Company will not be a going concern in the year ahead.

PRINCIPAL ACTIVITIES OR NATURE OF BUSINESS

The Company was incorporated to engage in:

- Brokerage
- Financial Service and Consultancy

There was no change in the nature of the Company's business during the year under review.

FINANCIAL STATEMENTS

The Company's financial results for the year are set out in the attached financial statements.

RESULTS AND DIVIDEND

The Directors are yet to recommend the payment of dividend for the year.

APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements of the Company were approved by the Board of Directors and signed on its behalf by two Directors.

DIRECTORS

The following individuals served as Directors during the year under review:

Prof. Kwame Adom-Frimpong (Chairman)
Mr. Twumasi Ankrah Sarpong (Managing Director)
Mr. Daniel Kofi Bediako
Prof. Anyetei Tonyeli Lassey
Ms. Esther Adwo Archer
Mr. Ahmad Adade Boakye
Mr. Olu Luther-King
Mr. Samuel Kofi Kyeremeh
Mr. Maxwell Mfum

**REPORT OF THE DIRECTORS
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AUDITORS

The Auditors, BNA Chartered Accountants have expressed their willingness to continue in office pursuant to section 134 (5) of the Companies Act, 1963 (Act 179)

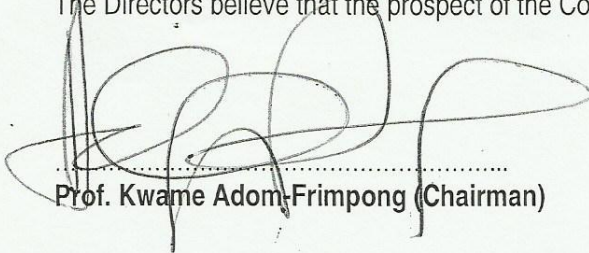
STATEMENT OF DISCLOSURE TO AUDITORS

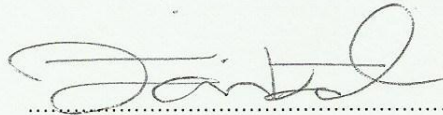
So far as the Directors are aware, there is no relevant information of which the Company's Auditors are unaware. Additionally, Directors have taken all necessary steps that they ought to have taken as Directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors' are aware of that information.

The Board of Directors confirm that no matters have arisen since 31st December, 2016 which materially affects the Financial Statements of the Company for the year ended on that date.

FUTURE PROSPECTS

The Directors believe that the prospect of the Company beyond 31st December, 2016 remains positive.


.....
Prof. Kwame Adom-Frimpong (Chairman)


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Mr. Twumasi Ankrah Sarpong (Managing Director)

Dated 20/02/17

ACCRA



Chartered Accountants

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
PROFIN (GHANA) LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the Financial Statements of Profin (Ghana) Limited for the year ended 31st December, 2016 which comprise of the Income Statement, the Statement of Financial Position, 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.

In our opinion, the accompanying Financial Statements present fairly, in all material respects the financial position of the Company as at 31st December, 2016, and its financial performance and its cash flows for the year then ended.

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 Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the Financial Statements in Ghana we have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate evidence to support such transactions.

The economic environment the Company operates in has exposed the Company to significant credit risk. This is partly supported by the fact that the Company had to restructure some significant loans which were in default.

The Company is yet to adopt the International Financial Reporting Standard (IFRS) as required by the Non-Bank Financial Institution Act, 2008 (Act 774).

Responsibilities of the Directors

The Directors of the Company are responsible for the preparation and fair presentation of these Financial Statements in a manner required by the Companies Act, 1963 (Act 179) and for such internal control as the Directors determine 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
PROFIN (GHANA) LIMITED**

Auditors' 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 planning and performance of 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 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 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 Auditors' 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 Auditors' Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors and other persons charged with governance 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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
PROFIN (GHANA) LIMITED**

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


Report on Other Legal and Regulatory Requirements

The Companies Act, 1963 (Act 179, Section 133 and the fifth schedule) requires that in carrying out our audit, we consider and report on the matters stated in the said section and schedule. We confirm compliance in that

- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
- Proper books of account have been kept by Profin (Ghana) Limited, so far as appears from our examination of those books, and
- The Company's Statement of Financial Position, and the Income Statement of the Company are in agreement with the books of account.

The Company is licensed and regulated under the Banking Act 2004 (Act 673) and the Non-Bank Financial Institution Act, 2008 (Act 774). The Financial Statements were prepared in a manner required by the Non-Banking Financial Institution Act, 2008 (Act 774) except otherwise raised in other sections of our report.

The engagement partner on the audit resulting in this Independent Auditors' Report is ALFRED B. DARKU-ICAG/P/1375


ALFRED DARKU- ICAG/P/1375
FOR AND ON BEHALF OF
BNA CHARTERED ACCOUNTANTS – ICAG/F/027
P.O.BOX AN 10673
ACCRA-NORTH

Date 21st Feb 2017

PROFIN (GHANA) LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER, 2016

	NOTES	2016 GH¢	2015 GH¢
Interest Income	4	5,477,964	5,093,762
Interest Expense	5	(2,725,799)	(2,196,003)
		-----	-----
Net Interest Income		2,752,165	2,897,759
Fees & Other Charges	6	350,970	262,239
		-----	-----
Operating Expense	7	(2,629,900)	(2,650,420)
		-----	-----
Net Operating Profit		473,235	509,578
National Fiscal Stabilisation levy		(23,662)	(25,479)
		-----	-----
Net operating profit after Stabilisation levy		449,573	484,099
Taxation		(48,655)	(49,551)
		-----	-----
Net Profit After Tax		400,918	434,548
		=====	=====

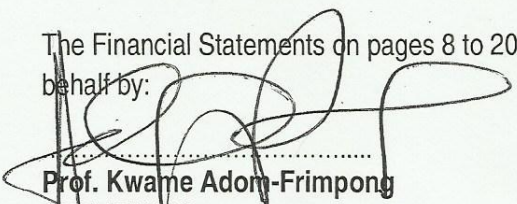
INCOME SURPLUS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 2016

	2016 GH¢	2015 GH¢
Balance Brought forward – 1 st January	470,848	456,319
Profit for the year	400,918	434,548
Prior Year Adjustment	7,669	(72,381)
Dividend Proposed	-	(130,364)
Reserve Fund	(200,459)	(217,274)
	-----	-----
Balance Carried forward- 31 st December	678,976	470,848
	=====	=====

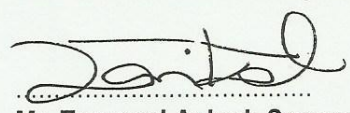
PROFIN (GHANA) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2016

	NOTES	2016 GH¢	2015 GH¢
ASSETS			
Cash and Bank Balances	8	1,197,046	151,810
Investments	9	5,539,107	6,871,132
Loans & Advances to customers	10	8,232,102	6,384,006
Other Assets & Receivables	11	306,231	470,754
Investments (Equity)	12	648	648
Property, Plant & Equipment	13	4,541,238	4,736,282
Taxation	14	5,479	11,679
TOTAL ASSETS		19,821,851	18,626,311
EQUITY & LIABILITIES			
CURRENT LIABILITIES			
Borrowings	15	10,085,665	7,042,898
Security Deposits	16	29,098	32,382
Other Liabilities & Payables	17	397,114	555,202
		10,511,877	7,630,482
NON CURRENT LIABILITIES			
Loan	18	-	2,094,442
Total Liability		10,511,877	9,724,924
EQUITY			
Stated Capital	19	7,000,000	7,000,000
Income Surplus	23	678,976	470,848
Reserve Fund		1,630,998	1,430,539
Total Equity		9,309,974	8,901,387
TOTAL LIABILITIES & EQUITY		19,821,851	18,626,311

The Financial Statements on pages 8 to 20 were approved by the Board of Directors for issue and signed on its behalf by:


 Prof. Kwame Adom-Frimpong
 (CHAIRMAN)

Date: 20/02/17


 Mr. Twumasi Ankrah Sarpong
 (MANAGING DIRECTOR)

The accounting policies and other explanatory notes on pages 12 to 20 form an integral part of these Financial Statements.

PROFIN (GHANA) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER, 2016

	Stated Capital	Income Surplus	Reserve Fund	Total
	GH¢	GH¢	GH¢	GH¢
Balance as at January 1	7,000,000	470,848	1,430,539	8,901,387
Profit for the year	-	400,918	-	400,918
Reserve Fund	-	(200,459)	200,459	-
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Balance as at December 31	7,000,000	671,307	1,630,998	9,302,305
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PROFIN (GHANA) LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2016

OPERATING ACTIVITIES	2016	2015
	GH¢	GH¢
Profit before Taxation	473,235	509,578
Depreciation	267,911	209,963
	-----	-----
	741,146	719,541
Loans & Advances to Customers	(1,848,096)	(479,742)
Other Assets and Receivables	164,523	11,676
Security Deposits	(3,284)	(38,921)
Other Liabilities & Payables	(158,089)	(42,978)
Loans	(2,094,442)	2,094,442
Borrowings	3,042,767	1,600,698
	-----	-----
Net Cash Flow from Operating Activities	(155,475)	3,864,716
	-----	-----
Taxation	(66,117)	(340,000)
	-----	-----
INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(72,866)	(4,618,323)
	-----	-----
Net Cash Flow from Investing Activities	(72,866)	(4,618,323)
	-----	-----
FINANCING ACTIVITIES		
Dividend	-	(130,364)
Prior Year Adjustment	7,669	-
	-----	-----
Net Cash Flow from Financing Activities	7,669	(130,364)
	-----	-----
Net Increase in Cash & Cash Equivalent	(286,789)	(1,223,971)
Cash & Cash Equivalent-1st January	7,022,942	8,246,913
	-----	-----
	6,736,153	7,022,942
	=====	=====
Analysis of Cash & Cash Equivalent		
Cash & Bank Balances	1,197,046	151,810
Bank of Ghana Treasury Bills	324,012	3,785,040
Fixed Deposit	5,215,095	3,086,092
	-----	-----
	6,736,153	7,022,942
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