

**PROFIN (GHANA) LIMITED**  
**CORPORATE INFORMATION**

**Board of Directors:**

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. Maxwell Mfum  
Mr. Francis Andoh

**Registered Office:**

House No. 23  
North Street  
Tesano-Accra  
P.O. Box CT 3592  
Cantoment - Accra  
Email: info@profinghana.com  
Website: www.profinghana.com

**Company Secretary:**

Mr. Daniel Kofi Bediako  
H/NO GB 440  
New Gbawe, Accra  
P.O. Box KN 1133  
Kaneshie, Accra

**Auditors:**

BLA & ASSOCIATES  
CHARTERED ACCOUNTANTS  
P.O. Box AB 295  
Abeka

**Solicitors:**

Legal Ink  
No F89/7 Emmaus Road  
2nd Labone Street  
PMB 24  
Kanda-Accra

**Bankers:**

Ecobank Ghana Limited  
Fidelity Bank Limited  
Consolidated Bank Ghana Limited  
Access bank (Ghana) Limited  
Zenith bank (Ghana) Limited

## **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 Statement for the year ended 31st December, 2018.

### **AUDITORS**

#### **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 statement 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 Services 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. Maxwell Mfum

Mr. Francis Andoh



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

**AUDITORS**

The Auditors, BLA & Associates have expressed their intention to continue in office in accordance with section 134 (5) of the Companies Act 1963(Act 179)

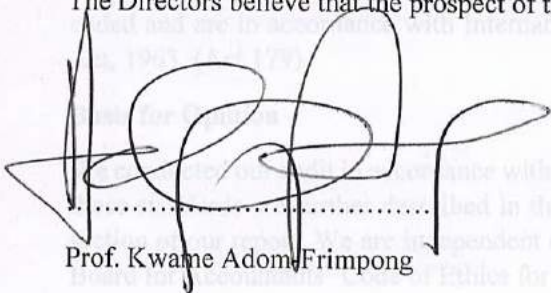
**STATEMENT OF DISCLOSURE TO AUDITORS**

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 matter have arisen since 31st December, 2018 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, 2018 remains positive.



Prof. Kwame Adom Frimpong  
(Chairman)



Mr. Twumasi Ankrah Sarpong  
(Managing Director)

Dated... MAY 15, 2019 .....

ACCRA



## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF PROFIN (GHANA) LIMITED**



#### **BLA & ASSOCIATES**

##### **Chartered Accountants & Business Advisors**

Office: GPS: GA-260-0309

# 219/10, Boi Street, Kaneshie

Postal: P. O. Box ABK-295, Accra, Ghana

Phone: 233 (0)24 464 3895; 233 (0)20 877 6929

Email: [blaassociates.ghana@gmail.com](mailto:blaassociates.ghana@gmail.com)

#### **Opinion**

We have audited the financial statements of Profin (Ghana) Limited, which comprise the statement of financial position as at December 31, 2018, 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.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Profin (Ghana) Limited as of December 31, 2018 and of its financial performance and its cash flows for the year then ended and are in accordance with International Financial Reporting Standards and comply with the Companies Act, 1963 (Act 179).

#### **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), 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.

#### **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 content 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 Company is yet to fully adopt the International Financial Reporting Standard (IFRS) as required by the Banks and Specialised Deposit-taking Institutions Act, 2016 (Act 930). This is because interest income earned on loans granted to customers are recognized on cash basis instead of the accrual concept. The Company manages its staff tier 3 pension which is against Section 120 of the National Pension Regulatory Act, 2014 (883).

#### **Responsibilities of the Directors**

The Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF PROFIN (GHANA) LIMITED**

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 intend to liquidate the Company or to cease operations, or have 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 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 International Standards on Auditing 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 International Standards on Auditing, 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.



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF PROFIN (GHANA) LIMITED

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 in internal control that we identify during our audit.

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

Compliance with the requirement of section 133 of the Companies Act, 1963, (Act 179).

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 purpose of our audit.
- ii. In our opinion proper books of accounts have been kept by the Company, so far as appears from our examination of those books, and
- iii. The statement of financial position and the statement of comprehensive income of the Company are in agreement with the books of accounts.

The Company is licensed and regulated under the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The Company has also complied with Anti Money Laundering Act, 2008 (Act 749), the Anti-Terrorism Act, 2008 (Act 762) and the regulations made under these enactments.

The Financial Statements were prepared in a manner required by the Bank and Specialised Deposit-Takings Institutions Act, 2016 (Act 930) except otherwise raised in other sections of our report.

The engagement partner on the audit resulting in the independent auditor's report is Bossman Nii Laryea Laryea (ICAG/P/1025)

*BLA & Associates*

For and on behalf of

**BLA & ASSOCIATES (ICAG/F/2019/085)**

**Chartered Accountants**

**P. O. BOX AB 295**

**Abeka Accra**

DATED *16 May* .....2019

Accra, Ghana.

**PROFIN (GHANA) LIMITED**

**INCOME STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2018**

**NOTES**

	2018	2017		2018	2017	
	Stated Capital GHC	Income Surplus GHC	NOTES	Revaluation Surplus GHC	Reserve Fund GHC	Total GHC
Interest Income	7,000,000	973,353	4	6,755,766	6,109,703	13,865,469
Interest Expense		907,240	5	(2,732,330)	(2,740,080)	(3,642,320)
Net Interest Income				4,023,436	3,369,623	7,393,059
Fees & Other Charges			6	763,267	814,437	1,577,704
Dividend Paid (268,406)		(268,406)		4,786,703	4,184,060	8,970,763
Operating Expense		(453,620)	7	(3,624,448)	(3,014,078)	(7,092,136)
Net Operating profit		27,406		1,162,255	1,169,982	2,332,237
National Fiscal Stabilisation Levy			8	(58,113)	(58,499)	(116,612)
Net operating profit after Stabilisation Levy		1,185,973		1,104,142	1,111,483	2,215,625
Taxation			8	(196,902)	(204,619)	(401,521)
Net Profit after Tax		678,976		907,240	906,864	1,814,104
Profit for the year		906,864				906,864
Dividend Paid (159,055)		(159,055)				(159,055)
Reserve Fund		(453,432)			453,432	
	7,000,000	973,353			2,084,430	10,057,783

**PROFIN (GHANA) LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2018**

	Stated Capital GHC	Income Surplus GHC	Revaluation Surplus GHC	Reserve Fund GHC	Total GHC
<b>2018</b>					
Balance as at Jan, 1	7,000,000	973,353	-	2,084,430	10,057,783
Investments	-	-	-	6,169,883	6,169,883
Profit for the year	-	907,240	-	15,474,222	16,381,462
Other Assets & Receivables	-	-	-	260,496	260,496
Revaluation	-	-	3,110,702	-	3,110,702
Investments (Equity)	-	-	-	648	648
Dividend Paid (268,406)	-	(268,406)	-	7,544,786	7,276,380
Reserve Fund	-	(453,620)	-	453,620	-
Transfers of excess depreciation	-	27,406	(27,406)	-	-
<b>2017</b>					
Balance as at Jan, 1	7,000,000	678,976	-	1,630,998	9,309,974
Profit for the year	-	906,864	-	-	906,864
Dividend Paid	-	(159,055)	-	-	(159,055)
Reserve Fund	-	(453,432)	-	453,432	-
	<b>7,000,000</b>	<b>973,353</b>	<b>-</b>	<b>2,084,430</b>	<b>10,057,783</b>



**PROFIN (GHANA) LIMITED**

**STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2018**

OPERATING ACTIVITIES	NOTES	2018 GHC	2017 GHC
<b>ASSETS</b>			
Cash and Bank Balances	9	886,797	985,361
Investments	10	6,169,883	4,443,851
Loans & Advances to customers	11	15,474,222	13,858,471
Other Assets & Receivables	12	260,496	315,327
Investments (Equity)	13	648	648
Property, Plant & Equipment	14	<u>7,544,786</u>	<u>4,375,483</u>
		<u>30,336,832</u>	<u>23,979,141</u>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Current Liabilities</b>			
Deposits	15	15,967,744	13,365,837
Other Liabilities & Payables	16	551,014	497,882
Taxation	8	<u>10,755</u>	<u>57,639</u>
		16,529,513	13,921,358
<b>Equity</b>			
Stated capital	17	7,000,000	7,000,000
Income Surplus		1,185,973	973,353
Revaluation Surplus		3,083,296	-
Reserve Fund	21	<u>2,538,050</u>	<u>2,084,430</u>
		<u>13,807,319</u>	<u>10,057,783</u>
		<u>30,336,832</u>	<u>23,979,141</u>

**PROFIN (GHANA) LIMITED****STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER, 2018**

FOR THE YEAR ENDED 31ST DECEMBER, 2018

<b>OPERATING ACTIVITIES</b>	<b>2018</b>	<b>2017</b>
	<b>GHC</b>	<b>GHC</b>
<b>I. REPORTING ENTITY</b>		
Profit before tax	1,162,255	1,169,982
Depreciation	304,744	243,918
	1,466,999	1,413,900
Loans & Advances to Customers	(1,615,751)	(5,626,370)
Other Assets and Receivables	54,831	(9,096)
Other Liabilities & Payables	53,132	100,768
Deposits	2,601,907	3,251,074
Net Cash flow from Operating Activities	2,561,118	(869,724)
Taxation	(301,899)	(200,000)
<b>INVESTING ACTIVITIES</b>		
Purchase of Property, Plant & Equipment	(363,345)	(78,162)
Net Cash flow from investing Activities	(363,345)	(78,162)
<b>FINANCING ACTIVITIES</b>		
Dividend	(268,406)	(159,055)
Net Cash flow from Financing Activities	(268,406)	(159,055)
Net Increase in Cash & Cash Equivalent	1,627,468	(1,306,941)
Cash & Cash Equivalent - 1st January	5,429,212	6,736,153
	7,056,680	5,429,212
<b>Analysis of Cash &amp; Cash Equivalent</b>		
Cash & Bank Balances	886,797	985,361
Bank of Ghana Treasury Bills	732,771	375,040
Fixed Deposit	5,437,112	4,068,811
	7,056,680	5,429,212