

PROFIN (GHANA) LIMITED
REPORTS & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

CORPORATE INFORMATION

Board of Directors:	Prof. Kwame Adom-Frimpong Mr. Twumasi Ankrah Sarpong Mr. Daniel Kofi Bediako Prof. Anyetey Tonyeli Lasse Ms. Esther Adwo Acher Mr. Ahmad Adade Boakye Mr. Maxwell Mfum Mr. Francis Andoh	(Chairman) (Managing Director) (Resigned 30/8/2019)
Registered Office:	House No. 23 North Street Tesano-Accra P.O. Box CT 3592 Cantonments - 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, Accra	
Solicitors:	Legal Ink No F89/7 Emmaus Road 2nd Labone Street PMB 24 Kanda-Accra	
Bankers:	Ecobank Ghana Limited Fidelity Bank Limited Access bank (Ghana) Limited Zenith bank (Ghana) Limited	

PROFIN (GHANA) LIMITED
REPORTS & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2019

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, 2019.

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, 2019 (Act 992) 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.

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

DIRECTORS

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

Prof. Kwame Adom-Frimpong	-	Chairman
Mr. Twumasi Ankrach Sarpong	-	Managing Director
Mr. Daniel Kofi Bediako	-	Member
Prof. Anyetei Tonyeli Lassey	-	Member
Ms. Esther Adwo Archer	-	Member
Mr. Ahmad Adade Boakye	-	Member
Mr. Maxwell Mfum	-	Member (Resigned 30/08/2019)
Mr. Francis Andoh	-	Member

AUDITORS

The Auditors, BLA & Associates have expressed their intention to continue in office in accordance with section 139 (5) of the Companies Act, 2019(Act 992)

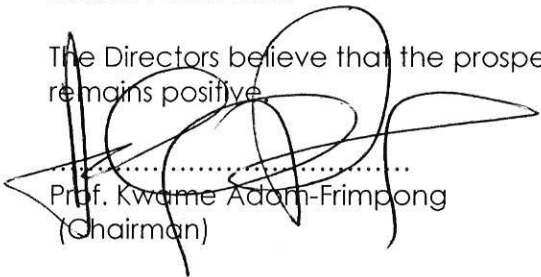
STATEMENT OF DISCLOSURE TO AUDITORS

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 for them to become aware of all relevant audit information and to establish that the Company's Auditors are aware of that information.

The Board of Directors wish to confirm that no matter have arisen since 31st December, 2019 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, 2019 remains positive.


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


.....
Mr. Twumasi Ankrach Sarpong
(Managing Director)

Dated.....17/02/2020.....

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PROFIN (GHANA) LIMITED
REPORTS & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2019



BLA & ASSOCIATES

Chartered Accountants & Business Advisors

GPS Address: GPS GA-260-0309
Office Location: # 219/10, Boi Street, Kaneshie
Postal Address: P. O. Box ABK-295, Accra, Ghana
Phone Contacts: 233 (0)24 464 3895; (0)20 877 6929
Email: blaassociates.ghana@gmail.com

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

Opinion

We have audited the financial statements of Profin (Ghana) Limited, which comprise the statement of financial position as at December 31, 2019, 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, 2019 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, 2019 (Act 992).

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.

PROFIN (GHANA) LIMITED
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PROFIN (GHANA) LIMITED (CONTD)

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.

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.

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.

PROFIN (GHANA) LIMITED
REPORTS & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2019

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PROFIN (GHANA) LIMITED (CONTD)**

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.

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.

PROFIN (GHANA) LIMITED
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PROFIN (GHANA) LIMITED (CONTD)

Report on Other Legal and Regulatory Requirements

In compliance with the requirement of section 133 of the Companies Act, 2019 (Act 992); 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 Specialized Deposit-Taking Institutions Act, 2016. 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 Banks and Specialized Deposit-Taking Institutions Act, 2016. 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)



For and on behalf of
BLA & ASSOCIATES (ICAG/F/2020/085)
Chartered Accountants
P. O. BOX AB 295
Abeka Accra

Dated:18/2/.....2020

Accra,

PROFIN (GHANA) LIMITED
REPORTS & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2019

**INCOME STATEMENT FOR THE YEAR ENDED
31ST DECEMBER, 2019**

	NOTES	2019 GH¢	2018 GH¢
		<u> </u>	<u> </u>
Interest Income	4	9,031,749	6,755,766
Interest Expense	5	(3,324,125)	(2,732,330)
Net Interest Income		5,707,624	4,023,436
Fees & Other Charges	6	814,888	763,267
		6,522,512	4,786,703
Operating Expense	7	(4,798,858)	(3,624,448)
Net Operating profit		1,723,654	1,162,255
National Fiscal Stabilisation Levy	8	(86,183)	(58,113)
Net operating profit after Stabilisation Levy		1,637,471	1,104,142
Taxation	8	(373,520)	(196,902)
Net Profit after Tax		<u>1,263,951</u>	<u>907,240</u>

PROFIN (GHANA) LIMITED
REPORTS & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

**STATEMENT OF FINANCIAL POSITION AS AT
31ST DECEMBER, 2019**

	NOTES	2019 GH¢	2018 GH¢
ASSETS			
Cash and Bank Balances	9	757,308	886,797
Investments	10	9,340,806	6,169,883
Loans & Advances to customers	11	17,394,374	15,474,222
Other Assets & Receivables	12	413,704	260,496
Investments (Equity)	13	648	648
Property, Plant & Equipment	14	7,259,925	7,544,786
		<u>35,166,765</u>	<u>30,336,832</u>
EQUITY & LIABILITIES			
Current Liabilities			
Deposits	15	19,330,818	15,967,744
Other Liabilities & Payables	16	791,318	551,014
Taxation	8	245,443	10,755
		<u>20,367,579</u>	<u>16,529,513</u>
Equity			
Stated capital	17	7,000,000	7,000,000
Income Surplus		1,528,872	1,185,973
Revaluation Surplus		3,001,077	3,083,296
Statutory Reserve	21	3,170,026	2,538,050
Credit Risk Reserve	25	99,211	--
		<u>14,799,186</u>	<u>13,807,319</u>
		<u>35,166,765</u>	<u>30,336,832</u>

The Financial Statements were approved by the Board of Directors


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


.....
Mr. Twumasi Ankra Sarpong
(Managing Director)

Dated.....

ACCRA

PROFIN (GHANA) LIMITED
REPORTS & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2019

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31ST DECEMBER, 2019**

2019	Stated Capital GH¢	Income Surplus GH¢	Revaluation Surplus GH¢	Statutory Reserve GH¢	Credit Risk Reserve GH¢	Total GH¢
Balance at Jan 1	7,000,000	1,185,973	3,083,296	2,538,050	-	13,807,319
Profit for the year	-	1,263,951	-	-	-	1,263,951
Dividends Paid	-	(272,084)	-	-	-	(272,084)
Statutory Reserve	-	(631,976)	-	631,976	-	-
Credit Risk Reserve	-	(99,211)	-	-	99,211	-
Transfers of Excess depreciation	-	82,219	(82,219)	-	-	-
Balance at Dec 31	7,000,000	1,528,872	3,001,077	3,170,026	99,211	14,799,186
2018						
Balance at Jan 1	7,000,000	973,353	-	2,084,430	-	10,057,783
Profit for the year	-	907,240	-	-	-	907,240
Revaluation	-	-	3,110,702	-	-	3,110,702
Dividend Paid	-	(268,406)	-	-	-	(268,406)
Reserve Fund	-	(453,620)	-	453,620	-	-
Transfers of Excess depreciation	-	27,406	(27,406)	-	-	-
Balance at Dec 31	7,000,000	1,185,973	3,083,296	2,538,050	-	13,807,319

PROFIN (GHANA) LIMITED
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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31ST DECEMBER, 2019**

OPERATING ACTIVITIES	2019	2018
	<u>GHC</u>	<u>GHC</u>
Profit before tax	1,723,654	1,162,255
Depreciation	<u>367,751</u>	<u>304,744</u>
	2,091,405	1,466,999
Loans & Advances to Customers	(1,920,152)	(1,615,751)
Other Assets and Receivables	(153,208)	54,831
Other Liabilities & Payables	240,304	53,132
Deposits	<u>3,363,074</u>	<u>2,601,907</u>
Net Cash flow from Operating Activities	<u>3,621,423</u>	<u>2,561,118</u>
Taxation	(225,015)	(301,899)
INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	<u>(82,890)</u>	<u>(363,345)</u>
Net Cash flow from investing Activities	<u>(82,890)</u>	<u>(363,345)</u>
FINANCING ACTIVITIES		
Dividend	<u>(272,084)</u>	<u>(268,406)</u>
Net Cash flow from Financing Activities	<u>(272,084)</u>	<u>(268,406)</u>
Net Increase in Cash & Cash Equivalent	3,041,434	1,627,468
Cash & Cash Equivalent - 1st January	<u>7,056,680</u>	<u>5,429,212</u>
	<u>10,098,114</u>	<u>7,056,680</u>
Analysis of Cash & Cash Equivalent		
Cash & Bank Balances	757,308	886,797
Bank of Ghana Treasury Bills	1,842,885	732,771
Fixed Deposit	<u>7,497,921</u>	<u>5,437,112</u>
	<u>10,098,114</u>	<u>7,056,680</u>