

FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2018.

	2018 GH¢	2017 GH¢
Interest income	7,401,114	5,419,304
Interest expense	(4,135,901)	(2,764,749)
Net interest income	3,265,213	2,654,555
Fee and commission income	408,087	462,870
Other income	204,420	217,230
Operating income	3,877,720	3,334,655
Net impairment loss on financial assets	(140,878)	(94,809)
Personnel expenses	(1,081,293)	(994,748)
Depreciation and amortisation	(699,918)	(608,324)
Other expenses	(1,060,280)	(619,188)
Total operating expenses	(2,982,369)	(2,317,069)
Profit before income tax	895,351	1,017,586
Income tax expense	(144,009)	(277,618)
National fiscal stabilisation levy	(44,768)	(50,879)
Profit for the year	706,574	689,089

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018.

	2018 GH¢	2017 GH¢
Profit for the year	706,574	689,089
Other comprehensive income	-	-
Total comprehensive income for the year	706,574	689,089
Attributable to owners of Darfin Finance Ghana Limited	706,574	689,089

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018.

	2018 GH¢	2017 GH¢
Assets		
Cash and cash equivalents	2,446,299	1,952,216
Financial investments	18,205,692	17,097,056
Loans and advances to customers	13,165,190	12,464,689
Receivables and prepayments	531,384	448,229
Property, plant and equipment	5,401,951	5,909,883
Intangible assets	64,882	74,623
Total assets	39,815,398	37,946,697
Liabilities		
Deposits from customers	22,513,919	21,501,653
Current tax liability	121,952	70,900
Deferred tax	188,656	187,968
Deferred revenue	15,892	76,556
Other liabilities	422,425	365,946
Total liabilities	23,262,844	22,203,023
Equity		
Stated capital	15,000,000	15,000,000
Retained earnings	710,026	371,837
Statutory reserve fund	725,124	371,837
Regulatory credit risk reserve	117,404	-
Total equity	16,552,554	15,743,674
Total equity and liability	39,815,398	37,946,697

The financial statements were approved by the board of directors on 23rd April, 2019 and were signed on its behalf by:

 DIRECTOR Date: <u>APRIL 23, 2019</u>	 DIRECTOR Date: <u>23-04-2019</u>
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018.

	Stated Capital GH¢	Retained Earnings GH¢	Statutory reserves GH¢	Regulatory credit risk reserve GH¢	Total GH¢
Balance as at 1 January 2018	15,000,000	371,837	371,837	-	15,743,674
IFRS9 Adjustment	-	102,306	-	-	102,306
Total comprehensive income	-	706,574	-	-	706,574
Transfer from income surplus	-	(353,287)	353,287	-	-
Transfer to credit risk reserve	-	(117,404)	-	117,404	-
Balance as at 31 December 2018	15,000,000	710,026	725,124	117,404	16,552,554

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018.

	2018 GH¢	2017 GH¢
Cash flows from operating activities		
Profit for the period	895,351	1,017,586
Adjusted for:		
Depreciation and amortisation	699,918	481,667
Impairment	140,878	221,467
Operating cash flow before investment in working capital	1,736,147	1,720,720
Change in receivables and prepayments	(83,155)	(282,279)
Changes in loans and advances	(739,073)	(9,480,874)
Changes in customer deposits	1,012,266	16,471,795
Changes in other liabilities	4,799	275,564
Other Adjustment	-	(50,879)
Tax, NS levy and other payments	(146,020)	(18,750)
Increase in operating assets and liabilities	48,817	6,914,577
Net cash flow generated from operating activities	1,784,964	8,635,297
Cash flow from investing activities		
Increase in financial investments	(1,108,636)	(5,258,629)
Purchases of property, plant and equipment	(175,964)	(1,628,419)
Purchases of intangible asset	(6,281)	-
Net cash flow used in investing activities	(1,290,881)	(6,887,048)
Net cash flow from financing activities	-	-
Net cash flow from/(used in) financing activities	-	-
Net Increase in cash and cash equivalents	494,083	1,748,249
Analysis of changes in cash and cash equivalent		
Cash and cash equivalent at 1 January	1,952,216	203,967
Net Increase in cash and cash equivalents	494,083	1,748,249
Cash and cash equivalent at 31 December	2,446,299	1,952,216

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018.

1. Significant Accounting Policies

The financial statements were prepared in accordance with Bank of Ghana's directives and the requirements of the International Financial Reporting Standards (IFRS) and its Interpretation as issued by the International Accounting Standards Board (IASB).

2. Quantitative Disclosures

i. Capital Adequacy Ratio (%)	2018 46.13%	2017 46.74%
ii. Non-performing Loan (NPL) Ratio (BoG Basis)	1.73%	-
iii. Liquid Ratio (%)	91.73%	88.59%

3. Default in statutory liquidity and accompanying sanctions

Default in statutory requirements (times)	2018 Nil	2017 Nil
Sanctions for statutory default (GH¢)	0	0

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF DARFIN FINANCE COMPANY LIMITED

Opinion
The summary financial statements of Darfin Finance Company Limited, which comprise the summary statement of financial position as at 31 December 2018, the summary statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited financial statements of Darfin Finance Company Limited for the year ended 31 December 2018.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the International Financial Reporting Standards, the requirements of the Companies Act, 1963 (Act 179), and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards, the requirements of the Companies Act, 1963 (Act 179), and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) as applicable to financial statements. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The Audited Financial Statements and our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 26 April 2019. That report also includes:

- The communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the summarised financial statements for the current period.
- A "Report on Other Legal and Regulatory Requirements" which comprise reports on:
 - i. Compliance with the provisions of the Companies Act, 1963 (Act 179); and
 - ii. Compliance with the provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

Directors' Responsibility for the Summary Financial Statements

The directors are responsible for the preparation of the summary financial statements in accordance with International Financial Reporting Standards, the requirements of the Companies Act, 1963 (Act 179), and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), and for such internal control as the directors determine is necessary to enable the preparation of the summary financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised), Engagements to Report on Summary Financial

The engagement partner on the audit resulting in this independent auditor's report is **David Adom (ICAG/P/1219)**.


 For and on behalf of AAK Services (ICAG/F/2019/114)
 Chartered Accountants

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 Accra North

26-4 2019