

# CHRISLINE FINANCIAL SERVICES LIMITED

## AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER, 2020

### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 GH¢	2019 GH¢
<b>ASSETS</b>			
Cash and Bank Balances	14	2,046,050	2,915,681
Investments	15	7,798,858	6,329,061
Loans and Advances	16	12,535,268	10,722,416
Trade and Other Receivable	17	537,718	379,188
Current Tax	12.b	408,037	349,791
Deferred Tax	13.a	30,244	126,405
Property, Plant and Equipment	18	671,897	578,900
Intangible Assets	19	0	0
<b>TOTAL ASSETS</b>		<b>24,028,072</b>	<b>21,401,442</b>
<b>LIABILITIES AND SHAREHOLDERS' FUNDS</b>			
<b>LIABILITIES</b>			
Borrowings	20	10,076,846	8,265,363
Trade and Other Payable	21	285,642	176,087
National Stabilization Levy	12.c	203,468	164,767
Deferred Interest Income	22	375,381	375,381
Borrowing Due in year	23	38,852	0
Long - Term Loan	24	0	0
<b>TOTAL LIABILITIES</b>		<b>10,980,189</b>	<b>8,981,598</b>
<b>SHAREHOLDERS' FUNDS</b>			
Stated Capital	25	7,000,000	7,000,000
Credit Risk Reserve	26	685,978	558,876
Statutory Reserve Fund	27	4,480,672	4,320,881
Fair Value Reserve	28	23,963	35,088
Income Surplus	29	857,270	504,999
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<b>13,047,883</b>	<b>12,419,844</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>		<b>24,028,072</b>	<b>21,401,442</b>

Approved by the Directors on 30/04/2021

Director Director

### STATEMENT OF COMPREHENSIVE INCOME AS AT 31 DECEMBER 2020

	Notes	2020 GH¢	2019 GH¢
Interest Income	8	6,237,569	5,629,127
Interest Expense	9	(1,401,753)	(1,218,764)
Net Interest Income		4,835,816	4,410,363
Other Operating Income	10	325,922	552,754
Operating Income		5,161,738	4,963,117
Operating Expense	11	(3,438,359)	(6,007,302)
Net Operating Profit before Charge for Credit Impairment Loss		1,723,379	(1,044,185)
Charge for Credit Impairment Loss	16.c	(949,354)	(693,518)
Net profit / (Loss) Before Taxation		774,025	(1,737,703)
Income Tax Expense	12.a	(96,161)	(190,543)
National Fiscal Stabilization Levy	12.c	(38,701)	0
Profit / (Loss)/Profit for the Year		639,162	(1,928,246)
<b>Other Comprehensive Income, Net of Income Tax Items that will not be recycled into profit or loss:</b>			
Movement in fair value of financial Assets at FVOCI		(11,125)	994
Total comprehensive income for the year		628,037	(1,927,252)

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHRISLINE FINANCIAL SERVICES LIMITED

#### Opinion

The condensed financial statements, which comprise the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and related notes, are derived from the audited financial statements of Chrisline Financial Services Limited for the year ended 31 December 2020.

In our opinion, the accompanying financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the basis described in the notes.

#### Condensed Financial Statements

The condensed financial statements do not contain all the disclosures re-

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Stated Capital	Statutory Reserve	Credit Risk Reserve	Fair Value Reserve	Income Surplus	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
<b>2020</b>						
Balance 1 January	7,000,000	4,320,881	558,876	35,088	504,999	12,419,845
Net Profit for the year	0	0	0	0	639,162	639,162
Movement in fair value of FVOCI	0	0	0	(11,125)	0	(11,125)
Taxes on fair Value gain	0	0	0	0	0	0
Transfers to reserves	0	159,791	127,101	0	(286,892)	0
<b>Balance at 31 December 2020</b>	<b>7,000,000</b>	<b>4,480,672</b>	<b>685,978</b>	<b>23,963</b>	<b>857,270</b>	<b>13,047,882</b>
<b>2019</b>						
Balance 1 January	7,000,000	4,320,881	323,711	34,094	2,668,411	14,347,097
Net Profit for the year	0	0	0	0	(1,928,246)	(1,928,246)
Movement in fair value of FVOCI	0	0	0	1,325	0	1,325
Taxes on fair Value gain	0	0	0	(331)	0	(331)
Transfers to reserves	0	0	235,165	0	(235,165)	0
<b>Balance at 31 December 2019</b>	<b>7,000,000</b>	<b>4,320,881</b>	<b>558,876</b>	<b>35,088</b>	<b>504,999</b>	<b>12,419,845</b>

### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 GH¢	2019 GH¢
<b>Cash flows from Operating Activities</b>		
Net Profit / (Loss) before Tax	774,025	(1,737,703)
<b>Adjustments for:</b>		
Depreciation	86,689	177,126
Profit from Disposal of Property, Plant and Equipment	0	(17,086)
Amortization	0	77,848
<b>Operating Profit before Working Capital Changes</b>	<b>860,714</b>	<b>(1,499,815)</b>
Changes in Advances	(1,812,852)	1,062,437
Changes in Accounts Receivable	(158,531)	1,923,880
Changes in Accounts Payable	109,555	109,549
Changes in Customer Borrowings	1,811,483	(576,052)
Changes in Deferred Interest Income	0	258,170
<b>Cash generated from operations</b>	<b>810,368</b>	<b>1,278,169</b>
Current Taxes Paid	(58,246)	(521,788)
<b>Net Cash flow from Operating Activities</b>	<b>752,122</b>	<b>756,381</b>
<b>Cash flows from Investing Activities</b>		
Purchase of Property, Plant and Equipment	(179,684)	(57,035)
Proceed from sale of Property, Plant and Equipment	0	17,086
Changes in Investments	(1,480,922)	1,006,155
<b>Net Cash flow from Investing Activities</b>	<b>(1,660,606)</b>	<b>966,206</b>
<b>Cash Flows From Financing Activities</b>		
Change in Long Term Loan	0	(648,510)
<b>Net Cash flows from Investing Activities</b>	<b>0</b>	<b>(648,510)</b>
<b>Increase in Cash and Cash Equivalents</b>	<b>(908,484)</b>	<b>1,074,077</b>
<b>Cash and Cash Equivalents 1 January</b>	<b>2,915,681</b>	<b>1,841,604</b>
<b>Cash and Cash Equivalents 31 December</b>	<b>2,007,198</b>	<b>2,915,681</b>
<b>Analysis of Cash and Cash Equivalents</b>		
Cash and Bank Balances	2,046,050	2,915,681
Bank Overdrawn Balance	(38,852)	0
	<b>2,007,198</b>	<b>2,915,681</b>

quired by International Financial Reporting Standards and in the manner required by the Companies Act 2019, (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) applied in the preparation of the audited financial statements of Chrisline Financial Services Limited. Reading the condensed financial statements and our report thereon, therefore is not a substitute for reading the audited financial statements and our 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 30 April 2021. 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 financial statements for the current period. We emphasized on certain matters in our audit report as follows:

#### Emphasis of Matter

Without modifying our opinion, we refer to note 34 of the financial statements which states:

Section 62(1) states that: A bank or specialised deposit-taking institution shall not

take financial exposure in respect of a person or a group of connected persons which constitutes in the aggregate, a liability amounting to more than twenty-five percent (25%) of the net own funds of that bank or specialised deposit-taking institution or a lower percentage that the Bank of Ghana may prescribe. However, during the year under review the institution contravened this provision with regard to its investment with other institutions which was 40.86%. This exceeded the maximum exposure limit by 15.86%.

Section 75 (2) states that an asset or financial exposure of a bank, specialised deposit-taking institution or financial holding company shall not be written off or waived fully or partially, without the sanction of the board of directors and the prior written approval of the Bank of Ghana. During the year under review, the company wrote off a total of GHC 433,837 without approval from the Board of Directors and Bank of Ghana.

#### Covid-19 Impact Assessment

Without modifying our opinion, we wish to draw attention to note 9 of the directors' report which indicates that the company continuously assesses the impact of the Covid-19 global pandemic on the operations of the company and the measures taken to mitigate its effect on the company.

#### Directors' Responsibility for the Condensed Financial Statements

The directors are responsible for the preparation of the condensed financial statements in accordance with the basis described in the notes.

#### Auditor's Responsibility

Our responsibility is to express an opinion on whether the condensed financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

The engagement partner on the audit resulting in this independent auditor's report is Nana Abe-na Adu-Gyamfi (ICAG/P/1089)

PKF

For and on behalf of PKF: (ICAG/F/2021/039)  
Chartered Accountants  
Farrar Avenue  
P. O. Box GP 1219,  
Accra.

30th APRIL 2021