

CHRISLINE FINANCIAL SERVICES LIMITED

AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 GH¢	2021 GH¢
<strong>ASSETS</strong>			
Cash and Bank Balances	14	4,007,454	2,408,790
Investments	15	10,460,416	10,316,699
Loans and Advances	16	11,228,765	13,886,536
Trade and Other Receivable	17	120,446	81,779
Current Tax	12.b	595,297	657,519
Deferred Tax	13.a	117,208	33,831
Property, Plant and Equipment	18	876,433	842,325
Intangible Assets	19	83,530	83,530
<strong>TOTAL ASSETS</strong>		<strong>27,489,549</strong>	<strong>28,311,009</strong>
<strong>LIABILITIES AND SHAREHOLDERS' FUNDS</strong>			
<strong>LIABILITIES</strong>			
Borrowings	20	11,987,345	13,396,952
Trade and Other Payable	21	374,042	141,126
National Stabilization Levy	12.c	176,308	204,761
Banking Sector Clean Up Levy	12.d	55,669	39,995
Deferred Interest Income	22	954,206	833,988
Borrowing Due in year	23	25,614	341
<strong>TOTAL LIABILITIES</strong>		<strong>13,573,184</strong>	<strong>14,617,163</strong>
<strong>SHAREHOLDERS' FUNDS</strong>			
Stated Capital	24	7,000,000	7,000,000
Credit Risk Reserve	25	1,049,953	895,867
Statutory Reserve Fund	26	4,697,643	4,638,988
Fair Value Reserve	27	24,563	36,663
Income Surplus	28	1,144,206	1,122,329
<strong>TOTAL SHAREHOLDERS' FUNDS</strong>		<strong>13,916,365</strong>	<strong>13,693,846</strong>
<strong>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</strong>		<strong>27,489,549</strong>	<strong>28,311,009</strong>

Approved by the Directors on 05/06/2023 2023

Director

Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 GH¢	2021 GH¢
Interest Income	8	6,777,738	6,676,820
Interest Expense	9	(1,867,921)	(1,774,954)
<strong>Net Interest Income</strong>		<strong>4,909,817</strong>	<strong>4,901,866</strong>
Other Operating Income	10	458,960	234,344
Operating Income		5,368,777	5,136,210
Operating Expense	11	(4,609,484)	(3,909,556)
<strong>Net Operating Profit before</strong>		<strong>759,293</strong>	<strong>1,226,654</strong>
Charge for Credit Impairment Loss		(445,808)	(426,753)
<strong>Net profit Before Taxation</strong>		<strong>313,485</strong>	<strong>799,901</strong>
Income Tax Expense	12.a	(47,518)	(86,648)
National Fiscal Stabilization Levy	12.c	(15,674)	(39,995)
Banking Sector Clean up Levy	12.d	(15,674)	(39,995)
<strong>Profit for the Year</strong>		<strong>234,619</strong>	<strong>633,263</strong>
<strong>Other Comprehensive Income, Net of Income Tax</strong>			
<strong>Items that will not be recycled into profit or loss:</strong>			
Movement in fair value of Financial Assets at FVOCI		(12,100)	12,700
<strong>Total comprehensive income for the year</strong>		<strong>222,519</strong>	<strong>645,963</strong>

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Stated Capital	Statutory Reserve	Credit Risk Reserve	Fair Value Reserve	Income Surplus	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance 1 January	7,000,000	4,638,988	895,867	36,663	1,122,328	13,693,846
Net Profit for the year	0	0	0	0	234,619	234,619
Movement in fair value of FVOCI	0	0	0	(12,100)	0	(12,100)
Taxes on fair Value gain	0	0	0	0	0	0
Transfers to reserves	0	58,655	154,086	0	(212,741)	0
<strong>Balance at 31 December 2022</strong>	<strong>7,000,000</strong>	<strong>4,697,643</strong>	<strong>1,049,953</strong>	<strong>24,563</strong>	<strong>1,144,206</strong>	<strong>13,916,365</strong>
Balance 1 January	7,000,000	4,480,672	685,978	23,963	857,270	13,047,883
Net Profit for the year	0	0	0	0	633,263	633,263
Movement in fair value of FVOCI	0	0	0	12,700	0	12,700
Taxes on fair Value gain	0	0	0	0	0	0
Transfers to reserves	0	158,316	209,889	0	(368,205)	0
<strong>Balance at 31 December 2021</strong>	<strong>7,000,000</strong>	<strong>4,638,988</strong>	<strong>895,867</strong>	<strong>36,663</strong>	<strong>1,122,328</strong>	<strong>13,693,846</strong>

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 GH¢	2021 GH¢
<strong>Cash flows from Operating Activities</strong>			
Net Profit before Tax		313,485	799,901
<strong>Adjustments for:</strong>			
Profit on assets disposal		(6,000)	0
Depreciation	18	143,144	94,186
<strong>Operating Profit before Working Capital Changes</strong>		<strong>450,629</strong>	<strong>894,087</strong>
Changes in Advances	16	2,657,767	(1,351,268)
Changes in Accounts Receivable	17	(38,667)	455,939
Changes in Accounts Payable	21	232,916	(144,517)
Changes in Customer Borrowings	20	(1,409,607)	3,320,106
Changes in Deferred Interest Income	22	120,218	458,606
<strong>Cash generated from operations</strong>		<strong>2,013,256</strong>	<strong>3,632,953</strong>
Current Taxes Paid	12	(112,798)	(378,419)
<strong>Net Cash flow from Operating Activities</strong>		<strong>1,900,458</strong>	<strong>3,254,534</strong>
<strong>Cash flows from Investing Activities</strong>			
Purchase of Property, Plant and Equipment	18	(177,250)	(348,142)
Proceed from sale of Property, Plant and Equipment		6,000	0
Changes in Investments	15	(155,817)	(2,505,141)
<strong>Net Cash flow from Investing Activities</strong>		<strong>(327,067)</strong>	<strong>(2,853,283)</strong>
<strong>Increase in Cash and Cash Equivalents</strong>		<strong>1,573,391</strong>	<strong>401,251</strong>
<strong>Cash and Cash Equivalents 1 January</strong>		<strong>2,408,449</strong>	<strong>2,007,198</strong>
<strong>Cash and Cash Equivalents 31 December</strong>		<strong>3,981,840</strong>	<strong>2,408,449</strong>
<strong>Analysis of Cash and Cash Equivalents</strong>			
Cash and Bank Balances		4,007,454	2,408,790
Bank Overdrawn Balance	23	(25,614)	(341)
	14	3,981,840	2,408,449

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2022

In accordance with the requirements of Section 136 of the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit - Taking Institutions Act, 2016 (Act 930), the Board of Directors of Chrisline Financial Services Limited, do here with submit our annual report on the state of affairs of the company for the year ended 31 December 2022.

The Directors report as follows:

1. Results

	2022 GH¢	2021 GH¢
Total Income	7,236,698	6,911,164
Profit before taxation amounted to from which is deducted a tax provision of and a charge for National Fiscal Stabilization Levy of	313,485	799,901
Transferred to Statutory Reserve	(47,518)	(86,648)
Banking Sector Clean Up Levy	(15,674)	(39,995)
Transferred to Credit Risk Reserve	(58,655)	(158,316)
	(15,674)	(39,995)
	(154,086)	(209,889)
leaving a balance of	21,877	265,059
which is to be added to the Income Surplus		
balance brought forward from the previous year of	1,122,329	857,270
Leaving a balance on the Income Surplus Account of	1,144,206	1,122,329
2. Statement of Directors' Responsibilities

The Directors are responsible for the preparation of the financial statements and ensure the financial statements give a true and fair view of the state of affairs of the company as at the end of the financial year and of the results for that period. The Directors also ensure that the company maintains proper accounting records which disclose with reasonable accuracy the financial position of the company. The Directors are also responsible for safeguarding the financial position of the company. The Directors accept responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error. They also accept responsibility for:

  - i) designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements;
  - ii) selecting and applying appropriate accounting policies; and
  - iii) making accounting estimates and judgements that are reasonable in the circumstances.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company as at 31 December 2022 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Banks and Specialised Deposit - Taking Institutions Act, 2016 (Act 930) and the Companies Act, 2019 (Act 992).
3. Nature of Business

The company by its regulations operates a financial services business. There has been no change in the ordinary activity of the company during the year under review
4. Registration of Interest

There were no interests of Directors regarding contractual involvement with the company during the year under review.
5. Corporate Social Responsibility and Subsidiary

The company during the year under review did not have any subsidiary. The company made a contribution to support a project to the tune of GHC 75,288 (2021 GHC 7,240) as part of its corporate social responsibility.
6. Directors Capacity Development

The company sponsored Directors to attend a Corporate Governance seminar on capacity building at the National Banking College during the year under review to improve their capacity to discharge their duties effectively.
7. Auditor and Audit fee

In accordance with the Companies Act, 2019 (Act 992), Section 139, PKF, will continue as auditor of the company. The agreed fee payable for the year is GHC 64,000 without VAT, GETFUND, NHIL and COVID 19 LEVY. (2021 GHC 58,000).
8. Dividend

The Directors do not recommend the payment of any dividends for the year under consideration.

9. Going Concern

The Board of Directors has made an assessment of the company's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

**Events after the Balance Sheet date**

The Directors confirm that no matters have arisen since 31 December 2022 which materially affect the financial statements of the Company for the year ended on that date.

Approved by the Directors on 05/06/2023 2023

Director

Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHRISLINE FINANCIAL SERVICES LIMITED ON THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2022

Report on the Condensed Financial Statements

Opinion

The condensed financial statements, which comprise the statement of financial position as at 31 December 2022, 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 2022.

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 required 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 5 June 2023. 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:

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 responsible for the audit resulting in this Independent Auditor's Report is DOMINIC DORKENOO (ICAG/P/1449).**

PKF

Signed by: Dominic Dorkenoo (ICAG/P/1449)

For and on behalf of PKF: (ICAG/F/2023/039)

Chartered Accountants

Farrar Avenue

P. O. Box GP 1219,

Accra.

6TH JUNE 2023