

CHRISLINE FINANCIAL SERVICES LIMITED

FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

| | Notes | 2023 GH¢ | 2022 GH¢ |
|--|-------|-------------------|-------------------|
| ASSETS | | | |
| Cash and Bank Balances | 14 | 2,518,553 | 4,007,454 |
| Investments | 15 | 13,948,709 | 10,460,416 |
| Loans and Advances | 16 | 10,658,535 | 11,228,765 |
| Trade and Other Receivable | 17 | 93,422 | 120,446 |
| Current Tax | 12.b | 570,447 | 595,297 |
| Deferred Tax | 13.a | 122,111 | 117,208 |
| Property, Plant and Equipment | 18 | 897,607 | 876,433 |
| Intangible Assets | 19 | 30,750 | 83,530 |
| TOTAL ASSETS | | 28,840,134 | 27,489,549 |
| LIABILITIES AND SHAREHOLDERS' FUNDS | | | |
| LIABILITIES | | | |
| Deposits | 20 | 13,410,843 | 11,987,345 |
| Trade and Other Payable | 21 | 370,500 | 374,042 |
| National Fiscal Stabilization Levy | 12.c | 168,418 | 176,308 |
| Banking Sector Clean Up Levy | 12.d | 77,675 | 55,669 |
| Deferred Interest Income | 22 | 663,056 | 954,206 |
| Borrowing Due in year | 23 | 1,146 | 25,614 |
| TOTAL LIABILITIES | | 14,691,638 | 13,573,184 |
| SHAREHOLDERS' FUNDS | | | |
| Stated Capital | 24 | 7,000,000 | 7,000,000 |
| Credit Risk Reserve | 25 | 1,154,815 | 1,049,953 |
| Statutory Reserve Fund | 26 | 4,726,660 | 4,697,643 |
| Fair Value Reserve | 27 | 24,563 | 24,563 |
| Income Surplus | 28 | 1,242,458 | 1,144,206 |
| TOTAL SHAREHOLDERS' FUNDS | | 14,148,496 | 13,916,365 |
| TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS | | 28,840,134 | 27,489,549 |

Approved by the Directors on

25/06/2024

Director

Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

| | Notes | 2023 GH¢ | 2022 GH¢ |
|---|-------|------------------|------------------|
| Interest Income | 8 | 6,830,458 | 6,777,738 |
| Interest Expense | 9 | (1,874,529) | (1,867,921) |
| Net Interest Income | | 4,955,929 | 4,909,817 |
| Other Operating Income | 10 | 848,568 | 458,960 |
| Operating Income | | 5,804,497 | 5,368,777 |
| Operating Expense | 11 | (4,825,445) | (4,609,484) |
| Net Operating Profit before | | 979,052 | 759,293 |
| Charge for Credit Impairment Loss | 16.c | (538,926) | (445,808) |
| Net profit Before Taxation | | 440,126 | 313,485 |
| Income Tax Expense | 12.a | (163,982) | (47,518) |
| National Fiscal Stabilisation Levy | 12.c | (22,006) | (15,674) |
| Banking Sector Clean up Levy | 12.d | (22,006) | (15,674) |
| Profit for the Year | | 232,132 | 234,619 |
| Other Comprehensive Income, Net of Income Tax | | | |
| Items that will not be recycled into profit or loss: | | | |
| Movement in fair value of Financial Assets at FVOCI | | 0 | (12,100) |
| Total comprehensive income for the year | | 232,132 | 222,519 |

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

| | Stated Capital | Statutory Reserve | Credit Risk Reserve | Fair Value Reserve | Income Surplus | Total |
|------------------------------------|-------------------|----------------------|------------------------|-----------------------|-------------------|-------------------|
| 2023 | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ | GH¢ |
| Balance 1 January | 7,000,000 | 4,697,643 | 1,049,953 | 24,563 | 1,144,206 | 13,916,365 |
| Net Profit for the year | 0 | 0 | 0 | 0 | 232,132 | 232,132 |
| Movement in fair value of FVOCI | 0 | 0 | 0 | 0 | 0 | 0 |
| Taxes on fair Value gain | 0 | 0 | 0 | 0 | 0 | 0 |
| Transfers to reserves | 0 | 29,017 | 104,862 | 0 | (133,879) | 0 |
| Balance at 31 December 2023 | 7,000,000 | 4,726,660 | 1,154,815 | 24,563 | 1,242,458 | 14,148,497 |
| 2022 | | | | | | |
| 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 |
| Balance at 31 December 2022 | 7,000,000 | 4,697,643 | 1,049,953 | 24,563 | 1,144,206 | 13,916,365 |

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

| | Notes | 2023 GH¢ | 2022 GH¢ |
|---|-------|--------------------|------------------|
| Cash flows from Operating Activities | | | |
| Net Profit before Tax | | 440,126 | 313,485 |
| Adjustments for: | | | |
| Profit on assets disposal | | 0 | (6,000) |
| Depreciation | 18 | 167,902 | 143,144 |
| Operating Profit before Working Capital Changes | | 608,028 | 450,629 |
| Changes in Advances | 16 | 570,225 | 2,657,767 |
| Changes in Accounts Receivable | 17 | 27,024 | (38,667) |
| Changes in Accounts Payable | 21 | (3,542) | 232,916 |
| Changes in Customer Deposit | 20 | 1,423,498 | (1,409,607) |
| Changes in Deferred Interest Income | 22 | (291,150) | 120,218 |
| Cash generated from operations | | 2,334,083 | 2,013,256 |
| Current Taxes Paid | 12 | (173,929) | (112,798) |
| Net Cash flow from Operating Activities | | 2,160,154 | 1,900,458 |
| Cash flows from Investing Activities | | | |
| Purchase of Property, Plant and Equipment | 18 | (189,074) | (177,250) |
| Proceed from sale of Property, Plant and Equipment | | 0 | 6,000 |
| Reclassification of Intangible asset | | 52,780 | 0 |
| Changes in Investments | 15 | (3,488,293) | (155,817) |
| Net Cash flow from Investing Activities | | (3,624,587) | (327,067) |
| (Decrease) / Increase in Cash and Cash Equivalents | | (1,464,433) | 1,573,391 |
| Cash and Cash Equivalents 1 January | | 3,981,840 | 2,408,449 |
| Cash and Cash Equivalents 31 December | | 2,517,407 | 3,981,840 |
| Analysis of Cash and Cash Equivalents | | | |
| Cash and Bank Balances | | 2,518,553 | 4,007,454 |
| Bank Overdrawn Balance | 23 | (1,146) | (25,614) |
| | 14 | 2,517,407 | 3,981,840 |

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2023

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 herewith submit our annual report on the state of affairs of the company for the year ended 31 December 2023.

The Directors report as follows:

| | |
|--|-------------|
| | 2022 GH¢ |
| 1.Results | |
| Total Income | 7,236,698 |
| Profit before taxation amounted to | 313,485 |
| from which is deducted a tax provision of | (47,518) |
| and a charge for National Fiscal Stabilization | (15,674) |
| Levy of Transferred to Statutory Reserve | (58,655) |
| Banking Sector Clean Up Levy | (15,674) |
| Transferred to Credit Risk Reserve | (154,086) |
| Leaving a balance of | 21,877 |
| which is to be added to the Income Surplus | |
| balance brought forward from the previous year of | 1,122,329 |
| Leaving a balance on the Income Surplus Account of | 1,144,206 |

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 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 assets of the company.

The Directors accept responsibility for the preparation and fair presentation of the 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 2023 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 the community to the tune of GHC 11,588 (2022: GHC 75,288) 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 Colledge 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 the auditor of the company. The agreed fee payable for the year is GHC 74,000 without VAT, GETFUND, NHIL and COVID 19 LEVY,(2022 GHC 64,000).

8. Dividend

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

9. Going Concern

The Board of Directors have 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 2023 which materially affect the financial statements of the Company for the year ended on that date.

Approved by the Directors on

25/06/2024

Director

Director