



Blue Financial Services Ghana Limited

Abridged audited results for the year ended 31 December, 2019

(All amounts are stated in Ghana Cedis unless otherwise stated)

Statement of comprehensive income for the year ended 31 December, 2019

	2019	2018
Interest income	9,006,133	7,698,975
Interest expense	-	-
Net interest income	9,006,133	7,698,975
Fees and commission income	1,725,013	2,094,400
Fees and commission expense	(1,134,013)	(1,265,103)
Net fees and commission income	591,000	829,297
Other income	278,814	403,136
Operating income	9,875,947	8,931,408
Net loan impairment allowance	(70,292)	(199,774)
Personnel expenses	(2,024,627)	(1,740,209)
Depreciation	(238,200)	(216,000)
Operating lease expenses	(75,935)	(60,385)
Other operating expenses	(2,641,543)	(1,779,195)
Profit before taxation	4,825,350	4,935,844
National Stabilization Levy	(241,268)	(246,792.18)
Income tax expenses	(1,215,123)	(1,286,995.84)
Profit for the year after taxation	3,368,959	3,402,056
Other comprehensive income	-	-
Total comprehensive income for the year	3,368,960	3,402,056

Statement of financial position as at December, 2019

	2019	2018
Assets		
Current assets		
Cash and cash equivalents	2,401,645	1,667,480
Loans and advances to customers	22,629,470	20,186,969
Trade and other receivables	381,254	351,067
	25,412,369	22,205,516
Non-current		
Deferred Tax Asset	19,413	-
Plant and Equipment	192,351	158,930
	211,765	158,930
Total Assets	25,624,134	22,364,445
Equity and liability		
Equity		
Stated capital	12,947,836	12,947,836
Retained earnings	4,110,965	2,953,260
Statutory reserves	6,004,205	4,319,725
Credit risk reserve	526,775	-
	23,589,780	20,220,821
Liabilities		
Current		
Trade and other payables	1,874,260	2,056,629
Taxation payable	160,094	86,996
Total Liabilities	2,034,354	2,143,625
Equity AND Liabilities	25,624,134	22,364,445

Director

Director

Statement of changes in equity for the year ended 31 December, 2019

For the year ended 31 December, 2018	Stated Capital	Retained Earnings	Statutory Reserves	Credit Risk Reserves	Total Equity
At start of year	12,947,836	2,953,258	4,319,725	-	20,220,819
Total comprehensive income for the year	-	3,368,960	-	-	3,402,056
Credit risk reserve reclassification	-	(526,775)	-	526,775	-
Transfer to statutory reserve	-	(1,684,480)	1,684,480	-	-
At end of year	12,947,836	4,110,965	6,004,205	526,775	23,589,778
For the year ended 31 December 2017					
At start of year	12,947,836	1,006,797	2,618,697	245,433	16,818,763
Total comprehensive income for the year	-	3,402,056	-	-	3,402,056
Credit risk reserve reclassification	-	245,433	-	(245,433)	-
Transfer to statutory reserve	-	(1,701,028)	1,701,028	-	-
At end of year	12,947,836	2,953,258	4,319,725	-	20,220,819

Statement of cash flow for the year ended 31 December, 2019

	2019	2018
Cash flow from operating activities	2,006,652	874,669
Tax paid	(1,161,438)	(1,270,593)
Interest paid	-	-
Cash flow from operating activities	845,214	(395,924)
Cash flow from investing activities:		
Purchase of property, plant and equipment	(111,050)	(43,017)
Proceeds from the sale of property, plant and equipment	-	4,000
Net cash flow from investing activities	(111,050)	(39,017)
Cash flow from financing activities:		
Payments to service inter-Company loans	-	-
Net cash flow from financing activities	-	-
Increase in cash and cash equivalents	734,164	(434,941)
Net increase/decrease in cash and cash equivalents		
Cash and cash equivalents	1,667,480	2,102,421
Net Cash flow during the year	734,164	(434,941)
Cash and cash equivalents at 31 December,	2,401,645	1,667,480

Report of Directors

1.0 Statements of Directors' Responsibilities

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with 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); and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

2.0 Directors Report

The Directors submit their report and financial statements for the year ended December 31, 2019, which disclose the state of affairs of the Company.

Principal Activities

The Company is a financial services supplier providing ethical, innovative and affordable credit solutions to people within Ghana.

Financial Results

The Company made a profit after taxation of GHS 3,368,960 (2018: GHS 3,402,057) for the year ended December 31, 2019. No dividends have been declared for the year under review.

Auditor

In accordance with Section 139 (11) of the Companies Act, 2019 (Act 992) and Section 81 (4)(5) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), the Company shall review the tenure of Messrs. UHYVoscon Chartered Accountants as the auditor of the Company.

By Order of the Board:

Director

Date: 30/07/2020

Director

30/07/2020

3.0 Notes to the financial statements for the year ended December 31, 2019

Reporting Entity

The Company was incorporated on 3 July, 2008 and was given the certificate to commence business on 23 April, 2009. The Institution's registered office is located at the Matti House, Eleventh Lane, Ringway Estates, Osu-Ghana.

Basis for Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB). They have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments.

Use of Judgement

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

4.0 Qualitative Disclosures

Risk Management Framework

The Board of Directors has overall responsibility for the establishment of oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Board of Directors has established a Risk Committee, which is responsible for developing and monitoring risk management policies. The Institution's key risks are: credit risk, liquidity risk, market risk and operational risk.

5.0 Quantitative Disclosures

	2019	2018
Capital Adequacy Ratio	72%	70%
Non-Performing Loans Ratio	12.50%	6.84%

6.0 Independent Auditors Report

Independent auditor's report on the summary financial statements
To the members of Blue Financial Services Ghana Limited

Opinion

The summary financial statements of Blue Financial Services Ghana Limited, contained in the accompanying abridged report, comprise the summary statement of financial position as at 31 December 2019, the summary statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Blue Financial Services Ghana Limited as at 31 December, 2019, and of its financial performance and the cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies Act, 2019 (Act 992) 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 International Financial Reporting Standards and the requirements of the Companies Act as applicable to annual 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 summary financial statements and the audited financial statements do not reflect the effects of all events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 30 July, 2020.

That report also includes:

The communication of other 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 of the current period. Details can be found in full report.

Director's Responsibility for the Summary Financial Statements

The directors are responsible for the preparation of the summary financial statements in accordance with the requirements of the IFRS for abridged reports, set out in note and the requirements of the Companies Act.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing.

The engagement partner on the audit resulting in this independent auditor's report is Emmanuel K.D. Abbey (ICAG/P/1167)

Signed by:

UHY Voscon

For and on behalf of:
UHY Voscon (ICAG/F/2020/086)
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