



# Blue Financial Services Ghana Limited

Financial statements for the year ended 31 December, 2017

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

## Statement of comprehensive income for the year ended 31 December, 2017

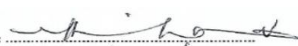
	2017	2016
Interest income	7,001,484	5,617,584
Interest expense	-	-
<b>Net interest income</b>	<b>7,001,484</b>	<b>5,617,584</b>
Fees and commission income	1,342,606	1,055,271
Other income	673,087	1,026,935
Net loan impairment allowance and bad debt	(205,034)	(704,079)
<b>Operating income</b>	<b>8,812,143</b>	<b>6,995,711</b>
Operating expenses	(4,485,139)	(3,717,558)
<b>Profit before taxation</b>	<b>4,327,004</b>	<b>3,278,153</b>
National Stabilization Levy	(216,350)	(163,908)
Income tax expenses	(1,143,439)	(844,067)
<b>Profit for the year after taxation</b>	<b>2,967,215</b>	<b>2,270,178</b>
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>2,967,215</b>	<b>2,270,178</b>


## Statement of financial position as at December, 2017

	2017	2016
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,102,421	2,214,651
Loans and advances to customers	15,963,642	13,022,380
Trade and other receivables	368,231	336,652
	18,434,294	15,573,683
<b>Non-current assets</b>		
Property, plant and equipment	183,343	195,660
<b>Total Assets</b>	<b>18,617,637</b>	<b>15,769,343</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Stated capital	12,947,836	12,947,836
Retained earnings	1,006,797	431,566
Statutory reserve	2,618,697	-
Credit risk reserve	245,433	472,146
<b>Total equity</b>	<b>16,818,763</b>	<b>13,851,548</b>
<b>Liabilities</b>		
<b>Current</b>		
Trade and other payables	1,728,280	1,348,702
Taxation payable	70,594	569,093
<b>Total liabilities</b>	<b>1,798,874</b>	<b>1,917,795</b>
<b>Total equity and liabilities</b>	<b>18,617,637</b>	<b>15,769,343</b>

Director

Director

Signature:   
Date: 30/04/18

Signature:   
Date: 30/04/18

## Statement of changes in equity for the year ended 31 December, 2017

For the year ended 31 December, 2017	Stated Capital	Retained Earnings	Statutory Reserves	Credit Risk Reserves	Total Equity
At start of year	12,947,836	431,566	-	472,146	13,851,548
Prior year adjustment (statutory reserve)	-	(1,135,089)	1,135,089	-	-
Restated balance	12,947,836	(703,523)	1,135,089	472,146	13,851,548
Credit risk reserve reclassification	-	472,146	-	(472,146)	-
Total comprehensive income for the year	-	2,967,215	-	-	2,967,215
Statutory Reserve	-	(1,483,608)	1,483,608	-	-
Credit risk reserve	-	(245,433)	-	245,433	-
<b>At end of year</b>	<b>12,947,836</b>	<b>1,006,797</b>	<b>2,618,697</b>	<b>245,433</b>	<b>16,818,763</b>
For the year ended 31 December, 2016	Stated Capital	Retained Earnings	Statutory Reserves	Credit Risk Reserves	Total Equity
At start of year	12,413,916	(1,498,136)	-	131,670	11,047,450
Additional capital introduced	533,920	-	-	-	533,920
Total comprehensive income for the year	-	2,270,178	-	-	2,270,178
Regulatory credit reserve	-	(340,476)	-	340,476	-
<b>At end of year</b>	<b>12,947,836</b>	<b>431,566</b>	<b>-</b>	<b>472,146</b>	<b>13,851,548</b>

## Cash flow statement for the year ended 31 December, 2017

	2017	2016
<b>Cash flow from operating activities</b>	<b>1,589,766</b>	<b>61,770</b>
Tax paid	(1,641,938)	(425,323)
Interest paid	-	-
<b>Cash flow from operating activities</b>	<b>(52,172)</b>	<b>(363,553)</b>
<b>Cash flow from investing activities:</b>		
Additions to plant and equipment	(60,058)	(153,622)
<b>Net cash flow from investing activities</b>	<b>(60,058)</b>	<b>(153,622)</b>
<b>Cash flow from financing activities:</b>		
Payments to service inter-Company loans	-	(21,458)
<b>Net cash flow from financing activities</b>	<b>-</b>	<b>(21,458)</b>
<b>Increase in cash and cash equivalents</b>	<b>(112,230)</b>	<b>(538,633)</b>
<b>Net increase/decrease in cash and cash equivalents</b>		
Cash and cash equivalents at 01 January, 2017	2,214,651	2,753,284
Net cash flow during the year	(112,230)	(538,633)
<b>Cash and cash equivalents at 31 December, 2017</b>	<b>2,102,421</b>	<b>2,214,651</b>

### 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, 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 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, 2017, 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 GHS2,967,215 (2016: GHS 2,270,178) for the year ended December 31, 2017. No dividends have been declared for the year under review.

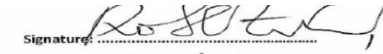
### Auditor

In accordance with section 134 of the Companies Act, 1963 (Act 179) and Section 27 of the Non-Bank Financial Institutions Act, 2008, (Act 774), Messrs UHY Voscon, has expressed willingness to continue in office as auditor of the Company.

By Order of the Board: Director

Director

Signature:   
Date: 30/04/18

Signature:   
Date: 30/04/18

### 3.0 Notes to the financial statements for the year ended December 31, 2017

#### Reporting Entity

The Company was incorporated in 2008 and was given the certificate to commence business in 2009 and has its registered office 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 Credit and 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

	2017	2016
Capital Adequacy Ratio	69%	68%
Non-Performing Loans Ratio	6.9%	10.9%

### 6.0 Report of independent auditor

#### Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December, 2017, 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, 1963 (Act 179).

#### What we have audited

We have audited the accompanying financial statements of Blue Financial Services Ghana Limited for the year ended 31 December, 2017.

The financial statements comprise:

- statement of profit or loss and other comprehensive income for the year then ended;
- statement of financial position as at 31 December, 2017;
- statement of changes in equity for the year ended;
- statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

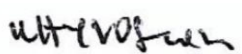
We are independent of the Company within the meaning International Ethics Standards Board for Accountants' (IESBA) Code of Ethics for Professional Accountants. We have fulfilled our other ethical responsibilities with the IESBA Code.

#### Report on other legal and regulatory requirements

The Companies Act, 1963 (Act 179) requires that in carrying out our audit work we consider and report on the following matters. We confirm that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and
  - the statement of financial position and statement of profit or loss and other comprehensive income of the Company are in agreement with the books of account.
- Section 27 of the Non-Bank Financial Institutions Act, 2008, (Act 774) and Section 85 (2) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) requires that we state certain matters in our report. We hereby confirm that:
- the accounts give a true and fair view of the state of affairs of the Company and its results of operations for the year under review;
  - we were able to obtain all the information and explanation required for the efficient performance of our duties as auditors;
  - the Company's transactions were within its powers; and
  - the Company has complied with the provisions in the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

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

Signed by:   
For and on behalf of:

UHY Voscon (ICAG/F/2018/086)

Chartered Accountants

No. C806/4, Boundary Road, Tudu, Accra

P.O. Box LA 476,

La - Accra

Date: 30th April 2018