

ASSURANCE SAVINGS AND LOANS LIMITED

Report and Financial Statements for the period 1st July, 2016 to 31st December, 2017

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ASSURANCE SAVINGS AND LOANS LIMITED

Report and Financial Statements for the period 1st July, 2016 to 31st December, 2017

Directors, Officials and Registered Office

Directors:

Ebenezer Segbefia
Joseph Kweku Boamah
Victoria Debrah

Secretary:

Victoria Debrah

Registered Office:

H/No.2nd Floor, Gina Villa
Gimpa Road
Achimota, Accra

Auditors:

Kwaku Nkrumah Consult
Chartered Accountants
Sennetta House, Vivian Farm Junction.
Lashibi/NTHC
Box AC 157
Art Centre
Accra

Bankers:

HFC Bank
1509 Opposite House Party Computers
Accra New Town
Accra New Town

Guaranty Trust Bank
25 Castle Road
Accra

ASSURANCE SAVINGS AND LOANS LIMITED

Directors' Report

The Directors submit their report together with the audited financial statements of Assurance Savings and Loans Limited for the period ended 31st December 2017

The Statement of Financial Position has been signed by the two directors indicating the Board's approval of such Statement of Financial Position and the attached notes

Principal activities

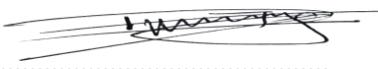
The principal activity of the company is the provision of banking services.

Financial Results

The financial results for the period ended 31st December, 2017 are summarized below

	GHC
Loss after taxation for the period after charging all expenses including depreciation amounted to	(519,206)
To which must be added the Bal. brought forward on 1st July 2016	-
Total	<u><u>(519,206)</u></u>

On behalf of the Board



.....
Director

12th March, 2018



.....
Director

12th March, 2018

ASSURANCE SAVINGS AND LOANS LIMITED

Statement of Directors' Responsibility

The directors are responsible for preparing financial statements for each period which give a true and fair view of the state of affairs of the Company at the end of the period and of the profit or loss of the Company for the period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether the applicable accounting standards have been followed
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enables them to ensure that the financial statements comply with International Accounting Standards. They are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities.

Report of the Auditors' to the members of Assurance Savings and Loans Limited

Opinion

We have audited the financial statements of Assurance Savings and Loans Limited which comprise the statement of financial position for the year ended 31 December 2017, statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Assurance Savings and Loans Limited for the year ended 31 December 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SME's) and in compliance with the Ghana Companies Act 1963, (Act 179).

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 are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Codes. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Assurance Savings and Loans Limited is responsible for the other information. The other information included information presented in the annual reports but does not include the financial statements and the auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Director's responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium Sized Enterprises (IFRS for SME's) and in compliance with the requirements of the Companies Act, 1963 (Act 179). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

* Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

* Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.

* Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

* Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Savings and Loans ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.

* Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We also obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Board, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that were identified during the audit.

Report on other legal requirements

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

i) 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;

ii) In our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and

iii) The company's statement of financial position and the statements of comprehensive income are in agreement with the books of account.



Signed by: Kwaku Nkrumah (ICAG/P/1133)

For and on behalf of:

Kwaku Nkrumah Consult (ICAG/F/2017/061)

Chartered Accountants

Box AC 157

Art Centre

Accra

ASSURANCE SAVINGS AND LOANS LIMITED

**COMPREHENSIVE INCOME STATEMENT
FOR THE PERIOD ENDED 31ST DECEMBER 2017**

	NOTES	2017 GHC
Interest Income	2	1,723,351
Interest Expense	3	<u>(734,142)</u>
Net Interest Income		989,209
Fee and Commission Income	4	13,165
Fee and Commission Expense	4	-
Net Fee and Commission Income		<u>13,165</u>
Operating Income		<u>1,002,374</u>
Impairment Loss	8	(20,035)
Personnel Expenses	5	(501,713)
Depreciation and Amortisation	13	(251,193)
Other Expenses	6	(748,640)
Loss Before Taxation		<u>(519,206)</u>
Income Tax Expense		NIL
Total Comprehensive Loss for the Period		<u>(519,206)</u>

ASSURANCE SAVINGS AND LOANS LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2017

ASSETS	NOTES	GHC
Cash and Cash Equivalent	7	152,431
Loans And Advances	8	1,983,448
Investments	9	15,219,750
Intangible Assets	10	168,078
Other Assets	11	1,191,871
Property, Plant and Equipments	12	418,038
TOTAL ASSETS		<u>19,133,616</u>
LIABILITIES		
Deposits From Customers	14	3,212,943
Other Liabilities	15	81,173
TOTAL LIABILITIES		<u>3,294,116</u>
EQUITY		
Stated Capital	16	15,000,000
Directors' Current Account	17	1,358,707
Income Surplus		(519,206)
TOTAL EQUITY		<u>15,839,500</u>
TOTAL LIABILITIES AND EQUITY		<u>19,133,616</u>



.....
 Director



.....
 Director

ASSURANCE SAVINGS AND LOANS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31ST DECEMBER 2017**

	Stated Capital	Credit Risk Reserve	Translation Reserve	Income Surplus	Total	Non Controlling Interest	Total Equity
	GHC			GHC	GHC	GHC	GHC
Balance at 1 January 2017	15,000,000			-	15,000,000	4,000,000	15,000,000
Total Comprehensive Income, net of income tax							
Loss for the Period	-	-		(519,206)	(519,206)	(140,186)	(519,206)
Other Comprehensive Income, net of income tax							
Foreign currency translation difference for foreign operations				-			
Total other Comprehensive Income			-	-	-	-	-
Balance at 31 December 2017	15,000,000	-	-	(519,206)	14,480,794	3,859,814	14,480,794

**ASSURANCE SAVINGS AND LOANS LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31ST DECEMBER 2017**

	NOTES	2017
CASH FLOW FROM OPERATING ACTIVITIES		GHC
Operating Loss Before Taxation		(519,206)
Adjusted for:		
Depreciation and Amortisation		251,193
Impairment Loss		20,035
		<u>(247,979)</u>
Change in Loans and Advances to Customers		(2,003,482)
Change in Other Assets		(1,190,871)
Change in Deposits from Customers		3,212,943
Change in Other Liabilities		81,173
		<u>99,762</u>
Income Tax Paid		<u>(1,000)</u>
		(1,000)
NET CASH USED IN OPERATING ACTIVITIES		(149,217)
NET CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investment Securities		(15,219,750)
Purchase of Property, Plant and Equipments		(597,198)
Purchase of Intangible Assets		(240,112)
Net Cash used in Investing Activities		<u>(16,057,060)</u>
NET CASH FLOW FROM FINANCING ACTIVITIES		
Stated Capital		15,000,000
Director's Current Account		1,358,707
Net Cash from Financing Activities		<u>16,358,707</u>
NET CASH FLOW FROM FINANCING ACTIVITIES		
Net Increase in Cash and Cash Equivalent		<u>152,431</u>
Analysis For Changes In Cash And Cash Equivalents		
Balance As At 1 July 2016		-
Net Cash Inflow/Outflow		152,431
Balance As At 31st December, 2017		<u>152,431</u>

ASSURANCE SAVINGS AND LOANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER , 2017

1 Accounting Policies

a Reporting Entity

Assurance Savings and Loans Company is domiciled in Ghana. The address of the registered office is House No. 2, Second Floor, Gina Villa, GIMPA Road, Achimota, Accra P. O. Box KIA 16192, Airport Accra.

b Basis of Accounting

The financial statement have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board(IASB) and adopted by the Institute of Chartered Accountants, Ghana and are in a manner required by the Companies Act, 1963 (Act 179) Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) Details of the company's accounting policies are indicated in Notes 1 to 17.

The company has adopted IFRS 9 Financial Instruments issued in July 2014 with date of initial application on 1st July 2016

c Functional and Presentation Currency

The financial statements are presented in Cedis, which is the company's functional currency

d Use of Judgement and Estimates

Financial assets and financial liabilities are offset and the net amount reported in the financial statement only when there is a legally binding enforceable right to offset the recognised amounts and there is intention to settle on the on a net basis. Income and Expenses are not offset in the statement of comprehensive income unless required or permitted by the IFRS.

e Quantitative Disclosures

December 2017

e (i) Capital Adequacy Ratio (CAR)	75,55%
e (ii) Non Performing Loans (NPL) Ratio	0%

f Qualitative Disclosures

f (i) Dominant risks of the our company

As a financial institution our core business is the granting of loans and accepting deposits. In this regards risk is at the core of our operations.To manage risk we have designed a risk management framework to cover the following risks: credit risks, liquidity risk and operational risk. For the first eighteen months of operation these risks have been stable over the months.

f (ii) Management of these risks

Credit risk is managed by using the services of a credit rating agency to determine the credit ratings of loan applicants. Strong credit appraisal and control mechanism is adopted by Assurance Savings and Loans Limited.

f (iii) Methods used to measure risk

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framewok.The Board has established the following Committees to manage risk: Board sub-committees, Credit Committees of Management, Asset and Liability. Management Committee.

g Over the eighteen months of operation no default has been recorded in the maintenance of statutory liquidity.

h Interest Income and Expense

Interest revenue is generally recognized when future economic benefit of the underlying assets will flow to the organisation and it can be reliably measured. Interest Income and Expense are however generally recognized in the income statement on straight line basis using the effective interest method.

i Fees and Commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in measurement on the effective interest rate.

j Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of replacing part of an item of property or equipment is recognized in carrying amount of the item if it is probable that the future economic benefit embodied within the part will flow to the Company and its cost can be measured reliably.

Depreciation

Depreciation is provided on fixed assets at rates calculated to amortise their values over their estimated useful lives by equal instalments.

Motor Vehicles	20%
Plant and Machinery	20%
Office Equipments	20%
Furniture and Fittings	20%
Computer and Accessories	20%

k Intangible Assets -Computer software

Software acquired by the Company is stated at cost less accumulated depreciation, amortization and accumulated impairment losses. Cost incurred to acquire and bring to use are capitalized and amortised on the basis of capitalised and amortised on the basis of the expected useful lives using the straight line method, maximum useful life is five years.

l Financial Assets and Liabilities

The Company initially recognises loans and advances, deposits and debt securities issued on the date that they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date at which the Company becomes a party to the contractual provision of the instrument.

l (i) De-recognition

The Company derecognises a financial asset when the contractual rights to the cash flows the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the assets are transferred.

m Loans and Advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the bank or Company does not intend to sell immediately or in the near term. Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method, except when the bank or Company chooses to carry the loans and advances at fair value through profit and loss as described in accounting policy (I).

n Investment Securities

Investment securities are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as either held-to-maturity, fair value through profit or loss, or available-for-resale.

o Events after Reporting Date

Events subsequent to the reporting date are reflected only to the extent that they relate directly to the financial statement and the effect is material.

	2017
	GHC
2 Interest Income	
Interest on Dwetire Loans	6,745
Interest on Bosome Akatua Loans	8,345
Interest on Overdraft	10,531
Interest on Someso Loans	263
Investment Income	1,657,302
Interest Earned on Call Account	40,165
	<u>1,723,351</u>

	2017
	GHC
3 Interest Expense	
Interest Expense on 182 Days Fixed Deposits	196,980
Interest Expense on Dabidabi Account	289
Interest Expense on Jewel Account	841
Interest Expense on Savings Account	5,852
Interest Expense on 365 Days Fixed Deposits	505,213
Interest Expense on 91 Days Fixed Deposits	23,483
Interest Expense on Beginners Account	1,484
	<u>734,142</u>

	2017
	GHC
4 Fee and Commission	
Cheque Books Fees	2,842
Loan Processing Fees	3,137
Special Clearing Fees	711
Passbook Fees	14
Service Charge	5,649
Commission on Turn Over (COT)	812
	<u>13,165</u>

	2017
	GHC
5 Personnel Expenses	
Salaries and Wages	459,486
SSNIT Employers Contribution	42,227
	<u>501,713</u>

	2017
	GHC
6 Other Expenses	
Stationery	5,429
Computer Consumables	6,406
Cleaning and Sanitation	2,351
Board Meeting Expenses	34,645
Rent	45,833
Business Operating Permit	2,200
Repair and Maintenance of Motor Vehicle	5,988
Repair and Maintenance of Plant and Machinery	6,380
Repair and Maintenance of Office Equipment	26,952
Registration and Licensing	93,399
Electricity	24,130
Generator Running Cost	17,838
Printing	33,949
Preliminary Expenses	137,202
Travel and Transportation	2,366
Water	1,313
Fuel and Lubricants	16,880
Software Maintenance Fee	43,500
Police and Security	42,807
Other Expenses	2,244
Insurance	18,149
Consultancy Fees	5,000
Penalties on Taxes	6,924
Subscription and Fees	25,100
Bank Charges	5,140
Training and Development	10,634
Telephone Internet and Postage	51,843
Advertisement	71,038
Audit Fees	3,000
	<u>748,640</u>

	2017
	GHC
7 Cash and Cash Equivalents	
HFC Bank	33,162
GT Bank	64,943
Cash at Vault	44,229
Electronic Money Transfer	10,097
	<u>152,431</u>

	2017
	GHC
8 Loans and Advances	
Dwetire Loans	1,333
Corporate Loans	1,700,000
Overdraft - Corporate	299,473
Overdraft - Individuals	116
Overdraft - Savings	31
Bosome Akatua Loan	2,529
	<u>2,003,482</u>
Impairment Loss	(20,035)
	<u>1,983,448</u>

	2017
	GHC
9 Investments	
Fixed Deposits	15,219,750
	<u>15,219,750</u>

	2017
	GHC
10 Intangible Assets	
Cost:	
At 1/1/2016	-
Software Purchased	240,112
At 31/12/2017	<u>240,112</u>
Amortisation:	
At 1/1/2016	-
Charge for the period	72,034
At 31/12/2017	72,034
Carrying Value At 01/07/2016	-
Carrying Value At 31/12/2017	<u>168,078</u>

	2017
	GHC
11 Other Assets	
Corporate Tax	1,000
Rent Prepaid	54,167
Preliminary Expenses	137,202
Investment Income Receivables	889,011
Inventories -(Pay in Slips and Other forms)	27,829
Sundries -Prepaid Master cards	26,653
Taxes - VAT	56,010
	<u>1,191,871</u>

12 PROPERTY PLANT AND EQUIPMENT

COST:	Plant and	Furniture and	Motor	Computer	Office	Total
	Machinery	Fittings	Vehicle	& Accessories	Equipment	
	GHS	GHS	GHS	GHS	GHS	
AT 1/1/2016	-					
ADDITION	102,558	63,707	313,700	95,403	21,830	597,198
31/12/2017	102,558	63,707	313,700	95,403	21,830	597,198

DEPRECIATION:

	Plant and	Furniture and	Motor	Computer	Office	Total
	Machinery	Fittings	Vehicle	& Accessories	Equipment	
	GHS	GHS	GHS	GHS	GHS	
At 1/1/2016	-	-	-	-	-	-
Charge for the period	30,767	19,112	94,110	28,621	6,549	179,159
31/12/2017	30,767	19,112	94,110	28,621	6,549	179,159
Carrying Value At 01/07/2016	-	-	-	-	-	-
Carrying Value At 31/12/2017	71,790	44,595	219,590	66,782	15,281	418,038

	2017
	GHC
13 Depreciation and Amortisation	
The depreciation and amortisation charge to the period is as follows:	
Property, Plant and Equipments (Note 12)	179,159
Intangible Assets (Note 10)	72,034
	<u>251,193</u>

	2017
	GHC
14 Deposits From Customers	
365 Days Fixed Deposits	1,339,300
182 Days Fixed Deposits	310,000
91 Days Fixed Deposits	500,000
Savings Account	58,191
Cheque Account - Individual	49,212
Cheque Account Plus - Corporate	823,740
Jewel Account	12,245
Beginners Account	81,275
Dabi-Dabi Account	38,979
	<u>3,212,943</u>

	2017
	GHC
15 Other Liabilities	
SSNIT Tier 1	1,358
P.A.Y.E	2,351
orange Pensions Tier 2	503
Interest payable on 365 Days Fixed Deposits	25,623
Interest payable on 182 Days Fixed Deposits	22,322
Interest payable on 91 Days Fixed Deposits	8,256
Sundry Payables	47
Accrued Wages and Salary	8,529
Withholding Tax	5,083
Audit Fees	3,000
Staff Account	1,732
Cash Collateral	1,218
Tellers Overages	1,150
	<u>81,173</u>

16 Stated Capital is made up as follows:

- a. The number of Authorised Share is 15,000,000 ordinary shares of no par value.
- b Stated Capital is made up as follows:
- | | No. of Shares | Amount
GHC |
|--|----------------------|-----------------------|
| c Ordinary Shares issued and fully paid | 15,000,000 | 15,000,000 |
| d There is no unpaid liability on any share and there are no calls or installments in arrears. | | |
| e There is no treasury shares. | | |

17 Directors Current Account

Additional Capital Injected into the Savings and Loans by Director's

**2017
GHC
1,358,707**