

MULTI CREDIT SAVINGS AND LOANS

SUMMARY FINANCIAL STATEMENTS

2019

**HEAD OFFICE- BANTAMA
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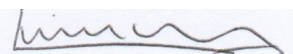
MULTI CREDIT SAVINGS AND LOANS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER, 2019

	2019 GH¢	2018 GH¢
Interest Income	57,492,990	61,879,794
Interest Expense	(30,570,615)	(23,640,450)
Net Interest Income	26,922,375	38,239,344
Fees & Commission Income	1,354,087	2,295,664
Other Operating Income	124,300	(7,800)
Net Fees , Commission & other Incomes	1,478,387	2,287,864
Operating Income	28,400,762	40,527,208
Net Impairment Loss on Financial Asset	(2,237,485)	(5,616,280)
Personnel Expenses	(10,912,353)	(10,995,069)
Depreciation and Amortisation	(3,210,769)	(4,154,529)
Other Expenses	(15,846,411)	(17,914,312)
(Loss) / Profit Before Income Tax	(3,806,256)	1,847,019
Income Tax Expense	(280,719)	(1,366,632)
(Loss) / Profit For The Year	(4,086,975)	480,387
Basic Earnings Per Share (Cedis)	(0.144)	0.027
Diluted Earnings Per Share (Cedis)	(0.144)	0.027

MULTI CREDIT SAVINGS AND LOANS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2019

	2019	2018
	GH¢	GH¢
ASSETS		
Cash and Cash Equivalents	11,006,924	14,344,206
Non-Pledged Trading Assets	144,230,323	173,810,514
Loans and Advances to Customers	63,791,378	51,496,943
Intangible Assets	1,615,291	1,657,610
Other Assets	20,946,351	20,598,884
Current Tax Receivable	566,933	-
Deferred Tax	745,694	1,417,189
Property, Plant & Equipment	12,791,239	16,850,291
Total Assets	255,694,133	280,175,637
LIABILITIES		
Deposits from Customers	217,630,663	242,014,853
Current Tax Liabilities	-	1,023,843
Other Liabilities	2,369,746	10,880,912
Institutional Borrowings	8,142,274	3,800,616
Total Liabilities	228,142,683	257,720,224
EQUITY AND RESERVES		
Stated Capital	28,480,008	17,480,008
Retained Earnings	(4,779,727)	1,169,640
Statutory Reserve	3,805,766	3,805,766
Credit Risk Reserve	45,404	-
Total Equity and Reserves	27,551,450	22,455,413
Total Liabilities and Equity	255,694,133	280,175,637

The financial statements were approved by the Board of Directors on 28th April, 2020 and were signed on their behalf by:



BOARD CHAIRMAN



DIRECTOR

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER, 2019

	Stated Capital GH¢	Statutory Reserve Fund GH¢	Retained Earnings GH¢	Credit Risk Reserve GH¢	Total Equity GH¢
###					
Balance as at 1 January 2019	#REF!	#REF!	#REF!	-	#REF!
Total Comprehensive Income					
Interest expense - 2017			(1,816,987)		
Net Profit for the Year	-	-	#REF!	-	#REF!
Total Comprehensive Income	-	-	#REF!	-	#REF!
Issue of Shares	11,000,000	-	-	-	11,000,000
Total Transactions with equity holders	11,000,000	-	-	-	11,000,000
Transfer to Credit Risk Reserve	-	-	#REF!	#REF!	#REF!
Transfer to Statutory Reserve Fund	-	-	-		-
Total Regulatory Transfers	-	-	#REF!	#REF!	-
Balance as at 31 December 2019	#REF!	#REF!	#REF!	#REF!	#REF!
	Stated Capital GH¢	Statutory Reserve Fund GH¢	Retained Earnings GH¢	Credit Risk Reserve GH¢	Total Equity GH¢
###					
Balance as at 1 January 2018	17,480,008	3,565,572	929,446	-	21,975,026
Total Comprehensive Income					
Net Profit for the Year	-	-	480,387	-	480,387
Total Comprehensive Income	-	-	480,387	-	480,387
Issue of Shares	-	-	-	-	-
Total Transactions with Equity Holders	-	-	-	-	-
Transfer to Statutory Reserve Fund	-	240,194	(240,194)	-	-
Total Regulatory Transfers	-	240,194	(240,194)	-	-
Balance as at 31 December 2018	17,480,008	3,805,766	1,169,640	-	22,455,415

STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER, 2019

	2019 GH¢	2018 GH¢
Cash flows from operating activities		
Loss / Profit before tax	(3,806,256)	1,847,019
Adjustments for:		
Depreciation & amortisation	3,210,769	4,154,529
Impairment on financial assets	2,237,485	5,616,280
	1,641,998	11,617,828
Change in loans and advances to customers	(14,531,920)	(9,863,042)
Change in non-pledged trading assets	29,580,191	(39,338,224)
Change in other assets	(347,467)	16,123,224
Change in deposits from customers	(24,384,190)	38,107,397
Change in other liabilities	(8,511,166)	(31,215,241)
	(16,552,554)	(14,568,058)
Income tax paid	(1,200,000)	(1,736,884)
Net cash flows from operating activities	(17,752,554)	(16,304,942)
Cash flows from investing activities		
Purchase of property & equipment	1,658,430	(1,570,192)
Purchase of intangible assets	(767,828)	(974,527)
Net cash flows used in investing activities	890,602	(2,544,719)
Cash flows from financing activities		
Issue of Shares	11,000,000	-
Increase /Decrease in borrowings	4,341,658	(1,199,384)
Net cash flows used in financing activities	15,341,658	(1,199,384)
Net increase in cash and cash equivalents	(3,337,282)	(18,164,511)
Cash and cash equivalents at 1 January	14,344,206	32,508,717
Cash and cash equivalents at 31 December	11,006,924	14,344,206

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER, 2019

1. Significant Accounting Policies

The detailed accounting policies which forms part of the annual report have been consistently applied and can be found in the annual financial statements which are available for inspection at the Bank's Head Office, Bantama-Kumasi.

2. Quantitative Disclosures	2019	2018
	%	%
Capital adequacy ratio	13.74	11.13
Non-Performing loan ratio	24.10	25.92
Liquidity ratio	17.78	77.75
3. Qualitative Disclosures	2019	2018
Default in statutory liquidity	Nil	Nil
Default in statutory liquidity (GH¢)	Nil	Nil

REPORT OF THE DIRECTORS

YEAR ENDED 31 DECEMBER, 2019

The Directors in submitting to the shareholders their report and financial statements of the Company for the year ended 31 December, 2019 report as follows:

1. DIRECTORS' RESPONSIBILITY STATEMENT

The Company's 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 controls as the Directors determine are necessary to enable the preparation of Financial Statements that are free from material misstatements, whether due to fraud or error.

The Directors have made an assessment of the ability of the Company to continue as a going concern and we have no reason to believe that the Company will not be a going concern in the year ahead.

2. NATURE OF BUSINESS

The Company's principal activities comprise:

- (a) Mobilize Savings and time deposits
- (b) Grant loans and advances

There was no change in the nature of the Company's business during the year.

3. STATED CAPITAL

There was an increase of GH¢11,000,000 in stated capital during the year

4. DIVIDEND

The directors do not recommend the payment of dividend for the year; (2018 - Nil)

5. CORPORATE SOCIAL RESPONSIBILITY

The Company engaged in various corporate social responsibilities during the year which amounted to GH¢304,255

6. DIRECTORS CAPACITY

The directors attended training program during the year to build their capacity in accordance with section 138 of the Companies Act, 2019 (Act 992)

7. BOARD MEETINGS

The company held four board meetings during the year and an Annual General Meeting (AGM) in compliance with Bank of Ghana directives . Board members attended all the meetings:

8. PLAN FOR SUCCESSION

The board completed a succession plan and yet to be approved by Bank of Ghana.

The plan focuses on developing human resources to enable the company have access to quality and experience staff at all times.

9. CORPORATE GOVERNANCE

The Board is committed to ensuring good corporate governance in line with Bank of Ghana directives as a means of determining the direction and performance of the Company. To this end, the Company aims to comply with best practices in corporate governance.

10. DIRECTORS REPRESENTATION

The Directors confirm that no matters have arisen since 31st December, 2019 which materially affect the financial statements as presented.

11. AUDITORS

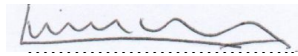
The audit fees payable during the year is as stated in the detail of the financial statements.

The Auditors, Osei Owusu - Ansah & Associates tenure is up and would be replaced in the course of the year.

12. APPROVAL OF THE FINANCIAL STATEMENTS

The Financial Statements were approved by the Board of Directors on 28th April, 2020 and were signed

on their behalf by the following:



BOARD CHAIRMAN



DIRECTOR

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
MULTI CREDIT SAVINGS AND LOANS LIMITED
ON THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2019**

Opinion

The condensed financial statements, which comprise the statement of financial position as at 31 December 2019 and the statements of profit or loss and other comprehensive income, changes in equity and statement of cash flows for the year then ended and related notes, are derived from the audited financial statements of Multicredit savings and loans limited for the year ended 31 December 2019

In our opinion, the accompanying condensed 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 (IFRS), the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). 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

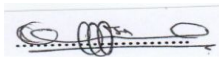
We expressed an unmodified audit opinion on the audited financial statements in our report dated 28th April 2020. That the report also includes emphasis of matter. Emphasis of matter is a matter that in the auditor's judgement is of importance that it is fundamental to users' understanding of the financial statements.

Directors' Responsibility for the 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 Standard on Auditing (ISA) 810 (Revised), engagements to report on summary financial statements.



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Signed by Osei Owusu-Ansah (ICAG/P/1033)
for and on behalf of
Osei Owusu-Ansah and Associates (ICAG/F/2020/049
(Chartered Accountants)
Cocobod Jubilee House
P.O.Box KS 1301
Adum - Kumasi

MULTI CREDIT SAVINGS AND LOANS LIMITED

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER, 2019

	Stated Capital GH¢	Statutory Reserve Fund GH¢	Retained Earnings GH¢	Credit Risk Reserve GH¢	Total Equity GH¢
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Total Comprehensive Income	-	-	(5,903,963)	-	(5,903,963)
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