

MULTI CREDIT SAVINGS AND LOANS LIMITED
AUDITED SUMMARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2017	2016
	GH¢	GH¢
Interest Income	56,131,218	37,946,187
Interest Expense	(20,825,986)	(6,993,758)
Net Interest Income	35,305,232	30,952,429
Fees & Commission Income	2,888,101	5,006,339
Net Fees & Commission Income	2,888,101	5,006,339
Operating Income	38,193,333	35,958,768
Net Impairment Loss on Financial Asset	(3,877,470)	(1,841,169)
Personnel Expenses	(12,372,376)	(12,547,998)
Depreciation and Amortisation	(4,550,754)	(4,228,734)
Other Expenses	(17,001,410)	(16,015,796)
Profit Before Income Tax	391,323	1,325,071
Income Tax Expense	(328,013)	(810,630)
Profit For The Year	63,310	514,441
Basic Earnings Per Share (Cedis)	0.004	0.029
Diluted Earnings Per Share (Cedis)	0.004	0.029

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2017

	2017	2016
	GH¢	GH¢
ASSETS		
Cash and Cash Equivalents	32,508,717	5,715,216
Non-Pledged Trading Assets	134,472,290	90,105,715
Loans and Advances to Customers	49,134,716	50,809,382
Intangible Assets	1,541,935	1,115,478
Other Assets	36,722,108	35,193,111
Deferred Tax	746,498	69,620
Property, Plant & Equipment	18,575,774	13,959,314
Total Assets	273,702,038	196,967,836
LIABILITIES		
Deposits from Customers	203,907,456	164,502,411
Current Tax Liabilities	723,404	1,103,626
Other Liabilities	42,096,154	8,133,455
Institutional Borrowings	5,000,000	-
Total Liabilities	251,727,014	173,739,492
EQUITY AND RESERVES		
Stated Capital	17,480,008	17,480,008
Income Surplus	929,445	2,214,419
Statutory Reserve	3,565,571	3,533,917
Total Equity and Reserves	21,975,024	23,228,344
Total Liabilities and Equity	273,702,038	196,967,836

The financial statements were approved by the Board of Directors on 28th March, 2018 and were signed on their behalf by:



BOARD CHAIRMAN



DIRECTOR

	Stated Capital GH¢	Statutory Reserve Fund GH¢	Income Surplus GH¢	Total Equity GH¢
2017				
Balance as at 1 January	17,480,008	3,533,917	2,214,419	23,228,344
Total Comprehensive Income				
Net Profit for the Year	-	-	63,309	63,309
Total Income	-	-	63,309	63,309
Tax Audit 2014 to 2016				
	-	-	(1,316,628)	(1,316,628)
Total with Equity Holders	-	-	(1,316,628)	(1,316,628)
Transfer to Statutory Reserve				
	-	31,654	- 31,654	-
Total Regulatory Transfers	-	31,654	- 31,654	-
Balance as at 31 December	17,480,008	3,565,571	929,446	21,975,025

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER, 2017

	GH¢	GH¢
Cash flows from operating activities		
Profit before tax	391,322	1,325,071
Adjustments for:		
Depreciation & amortisation	4,550,754	4,228,734
Impairment on financial assets	3,877,470	1,841,169
	8,819,546	7,394,974
Change in loans and advances to customers	(2,202,803)	(3,008,326)
Change in non-pledged trading assets	(44,366,576)	(28,378,660)
Change in other assets	(1,528,997)	(7,303,189)
Change in deposits from customers	39,405,045	30,902,937
Change in other liabilities	34,094,327	(40,489)
	34,220,542	(432,753)
Income tax paid	(2,833,370)	(2,047,986)
Net cash flows from operating activities	31,387,172	(2,480,739)
Cash flows from investing activities		
Purchase of property & equipment	(8,470,942)	(5,553,169)
Purchase of intangible assets	(1,122,730)	(511,601)
Net cash flows used in investing activities	(9,593,672)	(6,064,770)
Cash flows from financing activities		
Increase in borrowings	5,000,000	-
Net cash flows used in financing activities	5,000,000	-
Net increase in cash and cash equivalents	26,793,501	(8,545,510)
Cash and cash equivalents at 1 January	5,715,216	14,260,726
Cash and cash equivalents at 31 December	32,508,717	5,715,216

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017

1. Reporting entity

Multi Credit Savings and Loans Limited is a limited liability company incorporated under the Companies Act,

1963 (Act 179) and domiciled in Ghana. The address of the Bank's registered office is Trust House, BA 85 Bantama P.O.Box 1920 Kumasi.

The Company is authorised and licenced to provide savings and loans services.

2. Basis of preparation

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act, 1963, (Act 179) and Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except loans and advances and non-pledged trading assets are measured at fair value.

c) Functional and presentational currency

The financial statements are presented in Ghana Cedis (GH¢), which is the Company's functional and presentational currency.

3. Quantitative Disclosures

	2017	2016
(a) Capital Adequacy Ratio	10.49%	13.93%
(b) Non-Performing Loans (NPL) Ratio (%)	17.63%	11.56%

4. Qualitative Disclosures

The Bank's activities expose the business to risks. The types of risks the Bank is exposed to are credit risk, liquidity risk, market risk and operational risk. Management has established policies to identify, analyse, monitor and control these risks. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered.

5. Defaults in Statutory Liquidity and Accompanying Sanctions

	2017	2016
(a) Default in Statutory liquidity (Times)	Nil	Nil
(b) Default in Statutory Liquidity Sanctions (GH¢)	Nil	Nil

REPORT OF THE DIRECTORS

The Directors in submitting to the shareholders their report and financial statements of the bank for the year ended 31 December, 2017 report as follows:

1. Director's 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, 1963 (Act 179), 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 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. Dividend

The Directors do not recommend the payment of dividend for the year (2016- Nil).

4. Auditors

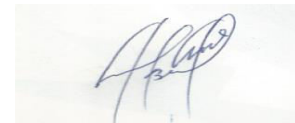
The Auditors, Osei Owusu-Ansah and Associates will continue in office in accordance with Section 134 (5) of the Companies Act, 1963 (Act 179).

5. Approval of the Financial Statements

The Financial Statements were approved by the Board of Directors on 28th March, 2018 and were signed on their behalf by the following:



Board Chairman



Director

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MULTI CREDIT SAVINGS AND LOANS LIMITED
ON THE CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2017**

Opinion

The condensed financial statements which comprise the statement of financial position at 31 December, 2017, the

statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and related notes, are derived from the audited financial statements of Multi Credit Savings and Loans Limited for the year ended 31 December, 2017.

In our opinion, the condensed financial statements are consistent, in all material respects, with the audited financial statements in accordance with the basis of preparation.

Condensed Financial Statements

The condensed financial statements do not contain all the disclosures required by the International Financial Reporting Standards, the Companies Act, 1963 (Act 179) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) applied in the preparation of the audited financial statements of Multi Credit Savings and Loans Limited. 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 condensed financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to that 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 28th March, 2018. That report also includes the communication of 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.

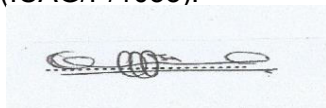
Director's Responsibility for the Summary Financial Statements

The directors are responsible for the preparation of the condensed financial statements in accordance with the basis described in the notes.

Auditors 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 Standards on Auditing (ISA) 810 (Revised), Engagement to Report on Summary Financial Statements.

The engagement partner on the audit resulting in this independent auditor's report is Osei Owusu-Ansah (ICAG/P/1033).



Osei Owusu-Ansah and Associates (ICAG/F/2018/049)

Chartered Accountants

Cocobod Jubilee House

P.O.Box KS 1301

Adum- Kumasi

28th March, 2018