



Affinity Ghana Savings and Loans Limited

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Affinity Ghana Savings and Loans Ltd

Summary of Audited Financial Statements For The Year Ended 31 December 2024

Summary statement of profit or loss and other comprehensive income for the year ended 31 December 2024

	Dec-24 GHS	Dec-23 GHS
Interest income	10,985,157	6,358,986
Interest expense	<u>(4,647,955)</u>	<u>(4,131,745)</u>
Net interest income	6,337,202	2,227,240
Fees and commissions income	712,549	531,846
Fees and commission expense	<u>(414,301)</u>	<u>(50,542)</u>
Net fee and commission income	<u>298,248</u>	<u>481,304</u>
Net trading income	6,635,451	2,708,544
Other operating income	<u>1,012,470</u>	<u>2,748,539</u>
Operating Income	7,647,920	5,457,083
Impairment charges	(1,204,355)	(168,781)
Personnel expenses	(12,169,982)	(10,532,470)
Depreciation of property and equipment	(1,093,503)	(960,301)
Depreciation of right-of-use assets	(1,175,739)	(685,776)
Amortisation of intangible Assets	(130,096)	(117,458)
Other operating expenses	<u>(9,405,692)</u>	<u>(7,415,034)</u>
Net operating expenses	(25,179,367)	(19,879,820)
Profit before income tax	<u>(17,531,447)</u>	<u>(14,422,737)</u>
Income tax expense	-	-
Loss for the year	(17,531,447)	(14,422,737)
Total comprehensive income	<u>(17,531,447)</u>	<u>(14,422,737)</u>

Summary statement of financial position as at 31 December 2024

	Dec-24	Dec-23
	GHS	GHS
Assets		
Cash and bank balances	12,102,672	1,220,269
Investment securities	17,478,201	9,458,771
Loans and advances to customers	13,236,593	13,221,826
Other assets	4,079,558	933,630
Property and equipment	5,001,438	4,667,251
Right-of-use assets	7,000,826	8,176,565
Intangible assets	<u>110,498</u>	<u>240,594</u>
Total assets	59,009,786	37,918,905
Equity and liabilities		
Liabilities		
Customer deposits	32,604,099	26,405,085
Deposit for shares	46,191,267	15,519,287
Lease liabilities	8,516,536	8,176,565
Other liabilities	<u>3,185,270</u>	<u>1,773,907</u>
Total liabilities	<u>90,497,172</u>	<u>51,874,845</u>
Shareholders' equity		
Stated capital	22,257,784	22,257,784
Credit Risk Reserve	396,416	188,839
Retained earnings	<u>(54,141,586)</u>	<u>(36,402,563)</u>
Total shareholders' equity	<u>(31,487,386)</u>	<u>(13,955,939)</u>
Total equity and liabilities	<u>59,009,786</u>	<u>37,918,905</u>

*** The shareholders' equity does not include deposit for shares of GHS46,191,267. If the deposit for shares is approved by Bank of Ghana and included in shareholder's equity, this will bring the shareholders' equity to GHS14,703,881.

Summary statement of changes in equity for the year ended 31 December 2024

Year ended 31st December 2024	Stated Capital	Deposit for Shares	Income Surplus	Credit Risk Reserve	Total
	GHS	GHS	GHS	GHS	GHS
At 1 January 2024	22,257,784	-	(36,402,563)	188,839	(13,955,939)
Proceeds from issue of shares	-	-	-	-	-
Loss for the period	-	-	(17,531,447)	-	(17,531,447)
Regulatory risk reserve	-	-	(207,577)	207,577	-
At 31 December 2024	<u>22,257,784</u>	<u>-</u>	<u>(54,141,586)</u>	<u>396,416</u>	<u>(31,487,386)</u>

Year ended 31 December 2023	Stated Capital	Deposit for Shares	Income Surplus	Credit Risk Reserve	Total
	GHS	GHS	GHS	GHS	GHS
At 1 January 2023	22,257,784	-	(22,022,269)	231,282	466,798
Proceeds from issue of shares	-	-	-	-	-
Loss for the period	-	-	(14,422,737)	-	(14,422,737)
Regulatory risk reserve	-	-	42,443	(42,443)	-
At 31 December 2023	<u>2,257,784</u>	<u>-</u>	<u>(36,402,563)</u>	<u>188,839</u>	<u>(13,955,939)</u>

Summary statement of cashflow for the year ended 31 December 2024

	Dec-24 GHS	Dec-23 GHS
Cash flows from operating activities		
Profit/(Loss) before taxation	(17,531,447)	(14,422,737)
Adjustments for:		
Depreciation of PPE	1,093,503	960,301
Amortization of Intangible asset	130,096	117,458
Amortisation of Right of use asset	1,175,739	685,776
Finance cost on leases	1,848,371	-
Modifications in leases	-	95,095
Loss/(Profit) on the sale of property, plant & equipment	-	-
Working capital changes:		
Change in loans & advances	(14,767)	(7,800,896)
Change in other assets	(3,145,928)	865,910
Change customer deposits	6,199,014	9,481,302
Change in other liabilities	<u>1,411,363</u>	<u>(281,002)</u>
Cash generated from operations	(8,834,057)	(10,298,793)
Income taxes paid	<u>-</u>	<u>-</u>
Net cash generated from/(used) in operating activities	(8,834,057)	(10,298,793)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,427,690)	(866,588)
Additions to Intangible Assets	-	(0)
Proceeds from sale of property, plant and equipment	<u>-</u>	<u>-</u>
Net cash used in investing activities	(1,427,690)	(866,588)
Cash flows from financing activities		
Deposit for shares	30,671,980	8,377,421
Lease payments	<u>(1,508,400)</u>	<u>(758,340)</u>
Net cash (used in)/generated from financing activities	<u>29,163,580</u>	<u>7,619,081</u>
Net change in cash and cash equivalents	18,901,833	(3,546,299)
Cash and cash equivalents at 1 January	<u>10,679,040</u>	<u>14,225,339</u>
Cash and cash equivalents at end of period	<u>29,580,873</u>	<u>10,679,040</u>
Analysis of cash and cash equivalents:		
Cash & bank balances	12,102,672	1,220,269
Government securities	<u>17,478,201</u>	<u>9,458,771</u>
	<u>29,580,873</u>	<u>10,679,040</u>

Regulatory Disclosures

	2024	2023
Capital Adequacy Ratio (%)	-88.8%	-49.94%
Non-performing Loans Ratio (%)	10.19%	17.29%

Summary notes to the financial statements for the year ended 31 December 2024

1. Reporting Entity

The Company is incorporated in Ghana under the Companies Act, 2019 (Act 992) as a limited liability company and is domiciled in Ghana. The Company's principal activity is to transact business as a savings and loans company.

2. Basis of Preparation

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992) and Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The financial statements have been prepared on a historical cost basis, as modified by the revaluation of certain financial assets and liabilities.

Directors' Report

The directors present their report together with the audited financial statements for the year ended 31 December 2024 in accordance with the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930) which discloses the state of the affairs of the Company.

Principal activities

Affinity Ghana Savings and Loans Ltd is authorised to transact business as a savings and loans company.

Incorporation

The company was incorporated in Ghana on 27 January 2010 and obtained a license to operate as a Deposit-Taking Non-Bank Financial Institution on 28 March 2014. In March 2022, it obtained approval to upgrade its licence to a savings and loans category and subsequently rebranded to Affinity Ghana Savings and Loans Limited and started full operations as as savings and loans in April 2022.

Statement of Directors' Responsibilities

The directors are responsible for the preparation of financial statements for each financial year which gives a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the Company for the year. In preparing these financial statements, the directors have:

- Selected suitable accounting policies and applied them consistently.
- Made judgements and estimates that are reasonable and prudent.
- Prepared the financial statements on the going concern basis, and
- Followed International Financial Reporting Standards and complied with the requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930)

The directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy the financial position of the Company. The directors are also 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.

Auditors

The auditor, Morrison and Associates, will continue in office in accordance with section 139(5) of the Companies Act, 2019 (Act 992).

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 this financial statements.

Report on Other Legal and Regulatory Requirements

In accordance with the Seventh Schedule of the Companies Act, 2019 (Act 992) we expressly state that:

1. We have obtained the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
2. In our opinion:
 - proper books of accounts have been kept by the Company, so far as appears from our examination of those books.
 - the information and explanations given to us, were in the manner required by the Companies Act, 2019 (Act 992) and give a true and fair view of the:

The engagement partner on the audit resulting in this independent auditor's report is **Dr. Adom Adu-Amoah** (Practicing Certificate Number: ICAG/P/1294).



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