

OAKFINANCIALSERVICESLIMITED
REPORT OF DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2023

In accordance with the requirements of Section 136 of the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), we the Board of Directors of OAK Financial Services Limited, do herewith submit our annual report on the state of affairs of the Company for the year ended 31 December 2023.

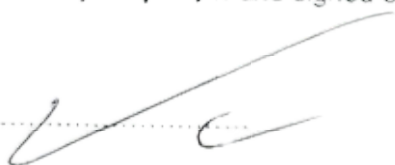
The Directors report as follows:

	2023	2022
	GH¢	GH¢
Interest Income	12,498,578	10,151,689
Loss before tax	(3,770,800)	(4,271,994)
From which is deducted a Tax provision of	(70,922)	(86,610)
Leaving a balance of	(3,841,722)	(4,358,604)
This is to be added to an Income surplus		
Balance brought forward from the previous year of	(6,078,216)	(1,713,360)
Making a total of	(9,919,938)	(6,071,964)
and transfer to credit risk reserve of	(3,946)	(6,252)
Leaving a Balance on the Income Surplus Account of	(9,923,884)	(6,078,216)

Approval of the report of the directors

The report of the directors of OAK Financial Services Limited was approved by the board of directors on 26/04/24 and signed on their behalf by

Director.....



Director.....





**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
OAK FINANCIAL SERVICES LIMITED ON THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of OAK Financial Services Limited, which comprise the statement of financial position as of December 31, 2023, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of OAK Financial Services Limited as of December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, and comply with the Companies Act, 2019 (Act 992) and 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 Christopher Kwesi Sey (ICAG/P/1177).

SBJ Accounting & Consulting Services
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For and on behalf of
SBJ Accounting and Consulting Services
Chartered Accountants
SBJ (ICAG/F/119)
Accra
25/04/
.....2024

OAKFINANCIALSERVICESLIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

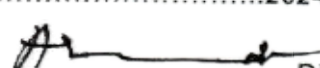
	<i>Note</i>	2023 GH¢	2022 GH¢
Interest income	2	12,498,578	10,151,689
Interest expense	3	(9,188,308)	(7,368,615)
Net interest income		3,310,270	2,783,074
Commission and fees	4	1,199,003	603,858
Other operating income	5	777,176	754,004
Operating income		5,286,449	4,140,936
Impairment charge	6b.	(436,444)	(299,894)
		4,850,005	3,841,042
Operating expenses	7	(8,620,805)	(8,113,037)
Loss before tax		(3,770,800)	(4,271,994)
National stabilization levy	10c	0	0
Taxation	10a	(70,922)	(86,610)
Loss transferred to income surplus		(3,841,722)	(4,358,604)
Other comprehensive income			
Increase in fair value of equity instrument	14	16,646	4,350
Gain on revaluation of Land and Buildings	18	5,071,050	0
Deferred tax relating to revaluation		(1,267,762)	0
Other comprehensive income for the year		3,819,934	4,350
Total comprehensive income for the year		(21,788)	(4,354,254)

OAK FINANCIAL SERVICES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	<i>Note</i>	2023 GH¢	2022 GH¢
Assets			
Cash and bank balances	12	582,505	645,644
Short-term investments	13	8,569,780	17,510,692
Investment (equities)	14	73,367	56,721
Loans and advances	15	28,194,409	30,480,073
Other assets	16	1,610,383	1,708,381
Non Current Asset-Held for Sale	17	6,534,000	0
Property, plant and equipment	18	6,145,827	595,303
Taxation	10	697,109	642,194
National stabilization levy	10	241,014	231,927
Deferred tax assets	11	0	927,246
Total assets		52,648,393	52,798,181
Liabilities			
Market borrowings	19	46,167,349	47,029,828
Other liabilities	20	1,279,726	956,685
Deferred Tax Liabilities	11	411,439	0
Total Liabilities		47,858,514	47,986,513
Shareholders 'funds			
Stated capital	21	7,000,000	7,000,000
Capital surplus	22	4,143,333	323,399
Mandatory reserve fund	23	3,205,106	3,205,106
Regulatory credit risk reserve	24	365,325	361,379
Income surplus	25	(9,923,884)	(6,078,216)
Total shareholder's funds		4,789,880	4,811,668
Total liabilities and shareholders' funds		52,648,393	52,798,181

Approved by the Board on 25-04-2024

 Director

 Director

OAK FINANCIAL SERVICES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

2023	Stated capital GH¢	Capital surplus account GH¢	Mandatory reserve fund GH¢	Regulatory creditrisk reserve GH¢	Income surplus account GH¢	Total GH¢
Balance as at 1 January	7,000,000	323,399	3,205,106	361,379	(6,078,216)	4,811,668
Loss for the Year	0	0	0	0	(3,841,722)	(3,841,722)
Revaluation	0	3,819,934	0	0	0	3,819,934
Total comprehensive income for the year	0	3,819,934	0	0	(3,841,722)	(21,788)
Transfer to/(from) regulatory credit risk reserve	0	0	0	3,946	(3,946)	0
Total transfers to/(from) reserves	0	0	0	3,946	(3,946)	0
Balance as at 31 December	7,000,000	4,143,333	3,205,106	365,325	(9,923,884)	4,789,880
2022						
Balance as at 1 January	7,000,000	319,049	3,205,106	355,127	(1,713,360)	9,165,922
Loss for the year	0	0	0	0	(4,358,604)	(4,358,604)
Net change in available for sale investments, net of tax	0	4,350	0	0	0	4,350
Total comprehensive income for the year	0	4,350	0	0	(4,358,604)	(4,354,254)
Transfer to/(from) regulatory credit risk reserve	0	0	0	6,252	(6,252)	0
Total transfers to/(from) reserves	0	0	0	6,252	(6,252)	0
Balance as at 31 December	7,000,000	323,399	3,205,106	361,379	(6,078,216)	4,811,668

OAK FINANCIAL SERVICES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 GH¢	2022 GH¢
Cash flows from operating activities		
Net Loss before taxation	(3,770,800)	(4,271,994)
Adjustments for:		
Depreciation charge	416,206	170,321
Impairment charge	436,444	299,894
Reversal in Provisions-Recoveries	(852,472)	(667,503)
Operating loss before working capital changes	(3,770,622)	(4,469,282)
Changes in loans and advances	2,701,692	6,389,352
Changes in other assets	97,998	883,659
Changes in market borrowings	(862,479)	5,553,397
Changes in other liabilities	323,041	113,052
Cash(used in)/generated from operations	(1,510,370)	8,470,178
Taxation		
Income tax paid	(54,914)	(75,399)
National stabilization levy paid	(9,087)	(15,000)
Net Cash(used in)/generated from operations	(1,574,371)	8,379,779
Cash out flows from investing activities		
Increase in held for sale assets	(6,534,000)	0
Purchase of property, plant and equipment	(895,680)	(59,358)
Net cash out flows from investing activities	(7,429,680)	(59,358)
Cash flows from financing activities		
Dividends paid	0	0
Net cash used in financing activities	0	0
Net (Decrease)/Increase in cash and cash equivalents	(9,004,051)	8,320,421
Cash and cash equivalents at beginning of the year	18,156,336	9,835,915
Cash and cash equivalents at end of the year	9,152,285	18,156,336
Analysis of balances of cash and cash equivalents		
Bank and cash balances	582,505	645,644
Short term investments	8,569,780	17,510,692
	9,152,285	18,156,336

OAK FINANCIAL SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Corporate Information

OAK Financial Services Limited ("The Company") is a private non-bank financial institution limited by shares, incorporated and domiciled in Ghana under the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Act, 2016 (Act 930). The Company is permitted by its regulations to carry on, inter alia, the business of banking in all aspects and other businesses and agencies incidental thereto.

The address of the registered office of the Company is 5 Standfast Street, Kokomlemlé, P.O. Box KA9526, Airport, Accra-Ghana.

B. Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standards and interpretations issued by the International Accounting Standards Board and its committees, as required by the Institute of Chartered Accountants (Ghana).

C. Basis of Preparation

These financial statements have been prepared on a historical cost basis except for the following assets and liabilities that are stated at their fair values: financial instruments that are at fair value through the statement of comprehensive income; financial instruments classified as available-for-sale; and property, plant and equipment.

D. Use of Estimate and Judgement

The preparation of financial statements in conformity with IFRS requires Management to make judgement, estimates, and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. The estimates and other factors that are reasonable under the circumstances, the results of which form the basis of making the judgement about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period of the revision and future periods if the revision affects both current and future periods.

FINANCIAL RISK MANAGEMENT

Introduction and Overview

An organization may be exposed to different types of financial risks depending on the size and complexity of business activities. OAK Financial Services Limited, however, is generally exposed to credit, market, liquidity, operational, compliance, legal, regulatory and reputational risks.

The Company's risk management framework, objectives, policies, procedures, and processes for identifying, measuring, monitoring and controlling these risks, and regulatory capital management are presented below:

Risk Management Framework

The Board of Directors and Senior Management have developed and established policies and procedures to facilitate effective risk management. These policies and procedures guide risk appetite/tolerance limit, risk identification, monitoring, and control, and adherence to set risk limits. The risk management policies and procedures are continually reviewed to reflect changes in the economic and financial landscape as well as the products and services offered.

The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The responsibilities of the Board of Directors include setting out the Company's overall risk appetite/tolerance limit, and ensuring that the Company's overall risk exposure is maintained at prudent levels and consistent with available capital. They also include ensuring that Executive Management, as well as individuals responsible for Risk Management, possess sound expertise and knowledge to accomplish the risk management function and ensure that appropriate policies and procedures for risk management are in place.

The Board of Directors' Technical Committee, Management implementation Credit Committee, and the Management team respectively oversee the broad risk management policies and objectives of the Company.