

OAK FINANCIAL SERVICES LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER, 2019

	2019 GH¢	2018 GH¢
<b>ASSETS</b>		
Cash and Bank Balances	3,066,947	3,835,564
Short-Term Investments	9,387,969	9,710,455
Investment (In Shares)	28,105	56,940
Loans and Advances	25,046,522	18,957,044
Other Assets	3,033,316	1,378,633
Property, Plant and Equipment	1,001,937	1,157,728
Deferred Tax Assets	542,531	259,402
<b>TOTAL ASSETS</b>	<b>42,107,327</b>	<b>35,355,766</b>
<b>LIABILITIES</b>		
Market Borrowings	31,244,629	24,503,020
Other Liabilities	439,604	435,787
Taxation	(379,731)	(361,228)
National Stabilization Levy	(183,177)	(141,394)
<b>TOTAL LIABILITIES</b>	<b>31,121,325</b>	<b>24,436,186</b>
<b>SHAREHOLDERS' FUNDS</b>		
Stated Capital	7,000,000	7,000,000
Capital Surplus	294,783	323,619
Mandatory Reserve Fund	3,205,106	3,057,477
Regulatory Credit Risk Reserve	332,981	311,450
Income Surplus	153,132	227,034
<b>TOTAL SHAREHOLDER'S FUNDS</b>	<b>10,986,002</b>	<b>10,919,580</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS</b>	<b>42,107,327</b>	<b>35,355,766</b>

Approved by the Board on..... 21/05/2020

Director:.....

Director:.....

OAK FINANCIAL SERVICES LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
YEAR ENDED 31 DECEMBER 2019

	2019 GH¢	2018 GH¢
Interest Income	11,103,597	9,551,726
Interest Expense	<u>(4,407,239)</u>	<u>(3,411,111)</u>
Net Interest Income	6,696,358	6,140,615
Commission and Fees	523,854	390,085
Other Operating Income	<u>25,360</u>	<u>7,270</u>
Operating Income	7,245,572	6,537,970
Credit Impairment Charge	<u>(693,168)</u>	<u>(368,969)</u>
	6,552,404	6,169,001
Operating Expenses	<u>(6,263,060)</u>	<u>(5,261,958)</u>
Profit before Tax	289,344	907,043
National Stabilisation Levy	(14,467)	(45,352)
Taxation	<u>20,382</u>	<u>(411,590)</u>
<b>PROFIT TRANSFERRED TO INCOME SURPLUS</b>	<u>295,259</u>	<u>450,101</u>
<b>OTHER COMPREHENSIVE INCOME</b>		
Revaluation(Loss)/Gain on Investment (In Shares)	<u>(28,836)</u>	<u>(1,195)</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>(28,836)</u>	<u>(1,195)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u><u>266,423</u></u>	<u><u>448,906</u></u>

**OAK FINANCIAL SERVICES LIMITED**  
**STATEMENT OF CASH FLOW**  
**YEAR ENDED 31 DECEMBER 2019**

	2019 GH¢	2018 GH¢
<b>Cash flows from operating activities</b>		
Net profit before taxation	289,344	907,043
<b>Adjustments for:</b>		
Loss on Disposal	53	0
Depreciation Charge	344,998	301,467
<b>Operating profit before working capital changes</b>	<u>634,395</u>	<u>1,208,510</u>
(Increase) / Decrease in Loans and Advances	(6,089,478)	1,751,810
Increase in Other Assets	(1,654,683)	923,543
Increase in Market Borrowings	6,741,609	213,916
Increase / (Decrease) in Other Liabilities	3,813	(167,358)
<b>Cash generated from operations</b>	<u>(364,344)</u>	<u>3,930,421</u>
<b>Taxation</b>		
Income Tax paid	(281,250)	(363,823)
National Stabilization Levy paid	(56,250)	(54,117)
<b>Net Cash generated from operations</b>	<u>(701,844)</u>	<u>3,512,481</u>
<b>Cash flows from investing activities</b>		
Purchase of Property, Plant and Equipment	(189,430)	(312,514)
Proceeds of Disposal of Property, Plant and Equipment	170	0
<b>Net cash used in investing activities</b>	<u>(189,260)</u>	<u>(312,514)</u>
<b>Cash flows from financing activities</b>		
Dividends paid	(200,000)	(400,000)
Increase/(Decrease) In Capital	0	0
<b>Net cash used in financing activities</b>	<u>(200,000)</u>	<u>(400,000)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>(1,091,103)</u>	<u>2,799,968</u>
Cash and cash equivalents at beginning of the year	13,546,019	10,746,051
<b>Cash and cash equivalents at end of the year</b>	<u>12,454,916</u>	<u>13,546,019</u>
<b>Analysis of Balances of Cash and Cash Equivalents</b>		
Bank and Cash Balances	3,066,948	3,835,564
Short Term Investments	9,387,968	9,710,455
	<u>12,454,916</u>	<u>13,546,019</u>

OAK FINANCIAL SERVICES LIMITED  
STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED 31 DECEMBER 2019

2019	Stated Capital GH¢	Capital Surplus Account GH¢	Mandatory Reserve Fund GH¢	Regulatory Credit Risk Reserve GH¢	Income Surplus Account GH¢	Total GH¢
Balance at 1 January	7,000,000	323,619	3,057,477	311,450	227,034	10,919,580
Profit for the Year	0	0	0	0	295,259	295,259
Net change in available for sale investments, net of tax	0	(28,836)	0	0	0	(28,836)
<b>Total Comprehensive Income for the year</b>	<b>0</b>	<b>(28,836)</b>	<b>0</b>	<b>0</b>	<b>295,259</b>	<b>266,423</b>
Transfer to / (from) Mandatory Reserve Fund	0	0	147,629	0	(147,629)	0
Transfer to / (from) Regulatory Credit Risk Reserve	0	0	0	21,531	(21,531)	0
<b>Total transfers to / (from) reserves</b>	<b>0</b>	<b>0</b>	<b>147,629</b>	<b>21,531</b>	<b>(169,160)</b>	<b>0</b>
<b>Transactions with owners</b>						
Increase/(Decrease) in Capital	0	0	0	0	0	0
Dividends paid to shareholders	0	0	0	0	(200,000)	(200,000)
<b>Total distributions to owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(200,000)</b>	<b>(200,000)</b>
<b>Balance at 31 December</b>	<b>7,000,000</b>	<b>294,783</b>	<b>3,205,106</b>	<b>332,981</b>	<b>153,133</b>	<b>10,986,003</b>

**REPORT OF DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 2019.

The Directors report as follows:

	2019	2018
<b>Results</b>	<b>GH¢</b>	<b>GH¢</b>
Interest Income	11,103,597	9,551,726
Profit before tax	289,343	907,043
from which tax provision made of	20,382	(411,590)
National Fiscal Stabilisation Levy of	(14,467)	(45,352)
leaving a balance of	295,258	450,101
which is to be added to the Income Surplus		
balance brought forward from the previous year of	227,034	438,049
out of which dividend paid amounted to	(200,000)	(400,000)
out of which a transfer to Stated Capital of	0	0
making a total of	322,292	488,150
Bonus issue	0	0
from which is deducted a transfer to Mandatory Reserve Fund	(147,629)	(225,050)
and a transfer to Regulatory Credit Risk Reserve of	(21,531)	(36,066)
leaving a balance on the Income Surplus Account of	<u>153,132</u>	<u>227,034</u>

**Events after the Reporting Period**

The Directors confirm that no matters have arisen since 31<sup>st</sup> December 2019, which materially affect the Financial Statements of the Company for the year ended on that date.

Approval of the report of the directors

 Director
  Director

Date: 29/05/20 2020.

# Taylor, Folson & Associates

(CHARTERED ACCOUNTANTS)

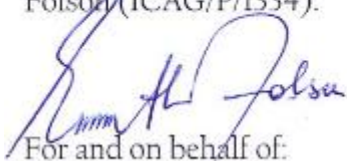
## INDEPENDENT REPORT OF THE AUDITORS To the Shareholders of OAK Financial Services Limited

### *Opinion*

We have audited the financial statements of OAK Financial Services Limited for the year ended December 31, 2019, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow and the related explanatory notes. These financial statements have been prepared under the accounting policies set out therein.

In our opinion, the financial statements give a true and fair view of the financial position of OAK Financial Services Limited as at December 31, 2019 and the financial performance, changes in equity and cash flow for the year ended December 31, 2019 in accordance with the International Financial Reporting Standards (IFRS), 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 Emmanuel A. Folson (ICAG/P/1334).



For and on behalf of:  
Taylor, Folson and Associates  
Licence No: ICAG/F/2020/243  
Chartered Accountants  
Accra, Ghana

Date: 21<sup>st</sup> 05<sup>th</sup> 2020

**OAK FINANCIAL SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED 31<sup>ST</sup> DECEMBER, 2019**

**GENERAL INFORMATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Corporate Information**

OAK Financial Services Limited (“The Company”) is a private non-bank financial institution limited by share, incorporated and domicile in Ghana under the Companies Act, 1963 (Act 179) 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, Kokomlemle, P. O. Box KA 9526, Airport, Accra – Ghana’.

**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).

**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 profits or loss; financial instruments classified as available-for-sale; and property, plant and equipment.

**Use of Estimate and Judgement**

The preparation of financial statements in conformity with IFRSs 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 forms 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. Revision 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 STRATEGY**

**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

**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 provide guidance on 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 economic and financial landscape as well as 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 Boards of Directors include; setting out the Company's overall risk appetite/tolerance limit, 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 ensuring that appropriate policies and procedures for risk management are in place.

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