



# SDC FINANCE LIMITED

## SEPARATE AND CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2020

	2020		2019	
	The Company GHS'000	The Group GHS'000	The Company GHS'000	The Group GHS'000
<b>ASSETS</b>				
Cash and Cash Equivalents	17,168	19,434	31,268	34,362
Non-Pledged Trading Assets	286	324	328	373
Investments (other than securities)	-	28,430	-	34,323
Loans and Advances to Customers	228,621	228,621	164,636	164,636
Investment Securities	184	353	160	307
Investment in Subsidiaries	600	-	600	-
Deferred Tax Assets	1,266	1,305	1,266	1,282
Intangible Assets	8	36	21	79
Other Assets	1,286	1,045	816	507
Related Company Balances	-	-	823	823
Current Tax Asset	2,351	2,368	2,400	2,066
Property and Equipment	10,795	11,064	10,283	10,518
<b>TOTAL ASSETS</b>	<b>262,565</b>	<b>292,980</b>	<b>212,601</b>	<b>249,276</b>
<b>LIABILITIES</b>				
Deposit from Customers	249,282	277,782	199,803	234,755
Other Liabilities	920	1,182	1,362	1,686
<b>TOTAL LIABILITIES</b>	<b>250,202</b>	<b>278,964</b>	<b>201,165</b>	<b>236,441</b>
<b>EQUITY</b>				
Stated Capital	10,395	10,395	10,395	10,395
Retained Earnings	(1,361)	143	(2,306)	(1,034)
Statutory Reserve	3,143	3,143	3,143	3,143
Fair Value Reserve	186	335	204	331
<b>TOTAL EQUITY</b>	<b>12,363</b>	<b>14,016</b>	<b>11,436</b>	<b>12,835</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>262,565</b>	<b>292,980</b>	<b>212,601</b>	<b>249,276</b>

## SEPARATE AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	2020		2019	
	The Company GHS'000	The Group GHS'000	The Company GHS'000	The Group GHS'000
Interest Income	44,414	46,890	46,115	48,219
Interest Expense	(42,109)	(42,109)	(42,171)	(42,171)
Net Interest Income	2,305	4,781	3,944	6,048
Fees and Commission Income	3,132	3,132	787	787
Other Income	131	141	135	136
<b>OPERATING INCOME</b>	<b>5,568</b>	<b>8,054</b>	<b>4,866</b>	<b>6,971</b>
Impairment Gain on Financial Instruments	2,950	2,950	573	573
Personnel Expenses	(3,293)	(3,898)	(3,158)	(3,675)
Depreciation and Amortisation	(261)	(491)	(478)	(664)
Other Expenses	(3,970)	(5,287)	(4,415)	(5,282)
<b>TOTAL OPERATING EXPENSES</b>	<b>(4,574)</b>	<b>(6,726)</b>	<b>(7,478)</b>	<b>(9,048)</b>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	<b>994</b>	<b>1,328</b>	<b>(2,612)</b>	<b>(2,077)</b>
Income Tax Expense	(49)	(151)	-	(219)
<b>PROFIT/(LOSS) AFTER TAXATION</b>	<b>945</b>	<b>1,177</b>	<b>(2,612)</b>	<b>(2,296)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Fair value loss on FVOCI financial assets (net)	(18)	3	(87)	(62)
Related tax	-	1	-	1
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>927</b>	<b>1,181</b>	<b>(2,699)</b>	<b>(2,357)</b>

## SEPARATE AND CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020		2019	
	The Company GHS'000	The Group GHS'000	The Company GHS'000	The Group GHS'000
<b>Cash Flows from Operating Activities</b>				
Profit/(Loss) After Taxation	945	1,177	(2,612)	(2,296)
<b>Adjustments for:</b>				
Depreciation and Amortisation Charges	261	491	478	664
Impairment Gains on Financial Instruments	(2,950)	(2,950)	(573)	(573)
Fair Value Gains on Equity Investments	-	6	-	19
Dividend Income	(3)	(3)	(1)	(2)
Gain on Disposal of Property & Equipment	-	-	(41)	(41)
Income Tax Expense	49	151	-	219
	(1,698)	(1,128)	(2,749)	(2,010)
<b>Changes in:</b>				
Loans and Advances to customers	(61,036)	(61,036)	25,807	25,807
Investments (other than securities)	-	5,893	203	10,898
Related Company Balances	823	823	109	-
Other Assets	(470)	(537)	177	(182)
Deposit from Customers	49,480	43,027	(350)	(11,550)
Other Liabilities	(442)	(504)	550	246
	(13,343)	(13,462)	23,747	23,209
Dividends Received	3	3	1	2
Corporate Tax Paid	-	(380)	(573)	(627)
National Fiscal Stabilisation Levy Paid	-	(95)	(22)	(32)
<b>Net Cash (used in)/generated from Operating Activities</b>	<b>(13,340)</b>	<b>(13,934)</b>	<b>23,153</b>	<b>22,552</b>
<b>Cash flows from Investing Activities</b>				
Purchase of Property and Equipment	(760)	(994)	(81)	(117)
Proceeds from disposal of Property and Equipment	-	-	41	41
Purchase of Intangible Assets	-	-	-	(67)
<b>Net Cash used in Investing Activities</b>	<b>(760)</b>	<b>(994)</b>	<b>(40)</b>	<b>(143)</b>

## SEPARATE AND CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020 Cont'd

	2020		2019	
	The Company GHS'000	The Group GHS'000	The Company GHS'000	The Group GHS'000
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	<b>(14,100)</b>	<b>(14,928)</b>	<b>23,113</b>	<b>22,409</b>
Cash and Cash Equivalents at 1 January	31,268	34,362	8,155	11,953
<b>Cash and Cash Equivalents at 31 December 20</b>	<b>17,168</b>	<b>19,434</b>	<b>31,268</b>	<b>34,362</b>

### 1. GENERAL INFORMATION

SDC Finance Limited is a limited liability company incorporated and domiciled in Ghana. The address of its registered office is Del Mina Place, No. F30/6 Orphan Crescent, North Labone Estate, P.O. Box GP 14198 Accra.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The financial statements have been prepared under the measurement basis applied in the historical cost convention.

The financial statements are presented in Ghana cedis, which is the Company's functional currency.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company and its Subsidiaries' accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

### 3. QUANTITATIVE DISCLOSURE

	2020		2019	
	The Company	The Group	The Company	The Group
Loan loss provision ratio	5%	5%	8%	8%
Gross non-performing loans to total gross loans and advances	1%	1%	5%	5%
Ratio of fifty (50) largest exposure to total exposure	34%	34%	46%	46%
Capital Adequacy Ratio (CAR)	10.04%	10.04%	11.02%	11.02%

### 4. QUALITATIVE DISCLOSURE

Risk Management Concept and Framework:

The Company and its Subsidiaries' activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the Company and its Subsidiaries' business, and operational risks are an inevitable consequence of being in business. The Company and its Subsidiaries' aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company and its Subsidiaries' financial performance.

The Company and its Subsidiaries' risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Company and its Subsidiaries regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The most important types of risk are credit risk, liquidity risk and market risk (This includes currency risk and interest rate risk).

SIGNED  
LOVELACE PREMPEH  
DIRECTOR

SIGNED  
MATHIAS DORFE  
MD/CEO

### INDEPENDENT AUDITOR'S REPORT

To the Members of SDC Finance Limited

Opinion

The condensed consolidated and separate financial statements, which comprise the statements of financial position at 31 December 2020, and the statements of comprehensive income and cash flows for the year then ended and related notes, are derived from the audited consolidated and separate financial statements of SDC Finance Limited for the year ended 31 December 2020.

In our opinion, the accompanying condensed consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate financial statements, in accordance with the basis described in the notes.

Condensed Consolidated and Separate Financial Statements

The condensed consolidated and separate financial statements do not contain all the disclosures required by 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) applied in the preparation of the audited consolidated and separate financial statements of SDC Finance Limited. Reading the condensed consolidated and separate financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated and separate financial statements and our report thereon.

The Audited Consolidated and Separate Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated and separate financial statements in our report dated 28 April 2021. That report also includes the communication of a key audit matter. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements for the current period.

Directors' Responsibility for the Condensed Consolidated and Separate Financial Statements

The directors are responsible for the preparation of the condensed consolidated and separate 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 consolidated and separate financial statements are consistent, in all material respects, with the audited consolidated and separate 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.

The engagement partner on the audit resulting in this independent auditor's report is Nii Akwei Tetei (ICAG/P/1381).

CFY Partners  
For and on behalf of:  
CFY PARTNERS (ICAG/F/2021073)  
CHARTERED ACCOUNTANTS  
13 OSHIMPA STREET  
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ACCRA, GHANA

27 April, 2021