



AUDITED FINANCIAL STATEMENTS AND ANNUAL REPORT

STATEMENT OF COMPREHENSIVE INCOME
FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER, 2024

	Notes	2024 GH¢	2023 GH¢
Interest Income	3	12,897,276	10,633,789
Interest Expense	4	(11,171,729)	(8,355,915)
Net Interest Income		1,725,548	2,277,874
Fees and Commission Income	5	2,808,385	1,481,944
Other Operating Income	6	1,082,602	1,134,774
Operating Income		5,616,535	4,894,592
Operating Expenses	7	(3,516,249)	(2,884,349)
Profit Before Finance Cost and Impairment		2,100,285	2,010,245
Finance Cost	16b	(128,038)	(138,217)
Impairment Loss on Financial Assets	9	(103,706)	(377,816)
Net Profit before Taxation		1,868,541	1,494,212
Taxation	10	(552,849)	(445,242)
Net Profit For The Year		1,315,692	1,048,970

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	2023 GH¢	2022 GH¢
ASSETS			
Cash and Cash Equivalent	11	23,601,949	15,701,009
Loans and Advances	12	23,253,774	15,797,850
Short-Term Investment	14	13,248,056	11,157,548
Others Assets	15	474,522	756,033
Property, Plant and Equipment	17a	243,272	397,591
Right-of- use-Asset	16a	1,459,949	1,541,057
TOTAL ASSETS		62,281,526	45,351,088
LIABILITIES AND EQUITY			
Customer Deposits	18	48,734,509	35,351,922
Interest Payable	19	2,679,097	1,944,002
Current Tax Liability	10b	158,752	188,279
Deffered Tax	10d	(23,369)	963
Growth and Sustainability Levy	10c	28,428	-
Lease Obligations	16b	1,408,421	1,500,382
Other Liabilities	20	302,278	187,822
TOTAL LIABILITIES		53,288,116	39,173,370
EQUITY			
Stated Capital	21a	3,500,000	3,500,000
Deposit for Shares	21b	1,500,00	0
Retained Earnings	22	1,658,164	50,602
Credit Risk Reserve	23	235,351	1,185,066
Statutory Reserve	24	2,099,895	1,442,050
TOTAL EQUITY		8,993,410	6,177,718
TOTAL LIABILITIES AND EQUITY		62,281,526	45,351,088

The financial statements on page 10 to 43 were approved by the board of directors

.....2025 and signed on its behalf by
.....
Director
.....2025

STATEMENT OF CHANGES IN OWNERS EQUITY
AS AT 31 DECEMBER 2024

	Stated Capital	Deposit for Shares	Retained Earnings	Credit Risk Reserve	Statutory Reserve	Total
2024	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance as at 1 January 2024	3,500,000	0	50,602	1,185,066	1,442,050	6,177,718
Net Profit for the Year	0	0	1,315,692	0	0	1,315,692
Deposit for Shares	0	1,500,000	0	0	0	1,500,000
Transfer from Retained Earnings	0	0	(657,845)	0	657,845	-
Transfer from credit Risk Reserve	0	0	949,715	(949,715)	0	-
Balance as at 31 DEC 2024	3,500,000	1,500,000	1,658,164	235,351	2,099,895	8,993,410
2023	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance as at 1 JANUARY 2024	3,500,000	0	(845,300)	1,556,483	917,565	5,128,748
Net Profit for the Year	0	0	1,048,970	0	0	1,048,970
Transfer from Retained Earnings	0	0	(524,485)	0	524,485	-
Transfer from Credit Risk Reserve	0	0	371,417	(371,417)	0	-
Balance as at 31 DEC 2023	3,500,000	-	50,602	1,185,066	1,442,050	6,177,718

STATEMENT OF CASH FLOWS
FOR THE 12 MONTH PERIOD ENDED 31 DECEMBER, 2024

	2024 GH¢	2023 GH¢
Cash Flows from Operating Activities		
Net Profit before taxation	1,868,541	1,494,212
Adjustments for:		
Depreciation of PPE	181,740	200,986
Impairment of Financial Assets	103,706	377,816
Amortization of Right-of-Use Lease	81,108	81,108
Finance Cost Lease	128,038	138,217
Profit on Disposal	0	(435,936)
Operating profit before working capital changes	2,363,133	1,856,403
Changes in operating assets and liabilities		
Changes in Loans and advances	(7,559,631)	1,874,207
Changes in Other assets	281,513	(66,338)
Changes in Investments	(2,090,509)	(2,318,041)
Changes in Customer Deposits	13,382,587	11,118,795
Changes in Interest Payable	735,095	701,920
Changes in Other Liabilities	114,457	132,017
Cash generated from operations	7,226,646	12,477,245
Tax paid	(578,280)	(415,111)
Lease Payments	(220,000)	(260,000)
Net cash out flow from operating activities	6,428,365	11,802,134
Cash flow from financing activities		
Purchase of Property, Plant and Equipment	(27,423)	(116,790)
Purchase of Investment Property	-	824,000
Profit on Disposal	-	435,936
Net cash out flow from financing activities	(27,423)	1,143,146
Cash flow from financing activities		
Proceeds from issue of Shares	1,500,000.00	-
Net cash out flow from financing activities	1,500,000.00	-
Net Change in cash and cash equivalents	7,900,942	12,945,280
Cash and cash equivalents at 1 January	15,701,008	2,755,728
Cash and cash equivalents at 31 DEC	23,601,950	15,701,008

REPORT OF DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2024

The directors have the pleasure of presenting the audited financial statements of the company for the year ended 31 December 2024.

Statement of Directors Responsibilities

The Directors are responsible for the preparation of the financial statements for each financial year which give a true and fair view of the state of the Company and of its profit or loss and cash flows for the year. In preparing these financial statements, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are reasonable and prudent, followed International Financial Reporting Standards, complied with the requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with our responsibilities as Directors, we have considered the appropriateness of the going concern assumption for the preparation of its financial statements on going concern basis is appropriate.

Nature of Business

The principal activity of the company during the year was in accordance with its regulations and there was no change in principal activities during the year.

Results for the year

The results for the year are summarized as follows:

	2024 GH¢	2023 GH¢
Profit for the year before taxation amounted to	1,868,541	1,494,212
From which is deducted taxation of	(552,849)	(445,242)
Giving a profit after taxation of	1,315,692	1,048,970

Which is added to the balance brought forward on retained earnings of	50,602	(845,300)
Giving total of	1,366,294	203,670
To which is added a release from/ (transfer to) credit risk reserve of	949,715	371,417
Transfer to statutory reserve of	(657,845)	(524,485)

Leaving a balance to be carried forward on retained earnings of	1,658,164	50,602
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Subsequent event

The Directors confirmed that no matters have arisen between the date of the statement of financial position and the date of this report that require disclosure or adjustment.

Acknowledgement

The Board of Directors hereby expresses its sincere appreciation for the support, loyalty and dedicated service of the staff, management and all stakeholders of the Company over the past year.

Approval of the report of the directors

The report of the director of Principal Capital Microfinance Ltd, was approved by the board of director on..... and signed on their behalf by

.....
Director
.....
Director

REPORT ON OTHER LEGAL
AND REGULATORY REQUIREMENTS

The Companies Act, 2019 (Act 992) requires that in carrying out our audit work we consider and report on the following matters.

We confirm that:

- We are independent of the Company in accordance with section 143 of the Companies Act 2019 (Act 992).
- We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit;
- In our opinion proper books of account have been kept by the company, so far as appears from the examination of those books.
- The company's financial statements are in agreement with the accounting records.

The Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) requires that we state certain matters in our report. We confirm that:

- The accounts give a true and fair view of the state of affairs of the Company and its results of operations for the year under review.
- We obtained all the information and explanation required for the efficient performance of our duties.
- The transactions of the Company are within the powers of the Company.
- The Company has, in all material respect, complied with the provisions of the Act.

With respect to the provisions of the Anti-Money Laundering Act, 2008 (Act 749) (as amended) the Anti-Terrorism Act, 2008 (Act 762), and the Regulations made under these enactments, we did not identify any instances of non-compliance based on procedures we performed.

The engagement partner on the audit resulting in this independent auditor's

PKF
FOR AND ON BEHALF OF PKF (IGAG/F/2023/039)
CHARTERED ACCOUNTANTS
FARRAR AVENUE
ACCRA.

11th April.....2025.