

**SARPONG CAPITAL MARKETS LTD**

**FINANCIAL STATEMENTS  
31 DECEMBER, 2024**

**SARPONG CAPITAL MARKETS LTD**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2024**

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## SARPONG CAPITAL MARKETS LTD

Corporate information for the year ended 31 December, 2024.

Board of Directors	Justice Boahen – Board Chairman Kofi Adusei Koduah-Sarpong Yaw Sarpong
Company Secretary	Templars (Formerly, Ferociter Chambers) No. 1 Labone Link GL-027-0268 Labone – Accra
Solicitor	Templars (Formerly, Ferociter Chambers) No. 1 Labone Link GL-027-0268 Labone – Accra
Principal Place of Business	2 Almond Avenue and 21 Boundary Road Christian Services, Off Boundary Road, East Legon GA-329-3127, JVM3+X8 Box CT 10881, Cantonments Cantonments – Accra Ghana
Registered Office	2 Almond Avenue and 21 Boundary Road Christian Services, Off Boundary Road, East Legon GA-329-3127, JVM3+X8 Box CT 10881, Cantonments Cantonments – Accra Ghana
Banker	Consolidated Bank Ghana Limited Ecobank Ghana PLC Standard Chartered Bank Ghana PLC Absa Bank Ghana Limited Guaranty Trust Bank (Ghana) Limited FBNBank Ghana Limited Access Bank Ghana PLC Omnibank Ghana LTD UBA Bank Nigeria FCMB Bank FSDH Merchant Bank
Company Registration Number	CS586532015
Tax Identification Number	C0004779800
Independent External Auditor	UHY Voscon Chartered Accountants, P.O. Box LA 476, La, Accra 2nd Floor, Cocoshe House Opposite Silver Star Tower Agostinho Neto Close Airport Residential Area Accra – Ghana. GA: -057-1475 <a href="mailto:Info@uhyvoscon-gh.com">Info@uhyvoscon-gh.com</a> <a href="http://www.uhyvoscon-gh.com">www.uhyvoscon-gh.com</a>

**SARPONG CAPITAL MARKETS LTD**
**Five- year financial summary (All amounts are expressed in Ghana cedi unless otherwise stated)**

Five - year financial summary	2024	2023	2022	2021	2020
Interest Income	-	-	25,326,040	28,771,404	364,583
Interest expense	-	-	(25,004,068)	(27,810,931)	(331,611)
Commission income	2,158,472	2,004,298	8,589,417	1,963,295	5,000
Trading income	1,240,545	476,589	3,276,880	295,306	310,158
Net investment income	(1,037,593)	1,018,021	1,659,209	575,878	
Other operating income	45,883	106,228	-	-	-
Operating expense	(4,837,392)	(7,937,745)	(8,873,023)	(3,669,207)	(665,519)
Profit /(loss) before tax	(2,430,085)	(4,332,609)	4,974,455	125,745	(317,389)
Income tax	2,474,864	(802,353)	(1,308,058)	(145,304)	82,515
Profit / (loss) after tax	44,779	(5,134,962)	3,666,397	(19,559)	(234,874)
Total assets	14,905,017	15,895,119	20,650,648	11,816,457	9,744,135
Total equity	10,004,001	9,959,222	8,711,486	5,045,089	4,234,648
Total liabilities	4,901,016	5,935,898	11,939,162	6,771,368	5,509,487
Total equity and liabilities	14,905,017	15,895,120	20,650,648	11,816,457	9,744,135

Financial highlights	2024	2023	Percentage change (%)
Interest Income	-	-	
Interest expense	-	-	
Commission income	2,158,472	2,004,298	7.69
Trading income	1,240,545	476,589	160.30
Net investment income	(1,037,593)	1,018,021	(2.02)
Other operating income	45,883	106,228	(65.43)
Operating expense	(4,837,392)	(7,937,745)	(39.06)
Loss before tax	(2,430,085)	(4,332,609)	(43.91)
Income tax	2,474,864	(802,353)	(408.45)
Profit / (loss) after tax	44,779	(5,134,962)	(100.87)
Total assets	14,905,017	15,895,119	(6.23)
Total equity	10,004,001	9,959,222	0.45
Total liabilities	4,901,016	5,935,898	(17.43)
Total equity and liabilities	14,905,017	15,895,120	(6.23)

**SARPONG CAPITAL MARKETS LTD**  
**Statement of directors' responsibilities**

**Directors' responsibilities in respect of the financial statements**

The Directors are required to ensure that adequate accounting records are maintained so as to disclose with reasonable accuracy, the financial position of the Company. They are also responsible for taking steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. They must present financial statements for each financial year, which give a true and fair view of the affairs of the Company, and the results for that period. In preparing these financial statements, they are required to:

- select suitable accounting policies and apply them on a consistent basis using reasonable and prudent judgment.
- state whether or not the Companies Act, 2019 (Act 992) and International Financial Reporting Standards ("IFRS") have been adhered to and explain material departures thereto.
- use the going concern basis unless it is inappropriate.

The Board acknowledges its responsibility for ensuring the preparation of the annual financial statements in accordance with IFRS and the responsibility of external auditors to report on these financial statements. The Board is responsible for ensuring the maintenance of adequate accounting records and an effective system of internal controls and risk management.

Nothing has come to the Board's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business.

The financial statements are prepared from the accounting records on the basis of consistent use of appropriate records supported by reasonable and prudent judgments and estimates that fairly present the state of affairs of the Company. The financial statements have been prepared on a going concern basis and there is no reason to believe that the Company will not continue as a going concern in the next financial year. The Directors confirm that in preparing the financial statements, they have:

- selected suitable accounting policies and applied them consistently.
- made judgments and estimates that are reasonable and prudent.
- followed the International Financial Reporting Standards.
- prepared the financial statements on the going concern basis.

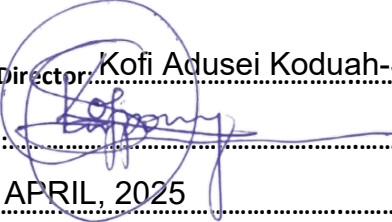
For the year ended 31 December 2024, Sarpong Capital Markets LTD recorded a profit after tax of GHC 44,779. This was mainly due to a deferred tax credit, which reversed a loss before tax of GHC 2,430,085 into a net profit. The loss before tax arose from ongoing market challenges, including a slow recovery in the fixed income market following the Domestic Debt Exchange Programme (DDEP), regulatory changes in the FX market, and a high-cost base relative to revenue.

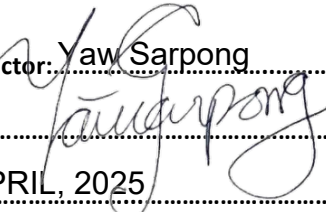
The directors have assessed the company's financial position, strategic initiatives, and market outlook and are satisfied that SCML remains a going concern. Key actions supporting this include significant cost reductions, business realignment toward faster-revenue segments like institutional capital markets, and efforts to expand equities and derivatives trading. SCML continues to benefit from strong client demand and maintains a credible position in Ghana's capital markets. Accordingly, the financial statements have been prepared on a going concern basis.

**SARPONG CAPITAL MARKETS LTD**  
**Statement of directors' responsibilities**

**Directors' responsibilities in respect of the financial statements (continued)**

**By order of the Board**

Name of Director: **Kofi Adusei Koduah-Sarpong**  
Signature:   
Date: **29 APRIL, 2025**

Name of Director: **Yaw Sarpong**  
Signature:   
Date: **29 APRIL, 2025**

**Report of Directors  
to the members of  
Sarpong Capital Markets LTD**

We are pleased to present the annual report including the financial statements of the Company for the year ended 31 December, 2024.

**Nature of business**

The authorized principal activities of the company are to act as securities trading principal and agent, to act as a primary dealer in government securities buying, selling and financial government securities directly with the Bank of Ghana, to act as participant in all licensed and recognized exchanges, to act as a market maker in equities, bonds, currencies, commodities and other financial instruments.

<b>Financial results</b>	<b>2024</b>	<b>2023</b>
Loss before tax for the year	(2,430,085)	(4,332,609)
from which is deducted income tax expense of	2,474,864	(802,353)
giving loss after tax of	<b>44,779</b>	<b>(5,134,962)</b>
to which is added balance on retained earnings brought forward of	(1,753,476)	3,381,486
leaving a balance of	<b>(1,708,697)</b>	<b>(1,753,476)</b>

The Directors consider the state of affairs of the Company to be satisfactory.

**Dividend**

The Board of Directors did not declare dividend for the year ended 31 December, 2024 for approval by members of the company.

**Directors Interest Register**

During the year under review, no Director had any interest in contracts and proposed contracts with the company, hence there were no entries recorded in the Interest Register as required by section 194, 195 and 196 of the Companies Act, 2019 (992).

**Shareholding**

Sarpong Capital Markets LTD is a wholly owned subsidiary of Sarpong Capital Limited.

**Independent auditors**

In accordance with Section 139 (5) of the Companies Act, 2019 (Act 992), the Auditor, Messrs. UHY Voscon Chartered Accountants, will continue in office as the company's Auditor.

**Auditors' remuneration**

The audit fee payable for the year under review is GHS 60,000 ex VAT and levies.

**Report of Directors  
to the members of  
Sarpong Capital Markets LTD (continued)**

**Capacity building of Directors**

During the year, the Board of directors participated in various trainings held by the Securities and Exchange Commission (SEC) for directors.

**Corporate social responsibility**

The company did not engage in any corporate social responsibility during the year under review.

**Prior year audited financial statements**

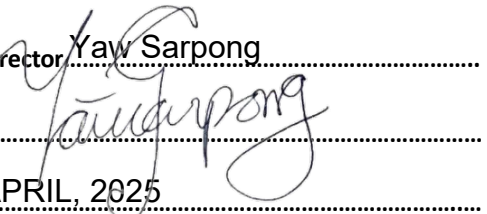
The financial statements of the company for the year ended 31 December 2023 were audited by Messrs. Deloitte & Touche Chartered Accountants who expressed an unmodified opinion on those financial statements in their report dated 29<sup>th</sup> April, 2024.

**Approval of financial statements**

The financial statements for the year set out on pages 15 to 40, which have been prepared on a going concern basis, were approved by the Board of Directors.

**Signed on behalf of the Board by:**

Name of Director Kofi Adusei Koduah-Sarpong  
Signature.....  
Date 29 APRIL, 2025

Name of Director Yaw Sarpong  
Signature.....  
Date 29 APRIL, 2025

## SARPONG CAPITAL MARKETS LTD

### Corporate Governance Report (CGR)

The Company is committed to strong corporate governance practices that allocate rights and responsibilities among the Company's shareholders, the Board and Executive Management to provide an effective oversight and management of the Company in a manner that enhances shareholder value and promotes investors' confidence. The Company's corporate governance principles are contained in a number of corporate documents.

#### The Board of Directors

The Board oversees the conduct of the Company's business and is primarily responsible for providing effective governance over the Company's key affairs, including the appointment of executive management, approval of business strategies, evaluation of performance, and assessment of major risks facing the Company. In discharging its obligations, the Board exercises judgment in the best interest of the Company and relies on the Company's executive management to implement approved business strategies, resolve day-to-day operational issues, keep the Board informed, and maintain and promote high ethical standards. The Board delegates authority in management matters to the Company's executive management subject to clear instructions in relation to such delegation of authority and the circumstances in which executive management shall be required to obtain Board approval prior to taking a decision on behalf of the Company.

For the year ended 31 December 2024, the Board had a complement of three (3) members. During the 2024 reporting year, the Board convened 4 meetings on 4<sup>th</sup> January, 19<sup>h</sup> February, 27<sup>th</sup> May and 30<sup>th</sup> September, 2024.

Aside formal meetings, the Board is engaged informally throughout the year. This creates an environment that encourages challenge, consultation, information sharing, innovative thinking and openness in communication. The following table shows the number of Board meetings held during the year and the attendance by the Board of Directors.

Directors	Number of meetings attended	Percentage of attendance (%)
Justice Boahen	1/4	25
Mr. Kofi Koduah-Sarpong	3/4	75
Mr. Yaw Sarpong	4/4	100

#### By order of the Board

Name Kofi Adusei Koduah-Sarpong

Signature 

Date 29 APRIL 2025

**Independent auditor's report  
to the members of  
Sarpong Capital Markets LTD**

**Report on the audited financial statements**

**Opinion**

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Sarpong Capital Markets LTD as at 31 December, 2024, and of its financial performance and the cash flows for the year ended in accordance with the International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies Act, 2019 (Act 992).

**What we have audited**

We have audited the accompanying financial statements of the Sarpong Capital Markets LTD for the year ended 31 December, 2024.

The financial statements comprise:

- statement of comprehensive income for the year then ended;
- statement of financial position as at 31 December, 2024;
- statement of changes in equity for the year ended;
- statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other matters**

The financial statements of the company for the year ended 31 December 2023 were audited by Messrs. Deloitte & Touche Chartered Accountants who expressed an unmodified opinion on those financial statements in their report dated 29<sup>th</sup> April, 2024.

**Independent auditor's report  
to the members of  
Sarpong Capital Markets LTD (Continued)**

**Report on the audited financial statements (continued)**

**Independence**

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Boards for Accountants (IESBA). We have fulfilled our other ethical responsibilities with the IESBA Code

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. Key audit matters are selected from the matters communicated with those charged with governance but are not intended to represent all matters that were discussed with them. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole.

**Other information**

The Directors are responsible for the other information. The other information comprises the report of Directors and any other information like Corporate Social Responsibility report, Corporate Governance report etc, which are expected to be made available to us after the reporting date but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information published with the financial statements to identify areas of material inconsistency between the unaudited information and the audited financial statements and obvious misstatements of fact to other information.

Inconsistency is when other information contradicts information contained in the audited financial statements. A material inconsistency may raise doubt about the audit conclusions drawn from audit evidence previously obtained and, possibly, about the basis for the auditor's opinion on the financial statements.

Misstatement of fact is when other information that is unrelated to matters appearing in the audited financial statements is incorrectly stated or presented. A material misstatement of fact may undermine the credibility of the document containing audited financial statements.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information like Managing Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

**Independent auditor's report  
to the members of  
Sarpong Capital Markets LTD (Continued)**

**Responsibilities of Directors for the financial statements**

The Directors are responsible for the preparation and fair presentation of these financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs), and in manner required by the Companies Act, 2019 (Act 992) and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

**Going concern**

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.

The Directors are responsible for overseeing the Company's financial reporting process.

**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 misstatements, 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 these financial statements.

throughout the planning and performance of the audit. We also:

- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from the fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists,

**Independent auditor's report  
to the members of  
Sarpong Capital Markets LTD (Continued)**

**Auditor's responsibilities for the audit of the financial statements (Continued)**

- we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We are also required to provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on other legal and regulatory requirements**

***Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992)***

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:

1. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. in our opinion proper accounting records have been kept by the Company, so far as appears from our examination of those books;
3. the statement of financial position and statement of profit or loss and other comprehensive income of the Company are in agreement with the accounting records; and
4. we are independent of the Company pursuant to section 143 of the Companies Act, 2019 (Act 992).

**Independent auditor's report  
to the members of  
Sarpong Capital Markets LTD (Continued)**

The engagement partner on the audit resulting in this independent auditor's report is **Emmanuel K.D. Abbey (ICAG/P/1167)**.

Signed by:

*UHY Voscon*

For and on behalf of:

**UHY Voscon (ICAG/F/2025/086)**

**Chartered Accountants**

**P.O. Box LA 476, La, Accra**

**2nd Floor, Cocoshe House**

**Opposite Silver Star Tower**

**Agostinho Neto Close**

**Airport Residential Area**

**Accra – Ghana.**

**Phone +233 30 2683 430 / 4**

**GA-057-1475**

**[Info@uhyvoscon-gh.com](mailto:Info@uhyvoscon-gh.com)**

**[www.uhyvoscon-gh.com](http://www.uhyvoscon-gh.com)**

Date *29th April 2025*

**SARPONG CAPITAL MARKETS LTD**  
**Financial Statements for the year ended 31 December, 2024**  
*(All amounts are expressed in Ghana cedi unless otherwise stated)*

**Statement of comprehensive income**

**for the year ended 31 December**

	Note	2024	2023
Interest income		-	-
Interest expense		-	-
<b>Net income</b>		<b>-</b>	<b>-</b>
Commission income		2,158,472	2,004,298
Trading income		1,240,545	476,589
<b>Non-interest income</b>	<b>7</b>	<b>3,399,017</b>	<b>2,480,887</b>
Investment income		342,724	1,018,021
Investment expense		(1,380,316)	-
<b>Net investment income</b>	<b>8</b>	<b>(1,037,593)</b>	<b>1,018,021</b>
Other income	<b>9</b>	45,883	106,228
<b>Other operating income</b>		<b>45,883</b>	<b>106,228</b>
<b>Operating Profit</b>		<b>2,407,307</b>	<b>3,605,136</b>
<b>Operating expenses</b>			
Impairment loss on financial asset	<b>10</b>	-	97,651
Personnel expense	<b>11</b>	(2,597,167)	(3,234,125)
Depreciation and amortisation		(272,195)	(261,970)
Finance cost	<b>12</b>	-	(1,168,767)
Administrative expenses	<b>13</b>	(1,968,030)	(3,370,534)
<b>Total operating expenses</b>		<b>(4,837,392)</b>	<b>(7,937,745)</b>
<b>Loss before tax</b>		<b>(2,430,085)</b>	<b>(4,332,609)</b>
Income tax expense	<b>23.1</b>	2,474,864	(802,353)
<b>Profit/(loss) after tax</b>		<b>44,779</b>	<b>(5,134,962)</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>44,779</b>	<b>(5,134,962)</b>

Notes 1 to 26 on pages 19 to 40 form an integral part of these financial statements.

**SARPONG CAPITAL MARKETS LTD**  
**Financial Statements for the year ended 31 December, 2024**  
*(All amounts are expressed in Ghana cedi unless otherwise stated)*

**Statement of financial position** **as at 31 December**

Assets	Note	2024	2023
<b>Non-Current Assets</b>			
Property, plant and equipment	14	559,392	831,588
Investment	15	752,938	4,331,339
<b>Total non-current assets</b>		<b>1,312,330</b>	<b>5,162,927</b>
<b>Current assets</b>			
Trade and other accounts receivable	16	130,939	318,872
Prepayment	17	187,921	351,359
Due from related parties	18	10,660,267	7,752,618
Cash and cash equivalents	19	799,706	2,276,830
Director's account	20	237,022	-
Deferred tax	22	1,544,318	-
Corporate tax asset	23.2	32,514	32,514
<b>Total current assets</b>		<b>13,592,687</b>	<b>10,732,193</b>
<b>Total assets</b>		<b>14,905,017</b>	<b>15,895,120</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Stated capital	21	2,330,000	2,330,000
Deposit for shares		9,382,698	9,382,698
Retained earnings		(1,708,697)	(1,753,476)
<b>Total equity</b>		<b>10,004,001</b>	<b>9,959,222</b>
<b>Current liabilities</b>			
Trade and other accounts payable	22	4,901,016	4,992,294
<b>Total current liabilities</b>		<b>4,901,016</b>	<b>4,992,294</b>
<b>Non-current liabilities</b>			
Director's account	22	-	13,058
Deferred tax	23.3	-	930,546
<b>Total non-current liabilities</b>		<b>-</b>	<b>943,604</b>
<b>Total liabilities</b>		<b>4,901,016</b>	<b>5,935,898</b>
<b>Total equity &amp; liabilities</b>		<b>14,905,017</b>	<b>15,895,120</b>

Notes 1 to 26 on pages 19 to 40 form an integral part of these financial statements.

Name of Director: Kofi Adusei Koduah-Sarpong

Signature: 

Date: 29 APRIL, 2025

Name of Director: Yaw Sarpong

Signature: 

Date: 29 APRIL, 2025

**SARPONG CAPITAL MARKETS LTD**  
**Financial Statements for the year ended 31 December, 2024**  
*(All amounts are expressed in Ghana cedi unless otherwise stated)*

**Statement of changes in equity**

<b>For the year ended 31 December, 2024</b>	<b>Note</b>	<b>Stated capital</b>	<b>Deposit for shares</b>	<b>Retained earnings</b>	<b>Total Equity</b>
Balance as at 1 January	<b>14</b>	2,330,000	9,382,698	(1,753,476)	9,959,222
Profit for the year		-	-	44,779	44,779
<b>Balance as at 31 December</b>		<b>2,330,000</b>	<b>9,382,698</b>	<b>(1,708,697)</b>	<b>10,004,001</b>

<b>For the year ended 31 December, 2023</b>	<b>Note</b>	<b>Stated capital</b>	<b>Deposit for shares</b>	<b>Retained earnings</b>	<b>Total Equity</b>
Balance as at 1 January	<b>14</b>	2,330,000	-	3,381,486	5,711,486
Loss for the Year		-		(5,134,962)	(5,134,962)
Deposit for shares		-	9,382,698	-	9,382,698
<b>Balance as at 31 December</b>		<b>2,330,000</b>	<b>9,382,698</b>	<b>(1,753,476)</b>	<b>9,959,222</b>

Notes 1 to 26 on pages 19 to 40 form an integral part of these financial statements.

**SARPONG CAPITAL MARKETS LTD**  
**Financial Statements for the year ended 31 December, 2024**  
*(All amounts are expressed in Ghana cedi unless otherwise stated)*

<b>Statement of cash flows</b>	<b>for the year ended 31 December</b>		
<b>Cash flow from operating activities</b>	<b>Note</b>	<b>2024</b>	<b>2023</b>
Operating loss before tax		(2,430,085)	(4,332,609)
Depreciation		272,195	261,970
		<b>(2,157,890)</b>	<b>(4,070,639)</b>
(Increase)/Decrease in trade and other accounts receivable		187,933	314,992
(Increase)/Decrease in prepayment		163,437	(60,436)
(Increase)/Decrease in due from related party		(2,907,649)	(4,290,670)
(Increase)/decrease in director's account		(250,080)	13,058
(Decrease)/Increase in trade and other accounts payable		(91,279)	(1,568,942)
<b>Net Cash flow from operating activities</b>		<b>(2,897,637)</b>	<b>(9,662,637)</b>
Tax paid		-	(769,189)
<b>Net cash flow from operating activities</b>		<b>(5,055,527)</b>	<b>(10,431,826)</b>
<b>Cash flow from investing activities:</b>			
Purchase of property, plant and equipment		-	(106,063)
Investment asset		3,578,402	3,217,856
<b>Net cash flow used in investing activities</b>		<b>3,578,402</b>	<b>3,111,793</b>
<b>Cash flow from financing activities</b>			
Share Deposit		-	9,382,698
Repayment of capital notes		-	(7,500,000)
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>1,882,698</b>
<b>Net increase in cash and cash equivalents</b>		<b>(1,477,124)</b>	<b>(5,437,335)</b>
Cash and cash equivalents as 1 January		<b>2,276,830</b>	7,714,165
<b>Cash and cash equivalents as at 31 December</b>		<b>799,706</b>	<b>2,276,830</b>

Notes 1 to 26 on pages 19 to 40 form an integral part of these financial statements.

**SARPONG CAPITAL MARKETS LTD**  
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**Notes and significant accounting policies**

**1.0 Reporting entity**

Sarpong Capital Markets LTD is a private limited liability company incorporated in Ghana to carry out the business of acting as securities trading principal and agent, acting as a primary dealer in government securities buying, selling and financial government securities directly with the Bank of Ghana, to act as participant in all licensed and recognized exchanges, to act as a market maker in equities, bonds, currencies, commodities and other financial instruments. The address of its registered office and principal place of business is 2 Almond Avenue and 21 Boundary Road Christian Services, Off Boundary Road, East Legon.

**2.0 Summary of significant accounting policies**

The principal accounting policies used by the Company in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

**2.1 Statement of compliance**

The financial statements of Sarpong Capital Markets LTD for the year ended 31 December, 2024 have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and IFRS, interpretations issued by the IFRS Interpretation Committee (IFRS IC) applicable to companies reporting under IFRS and with the requirements of the Companies Act, 2019 (Act 992). The financial statements are presented in Ghana cedis.

**2.2 Basis of measurement**

The financial statements have been prepared under the historical cost convention, except the revaluation of financial assets, financial liabilities (including financial instruments at fair value through other comprehensive income).

**2.3.1 Use of estimates and judgment**

In preparing these financial statements in conformity with IFRS, management makes judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under circumstances, the results of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting policies and estimates are recognized retrospectively and prospectively respectively.

**Notes and significant accounting policies (Continued)**

**2.3.2 Changes in accounting policies**

There were no changes in the accounting policies of the Company during the year.

**2.4 Standards, amendments and interpretations**

**2.4.1 Amendments and New IFRS Accounting Standards that are Effective in 2024**

The following new and amended IFRS Accounting Standards, interpretations, and amendments issued by the International Accounting Standards Board (IASB) are mandatorily effective for annual reporting periods beginning on or after January 1, 2024. Their adoption has not had any material impact on the disclosures or the amounts reported in these financial statements.

**2.4.1.1 Amendments to Existing Standards**

**IAS 1: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current**

In January 2020 and October 2022, the IASB issued amendments to IAS 1 (paragraphs 69 to 76) to clarify the classification of liabilities as current or non-current. These amendments specify:

- The meaning of a right to defer settlement
- That the right to defer must exist at the reporting period's end
- That classification is not influenced by the likelihood of exercising the deferral right
- That the classification of a convertible liability is only unaffected if its embedded derivative is an equity instrument

Additionally, the amendments introduce a new disclosure requirement for liabilities arising from loan agreements classified as non-current, where the entity's right to defer settlement depends on compliance with future covenants within the next twelve months

The amendments take effect for annual periods starting on or after January 1, 2024, with retrospective application. The company does not expect these changes to affect its financial statements, and the directors anticipate no material impact from implementing this standard in the future.

**IAS 1: Presentation of Financial Statements – Non-current Liabilities with Covenants**

The amendments clarify that only covenants an entity must comply with on or before the reporting period's end impact its right to defer settlement of a liability for at least twelve months after the reporting date. These covenants determine whether the entity has the right to defer settlement at the reporting date, even if compliance is assessed later.

Additionally, the IASB states that an entity's right to defer settlement for at least twelve months after the reporting date remains unaffected if compliance with a covenant is only required after the reporting period. However, if the right to defer settlement depends on compliance with covenants within twelve months after the reporting date, the entity must disclose relevant information to help users understand the risk of liabilities becoming repayable within that period. This includes:

- Details of the covenants, such as their nature and compliance deadlines
- The carrying amount of related liabilities

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**Notes and significant accounting policies (Continued)**

- Any circumstances that may indicate potential challenges in meeting the covenants

The amendments are effective for annual periods beginning on or after January 1, 2024, with retrospective application, and early adoption is permitted. The company's directors do not expect these amendments to have a material impact on the company's financial statements.

**IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements**

The amendments introduce a disclosure objective in IAS 7, requiring entities to provide information on supplier finance arrangements to help users assess their impact on liabilities and cash flows. Additionally, IFRS 7 has been updated to include supplier finance arrangements as an example under the disclosure requirements for liquidity risk concentration.

Rather than defining supplier finance arrangements, the amendments describe the key characteristics of such agreements that require disclosure. To meet the disclosure objective, entities must disclose, in aggregate, the following details related to their supplier finance arrangements:

- Terms and conditions of the arrangements.
- Carrying amount of liabilities included in these arrangements and their respective line items in the statement of financial position.
- Amounts already paid to suppliers by finance providers and their associated line items.
- Payment due date ranges for both liabilities under supplier finance arrangements and comparable trade payables that are not part of such arrangements.
- Liquidity risk information related to these arrangements.

The amendments include specific transition reliefs for the first annual reporting period in which they are applied. They take effect for annual periods beginning on or after January 1, 2024, with early adoption permitted. The company's directors do not expect these amendments to have a material impact on the company's financial statements.

**IFRS 16: Leases – Lease Liability in a Sale and Leaseback Transaction**

The amendments to IFRS 16 introduce requirements for the subsequent measurement of sale and leaseback transactions that qualify as a sale under IFRS 15. They specify that the seller-lessee must determine lease payments or revised lease payments in a way that prevents recognition of a gain or loss related to the right-of-use asset retained after the lease begins.

These amendments do not impact the gain or loss recognized due to the partial or full termination of a lease. Previously, a seller-lessee might have recognized a gain on the retained right-of-use asset solely due to a remeasurement of the lease liability, such as a lease modification or change in lease term, under the general IFRS 16 requirements. This issue was particularly relevant for leasebacks involving variable lease payments that do not depend on an index or rate.

As part of the changes, the IASB updated an Illustrative Example in IFRS 16 and introduced a new example to demonstrate how to measure the right-of-use asset and lease liability in sale and leaseback transactions involving variable lease payments. The examples also clarify that a liability arising from a qualifying sale and leaseback transaction under IFRS 15 is classified as a lease liability.

**Notes and significant accounting policies (Continued)**

The amendments apply to annual periods beginning on or after January 1, 2024, with early adoption permitted. If applied early, an entity must disclose this fact. The company's directors do not expect these amendments to have a material impact on the company's financial statements.

**2.4.1.2 New IFRS Accounting Standards**

**IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information**

The objective of IFRS S1 is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to users of general purpose financial reports in making decisions relating to providing resources to the entity. IFRS S1 requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as 'sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects').

IFRS S1 prescribes how an entity prepares and reports its sustainability-related financial disclosures. It sets out general requirements for the content and presentation of those disclosures so that the information disclosed is useful to users in making decisions relating to providing resources to the entity.

IFRS S1 sets out the requirements for disclosing information about an entity's sustainability-related risks and opportunities. In particular, an entity is required to provide disclosures about:

- the governance processes, controls and procedures the entity uses to monitor, manage and oversee sustainability-related risks and opportunities;
- the entity's strategy for managing sustainability-related risks and opportunities;
- the processes the entity uses to identify, assess, prioritise and monitor sustainability-related risks and opportunities; and
- the entity's performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation.

IFRS S1 is effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted as long as IFRS S2 Climate-related Disclosures is also applied.

**IFRS S2: Climate-related Disclosures**

The objective of IFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity. IFRS S2 requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as 'climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects').

IFRS S2 applies to:

- a. climate-related risks to which the entity is exposed, which are:
- i. climate-related physical risks; and

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**Notes and significant accounting policies (Continued)**

- ii. climate-related transition risks; and
- b. climate-related opportunities available to the entity.

IFRS S2 sets out the requirements for disclosing information about an entity's climate-related risks and opportunities. In particular, IFRS S2 requires an entity to disclose information that enables users of general purpose financial reports to understand:

- the governance processes, controls and procedures the entity uses to monitor, manage and oversee climate-related risks and opportunities;
- the entity's strategy for managing climate-related risks and opportunities;
- the processes the entity uses to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process; and
- the entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.

IFRS S2 is effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted as long as IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information is also applied.

**2.4.2 New IFRS Accounting Standards in issue but not yet effective**

**IFRS 18: Presentation and Disclosure in Financial Statements**

The International Accounting Standards Board (IASB) on April 9, 2024, for the annual reporting period beginning on January 1, 2027. IFRS 18 supersedes IAS 1: Presentation of Financial Statements and introduces significant changes to the structure, presentation, and disclosure requirements of financial statements. The standard aims to enhance the transparency, comparability, and usefulness of financial information for users.

**Key Provisions of IFRS 18**

IFRS 18 introduces several significant changes to the presentation and disclosure of financial statements. The key provisions include

**Statement of Profit or Loss**

**New Subtotals**

IFRS 18 introduces defined subtotals, such as Operating Profit, to provide a consistent measure of the Group's core business performance. This ensures that users can easily identify and compare operating results across entities.

**Categories of Income and Expenses**

Income and expenses are now classified into five distinct categories:

- Operating: Activities related to the Group's core business operations.
- Investing: Activities related to the acquisition and disposal of long-term assets.

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**Notes and significant accounting policies (Continued)**

- Financing: Activities related to raising and repaying capital.
- Income Taxes: Tax expenses and benefits.
- Discontinued Operations: Results of operations that have been or will be discontinued.

**Management-Defined Performance Measures (MPMs)**

**Disclosure Requirements**

Entities are required to disclose Management-Defined Performance Measures (MPMs) used in public communications, ensuring transparency about measures not defined by IFRS but relevant to users.

**Aggregation and Disaggregation**

**Enhanced Guidance**

IFRS 18 provides strengthened principles for determining when items should be aggregated or disaggregated in financial statements. This ensures that material information is neither obscured by excessive aggregation nor fragmented by unnecessary disaggregation.

**Materiality Considerations**

The Group has applied materiality considerations when presenting financial information, ensuring that key financial metrics are clearly identifiable.

**Statement of Cash Flows**

**Classification of Cash Flows**

IFRS 18 clarifies the classification of interest and dividend cash flows in the statement of cash flows. This enhances consistency in reporting and ensures that users can better understand the sources and uses of cash.

**Implementation Considerations**

- Retrospective Application: Entities are required to apply IFRS 18 retrospectively, restating comparative information for prior periods.
- System and Process Updates: Companies may need to update financial reporting systems and processes to comply with the new presentation and disclosure requirements.
- Stakeholder Communication: Proactive communication with investors and other stakeholders is essential to explain the impacts of the new standard on financial statements.

The Directors of the Company do not anticipate that the application of the Standard in the future will have a material impact on the Company's financial statements.

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**Notes and significant accounting policies (Continued)**

**2.5 Foreign currency translation**

**2.5.1 Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

**2.5.2 Functional and presentation currency**

These financial statements are presented in Ghana Cedis (the primary economic environment in which the Company operates) which is the Company's functional currency. All amounts have been rounded to the nearest Cedi, unless otherwise stated.

**2.6 Cash and cash equivalents**

Cash and cash equivalents comprise foreign currency and local cedi accounts and highly liquid financial assets that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of short-term commitments, other than cash collateral provided in respect of derivatives, securities sold.

**2.7 Taxation**

**2.7.1 Current taxation**

Current tax is the expected tax payable on taxable income for the year using tax rates enacted or substantially enacted at the year end, and any adjustment to tax payable in respect of previous years.

**2.7.2 Deferred Taxation**

Deferred tax is provided using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**2.8 Financial assets and financial liabilities**

**2.8.1 Classification**

The Company classifies its financial assets in the following measurement categories;

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**Notes and significant accounting policies (Continued)**

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes. In the year under review, the company elected and classified changes in its contract borrowings at FVTPL to satisfy the prudence principle but classified changes the values of its investments under FVTOCI.

**Recognition, derecognition and measurement**

**Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

**Measurement**

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**Debt instruments**

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

**Amortised cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets are included in investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

**FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/losses), and impairment expenses are presented as separate line item in the statement of profit or loss.

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**Notes and significant accounting policies (Continued)**

**FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/losses) in the period in which it arises.

**Equity Instruments**

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/losses) in the statement of profit or loss as applicable.

**Impairment**

The company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. For debt investments, the company applies the general approach to determine the ECL.

For trade receivables, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. There is no impairment on trade receivables because the company the directors did not identify any forward-looking information which could materially impact the payment profile of the company's customers

For trade receivables, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. There is no impairment on trade receivables because the company the directors did not identify any forward-looking information which could materially impact the payment profile of the company's customers.

The company has three types of financial assets that are subject to the expected credit loss model:

- trade receivables from the provision of services
- debt investments carried at amortised cost, and
- debt investments carried at FVOCI.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Company measures loss allowances at an amount equal to lifetime ECL, except in the following cases, for which the amount recognised is 12-month ECL:

debt securities that are determined to have low credit risk at the reporting date; and

other financial instruments (other than lease receivables) for which credit risk has not increased significantly since initial recognition.

### **Notes and significant accounting policies (Continued)**

The company considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition 'investment grade'. The company does not apply the low credit risk exemption to any other financial instruments. The impairment identified on debt investments measured at amortised is considered immaterial and has not been recognised in the financial statements. 12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after reporting date. Financial instruments for which 12-months ECL are recognised are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit impaired. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instruments or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognised but that are not credit-impaired are referred to as 'Stage 2 financial instruments'.

Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired.

### **Measurement of Expected Credit Loss (ECL)**

ECL are a probability-weighted estimate of credit losses. They are measured as follows;

- financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive);
- financial assets that are credit-impaired at the reporting date: the difference between the gross carrying amount and the present value of estimated future cash flows. When discounting cash flows, the discount rate used is the original effective interest rate or an approximation thereof. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

### **2.9 Fair value estimation**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets traded in active markets (such as publicly traded derivatives and equity securities publicly traded on a stock exchange) are based on quoted market prices at the close of trading on the reporting date.

As per IFRS 13 fair values for unlisted equity securities are determined by the Company's management using valuation techniques. Such valuation techniques may include earnings multiples (based on the budget earnings or historical earnings of the issuer and earnings multiples of comparable listed Companies) and discounted cash flows.

The Company adjusts the valuation model as deemed necessary for factors such as non-maintainable earnings, tax risk, growth stage and cash traps.

The valuation techniques also consider the original transaction price and take into account the relevant developments since the acquisitions of the investments and other factors pertinent to the valuation of the investments, with reference to such rights in connection with realization, recent third-party transactions of comparable types of instruments, and reliable indicative offers from potential buyers. In determining fair valuation, management in many instances relies on the financial data of investees and on estimates by the management of the investee Companies as to the effect of future developments. Although management uses its best judgment, and cross-references results of primary valuation models against secondary

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**Notes and significant accounting policies (Continued)**

models in estimating the fair value of investments, there are inherent limitations in any estimation techniques. The fair value estimates presented herein are not necessarily indicative of an amount the Company could realize in a current transaction. Future confirming events will also affect the estimates of fair value. The effect of such events on the estimates of fair value, including the ultimate liquidation of investments, could be material to the financial statements.

**2.10 Impairment**

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset or a group of financial assets is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset(s) and that loss event(s) had an impact on the estimated future cash flows of that asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired includes significant financial difficulty of the borrower or issuer, default or delinquency by a borrower indicates that a borrower or issuer will enter bankruptcy, or adverse changes in the payment status of the borrowers.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the assets original effective interest rate. Losses are recognized in the statement of profit or loss and other comprehensive income and reflected in an allowance against receivables. When an event occurring after the impairment was recognized causes the amount impairment loss to decrease, the decrease in impairment loss is reversed in the Statement of profit or loss and other comprehensive income.

**2.11 Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognized initially at fair value. They are subsequently measured at amortized cost using the effective interest rate method, less provision for impairment. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts to be received. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganization, and default in payments are considered indicators that the amount to be received is impaired. Once a financial asset or a company of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The effective interest rate method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument – or, when appropriate, a shorter period – to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, Management estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and interest rate points paid or received between parties to the contract that are integral part of the effective interest rate, transaction costs and all other premiums or discounts.

**2.12 Offsetting**

Financial assets and liabilities are offset and the net amount reported in the financial position when there is currently a legally enforceable right to offset the amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Notes and significant accounting policies (Continued)**

**2.13 Borrowings**

Borrowings are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of comprehensive income over the period of the borrowing using the effective interest method.

**2.14 Revenue recognition**

The Company recognizes revenue in the financial statements on the accrual basis when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities. The Bank bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**2.14.1 Interest income**

Interest income, including income arising from loans and advances and other financial instruments are recognized in the statement of profit or loss using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter year to the net carrying amount of the financial asset. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

**2.14.2 Fees and commission income**

Fees and commissions are generally recognized on an accrual basis when the service is provided. Commission and fees arising from negotiation or participation in the negotiation of a transaction are recognized upon completion of the underlying transaction. The Company earns commissions and fees from a range of services provided to its customers.

**2.15 Other operating income**

This is made up of other operating income including exchange gains, investment income, profit on sale of property, plant and equipment and other miscellaneous incomes.

**2.16 Net gain from financial instruments**

Net gain from financial instruments at fair value through other comprehensive income includes all realized and unrealized fair value changes in the market value of the securities.

**2.19 Property, plant and equipment**

The cost of an item of property, plant and equipment is recognised as an asset when:

It is probable that future economic benefits associated with the item will flow to the company; and

the cost of the item can be measured reliably in monetary terms.

Property, plant and equipment is initially measured at cost. Costs include cost incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a

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**Notes and significant accounting policies (Continued)**

replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replace part is derecognized.

**Depreciation**

Property, plant and equipment is depreciated on the straight-line basis over their expected economic useful lives to their estimated residual value (if any).

The useful lives of items of property, plant and equipment have been assessed as follows:

Class of assets	Economic useful life (%)
Furniture and fittings	10
Computer and accessories	25
Motor vehicle	20
Plant and equipment	10
Mobile phones	33.33

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from the previous estimates, the change is accounted for as a change in accounting estimate with the effect of any change in estimate accounted on a prospective basis.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in the statement of profit or loss when the item is derecognized. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

An item of property, plant and equipment is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

**3. Financial risk management**

The objective of the Company is to achieve medium to long-term capital growth through investing in selected listed and unlisted private Companies across Africa.

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and other price risk), credit risk and liquidity risk.

**3.1 Market risk**

Below are the market risks faced by the Company:

**3.1.2 Price risk**

The Company's investments and financial instruments are susceptible to market price risk arising from uncertainties about future values of the instruments. The Company's management provides the Company with investment recommendations. The Management's recommendations are reviewed by Board of Directors. To manage the market price risk, management reviews the performance of the portfolio Companies on a monthly basis and is in regular contact with the management of

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**Notes and significant accounting policies (Continued)**

the portfolio Companies for business operational matters. The performance of investments held by the Company is monitored by the Company's management on consistently and is reviewed by the Directors.

**3.1.3 Regulatory risk**

Sarpong Capital Markets LTD is subject to laws and regulations in various countries in which it operates and invests. Management has put in place regulatory policies and procedures aimed at compliance with local and other laws. The minimum capital requirement for the company is GHC 2,000,000. As at the end of 31<sup>st</sup> December, 2024, the company's capital was GHC 2,330,000 which was above the minimum capital requirement.

**3.1.4 Interest rate risk**

The Company is subject to cash flow interest rate risk due to fluctuations in the prevailing levels of market interest rates. All debt instruments included in the category financial assets at fair value through other comprehensive income and all borrowings have fixed interest rates.

**3.1.5 Credit risk**

The Company takes on exposure to credit risk, which is the risk that one party will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to the risk of non-payment of debt instruments or the interest due on commercial papers and other securities to Companies.

The Company has no significant concentration of credit risk. Cash transactions are limited to credit worthy Companies with the ability to comply with the contractual requirements in terms of principal and interest repayment.

The Company assesses all counterparties, including its investors (partners), for credit risk before contracting with them.

The credit quality of these investments is based on the financial performance of the individual portfolio company. For those assets that are not past due, it is believed that the risk of default is low, and the capital repayments and interest payments will be made in accordance with the agreed terms and conditions. No terms or conditions have been renegotiated.

**Exposure to credit risk**

The carrying amount of financial assets represent the maximum credit exposure. The maximum credit exposure to credit risk at reporting date was as follows:

	<b>2024</b>	<b>Carrying amount 2023</b>
Trade receivable	130,939	304,495
Cash and cash equivalents	799,706	2,276,830
	<b>903,645</b>	<b>2,581,325</b>

**3.1.6 Liquidity risk**

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

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**Notes and significant accounting policies (Continued)**

**4. Related parties**

For the purposes of these financial statements, a party is considered to be related to the Sarpong Capital Markets LTD if;

- the party has the ability, directly or indirectly through one or more intern control the Company or exercise significant influence over the Company in making financial and operating policy decisions, or has joint control over the Company;
- the Company and the party are subject to common control:
- the party is an associate of the Company or joint venture in which the Company is a venture;
- the party is a member of key management personnel of the Company or Company's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- the party is a close family member of a party referred above or is an entity under the control, joint control or significant influence of such individuals; or
- the party is a post-employment benefit plan, which is for the benefit of employees of the Company or any other entity that is a related party of the Comp

**4.1 Key management personnel and Director transactions**

Some of the key management personnel, or their related parties, hold positions in other related entities that result in them having control or significant influence over the financial or operating policies of these entities. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

**5. Fair value of financial instruments**

The fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date. The exit price notion embodies the expectations about the future cash flows associated with the asset or liability from the perspective of market participants at the measurement date under current market conditions.

**6. Fair value hierarchy**

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, The Ghana Stock Exchange).
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). The Company did not hold any financial assets/liabilities as at the end of the period. This hierarchy requires the use of observable market data when available. The Company considers relevant observable market prices in its valuation where possible.
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

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**Notes and significant accounting policies (Continued)**

<b>7. Non-Interest income</b>	<b>2024</b>	<b>2023</b>
Commission income	2,158,472	2,004,298
Trading income	1,240,545	476,589
	<b>3,399,017</b>	<b>2,480,887</b>

<b>8. Net investment income</b>	<b>2024</b>	<b>2023</b>
Interest income call account	26,459	171,838
Income on AFS bonds	315,028	513,950
Investment income	1,237	332,233
	<b>342,724</b>	<b>1,018,021</b>
Investment expense – loss on sale of bonds	(1,380,316)	-
	<b>(1,037,593)</b>	<b>1,018,021</b>

<b>9. Other income</b>	<b>2024</b>	<b>2023</b>
Exchange gain	45,883	106,228
	<b>45,883</b>	<b>106,228</b>

<b>10. Impairment loss on financial assets</b>	<b>2024</b>	<b>2023</b>
Investment security	-	97,651
	<b>-</b>	<b>97,651</b>

<b>11. Personnel expense</b>	<b>2024</b>	<b>2023</b>
Payroll expense	2,540,446	3,042,100
Medicals	56,721	66,025
Bonus & commission	-	126,000
	<b>2,597,167</b>	<b>3,234,125</b>

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**Notes and significant accounting policies (Continued)**

<b>12. Finance cost</b>	<b>2024</b>	<b>2023</b>
Convertible note	-	576,986
Non-cumulative preference shares	-	591,781
	-	<b>1,168,767</b>

<b>13. General and administrative expense</b>	<b>2024</b>	<b>2023</b>
Amortization of pre-operational	18,060	200,760
Audit fees	63,600	250,000
Cleaning and sanitation	11,810	19,959
Trainings and seminars	23,700	25,110
Transportation and travel	245,779	379,154
Consultancy fees	333,548	391,403
Professional fees	120,959	201,337
Rent expense	190,717	235,973
Utilities	30,808	21,839
Insurance expense	40,130	81,539
Office supplies	10,890	108,759
Security	16,120	28,016
Repairs and maintenance	52,025	103,500
Subscription and periodicals	3,000	44,645
Printing and reproduction	15,742	27,070
Fees & licenses	89,231	203,430
Computer & internet expense	34,301	26,536
Computer/technology/ IT expense	570,524	926,750
Bank service charge	46,160	61,915
Miscellaneous expense	5,000	-
Telephone expense	25,214	32,839
Interest on funding	20,712	-
	<b>1,968,030</b>	<b>3,370,534</b>

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**Notes and significant accounting policies (Continued)**

**14.1 Property, plant and equipment-2024**

<b>Cost/valuation</b>	<b>1 January</b>	<b>Additions</b>	<b>Disposals</b>	<b>31 December</b>
Mobile Phones	31,049	-	-	31,049
Furniture and fittings	267,169	-	-	267,169
Computer & accessories	238,183	-	-	238,183
Motor vehicles	830,000	-	-	830,000
Plant & Machinery	52,500	-	-	52,500
	<b>1,418,901</b>	<b>-</b>	<b>-</b>	<b>1,418,901</b>

<b>Accumulated depreciation</b>	<b>1 January</b>	<b>Charge for the Year</b>	<b>Disposals</b>	<b>31 December</b>
Mobile Phones	16,366	14,683	-	31,049
Furniture and fittings	91,567	26,716	-	118,283
Computer & accessories	113,151	59,546	-	172,697
Motor vehicles	356,167	166,000	-	522,167
Plant & Machinery	10,063	5,250	-	15,313
	<b>587,314</b>	<b>272,195</b>	<b>-</b>	<b>859,509</b>

**Carrying value**

**At 31 December, 2024**

Mobile Phones	-
Furniture and fittings	148,886
Computer & accessories	65,486
Motor vehicles	307,833
Plant & Machinery	37,187
<b>Total carrying value</b>	<b>559,392</b>

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**Notes and significant accounting policies (Continued)**

**142.2 Property, plant and equipment-2023**

<b>Cost/valuation</b>	<b>1 January</b>	<b>Additions</b>	<b>Disposal</b>	<b>31 December</b>
Mobile Phones	29,250	1799	-	31,049
Furniture and fittings	222,710	44,459	-	267,169
Computer & accessories	178,378	59,805	-	238,183
Motor vehicles	830,000	-	-	830,000
Plant & Machinery	52,500	-	-	52,500
	<b>1,312,838</b>	<b>106,063</b>	<b>-</b>	<b>1,418,901</b>

<b>Accumulated depreciation</b>	<b>1 January</b>	<b>Charge for the Year</b>	<b>Disposals</b>	<b>31 December</b>
Mobile Phones	6,407	9,959	-	16,366
Furniture and fittings	64,353	27,214	-	91,567
Computer & accessories	59,604	53,547	-	113,151
Motor vehicles	190,167	166,000	-	356,167
Plant & Machinery	4,813	5250	-	10,063
	<b>325,344</b>	<b>261,970</b>	<b>-</b>	<b>587,314</b>

**Carrying value**

**At 31 December,2023**

Mobile Phones	14,683
Furniture and fittings	175,602
Computer & accessories	125,032
Motor vehicles	473,833
Plant & Machinery	42,437
<b>Total carrying value</b>	<b>831,588</b>

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**Notes and significant accounting policies (Continued)**

<b>15. Investments</b>	<b>2024</b>	<b>2023</b>
Held to maturity	752,938	4,331,339
	<b>752,938</b>	<b>4,331,339</b>
<b>16. Trade and other accounts receivable</b>	<b>2024</b>	<b>2023</b>
Trade receivable	83,549	304,495
VAT	9,540	-
Other accounts receivable	37,850	14,377
	<b>130,939</b>	<b>318,872</b>
<b>17. Prepayment</b>	<b>2024</b>	<b>2023</b>
Insurance	13,726	23,538
Fees and licenses	163,625	189,125
Rent	-	108,048
Other prepayments	10,570	30,647
	<b>187,921</b>	<b>351,358</b>
<b>18. Due from related parties</b>	<b>2024</b>	<b>2023</b>
Sarpong Capital Limited	10,660,267	7,752,618
	<b>10,660,267</b>	<b>7,752,618</b>
<b>19. Cash and cash equivalents</b>	<b>2024</b>	<b>2023</b>
Bank	799,706	2,276,830
	<b>799,706</b>	<b>2,276,830</b>

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**Notes and significant accounting policies (Continued)**

**20. Director's account**

This refers to transactions between the company and the Director during the period under review.

<b>21. Stated capital</b>	<b>2024</b>		<b>2023</b>	
	Number	Amount	Number	Amount
Authorized number of shares of no par value:	<u>10,000</u>		<u>10,000</u>	
Issued and fully paid	1,000	2,330,000	1,000	2,330,000
	<b>1,000</b>	<b>2,330,000</b>	<b>1,000</b>	<b>2,330,000</b>

There are no treasury shares or any unpaid call on any share

<b>22. Trade and other accounts payable</b>	<b>2024</b>	<b>2023</b>
Trade payables	4,137,352	4,174,364
Other accounts payable	115,487	208,977
Sundry creditors	648,177	608,953
	<b>4,901,016</b>	<b>5,005,352</b>

**23. Taxation**

<b>23.1 Income tax expense</b>	<b>2024</b>	<b>2023</b>
Current tax	-	-
Deferred tax (credit)/expense	(2,474,864)	802,353
	<b>(2,474,864)</b>	<b>802,353</b>

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**Notes and significant accounting policies (Continued)**

**23.2 Current tax**

Y/A Income tax	Balance as at 1 January	Payments during the year	Charge for the year	Balance at 31 December
2022	736,675	-	-	736,675
2023	(769,189)	-	-	(769,189)
2024	-	-	-	-
	<b>(32,514)</b>	-	-	<b>(32,514)</b>

The tax liability is subject to the agreement with the Domestic Tax Revenue Division (DTRD) of the Ghana Revenue Authority (GRA).

<b>23.3 Deferred tax</b>	<b>2023</b>	<b>2022</b>
Balance 1 January	930,546	128,193
Charge for the year	(2,474,864)	802,353
	<b>(1,544,318)</b>	<b>930,546</b>

**24. Contingent liabilities and capital commitments**

There were no contingent assets and liabilities or capital commitments at 31 December, 2024 (2023: Nil).

**25. Comparative figures**

Some comparative figures have been reclassified in line with the current presentation.

**26. Events after the end of the reporting year**

Events subsequent to the statement of financial position date are reflected only to the extent that they are material. There were no such events as at the date the financial statements were signed.