

Report of the Directors

The Directors have pleasure in submitting their report and financial statements on the affairs of the organisation for the year ended 31 December 2015.

Principal activity

The organisation is engaged in micro credit financing activities.

Directors' responsibility statement

The Directors are responsible for the preparation and presentation of the financial statements, comprising the statement of financial position at 31 December 2015, and the statements of comprehensive income statement, changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with note 25 of the financial statements.

The Directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Directors have made an assessment of the organisation's ability to continue as a going concern and have no reason to believe it will not be a going concern in the year ahead.

Results

The results for the period are shown in the attached financial statements.

Compliance with Other Financial Services Act 2001

The organisation carries out financial activities as defined in the Other Financial Services Act 2001, which includes giving out credit to customers and taking collaterals from them as deposits to secure the loans disbursed. Section 3 of the Other Financial Services Act, 2001, requires that no person shall carry on any financial activity unless that person holds a valid license issued by the Central Bank of Sierra Leone. The Central Bank has issued a license to LAPO Microfinance Company Limited which runs from 2015 to 2020.

Capital adequacy

The Bank of Sierra Leone is required to prescribe a minimum capital adequacy ratio for financial institutions, but this is yet to be determined for micro financing institutions.

Parent company

LAPO (NGO) (a Non-Profit Making Organisation) owns a controlling interest in LAPO Microfinance Company Limited.

Dividend

The directors do not recommend the payment of dividends for the year ended 31 December 2015.