

UTRAK SAVINGS AND LOANS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER, 2019

STATEMENT OF FINANCIAL POSITION

(ALL AMOUNTS ARE STATED IN GHANA CEDIS AND TO THE NEAREST CEDI)

	Notes	2019 GH¢	2018 GH¢
ASSETS			
Cash and Cash Equivalents	4	1,294,231	1,789,189
Short Term Investment	5	4,578,294	3,677,831
Loans and Advances	6	20,039,775	26,614,447
Other Assets	7	2,201,095	2,707,957
Deferred Expenditure	8	534,266	633,439
Receivables from Related Parties	13	4,337,661	3,428,381
Taxation	16	63,474	38,474
Stabilization Levy	17	18,893	15,893
Property, Plant and Equipment	9	5,089,699	5,579,136
Total Assets		38,157,387	44,484,748
LIABILITIES			
Due to Other Banks	11	1,156,192	3,096,791
Bank Overdraft	12	249,878	1,973,073
Payables to Related Parties	13	268,550	348,635
Customer's Deposits	14	24,710,413	20,849,598
Other Liabilities	15	2,759,148	2,745,935
Deferred Tax	18	214,477	275,457
Total Liabilities		29,358,658	29,289,488
EQUITY			
Stated Capital	19	13,164,515	13,164,515
Income Surplus		(6,357,315)	39,216
Statutory Reserve Fund		1,964,945	1,964,945
Credit Risk Reserve		26,584	26,584
Total Shareholder's Fund		8,798,729	15,195,260
Total Liabilities and Equity		38,157,387	44,484,748

The financial statements on pages 8 to 30 were approved by the Board of Directors on

30TH APRIL 2020 and signed on its behalf by:

Kwabena Amahere

Name of Director

[Signature]
Signature

D.C. Asante-Kwatia

Name of Director

[Signature]
Signature

UTRAK SAVINGS AND LOANS LIMITED
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STATEMENT OF PROFIT OR LOSS		2019	2018
(ALL AMOUNT ARE STATED IN GHANA CEDIS AND TO THE NEAREST CEDI)		GH¢	GH¢
Interest Income	21	8,202,174	14,560,431
Interest Expenses	22	<u>(4,408,714)</u>	<u>(5,049,627)</u>
Net Interest Income		3,793,460	9,510,804
Commission and Fees	23	296,992	1,702,209
Other income	24	<u>117,909</u>	<u>218,684</u>
Net Operating Income Before Admin. Expenses		4,208,360	11,431,697
Loan Impairment Charge	25	(237,157)	(286,930)
Staff Cost	26	(5,964,065)	(6,424,083)
Administrative Expenses	27	<u>(4,464,649)</u>	<u>(4,438,539)</u>
Net Profit/(Loss) Before Tax and National Stabilization Levy		(6,457,509)	282,144
National Stabilization Levy	17	<u>-</u>	<u>(14,107)</u>
Net Profit/(Loss) Before Tax		(6,457,509)	268,037
Income Tax	16	-	(161,625)
Deferred Tax	18	60,980	(72,379)
Net Profit/(Loss) for the year		<u>(6,396,529)</u>	<u>34,033</u>

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STATEMENT OF CASH FLOWS

(ALL AMOUNT ARE STATED IN GHANA CEDIS AND TO THE NEAREST CEDI)

	Note	2019 GH¢	2018 GH¢
Cash Flow From Operating Activities:			
Net operating Income/(Loss)		(6,457,509)	282,144
(Increase)/Decrease in Loans and Advances	6	6,574,673	(1,227,046)
(Increase)/Decrease Other Assets	7	506,862	(910,319)
(Increase)/Decrease in Deferred Expenditure	8	99,173	(9,665)
Depreciation	9	519,778	633,378
Increase in amount receivable from related parties	13	(909,280)	(132,925)
Increase in amount payable to related parties	13	(80,085)	(2,898,164)
Increase /(Decrease) in Customers' Deposit	14	3,860,815	680,168
Increase /(Decrease) in Other Liabilities	15	13,213	387,756
Tax and Levies Paid	16 & 17	(28,000)	(357,353)
Net Cash Flow From Operating Activities		4,099,639	(3,552,026)
Cash Flow From Investing Activities:			
Investments	5	(900,462)	(989,612)
Property, Plant and Equipment	9	(30,340)	(251,897)
Proceeds From Disposal	10	-	-
Net Cash Flow From Investing Activities		(930,803)	(1,241,509)
Cash Flow From Financing Activities:			
Loan Drawdown	11	1,500,000	8,500,000
Loan Repayment	11	(3,440,599)	(6,039,876)
Net Cash Flow From Financing Activities		(1,940,599)	2,460,124
Increase/(Decrease) in Cash and Cash Equivalents		1,228,237	(2,333,411)
Cash and Cash Equivalents at 1 January		(183,884)	2,149,528
Cash and Cash Equivalents at 31 December	4	1,044,353	(183,884)

UTRAK SAVINGS AND LOANS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2019

DIRECTORS' REPORT

The directors submit their report together with the audited financial statements of the company for the year ended 31 December 2019.

Statement of Directors' Responsibilities

The directors are responsible for the preparation of the summary financial statements which are consistent in all material respect with the audited financial statements.

The directors are also responsible for the preparation and fair presentation of the financial statements comprising the statement of financial position as at 31 December, 2019, the statement of profit or loss, the statement of changes in owners' equity, the statement of cash flows for the year then ended, and the notes to financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with the company's code 1963 (Act 179) as amended by Companies (Amendment) Act, 2019, (Act 992), the Banks and Specialized Deposits Taking Institution Act 2016 (Act 930) and International Financial Reporting Standards (IFRS).

In preparing those financial statements, the directors have selected suitable accounting policies and then applied them consistently, made judgments and estimates that are reasonable and prudent. The directors are responsible for ensuring that the company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the company. The directors are also responsible for safe guarding the assets of the company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going Concern

The company's management has made an assessment of its liability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt on the company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis

NATURE OF BUSINESS

The Principal Activities of the Company is Savings and Loans.

FINANCIAL RESULTS

The financial results of the company for the year ended 31 December 2019 are set out below

	2019 GH¢	2018 GH¢
Profit/(Loss) before tax is	(6,407,092)	268,036
From which is deducted tax (Current & Deferred) of	-----	<u>(234,004)</u>
Giving a net profit /(Loss) after tax of	(6,407,092)	34,032
From Which a transfer is made to Statutory /Credit Reserve	-----	(43,600)
To which is added balance on Income Surplus A/C of	39,216	1,008,783
To which a transfer is made to stated capital	-----	<u>(960,000)</u>
Giving a balance carried forward on Income Surplus of	<u>(6,367,876)</u>	<u>39,216</u>

MBA ASSOCIATES

CHARTERED ACCOUNTANTS AND FINANCIAL CONSULTANTS

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF UTRAK SAVINGS AND LOANS LIMITED FOR THE YEAR ENDED 31 DECEMBER, 2019

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Utrak Savings and Loans Limited as at 31 December, 2019, and (of) its financial performance and its cash flows for the year then ended and in accordance with International Financial Reporting Standards (IFRSs) and the manner required by the Companies Act, 2019, (Act 992) and the Banks and Specialised Deposits Taking Institution Act 2016 (Act 930).

We have audited the financial statements of Utrak Savings and Loans Limited for the year ended 31 December, 2019. The financial statements on pages 8 to 30 comprises:

- the statement of financial position as at 31 December, 2019;
- the statement of Profit or Loss for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the notes to the financial statement, 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 further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. 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 Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other Information

The directors are responsible for the other information. The other information comprises Report of the Directors and Corporate Governance framework but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, 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.

REPORT OF THE INDEPENDENT AUDITOR'S (CONTINUED)

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is 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 whether the financial statements as a whole are free from material misstatement, 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 international standards on auditing (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.

As part of an audit in accordance with international standard on auditing (ISAs), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement 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 fraud is higher than for one resulting from error, as fraud may involve collusion, forgery intentional omissions, misrepresentations or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

We communicate with the Board of 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 identify during our audit.

Report on other Legal and Regulatory Requirements

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

- i) We have obtained all the information and explanations which to the best of our knowledge and believe were necessary for the purposes of our audit.
- ii) In our opinion, proper books accounts have been kept by the company, so far as it appears from our examination of those books; and

REPORT OF THE INDEPENDENT AUDITOR'S (CONTINUED)

iii) The company's statement of financial position and statement of comprehensive income are in agreement with the books of accounts.

We also hereby confirm that

- i. We were able to obtain all the information and explanations required for the efficient performance of our duties as auditors;
- ii. In our opinion, the accounts give a true and fair view of the Bank's affairs and its results for the year under review;
- iii. In our opinion, the Bank's transactions were within its powers; and
- iv. The Bank in all material respects complied with the requirements the Banks and Specialised Deposits Taking Institution Act 2016 (Act 930).

v.

The engagement partner on the audit resulting in this independent auditor's report is Dr. Joseph Mbawuni (ICAG/2020/P/1100)

M.B.A. Associates

M.B.A. Associates (ICAG/F/2020/173)
Chartered Accountants
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Date..

30th April 2020

**M. B. A. ASSOCIATES
CHARTERED ACCOUNTANTS
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