

**Utrak Savings and Loans Limited**  
**Statement of profit or loss and other comprehensive income**  
**for the year ended 31 December, 2022**

	Note	2022 GH¢	2021 GH¢
Interest Income	5	2,895,997	4,432,571
Interest Expense	6	(5,040,974)	(5,034,726)
<b>Net Interest Income</b>		<b>(2,144,977)</b>	<b>(602,155)</b>
Commission and Fees Income	7	222,962	443,468
Other Operating Income	8	235,203	19,934
<b>Operating Income</b>		<b>(1,686,812)</b>	<b>(138,753)</b>
Operating Expenses	9	(9,798,762)	(13,818,640)
Impairment Loss	14	(889,326)	(120,041)
<b>Loss before Stabilisation Levy</b>		<b>(12,374,900)</b>	<b>(14,077,434)</b>
National Stabilisation Levy	10	0	0
<b>Loss before tax</b>		<b>(12,374,900)</b>	<b>(14,077,434)</b>
Income Tax Credit	11	320,201	79,568
<b>Loss for the year</b>		<b>(12,054,699)</b>	<b>(13,997,866)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
		0	0
<i>Items that will be reclassified subsequently to profit or loss</i>			
Fair value losses through OCI financial assets		0	0
Tax effect		0	0
		0	0
<b>Total other comprehensive income for the year</b>		<b>0</b>	<b>0</b>
<b>Total Loss and other comprehensive income for the year</b>		<b>(12,054,699)</b>	<b>(13,997,866)</b>

**Utrak Savings and Loans Limited**  
**Statement of financial position**  
**as at 31 December, 2022**

	Note	2022 GH¢	2021 GH¢
<b>Assets</b>			
Cash and Balances with Other Banks	12	148,278	1,384,067
Short-Term Investments	13	0	1,376,072
Loans and advances	15	16,707,853	20,429,652
Other Assets	16	1,319,936	2,037,272
Deferred Tax Asset	11.5	465,791	145,590
Intangible Asset	17	78,721	144,965
Property, Plant and Equipment	18	4,522,961	4,848,195
<b>Total assets</b>		<b>23,243,540</b>	<b>30,365,813</b>
<b>Equity &amp; liabilities</b>			
<b>Equity</b>			
Stated Capital	19	13,164,515	13,164,515
Deposit for Shares	20	265,112	265,112
Statutory Reserve Fund	21	1,964,945	1,964,945
Credit Risk Reserve	22	193,762	193,762
Retained Earnings	23	(39,901,424)	(27,846,725)
<b>Total shareholders' funds</b>		<b>(24,313,090)</b>	<b>(12,258,391)</b>
<b>Liabilities</b>			
Bank Overdraft	24	0	684,114
Due to Other Financial Institutions	25	30,000	0
Deposits and Current Accounts	26	42,937,909	39,328,617
Creditors and Accruals	27	4,588,721	2,611,473
<b>Total liabilities</b>		<b>47,556,630</b>	<b>42,624,204</b>
<b>Total equity &amp; liabilities</b>		<b>23,243,540</b>	<b>30,365,813</b>

Approved by the Board on 09/06/2023

Director

Director

**Utrak Savings and Loans Limited**  
**Statement of changes in equity**  
**for the year ended 31 December, 2022**

	2022							
	Balance as at 1 January	Stated capital GH¢	Deposit for Shares	Statutory reserve fund GH¢	Credit risk reserve GH¢	Retained Earnings GH¢	Total GH¢	
<b>Total profit and other comprehensive income</b>	13,164,515	265,112		1,964,945	193,762	(27,846,725)	(12,258,391)	
Loss for the year	0	0	0	0	0	(12,054,699)	(12,054,699)	0
Transfers	0	0	0	0		0		0
<b>Other comprehensive income</b>								
Fair value losses on Fair Value through OCI	0	0	0	0		0	0	0
Tax effect	0	0	0	0		0	0	0
Total other comprehensive income	0	0	0	0		0	0	0
<b>Total profit and other comprehensive income for the year</b>	0	0	0	0	0	(12,054,699)	(12,054,699)	
<b>Balance as at 31 December</b>	13,164,515	265,112		1,964,945	193,762	(39,901,424)	(24,313,090)	



**Utrak Savings and Loans Limited**  
**Statement of cash flows**  
**for the year ended 31 December, 2022**

	2022 GH¢	2021 GH¢
<b>Cash flows from operating activities</b>		
Loss Before Tax	(12,374,900)	(14,077,434)
<b>Adjustments:</b>		
Depreciation & Amortisation Charge	422,988	463,403
Credit Impairment Loss	889,326	120,041
Profit on Disposal	(235,203)	0
<b>Operating loss before working capital changes</b>	<b>(11,297,789)</b>	<b>(13,493,990)</b>
<b>Changes in operating assets and liabilities</b>		
Changes in Loans and Advances	2,832,473	116,757
Changes in Other Assets	717,336	(714,880)
Changes in Deposits and Current Accounts	3,609,292	6,722,522
Changes in Creditors and Accruals	1,977,248	627,525
	<b>(2,161,439)</b>	<b>(6,742,065)</b>
Income Tax Paid	0	(5,000)
<b>Net cash out flows from operating activities</b>	<b>(2,161,439)</b>	<b>(6,747,065)</b>
<b>Cash flow from investing activities</b>		
Purchase of Property, Plant and Equipment	(38,308)	(133,800)
Purchase of Intangibles	0	(107,800)
Proceeds from Disposal	242,000	0
<b>Net cash out flows from investing activities</b>	<b>203,692</b>	<b>(241,600)</b>
<b>Cash flows from Financing activities</b>		
Changes in Loans	30,000	0
Net Change in cash and cash equivalents	(1,927,747)	(6,988,665)
Cash and Cash Equivalents as at 1 January	2,076,025	9,064,690
<b>Cash and Cash Equivalents as at 31 December</b>	<b>148,278</b>	<b>2,076,025</b>
<b>Cash and Cash equivalents</b>		
Cash and Balances with Other Banks	148,278	1,384,067
Short Term Investments	0	1,376,072
Bank Overdraft	0	(684,114)
	<b>148,278</b>	<b>2,076,025</b>

## Utrak Savings and Loans Limited

### Report of the directors

In accordance with the requirements of Section 136 of the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit -Taking Institutions Act 2016 (Act 930), we the Board of Directors of Utrak Savings and Loans Limited, do herewith submit our annual report on the state of affairs of the Company for the year ended 31 December 2022.

#### Statement of Directors Responsibilities

The directors are responsible for the preparation of financial statements that give a true and fair view of Utrak Savings and Loans Limited, comprising the statement of financial position at 31 December 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement 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 International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and Banks and Specialized Deposit - Taking Institutions Act 2016 (Act 930). In addition, the directors are responsible for the preparation of the report of the directors.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the company to continue as going concerns and believe that the shareholders will introduce additional capital into the business.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

The Directors report as follows:

	2022 GH¢	2021 GH¢
Interest Income	2,895,997	4,432,571
Loss before tax	(12,374,900)	(14,077,434)
from which is deducted;		
a provision for estimated income tax expense of	320,201	79,568
Transfer to Credit risk reserve	0	(193,762)
leaving a Loss after tax of	(12,054,699)	(14,191,627)
which is to be added to the deficit brought forward of	(27,846,725)	(13,655,097)
resulting in a balance to be carried forward on the retained earnings account at December 31	(39,901,424)	(27,846,725)



**Utrak Savings and Loans Limited**  
**Report of the directors (continued)**

**Nature of Business**

The principal activity of the Company during the year was in accordance with Section 2 of the Regulations of the Company. This represents no change from the activities carried out for the previous year.

**Particulars of entries in the Interests Register during the financial year**

No Director had any interest in contracts and proposed contracts with the Company during the year under review, hence there were no entries recorded in the Interests Register as required by 194(6), 195(1)(a) and 196 of the Companies Act, 2019 (Act 992).

**Corporate Social Responsibility and Code of Ethics**

There was no amount spent by the company on corporate social responsibility during the year.

**Capacity Building of Directors to Discharge their Duties**

A training on current development on the financial market was organised for directors during the year under review.

**Auditors and Audit fees**

In accordance with Section 139(5) of the Companies Act, 2019 (Act 992), PKF will remain in office as auditors for the Company. As at 31 December, 2022, the amount payable in respect of audit fees was GH¢61,116.00.

**Going Concern**

The Board of Directors have made an assessment of the Company's ability to continue as a going concern and is satisfied that it will have the resources from its shareholders to continue in business for the foreseeable future. Furthermore, the Directors are unaware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

**Dividend**


The Directors did not propose dividend for the year.

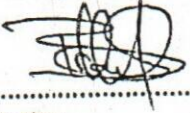
**Acknowledgement**

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

**Approval of the report of the directors**

The report of the directors of Utrak Savings and Loans Limited, was approved by the board of directors on 09/06/2023 and signed on their behalf by

  
.....  
Director

  
.....  
Director



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
UTRAK SAVINGS AND LOANS LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Report on the Audit of the Financial Statements**

**Qualified Opinion**

We have audited the accompanying financial statements of Utrak Savings and Loans Limited which comprise the statement of financial position as at December 31, 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the possible effects of matters described in the Basis for Qualified Opinion section of the report, the accompanying financial statements give a true and fair view of the financial position of Utrak Savings and Loans Limited as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit Taking Institutions Act 2016 (Act 930).

**Basis for Qualified Opinion**

The Company's capital of GH¢13,164,515 and Capital Adequacy Ratio (CAR) of negative 80.58 % are below the minimum of GH¢15,000,000 and 10% respectively as required by Bank of Ghana. The Company failed to comply with the regulatory minimum requirement as required by Bank of Ghana. These events indicate that a material uncertainty exists that may cast significant doubts on the Company's ability to continue as a going concern.

We were unable to obtain the required confirmations from the Company's Bankers.

We were also unable to obtain the required confirmation from the Company's Solicitor.

The Company has received some funding from an investor with the intention of taking majority of the Company's shares from the current shareholders. We did not obtain any term sheet or memorandum of understanding which is the basis of the initial amount advanced by the Investor.

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 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.

**Material Uncertainty Relating to Going Concern**

We draw attention to Note 31 in the financial statements, which indicates that the Company made net loss of GH¢12,054,699 (13,997,866: 2021) and also showed a net liability of GH¢24,313,090 (2021: GH¢12,258,391.) As stated in Note 31, these events or conditions, along with other matters as set forth in Note 31, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



## 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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Impairment of loans and advances in line with IFRS 9</p> <p>Loans and advances to customers constitute a significant portion of the total assets of the Company.</p> <p>At 31 December 2022, gross loans and advances to customers were GH¢20.47 million (2021: GH¢23.30million) against which total loan impairment amount of GH¢3.76 million (2021: GH¢ 2.87million) was recorded, thus leaving a net loan balance of GH¢16.71 million (2021: GH¢ 20.43 million) which represents about 71.88% (2021: 67.28%) of the total assets.</p> <p>The basis of the impairment amount is summarised in the accounting policies in the financial statements.</p> <p>The directors exercise significant judgment when determining both when and how much to record as loan impairment. This is because a number of significant assumptions and inputs go into the determination of expected credit loss (ECL) impairment amounts on loans and advances to customers.</p> <p>This complex standard requires the company to recognise Expected Credit Losses (ECL) on financial instruments, which involves exercise of significant judgment and estimates. The key areas where we identified greater levels of management judgment and therefore increased levels of audit focus in the company's implementation of IFRS 9 include:</p> <p>i. Identification and measurement of economic scenarios to measure ECLs on a forward-looking basis reflecting a range of future economic conditions.</p> <p>ii. Assessment and measurement of Significant Increase in Credit Risk ('SICR') using different criteria.</p> <p>iii. Modelling for estimation of ECL parameters:</p>	<p>We focused our testing of the impairment of loans and advances to customers on the key assumptions and inputs made by management and directors. Specifically, our audit procedures included:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of the loan loss impairment calculation process within the Company;</li> <li>• Testing the design and determining implementation of key controls across the processes relevant to the ECL (allocation of assets into stages, model governance, data accuracy and completeness, credit monitoring, multiple economic scenarios, post model adjustments, individual provisions and processing of journal entries and disclosures);</li> <li>• Assessing the ECL provision levels by stage to determine if they were reasonable considering the company's portfolio, risk profile, credit risk management practices and the macroeconomic environment;</li> <li>• Challenging the criteria used to allocate assets to stages 1, 2 or 3 in accordance with IFRS 9;</li> <li>• Testing the assumptions, inputs and formulae used in a sample of ECL models (including assessing the appropriateness of model design and formulae used, considering alternative modelling techniques and recalculating the Probability of Default, Loss Given Default and Exposure at Default for a sample of models);</li> <li>• Testing the data used in the ECL calculation by reconciling to source systems; and</li> <li>• Assessing the adequacy and appropriateness of disclosures for compliance with the accounting standards.</li> </ul> <p>Based on our review, we found that the Company's impairment methodology, including the model, assumptions and key</p>



<ul style="list-style-type: none"> <li>• Probabilities of Default (PDs) – 12-month and lifetime;</li> <li>• Loss Given Default (LGD); and</li> <li>• Exposure at Default (EAD).</li> </ul> <p>iv. Completeness and accuracy of data used to calculate the ECL.</p> <p>Because of the significance of these estimates, judgments and the size of loans and advances portfolio, the audit of loan impairment provisions is considered a key audit matter.</p>	<p>inputs used by management and directors to estimate the amount of loan impairment losses and the estimated loan impairment losses determined were appropriate in the circumstances.</p>
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### **Responsibilities of Board of Directors for the Financial Statements**

The Board of Directors is responsible for the preparation of the financial statements that gives a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit Taking Institutions Act 2016 (Act 930), 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 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 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 about 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 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 Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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 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 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 disclosures 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.
- 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.


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**

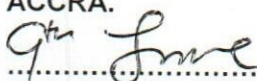
The Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit Taking Institutions Act 2016 (Act 930), requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) In our opinion proper books of account have been kept by the Utrak Savings and Loans Limited, so far as appears from our examination of those books.
- iii) The financial position and statement of comprehensive Income of the company are in agreement with the accounting records.
- iv) The financial statements give a true and fair view of the state of affairs of the company and its results for the year under review.
- v) The Company's transactions are within its powers.
- vi) Adequate disclosure have been in the financial statements for the directors' emoluments and pension as well as amount due from officers and the amount reported in the financial statements are in agreement with the accounting records.
- vii) We are independent of the company in accordance with Section 143 of this Act.

The engagement partner on the audit resulting in this independent auditor's report is Albert Addo Coffie (ICAG/P/1403).



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



2023.