

BEST POINT SAVINGS AND LOANS LIMITED

SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2020



BEST POINT SAVINGS AND LOANS LIMITED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2020

	2020 GH¢	2019 GH¢
Interest Income	45,939,262	42,261,998
Interest expense	(16,952,979)	(17,302,412)
Net interest income	28,986,283	24,959,586
Net fee and commission income	2,871,598	2,842,249
Other operating income	16,578,097	1,415,136
Total operating income	48,435,979	29,216,971
Net impairment loss on financial assets	(5,810,262)	(6,202,983)
Personnel expense	(15,612,230)	(15,218,703)
Other operating expenses	(14,208,953)	(13,495,854)
Total Operating and Administrative Expense	(35,631,445)	(34,917,540)
Profit before income tax	12,804,534	(5,700,569)
Income tax expense	(1,279,253)	(281,269)
Profit for the year	11,525,281	(5,981,838)
Basic Earnings Per Share	0.33	(0.17)

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2020

	2020 GH¢	2019 GH¢
ASSETS		
Cash and cash equivalents	25,172,740	29,871,194
Investment securities	270,503,021	195,164,536
Loans and advances to customers	34,007,077	32,452,181
Current tax asset	555,330	1,110,264
Deferred tax asset	565,792	379,285
Intangible assets	432,540	480,747
Other assets	7,855,001	25,730,906
Property, plant and equipment	3,651,561	4,377,687
Total assets	342,743,062	289,566,800
LIABILITIES		
Deposits from customers	303,173,836	259,768,703
Current tax liability	-	-
Other liabilities	6,298,510	8,063,829
Overdraft	-	-
Total liabilities	309,472,346	267,832,532
EQUITY		
Stated Capital	35,140,000	35,140,000
Income Surplus	(13,020,509)	(15,732,237)
Statutory Reserve	6,921,795	1,159,154
Credit Risk Reserve	4,229,430	1,167,351
Total equity attributable to equity holders of the Bank	33,270,716	21,734,268
TOTAL LIABILITIES AND EQUITY	342,743,062	289,566,800

BEST POINT SAVINGS AND LOANS LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020 GH¢	2019 GH¢
Cash flow from Operating Activities		
Profit/(loss) before tax	12,804,534	(5,700,569)
Adjustments for:		
Depreciation and amortisation	2,456,981	3,114,736
Reversal of Investment Written	(250,696)	-
Impairment on financial assets	4,165,002	661,313
(Profit)/loss on disposal of assets	(14,840)	(1,933)
Change in loans and advances to customers	(5,469,202)	4,903,668
Change in other assets	17,875,905	(332,433)
Changes in short-term investment	(75,338,485)	(4,797,667)
Change in deposits from customers	43,405,133	2,504,731
Change in other liabilities	(1,765,319)	(1,078,147)
Income Tax Adjustment	7,791	-
Income tax paid	(918,617)	(440,154)
Net cash Used in Operating Activities	(3,041,812)	(1,166,455)
Cash Flow from Investing Activities		
Proceeds from disposal of assets	14,840	3,650
Purchase of property, plant & equipment	(1,566,422)	(1,233,612)
Purchase of intangible assets	(105,059)	(28,476)
Net Cash Used in Investing Activities	(1,656,641)	(1,258,438)
Cash flows from financing activities		
Proceeds from issue of equity shares	-	-
Net cash flows from financing activities	-	-
Net (decrease)/ increase in cash and cash equivalent	(4,698,454)	(2,424,893)
Cash and cash equivalents at 1st January	29,871,194	32,296,087
Cash and cash equivalents at 31st December	25,172,740	29,871,194
Composition of cash and cash equivalents		
Cash in hand	7,609,694	6,497,097
Balances with Bank	17,563,046	23,374,097
	25,172,740	29,871,194

STATEMENT OF CHANGES IN EQUITY

	Stated Capital GH¢	Income Surplus GH¢	Credit Risk Reserve GH¢	Statutory Reserve GH¢	Total Equity GH¢
Balance as at 1st January 2020	35,140,000	(15,732,237)	1,167,351	1,159,154	21,734,268
Prior Year Adjustment	-	11,167	-	-	11,167
Restated Balance	35,140,000	(15,721,070)	1,167,351	1,159,154	21,745,435
Total comprehensive income:					
Profit/(loss) for the year	-	11,525,281	-	-	11,525,281
Total comprehensive income for the year	-	11,525,281	-	-	11,525,281
Transaction with Owners, recorded directly in Equity					
Issue of shares to new shareholders:	-	-	-	-	-
Transfer to Statutory Reserve	-	(5,762,641)	-	5,762,641	-
Transfer from Credit Risk Reserve	-	(3,062,079)	3,062,079	-	-
Total transactions with owners	-	(8,824,720)	3,062,079	5,762,641	-
Balance at 31st December, 2020	35,140,000	(13,020,509)	4,229,430	6,921,795	33,270,716

	Stated Capital GH¢	Income Surplus GH¢	Credit Risk Reserve GH¢	Statutory Reserve GH¢	Total Equity GH¢
Comparative- 2019					
Balance as at 1st January 2020	35,140,000	(8,724,169)	143,914	1,159,154	27,718,899
Prior Year Adjustment	-	(2,793)	-	-	(2,793)
Restated Balance	35,140,000	(8,726,962)	143,914	1,159,154	27,716,106
Total comprehensive income:					
Profit/(loss) for the year	-	(5,981,838)	-	-	(5,981,838)
Total comprehensive income for the year	-	(5,981,838)	-	-	(5,981,838)
Transaction with Owners, recorded directly in Equity					
Issue of shares to new shareholders:	-	-	-	-	-
Transfer to Statutory Reserve	-	-	-	-	-
Transfer from Credit Risk Reserve	-	(1,023,437)	1,023,437	-	-
Total transactions with owners	-	(1,023,437)	1,023,437	-	-
Balance 31st December, 2019	35,140,000	(15,729,444)	1,167,351	1,159,154	21,734,268



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SUMMARY NOTES TO THE FINANCIAL STATEMENTS

1.0 REPORTING ENTITY

The "Company" is a company domiciled in Ghana. The address of the Company's registered office is Old Peace FM Building, Mile 7 Junction, Off Achimota-Ofankor Road, P. O. Box CT 1019, Cantonments-Accra. The Company primarily is involved in mobilising of savings and giving out of loans.

2.0 BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and adopted by Institute of the Chartered Accountants, Ghana (ICAG) and Guide for Financial Publications for Banks & BOG licensed Financial Institutions. These financial statements were approved by the Board of Directors on 19th April 2021.

2.2 Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Financial instruments at fair value through profit or loss or Other Comprehensive income.
- Investment property is measured at fair value.
- Property, plant & equipment are re-valued to reflect the fair value option.

2.3 Functional and Presentation Currency

The financial statements are presented in Ghana Cedi (GH¢), which is the Company's functional currency.

2.4 Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis.

3.0 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Company.

3.1 Foreign Currency

3.1.1 Foreign Currency Transactions

Transactions in foreign currencies are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the exchange rate at that date (closing rate).

3.2 Interest Income and Expense

Interest revenue is generally recognised when future economic benefits of the underlying assets will flow to the organisation and it can be reliably measured. Interest income and expense are, however, generally recognised in profit or loss on straight-line basis using the effective interest method.

3.3 Fees and Commission

Fees and commission income and expenses that are integral to the effective interest rate on a financial asset or financial liability are included in the measurement of the effective interest rate.

3.4 Income Tax Expense

Income tax expense comprises current and deferred tax.

3.5 Property, Plant & Equipment

Items of property, plant & equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of replacing part of an item of property, plant or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably.

3.6 Intangible Assets – Computer Software

Software acquired by the Company is stated at cost less accumulated amortisation and accumulated impairment losses. Cost incurred to acquire and bring to use are capitalised and amortised on the basis of expected useful lives using the straight-line method. Maximum useful life ranges between 5 and 10 years.

3.7 Events after Reporting Date

Events subsequent to the reporting date are reflected only to the extent that they relate directly to the financial statements and their effect is material.

4.0 OTHER DISCLOSURES

I. Quantitative Disclosures

	2020	2019
Capital Adequacy Ratio% (CRD)	22.65	8.20
Liquid Ratio (%)	98	87
Statutory Liquidity Breaches	Nil	Nil
Non-Compliance with Other Prudential Requirements	None	None
Gross Non-Performing Loans (%)	29.92	33.69
Amount spent on Social Responsibility Activities (GHS)	22,752	11,499

II. Qualitative Disclosures

RISK MANAGEMENT

Dominant Risks of the Company

The nature of the Company's business activities exposes it to various types of risks, notably, credit, liquidity, operational, compliance, and reputational Risk.

Risk Governance

The Company maintains a risk governance structure which ensures oversight of and accountability for, the effective management of risks inherent in its operations. The risk governance system of the Company is multi-faceted, involving the Board of Directors and management level committees and ensure that risk management is performed at all levels of the Company's operations.

Liquidity Risk

The Company's liquidity risk management framework is designed to maintain sufficient liquidity to ensure safe and sound operations. There were no defaults in statutory liquidity requirement during the period.

Credit Risk

The Company manages credit risk through well-structured systems and controls geared to uncover early warning signals of non-performance.

Market Risk

The Company's exposure to this risk is basically in its foreign bank account balances.

Operational Risks

Operational risk are identified, monitored and controlled in the Company through well designed operating procedures and controls, insurance policies, business continuity planning, internal audit and timely and reliable management reporting systems.

Compliance Risk

The Company has embedded clear and accessible policies and procedures in its operations to forestall possible compliance failures.

Reputational Risk

The Company's reputational risk management revolves around effective communication between the Company and its stakeholders (customers, employees, regulators, shareholders etc).

APPROVED BY THE BOARD ON 19th APRIL 2021



Board Chairman
MR. ISAAC EMMIL OSEI-BONSU

For: 

Managing Director
MR. PHILIP ODEI ASARE

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF BEST POINT SAVINGS AND LOANS LTD

Our Opinion

In our opinion, the accompanying summary financial statements of Best Point Savings and Loans LTD, are consistent, in all material respects, with the audited financial statements of the Company standing alone for the year ended 31 December 2020, on the basis described in the notes.

The summary financial statements

The summary financial statements derived from the audited financial statements for the year ended 31 December 2020 comprise:

- the summary statements of financial position as at 31 December 2020;
- the summary statements of comprehensive income for the year then ended;
- the summary statements of cash flows for the year then ended
- the summary statements of changes in equity for the year then ended, and
- the related notes to the summary financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards and the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-taking Institutions Act, 2016 (Act 930).

Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The audited financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited financial statements of the current period.

Directors' Responsibility for the summary financial statements

The Directors are responsible for the preparation of the summary financial statements on the basis described in the notes.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

The engagement partner on the audit resulting in this independent auditor's report is Dr. Adom Adu-Amoah (ICAG/P/1294)

Morrison & Associates (Licence Number: ICAG/F/2021/097)
(Chartered Accountants, Tax & Management Consultants)

Accra, Ghana



19th APRIL 2021

