

Summary Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2021

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 GH¢	2020 GH¢
Cash flows used in operations		
(Loss) / profit for the year	(16,345,548)	(13,741,363)
Adjustments for:		
Depreciation and amortisation	1,883,706	2,457,834
Impairment on financial assets	9,775,855	13,973,666
Share of profit of associate	(653,883)	(2,158,351)
Income tax expense and fiscal stabilisation	7,647,543	(1,051,184)
	<u>18,653,221</u>	<u>13,221,965</u>
Change in pledged assets	-	-
Change in loans and advances to customers	2,429,516	(57,944,619)
Change in non - pledged assets	(4,314,125)	19,211,456
Change in other assets	(3,426,307)	345,867
Change in deposits from banks	4,770,072	35,706,714
Change in deposits from customers	(14,143,978)	(30,654,014)
Change in due to banks	8,521,672	(8,838,916)
Change in other liabilities and provisions	(1,076,018)	(9,156,594)
	<u>(7,239,168)</u>	<u>(51,330,106)</u>
Income tax paid	-	-
National fiscal stabilisation levy paid	-	-
	<u>-</u>	<u>-</u>
Net cash flows used in operations	<u>(4,931,495)</u>	<u>(51,849,504)</u>
Cash flows (used in) / from investing activities		
Purchase of property, plant and equipment	(15,974)	(2,641,568)
Other cash receipts from sales of interests in associates	8,148,603	-
Cash flows (used in) / from investing activities	<u>8,132,629</u>	<u>(2,641,567)</u>
Cash flows from financing activities		
Proceed from issue of shares	-	-
Dividend paid	-	-
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents	<u>3,201,134</u>	<u>(54,491,071)</u>
Cash and cash equivalents at beginning of the year	3,781,486	58,272,557
Cash and cash equivalents at end of the year	<u>6,982,620</u>	<u>3,781,486</u>

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 GH¢	2020 GH¢
Interest income	123,299,573	106,217,948
Interest expense	(108,736,578)	(87,508,108)
Net interest income	<u>14,562,995</u>	<u>18,709,840</u>
Net fees and commission	271,350	63,463
Other income	50,715	1,012,006
Operating income	<u>14,885,060</u>	<u>19,785,309</u>
Impairment loss on financial assets	(9,775,855)	(13,973,666)
Operating expenses	(16,812,490)	(22,762,541)
Loss from operating activities	<u>(11,703,285)</u>	<u>(16,950,898)</u>
Share of profit from equity accounted investments	653,883	2,158,351
Other income from equity accounted investments	2,351,397	-
(Loss) / profit before tax	<u>(8,698,005)</u>	<u>(14,792,547)</u>
National fiscal stabilisation levy	-	-
Income tax credit / (expense)	(7,647,543)	1,051,184
(Loss) / profit for the year	<u>(16,345,548)</u>	<u>(13,741,363)</u>
Other comprehensive income net of tax		
Gains on revaluation	-	10,061,774
Total comprehensive income	<u>(16,345,548)</u>	<u>(3,679,589)</u>

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	2021 GH¢	2020 GH¢
Assets		
Cash and cash equivalents	6,982,620	3,781,486
Non-pledged trading assets	47,331,535	43,017,410
Loans and advances	242,845,853	255,051,224
Investment (other than securities)	-	7,494,720
Deferred tax asset	2,116,616	9,591,118
Other assets	4,316,501	890,194
Intangible assets	86,019	798,003
Property, plant and equipment	22,681,548	23,837,298
Total assets	<u>326,360,692</u>	<u>344,461,453</u>
Liabilities		
Deposits from banks, SDIs & Other BoG Licensed Fin.	82,450,867	77,680,795
Deposits from customers	159,959,278	174,103,256
Borrowings	11,526,945	3,005,275
Current tax liabilities	7,929,324	7,756,283
Other liabilities	2,872,428	3,948,446
Total liabilities	<u>264,738,842</u>	<u>266,494,055</u>
Equity		
Stated capital	29,435,267	29,435,267
Retained earnings	(48,718,225)	(13,462,925)
Revaluation reserve	16,686,774	16,686,774
Statutory reserve fund	21,542,930	21,542,930
Credit risk reserve	42,675,104	23,765,352
Total equity	<u>61,621,850</u>	<u>77,967,398</u>
Total liabilities and equity	<u>326,360,692</u>	<u>344,461,453</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

Figures in GH¢	Stated Capital	Revaluation Reserve	Statutory Reserve Fund	Credit Reserve Fund	Accumulated Loss	Total
Balance at 1 January 2021	29,435,267	16,686,774	21,542,930	23,765,352	(13,462,925)	77,967,398
Loss for the year	-	-	-	-	(16,345,548)	(16,345,548)
Other comprehensive income	-	-	-	-	-	-
Transfer to statutory reserve fund*	-	-	-	-	-	-
Transfer to credit risk reserve	-	-	-	18,909,752	(18,909,752)	-
Balance at 31 December 2021	29,435,267	16,686,774	21,542,930	42,675,104	(48,718,225)	61,621,850
Balance at 1 January 2020	29,435,267	6,625,000	21,542,930	34,091,061	(10,047,271)	81,646,987
Loss for the year	-	-	-	-	(13,741,363)	(13,741,363)
Other comprehensive income	-	10,061,774	-	-	-	10,061,774
Transfer to statutory reserve fund*	-	-	-	-	-	-
Transfer from credit risk reserve	-	-	-	(10,325,709)	10,325,709	-
Balance at 31 December 2020	29,435,267	16,686,774	21,542,930	23,765,352	(13,462,925)	77,967,398

Significant Accounting Policies

Statement of Compliance

The financial statements have been prepared by following International Financial Reporting Standards (IFRS), the Banks and Specialised Deposit-Taking Institutions Act 930 (Act 2016) and the Companies Act 992 (2019).

Basis of Preparation

The financial statements have been extracted from the audited financial statement of the company.

The capital Adequacy Ratio is 2.7% (2020: 10.99% restated)

There was no default in statutory liquidity and sanctions in 2021 and 2020

Qualitative Disclosure

The company's activities expose it to a variety of financial risks and inherent operational risks because of the core Savings and Loans operations. BOND aim is to achieve a balance between risk and return and minimise potential adverse effects. Risk management is carried out by the Risk Management Department under policies approved by the Board of Directors. The Board provides written policies for overall risk management and specific areas such as credit, liquidity, market and other operational risks.

Reports of the Directors

The directors are responsible for the preparation of the financial statement which gives a true and fair view of the state of affairs of BOND following IFRS and relevant legislations. The directors submit their report together with the audited financial statements for the year ended 31 December 2021.

Going Concern

The Directors have assessed BOND's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the ensuing year. The loss-making was primarily due to loan write-offs as a result of challenging circumstances for some loan clients following the Covid-19 impact on their businesses. As these non-performing loans have been provided for, the directors are confident that BOND has enough resources to continue in business as a going concern.

Approval of the Financial Statement

The financial statements were approved by the Board of Directors on the 7th of November 2022.

Director

Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BOND SAVINGS & LOANS PLC FOR THE YEAR ENDED 31 DECEMBER 2021

We have audited the financial statements of BOND Savings and Loans PLC (BOND) which comprise of the statement of financial position as of 31 December 2021, the statement of profit and loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of BOND as at 31st of December 2021 and of its financial performance and its cash flows for the year then ended in accordance with IFRS and the requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The Basis for Opinion

We conducted our audit in accordance with the International Standards of Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors Responsibilities for the audit of financial statements section of our report.

We are independent of the company in accordance with the International Ethics Standard Board for Accountants Code of Ethics for Professional Accountants (IESBA code) together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis of opinion.

Material Uncertainty Relating to Going Concern

We draw attention to note 55 of the financial statements which indicate that BOND incurred a net loss of Ghs16,345,548 during the year ended 31 December 2021. This condition indicates the existence of uncertainty which may cast doubt about the company's ability to continue as a going concern. The note further describes why, under these circumstances, the financial statements continue to be prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Directors Responsibilities

The Board of Directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with IFRS and the requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 930 (2016) and for such internal controls as the directors determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors Responsibilities

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 ISAs will always detect a material misstatement when it exists.

AA&K Chartered Accountants
(ICAG/F/2022/114)

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9th November 2022