UTRAK SAVINGS AND LOANS LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER, 2017

MBAA

M.B.A. ASSOCIATES

CHARTERED ACCOUNTANTS

5TH ELLIS AVENUE, AHODWO NHYIAESO

P O BOX KS 8227

KUMASI, GHANA.

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CORPORATE INFORMATION

Board of Directors	David Christian Asante-Kwatia - Chairman Kwabena Atuahene Prof. Comfort Charity Atuahene Ernest Kwasi Danquah Brenda Atuahene Lawrence Kwame Wiredu
Registered Office	Asokwa Residential Area Plot 24 Blk, IV P.O Box UP 1011 Kumasi
Secretary	Rudolph Asare-Danso Plt 33 Blk C Bomso - Kumasi
Auditors	M. B. A. Associates Chartered Accountants P.O. BOX KS 8227 5th Ellis Avenue ,Ahodwo Nhyiaeso Kumasi, Ghana Tel: 0322002700 , 0208501313
Bankers	Ecobank Ghana Limited Barclays Bank Ghana Limited Zenith Bank Ghana Limited GCB Bank Limited Fidelity Bank Limited Bank of Africa Ghana limited Universal Merchant Bank Societe Generale Ghana Limited

DIRECTORS' REPORT

The directors submit their report together with the audited financial statements of the company for the year ended 31 December 2017.

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 at 31 December, 2017, 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, 2012, (Act 835), 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 to Mobilize, Grant Loans and Grant other forms credit

FINANCIAL RESULTS

The financial results of the company for the year ended 31 December 2017 are set out below:

	2017	2016
	GH¢	GH¢
Profit before /(Loss) tax is	1,013,388	1.008,168
From which is deducted tax (Current & Deferred) of	(509,188)	(226,633)
Giving a net profit after tax of	504,200	781,534
From Which a transfer is made to Statutory Reserve	(252,100)	(390,767)
To which is added balance on Income Surplus A/C of	756,683	365,916
Giving a balance carried forward on Income Surplus of	1,008,783	756,683

DIRECTORS' REPORT (CONTINUED)

The company's net worth increased from Gh¢14,657,027 at 1 January, 2017 to **Gh¢ 25, 280,449** at 31 December, 2017.

DIVIDEND

The Directors do not recommend payment of dividend during the year.

AUDITORS

The Auditors, M.B.A. Associates will continue in office in accordance with Section 134(5) of the Companies 1963 (Act 179) as amended by Companies (Amendment) Act, 2012, (Act 835).

D.C. ASANTE-KWATIA	KWABENA ATUAHENE
Name of Director	Name of Director
Signature	Signature

Date 25/04/2018

REPORT OF THE INDEPENDENT AUDITOR
TO THE MEMBERS OF UTRAK SAVINGS AND LOANS LIMITED
FOR THE YEAR ENDED 31 DECEMBER, 2017

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 as at 31 December, 2017, 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 code 1963 (Act 179) as amended by Companies (Amendment) Act, 2012, (Act 835) 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, 2017.The financial statements on pages 8 to 30 comprises:

- the statement of financial position as at 31 December, 2017;
- 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 are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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.

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. Ife 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 code 1963 (Act 179) as amended by Companies (Amendment) Act, 2012, (Act 835)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/2018/P/1100)

MBA Associates

M.B.A. Associates (ICAG/F/2018/173)
Chartered Accountants
5th Ellis Avenue, Ahodwo Nhyiaeso
Digital Address Code - AK-135-2417
P.O Box Ks 8227
Kumasi, Ghana

Date 16 April 2018

M. B.A. ASSOCIATES
CHARTERED ACCOUNTANTS
P. O. BOX KS8227, KSI.
0322002700/0208501313

STATEMENT OF FINANCIAL POSITION

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

ASSETS	Notes	2017	2016
		GH¢	GH¢
Cash and Cash Equivalents.	4	**2,215,715**	2,301,384
Short Term Investment	5	**2,688,219**	2,274,300
Loans and Advances	6	**25,387,401**	20,703,189
Other Assets	7	**1,797,638**	1,846,531
Deferred Expenditure	8	**623,774**	526,061
Due from Related Parties	13	**3,295,456**	2,154,750
Property, Plant and Equipment	9	**16,079,839**	5,288,438
Total Assets		**52,088,042**	**35,094,653**
LIABILITIES			
Due to Other Banks	11	**636,667**	661,000
Bank Overdraft	12	**66,186**	127,334
Due to Related Parties	13	**3,246,799**	2,178,940
Customer's Deposits	14	**20,169,430**	15,875,260
Other Liabilities	15	**2,358,179**	1,500,678
Taxation	16	**83,018**	**63,514**
Stabilazation Levy	17	**44,236**	30,899
Deferred Tax	18	**203,078**	-
Total Liabilities		**26,807,593**	20,437,625
EQUITY			
Stated Capital	19	**12,204,515**	12,204,515
Statutory Reserve Fund		**1,947,929**	1,695,829
Revaluation Surplus		**10,119,222**	-
Income Surplus		**1,008,783**	756,683
Total Shareholder's Fund		**25,280,449**	**14,657,027**
Total Liabilities and Equity		**52,088,042**	**35,094,653**

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

25/04/ 2018 and signed on its behalf by:

D.C. ASANTE-KWATIA	KWABENA AKWATENG
Name of Director	Name of Director
Signature	Signature

STATEMENT OF PROFIT OR LOSS

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

		2017	2016
		GH¢	GH¢
Interest Income	21	**14,516,367**	10,790,293
Interest Expenses	22	**(4,653,764)**	(2,744,302)
Net Interest Income		**9,862,603**	**8,045,991**
Commission and Fees	23	**1,732,038**	962,743
Other income	24	**84,013**	**1,110,494**
Net Operating Income Before Admin. Expenses		**11,678,654**	**10,119,229**
Loan Impairment Charge	25	**(323,285)**	(222,272)
Staff Cost	26	**(5,940,806)**	(4,561,303)
Administrative Expenses	27	**(4,347,839)**	(4,274,426)
Net Profit Before Tax and National Stabilization Levy		**1,066,724**	**1,061,229**
National Stabilization Levy	17	**(53,336)**	(53,061)
Net Profit Before Tax		**1,013,388**	**1,008,167**
Income Tax	16	**(306,110)**	(226,633)
Deferred Tax	18	**(203,078)**	-
Net Profit for the year		**504,200**	**781,534**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

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

2017	Stated Capital GH¢	Income Surplus GH¢	Statutory Reserve Fund GH¢	Revaluation Surplus	Total Equity GH¢
Balance at 1 January, 2017	**12,204,515**	**756,683**	**1,695,829**	**-**	**14,657,027**
Transfer to Statutory Reserve	**-**	**(252,100)**	**252,100**	**-**	**-**
Net Profit	**-**	**504,200**	**-**	**-**	**504,200**
Revaluation Surlurs				**10,119,222**	**10,119,222**
Balance at 31 December, 2017	**12,204,515**	**1,008,783**	**1,947,929**	**10,119,222**	**25,280,449**
2016					
Balance at 1 January, 2016	12,204,515	365,916	1,305,062	-	13,875,493
Transfer to Statutory Reserve	-	(390,767)	390,767	-	-
Net Profit	-	781,534	-	-	781,534
Transfer to Equity	-	-	-	-	-
Balance at 31 December, 2016	12,204,515	756,683	1,695,829	-	14,657,027

STATEMENT OF CASH FLOWS

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

		2017	2016
Cash Flow From Operating Activities:	Note	**GH¢**	GH¢
Net operating Income		**1,066,724**	1,061,229
(Increase)/Decrease in Loans and Advances	6	**(4,684,212)**	(5,249,030)
(Increase)/Decrease Other Assets	7	**48,893**	(450,485)
(Increase)/Decrease in Deferred Expenditure	8	**(97,713)**	(526,061)
Depreciation	9	**701,149**	579,654
Profit on Disposal	10	**(32,133)**	-
Increase in amount due from related parties	13	**(1,140,706)**	(1,257,340)
Increase in amount due to related parties	13	**1,067,718**	991,583
Increase /(Decrease) in Customers' Deposit	14	**4,294,170**	7,173,454
Increase /(Decrease) in Other Liabilities	15	**857,501**	854,952
Tax and Levies Paid	16 & 17	**(326,606)**	(144,000)
Net Cash Flow From Operating Activities		**1,754,785**	3,033,956
Cash Flow From Investing Activities:			
Investments	5	**(413,919)**	(1,310,307)
Property, Plant and Equipment	9	**(1,377,227)**	(1,022,471)
Proceeds From Disposal	10	**36,173**	-
Net Cash Flow From Investing Activities		**(1,754,973)**	**(2,332,778)**
Cash Flow From Financing Activities:			
Loan Drawdown	11	**2,950,000**	5,018,705
Loan Repayment	11	**(2,974,333)**	(5,137,705)
Net Cash Flow From Financing Activities		**(24,333)**	**(119,000)**
Increase/(Decrease) in Cash and Cash Equivalents		**(24,521)**	582,178
Cash and Cash Equivalents at 1 January		**2,174,049**	1,591,871
Cash and Cash Equivalents at 31 December	4	**2,149,528**	2,174,049

NOTES TO THE FINANCIAL STATEMENTS

1) REPORTING ENTITY

Utrak Savings and Loans Limited is a Private Limited Liability Company registered and domiciled in Ghana under the companies code 1963 (Act 179) as amended by Companies (Amendment) Act, 2012, (Act 835) and the Banks and Specialised Deposits Taking Institution Act 2016 (Act 930). The address of the company's registered can be found on page 2 of the financial statement.

The company is authorized to:

a. Mobilize of savings and time deposits
b. Grant Loans
c. Grant other forms of credit

2) SIGNIFICANT ACCOUNTING POLICIES

a) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in compliance with the companies 1963 (Act 179) as amended by Companies (Amendment) Act, 2012, (Act 835).

b) Basis of Accounting

The financial statements are prepared on the historical cost convection unless otherwise stated.

c) Functional and Presentational Currency

The financial statements are presented in Ghana cedis(GH¢), which is functional and presentational currency.

d) Estimates, Assumptions and Judgements

e) The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In the process of applying the accounting policies management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond their control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the financial statements with substantial management judgement and /or estimates are collated below with respect to judgements/estimates involved.

f) Property, Plant & Equipment - IAS 16

i. Recognition and Measurement

All property, plant and equipment (PPE) are measured at cost less accumulated depreciation and impairment losses.

Cost includes all expenditure that is directly attributable to the acquisition of the asset. Subsequent cost is included in the assets carrying amount or recognised as a separate asset. As appropriate, only when it is probable that future economic benefits associated with the asset will flow to the company and the cost of the asset can be

NOTES (CONTINUED)

measured reliably. The carrying amount of those parts that are replaced is derecognised. All other repairs and maintenance are charged to the statement of profit or loss during the financial year in which they occurred.

Depreciation

Depreciation is recognised in the income statement on a Straight-Line Basis over the estimated useful lives of each property, plant and equipment. A full year depreciation provision is made irrespective of the date of acquisition and in the year of disposal full year is provision is made.
The annual rates used are as follows:

Land	45 years
Building	50 years
Plant and Machinery	8 years
Motor Vehicles	5 years
Computer and Accessories	3 years
Furniture and Equipment	4 years

ii. Impairment of Assets - IAS 36

At each reporting date, property and equipment are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected assets (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and impairment loss is recognised immediately in the statement of profit and loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increase to the revised estimate of its recoverable amount (selling price or value less costs to sell, but not in excess of the amount that would have been determined had no impairment loss been recognised for the assets (or group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income.

iii. Intangibles Assets - IAS 38

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the company.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the income statement.

NOTES (CONTINUED)

g) Financial Instruments - IFRS 7

1. Initial recognition and subsequent measurement

Date of recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date, i.e. the date that the company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the

market place. Services provided to customers on credit are recognised when the service is provided to the customers'. The company recognises due to customer balances when payment reach the company.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial instruments are measured initially at their fair value plus transaction cost, except in the case of financial assets and liabilities recorded at fair value through profit or loss.

1.1.1 Derivatives recorded at fair value through profit or loss and cash settlements

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other vulnerable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.
- It requires no initial net investment or an investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

The company enters into derivative transactions with various counterparties. These include rate swaps, futures, credit default swaps, cross-currency swaps, forward foreign exchange contracts and options on interest rates, foreign currencies and equities. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their value is negative. Fully collateralised derivatives that qualify for netting under IAS 32 Financial Instruments. Changes in the fair value of derivatives are included in net trading income unless hedge accounting is applied.

Derivative embedded in other financial instruments are treated as separate derivatives and recorded at fair value if they meet the definition of a derivative their economic characteristics and risks are closely related to those of the host contract is not itself held for trading or designated at FVPL. The embedded derivatives separated from the host are carried at fair value in the trading portfolio with changes in fair value recognised in the statement.

1.1.2 Financial assets or financial liabilities held for trading

The company classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short term profit making through trading activities or form part of a portfolio of financial instruments that are managed together for which there is evidence of a recent pattern of short-term profit taking. Held for trading assets and liabilities are recorded and measured in the statement of financial position at a fair value. Changes in fair value are recognised in net trading income, interest and dividend income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established

Included in this classification are debt securities, equities, short positions and customer balances that have been acquired principally for the purpose of selling or repurchasing in the near term.

1.1.3 The effectives interest rate method

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate a shorter period, to the net carrying amount of the financial asset or financial liability. The amortised cost of the financial asset or financial liability is adjusted if the company revises its estimates of payment or receipts. The adjusted amortised cost is calculated based on the original or latest re-estimated EIR and the change in is recorded as 'interest and similar income' for financial assets and 'for financial assets' and 'Interest and similar expense' for financial liabilities. The accounting policies for the EIR method vary by instruments.

1.1.4 Available-for-sale- financial investments

Available-for-sale investments include equity and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held for trading nor designated at FVPL. Debt securities in this category are intended to be held for an indefinite period of this time and may be sold in response to needs for liquidity or in response to changes in market conditions

The company has not designated any loans or receivables as available-for-sale.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value.

gains and losses are recognised directly in OCI in the available-for-sale reserve. When the investment is disposed of, the cumulative gain or loss previously recognised in equity is recognised in the income statement, in other operating income. Where the company holds more than one investment in the same security, they are deemed to be disposed of on a first-in-first-out basis. Interest earned whilst holding available-for-sale financial investments is reported as interest income using the EIR which takes into account any discount/premium and qualifying transaction cost that are an integral part of the instrument's yield. Dividends earned whilst holding available-for-sale financial investments are recognised in the income statement as other operating income when the right of the payment has been established. The losses arising from impairment of such investments are recognised in the income statement in 'impairment losses on financial investments' and removed from the available-for-sale reserve.

NOTES (CONTINUED)

1.1.5 Held-to-maturity financial investments

Held-to-maturity financial investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the company has the intention and ability to hold to maturity. After initial measurement, held-to-maturity financial investments are subsequently amortised cost using the EIR less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortisation is included in interest and similar income in the income statement. The losses arising from impairment of such investments are recognised in the income statement within credit loss expense.

If the company were to sell or reclassify more than an insignificant amount of held-to-maturity investments before maturity (other in certain specific circumstances), the entire category would be tainted and would have to be reclassified as available-for-sale. Furthermore, the company would be prohibited from classifying any financial asset as held-to-maturity during the following two years.

2. Financial assets and financial liabilities designated at fair value through profit or loss

Financial assets and financial liabilities classified in this category are those that have been designated by management upon initial recognition. Management may only designate an instrument at FVPL upon initial recognition when one of the following criteria are met, and designation is determined on an instrument-by-instrument basis:

The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis or

The assets and liabilities are part of a group of financial assets, financial liabilities, or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy or

The financial instrument contains one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative (s) is prohibited.

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recognised in net gain or loss on financial assets and liabilities designated at FVPL. Interest earned or incurred is accrued in interest income or interest expense, respectively, integral part of instrument, while dividend income is recorded in other operating income when the right to the payment has been established.

2.1 Reclassification of financial assets

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment, using the EIR. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is recycled to the income statement.

In rare circumstances, the company may reclassify a non-derivative trading asset out of the held for trading category and into the investments and receivables category if it meets the definition of investments and receivables and the company has the intention and ability to hold financial asset for the foreseeable future or until cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate.

Reclassification is at the election of management and is determined on an instrument-by-instrument basis. The company does not reclassify any financial instrument into the FVPL category after initial recognition.

3. De-recognition of financial assets and financial liabilities

3.1 *Financial assets*

A financial asset (or, where applicable a part of financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired. The company also derecognises the assets if it has both transferred the asset, and the transfer qualifies for de-recognition.

The company will transfer the asset if and only if, either:
The company has transferred its contractual rights to receive cash flows from the asset or
It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through’ arrangement.

Pass-through arrangements are transactions when the company retains the contractual rights to receive the cash flows of a financial asset (the ‘original asset’), but assumes a contractual obligation to pay those cash flows to one or more entities (the ‘eventual recipients’), when all of the following three conditions are met

The company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances by the entity with the right to full recovery of the amount lent plus accrued interest at market rates.

The company cannot sell or pledge the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.

The company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the company is not entitling to reinvest such cash flows, except for investments in cash or cash equivalents during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients

A transfer only qualifies for de-recognition if either:

In relation to the above, the company considers the control to be transferred if, and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

NOTES (CONTINUED)

When the company has transferred its rights to receive cash flows from an asset or has entered into pass-through arrangement and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the company continuing involvement in it. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained

Continuing involvement takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the bank could be required to repay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, company's continuing involvement is the amount of the transferred asset that the Bank may repurchase. However, in the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

The company also recognises a financial asset, in particular, a when sales are made to customer when the terms and conditions have been renegotiated to the extent that it substantially became a new receivable, with the difference recognised as impairment in the income statement.

3.2 Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

3.3 Impairment of financial assets

The company assesses each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset, or a group of financial assets, is deemed to be impaired if, and only if there is objective evidence of impairment as a result of one or more events that have been occurred after the initial recognition of the asset (an incurred loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include: indications that the borrower or a group of borrowers is experiencing significant financial difficulty; the probability that they will enter bankruptcy or other financial reorganisation: default or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

g) Recognition of income and expenses - IFRS 15

Revenue is recognised to the extent that is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

NOTES (CONTINUED)

g.1) Interest and similar income and expense

For all financial instruments measured at amortised cost, interest bearing financial assets classified as available-for-sale and financial instruments designated at FVPL, interest income or expense is recorded using the EIR. The calculation takes into account all of the contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses

When the recorded value of a financial asset or a group of similar financial assets has been reduced by an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

g.2) Fee and commission income

The company earns fee and commission income from a diverse range of services it provides to its customers.

Fee income can be divided into the following three categories:

a) Fee income earned from services that are provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and private wealth and asset management fees, custody and other management and advisory fees.

b) Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement/participation or negotiation of the acquisition of shares or other securities, or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognised after fulfilling the corresponding criteria.

c) Fee income forming an integral part of the corresponding financial instruments include:

Loan origination fees, loan commitment fees for loans that are likely to be drawn and other credit related fees. The recognition of these fees (together with any incremental costs) form an integral part of the corresponding financial instruments and are recognised as interest income through an adjustment to the EIR . The exception is, when it is unlikely that a loan will be drawn down, the loan commitment fees are recognised as revenue on expiry. Loan commitments that are within the scope of IAS 39 (i.e.. Are designated as FVPL, or are at a below market rate of interest, or are settled net) are accounted for as derivatives and measured at fair value through profit or loss.

g.3) Dividend income

Dividend income (including from available-for-sale investments) is recognised when the Group’s right to receive the payment is established, which is generally when the shareholders approve the dividend.

g.4) Net trading income

Nat trading income includes all gains and losses from changes in fair value and the related interest income or expense and dividends, for financial assets and financial liabilities held for trading. This includes any ineffectiveness recorded on hedging transactions.

NOTES (CONTINUED)

h) Other income

Cash and cash equivalents are referred to in the cash flow statement compromises cash on hand, non-restricted current accounts with banks and amounts due from bankers on demand or with an original maturity of three months or less

i) Other income

Other income is recognised as and when they are earned and is probable that they will be received in future.

j) Trade and Other Receivables

Receivables are stated at cost less impairment losses.

k) Trade and Other Payables

Accounts payable and accruals are recognised when an obligation to settle is established. They are stated at their nominal value.

l) Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

They are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

Where the company, as lessee, is contractually required to restore a leased property to an agreed condition prior to release by a lessor, provision is made for such costs as they are identified.

m) Borrowing Costs - IAS 23

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or purpose.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalisation. All borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

The company capitalises all borrowing costs on qualifying investment properties, property, plant and equipment and inventories.

n) Foreign Exchange Transactions - IAS 21

Foreign exchange transactions are recorded in Cedis using the average of the opening and closing spot rates on the dates of the respective transactions.

Monetary assets and liabilities denominated in foreign currencies as at the date of the statement of financial position are translated into Cedis at the closing rates on that date. The resultant exchange differences are recognised in the statement of profit or loss.

NOTES (CONTINUED)

o) Events after the Reporting period - IAS 10

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

p) Related parties transactions - IAS 24

Transactions between the company and its related parties are either charge to the statement of comprehensive income (if it the transaction is either a donation expense or a donation income) or shown in the statement of financial position if it become receivable or payable.

q) Inventory - IAS 2

Inventories are measured at the lower of cost and net realizable value .Cost comprises supplies' invoice value and all other related cost . Net realizable value is the estimated selling price less estimated selling expenses.

r) Taxes - IAS 12

r.1) Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the date of reporting.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

r.2) Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is released or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognised as income tax benefits or expenses in the income statement except for tax related to the fair value re-measurement of available-for-sale assets, foreign exchange differences and the net movement on cash flow hedges, which are charged or credited to OCI. These exceptions are subsequently reclassified from OCI to the income statement together with the respective deferred loss or gain. The company also recognises the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

Deferred tax assets are set off against liabilities when there is both a legal right to offset and it is the company's intention to settle on a net basis.

s) Dividends on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Bank's shareholders. Interim dividends are deducted from equity when they are declared and are no longer at the discretion of the company. Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

t) Pension benefits

The company operates a defined contribution pension plan. The contribution payable to a defined contribution plan is in proportion to the services rendered to the company by the employees and is recorded as an expense under personnel expenses. Unpaid contributions are recorded as a liability.

The company following has the following defined contribution:

t.1) Social Security contribution.

Under this scheme the company pays 13% of employees' basic salary to the scheme on behalf of the employee. The company's obligation is limited to the relevant contributions which have recognized in the statement of profit or loss.

t.2) Provident Fund

The company also has a provident fund scheme for its employees where the company contributes 5% of the employee's basic salary to the fund. The deductions are invested with a party and the company has further obligation under scheme.

3) QUANTITATIVE DISCLOSURES

	2017	2016
Capital Adequacy	**53.00**	36.88
Primary Reserve	**0.110**	0.145
Earnings Per Share (Ghc)	**0.0210**	0.0320

- Revaluation surplus has been included in the computation of the capital adequacy ratio and it is subject to Bank of Ghana's approval of the revaluation for inclusion.

- Earnings per share was computed after deducting statutory reserve form the net profit after tax.

NOTES (CONTINUED)

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

		2017	2016
4	**CASH AND CASH EQUIVALENTS**	**GH¢**	GH¢
	Bank Balances	**1,016,154**	1,319,648
	Cash in Hand	**1,199,561**	981,736
		2,215,715	2,301,384
	Bank Overdraft (Note 11)	**(66,186)**	(127,334)
		2,149,529	2,174,050

		2017	2016
5	**SHORT TERM INVESTMENT**		
	Government of Ghana Treasury Bills	**1,436,106**	2,274,300
	Short Term Fixed Deposit	**1,252,113**	-
		2,688,219	2,274,300

		2017	2016
6	**LOANS AND ADVANCES**		
	Loans and Advances	**27,364,467**	22,356,970
	Provision for Loan Impairment (N.22)	**(1,977,066)**	(1,653,781)
		25,387,401	20,703,189

		2017	2016
7	**OTHER ASSETS**		
	Prepayment	**872,332**	760,643
	Interest Receivable	**436,075**	455,161
	Other Receivables	**-**	129,866
	Due From Agents	**210,923**	208,390
	Inventory - Stationery and Hire Purchase items	**278,307**	292,470
		1,797,638	1,846,531

		2017	2016
8	**DEFFERRED EXPENDITURE**	-	
	Balance 1 January	**526,061**	-
	Current year addition	**187,072**	587,689
	Charge to Income Statement	**(89,359)**	(61,628)
	Balance 31 December	**623,774**	526,061

The deferred expenditure constitute the amount spend on alteration or refurbishment of rented premises for office use and is amortized over the rent period.

NOTES (CONTINUED)

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

9 PROPERTY, PLANT AND EQUIPMENT - 2017

COST 2017	Building GH¢	Plant GH¢	Motor Vehicles GH¢	Equipment & Furniture GH¢	Computers & Accessories GH¢	Capital Works in Progress GH¢	Total GH¢
Balance at 1st January	4,426,621	513,588	1,565,239	744,509	1,110,126	-	8,360,083
Additions	-	114,123	349,535	219,993	187,857	505,719	1,377,227
Transfers	505,719	-	-	-	-	(505,719)	-
Disposal	-	-	(36,358)	-	-	-	(36,358)
Revaluation Surplus	7,847,183	(204,717)	28,466	(4,146)	(538,206)	-	7,128,580
Balance at 31st December	**12,779,523**	**422,994**	**1,906,882**	**960,356**	**759,777**	**-**	**16,829,532**
DEPRECIATION							
Balance at 1st January	424,677	163,253	1,155,085	499,605	829,024	-	3,071,644
Charge for the Year	83,170	63,624	190,713	170,613	193,029	-	701,149
Disposal	-	-	(32,458)	-	-	-	(32,458)
Released On Disposal	(424,677)	(224,298)	(1,284,914)	(366,225)	(690,528)	-	(2,990,642)
Balance at 31st December	**83,170**	**2,579**	**28,426**	**303,993**	**331,525**	**-**	**749,693**
Carrying Amount at 31 Dec	**12,696,353**	**420,415**	**1,878,456**	**656,363**	**428,252**	**-**	**16,079,839**

Property Plant and Equipment were revalued during the year by Assenta Property Consulting the financial statement.

NOTES (CONTINUED)

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

9 PROPERTY, PLANT AND EQUIPMENT - 2016

COST			Motor	Equipment &	Computers &	Capital Works	
2016	Building	Plant	Vehicles	Furniture	Accessories	in Progress	Total
	GH¢	GH¢	GH¢	GH¢		GH¢	GH¢
Balance at 1st January	2,725,092	450,323	1,163,239	655,693	761,027	1,582,239	7,337,613
							-
Additions	-	63,265	402,000	88,816	349,099	119,290	1,022,470
							-
Transfers	1,701,529	-	-	-	-	(1,701,529)	-
Balance at 31st December	**4,426,621**	**513,588**	**1,565,239**	**744,509**	**1,110,126**	**-**	**8,360,083**
<u>DEPRECIATION</u>							
Balance at 1st January	388,817	107,233	987,648	357,809	650,483	-	2,491,990
Charge for the Year	35,860	56,020	167,437	141,796	178,541	-	579,654
Balance at 31st December	**424,677**	**163,253**	**1,155,085**	**499,605**	**829,024**	**-**	**3,071,644**
Carrying Amount at 31 Dec	**4,001,944**	**350,335**	**410,154**	**244,904**	**281,102**	**-**	**5,288,438**

NOTES (CONTINUED)

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

		2017	2016
10	**DISPOSAL OF ASSETS**	**GH¢**	GH¢
	Cost	**(36,358)**	-
	Depreciation	**32,318**	-
	Proceeds from disposal	**36,173**	-
	Profit / (Loss)	**32,133**	-

11	**DUE TO OTHER BANKS**		
	Balance at 1 January	**661,000**	780,000
	Cumulative Drawdown	**2,950,000**	5,018,705
	Cumulative Repayment	**(2,974,333)**	(5,137,705)
		636,667	661,000

A) ECOBANK SHORT TERM LOAN.

Ecobank Ghana Limited Revolving short term borrowing Facility II amounting to One Million Cedis is to be used as a working capital support for on-lending to government employees in the form personal loans and to small business in form of micro-loans. The facility shall be of a multiple drawings under the line.
Total drawings under the line will however not exceed the approved limit of One Million Cedis (Gh ¢1,000,000).
Each drawing will be paid in six (6) equal monthly installment commencing on the 15th day of the month following that of drawing and thereafter, on the 15th day of each month.
The facility attract interest rate of Ecobank Ghana Limited's Base Rate (currently at 25.95% per annum) as from time to time plus a spread of 2% per annum payable monthly in arrears .The facility expired on 30th September, 2017 and was renewed on 22 January, 2018. I will expire on 31 December, 2018

12	**BANK OVERDRAFT**		
	Ecobank	**66,186**	127,334

At the date of the statement of financial position the Bank had an approved ' overdraft facility of Gh¢1,000,000.
This represent an increase of Gh¢ 500,000.00 form the previous years amount of Gh¢ 500,000.The facility is to finance shortfalls in borrowers working capital requirements and it attract an interest of Ecobank Ghana Limited's Base Rate (currently at 25.95% per annum) as from time to time plus a spread of 2% per annum payable monthly in arrears . time to time. Plus a spread of 2% per annum payable monthly in arrears.
The facility expired on 30th September, 2017

The Short Term Loan and the Bank Overdraft Facilities are secured on the following:

1) Assignment to Ecobank Ghana Limited of borrower's Treasury Bill investment with a total value of GH¢1,130,866 held at Ecobank Ghana Limited.
2) Assignment to Ecobank Ghana Limited of borrower's receivables due from Controller and Accountant General's Department.
3) Fixed and Floating charge over borrower's assets.
4) Legal mortgage over property belonging to borrower situate at Asokwa,kumasi designated as parcel No. 24 Blk 3, section 5262 with a forced sale value of Gh¢ 2,850,000.00.
5) Personal Guarantee of borrower's majority shareholder.

NOTES (CONTINUED)

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

		2017	2016
13	**RELATED PARTY TRANSACTIONS**	**GH¢**	GH¢
	Year end balances arising from related parties transactions are:		
	Receivables form related parties		
	Utrak Capital Management Limited	**3,295,456**	2,154,750
	Payables to related parties		
	Utrak Capital Management Limited - Loan Balance	**2,871,494**	1,760,141
	Mr. Kwabena Atuahene	**375,305**	415,849
	Madam Brenda Atuahene	**-**	2,949
		3,246,799	2,178,940
14	**CUSTOMER DEPOSITS**		
	Current Account Balances	**1,741,092**	1,466,093
	Savings Accounts Balances	**7,631,954**	5,339,866
	Short Term Deposits	**10,787,344**	9,069,301
	Others	**9,040**	-
		20,169,430	15,875,260
15	**OTHER LIABILITIES**		
	Interest Payable on Fixed Deposits	**1,154,778**	669,531
	Accruals and Provisions	**1,203,402**	831,147
		2,358,179	1,500,678
16	**TAXATION**		
	Balance at 1st January	**63,514**	(43,119)
	Charge for the Year	**290,518**	226,633
	Under Provision for previous years	**15,592**	-
	Payment during the year	**(286,606)**	(120,000)
		83,018	**63,514**
17	**NATIONAL STABILIZATION LEVY**		
	Balance at 1 January	**30,899**	1,838
	Charge for the year	**53,336**	53,061
	Payment during the year	**(40,000)**	(24,000)
		44,236	30,899
18	**DEFERRED TAX**		
	Balance at 1 January	**-**	
	Charged for the year	**203,078**	-
	Balance at 31 December	**203,078**	**-**

NOTES (CONTINUED)

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

19 **STATED CAPITAL**

	2017 No of Shares	2017 Proceeds GH¢	2016 No of Shares	2016 Proceeds GH¢
Authorized Shares				
Ordinary Shares	20,000,000,000		20,000,000,000	
Balance b/d	10,204,515	10,204,515	10,204,515	10,204,515
Issued for Cash Consideration	1,277,040	1,277,040	1,277,040	1,277,040
Transfer from Income Surplus	722,960	722,960	722,960	722,960
	12,204,515	12,204,515	12,204,515	12,204,515

There were no shares in treasury and no call or installment unpaid on any shares.

20 **SHAREHOLDING STRUCTURE**

Name	**2017** **No of shares**	**2017** **%**	2016 No of shares	2016 %
Kwabena Atuahene	**11,445,832**	**93.78**	8,312,784	68
Brenda Atuahene	**758,683**	**6.22**	758,683	6
Yaw Anokye Bempah	**-**	**-**	1,002,552	8
Kwasi Owusu Ansah	**-**	**-**	933,411	8
Yaw Kankam	**-**	**-**	1,197,085	10
	12,204,515	**100**	12,204,515	100

The following shareholders transferred their shareholdings to Mr. Kwabena Atuahene during the year under the review.

a) Yaw Anokye Bempah
b) Kwasi Owusu Ansah
c) Yaw Kankam

NOTES (CONTINUED)

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

		2017	2016
21	**INTEREST INCOME**	**GH¢**	GH¢
	Interest from Loans and Advances	**12,878,692**	10,790,293
	Interest on Investment	**1,637,675**	-
		14,516,367	10,790,293
22	**INTEREST EXPENSES**		
	Interest Paid on saving Account .	**106,419**	104,612
	Interest On Borrowings	**837,467**	587,687
	Interest Paid on Fixed Deposits.	**2,896,493**	2,052,003
	Commision Charges	**813,385**	-
		4,653,764	2,744,302
23	**COMMISSION AND FEES**		
	Commission	**435,598**	140,486
	Processing Fees	**1,296,440**	822,258
		1,732,038	962,743
24	**OTHER INCOME**		
	Interest on Treasury Bills	**-**	1,110,494
	Profit on Disposal	**32,133**	-
	Bad Debt Recovered	**400**	-
	Rent	**51,480**	-
		84,013	1,110,494

Interest on Investment of Gh¢ 1,637, 675 for the current year has been reclassified to interest income.

25	**LOAN IMPAIRMENT**		
	Balance at 1st January	**1,653,781**	1,431,509
	Provision for the Year	**323,285**	222,272
	Balance at 31st December	**1,977,066**	1,653,781
26	**STAFF COST**		
	Salaries and Wages	**3,822,338**	2,786,963
	Board Meeting Expenses	**28,940**	22,112
	Directors' Remuneration	**242,290**	203,820
	13% Social Security Contribution	**481,009**	355,679
	Provident Fund - Employer	**171,347**	125,749
	Out of station Allowance	**64,797**	44,023
	Staff Training	**111,156**	191,348
	Medical Expenses	**166,788**	127,111
	Other Staff Cost	**356,789**	331,808
	Staff Bonus	**241,298**	218,000
	Staff Clothing Allowance	**220,033**	148,691
	National Service Allowance	**34,023**	6,000
		5,940,806	4,561,303

-

NOTES (CONTINUED)

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

27 ADMINISTRATIVE EXPENSES

	2016	2015
	GH¢	GH¢
Local Travelling	**129,080**	113,800
Printing and stationery	**117,909**	114,330
Rent	**141,118**	120,011
Subscription and Renewals	**47,299**	76,966
Electricity and Water	**366,032**	367,785
Postage and Telephone	**173,818**	168,859
Donations	**25,433**	13,465
Cleaning and Sanitation	**78,335**	68,257
Social Responsibility	**40,934**	24,120
Advertisement and Promotion	**213,752**	130,926
Bank Charges	**42,398**	70,920
Hotel	**130,831**	102,930
Motor Vehicles Running Cost	**210,450**	205,593
Insurance	**159,067**	121,489
Professional Fees	**37,385**	21,861
Audit Expenses	**3,655**	7,400
Audit Fees	**25,000**	18,000
Repairs to Building	**125,752**	98,759
Repairs to Office Equipment	**75,035**	132,479
Sundry Office Expenses	**11,086**	14,816
Controller & Accountant General charges	**-**	477,585
Commissions	**-**	285,609
Security Expenses	**438,764**	326,031
Depreciation	**701,149**	579,655
Generator Running Cost	**485,269**	334,400
Software Maintenance	**345,024**	272,197
News papers and Magazine	**2,860**	4,364
Loan Recovery Expenses	**3,809**	1,820
Penalties	**31,562**	-
Bad Debt	**185,035**	-
	4,347,839	4,274,426

Commision payment of Ghc 813,385 for the current year has been reclassified into interest expense.

28 CONTINGENCY

At the date of reporting the company had started a negotiation with Fidelity Securities to raise funds through the issuance of bonds of eighty million cedis (Ghc 80,000,000) over a five year period.
The transaction is still at its initial stage with no commitments made yet; awaiting on Bank of Ghana's approval.