

Pan-African Savings And Loans Company Limited

Summary Financial Statements Prepared From The Audited Financial Statements For The Year Ended 31 December 2021

Summary Statement of Financial Position At 31 December 2021

	2021 GH¢	2020 GH¢
Assets		
Cash and cash equivalents	45,531,927	41,050,080
Loans and advances to customers	58,892,845	58,320,432
Current tax assets	725,196	674,680
Property and equipment	9,581,584	13,155,715
Intangible assets	63,077	230,799
Deferred tax assets	3,428,225	2,567,481
Other assets	2,598,246	2,072,633
Total assets	120,821,100	118,071,820
Liabilities		
Deposits from customers	96,821,028	90,173,014
Other liabilities	7,885,111	11,981,294
Total liabilities	104,706,139	102,154,308
Equity		
Stated capital	11,800,000	9,800,000
Retained earnings	(848,756)	(942,420)
Deposit for shares	-	2,000,000
Statutory reserve	5,163,717	5,059,932
Total equity	16,114,961	15,917,512
Total liabilities and equity	120,821,100	118,071,820

Customer deposits	6,520,254	18,918,427
Other liabilities	(911,847)	1,198,415
Cash used in operating activities	(21,487,337)	(3,800,196)
Interest received	33,973,768	25,469,906
Interest paid	(4,040,259)	(3,439,158)
Interest on lease liability paid	(916,882)	(427,258)
National fiscal stabilisation levy paid	(158,628)	(90,034)
Income tax paid	(848,148)	(517,667)
Net cash generated from operating activities	6,522,514	17,195,593
Cash flows from investing activities		
Proceeds from disposal of property and equipment	9,300	-
Acquisition of intangible assets	(23,081)	(149,596)
Acquisition of property and equipment	(974,374)	(1,148,080)
Net cash used in investing activities	(988,155)	(1,297,676)
Cash flows from financing activities		
Proceeds from deposit for shares	-	2,000,000
Transaction costs related to increase in stated capital	10,120	-
Payment of lease liability	(1,042,392)	(2,230,441)
Net cash used in financing activities	(1,052,512)	(230,441)
Increase in cash and cash equivalents	4,481,847	15,667,476
Cash and cash equivalents at 1 January	41,050,080	25,382,604
Cash and cash equivalents at 31 December	45,531,927	41,050,080

Summary Statement of Comprehensive Income For The Year Ended 31 December 2021

	2021 GH¢	2020 GH¢
Interest revenue calculated using the effective interest method	28,343,453	27,939,390
Interest expense	(4,168,019)	(3,464,804)
Net interest income	24,175,434	24,474,586
Fee and commission income	11,090,062	7,347,355
Total Revenue	35,265,496	31,821,941
Other operating income	1,256,517	38,460
Net impairment loss on loans and advances	(2,732,611)	(1,685,256)
Depreciation and amortisation	(2,860,211)	(3,216,950)
Personnel expenses	(16,569,827)	(15,504,141)
Operating expenses	(13,417,149)	(10,728,060)
Finance cost	(639,130)	(916,882)
Profit/ (loss) before tax	303,085	(190,888)
National fiscal stabilisation levy	(15,154)	-
Income tax expense	(80,362)	(55,970)
Profit/ (loss) and total comprehensive income for the year	207,569	(246,858)

Summary Statement of Changes In Equity For The Year Ended 31 December 2021

	Stated capital GH¢	Retained earnings GH¢	Deposit for shares GH¢	Statutory reserve Total GH¢	GH¢
2021					
At 1 January	9,800,000	(942,420)	2,000,000	5,059,932	15,917,512
Total comprehensive income:					
Profit for the year	-	207,569	-	-	207,569
Total comprehensive income	-	207,569	-	-	207,569
Transactions with owners:					
Increase in stated capital	2,000,000	-	(2,000,000)	-	-
Transaction costs related to increased instated capital	-	(10,120)	-	-	(10,120)
Total transactions with owners	2,000,000	(10,120)	(2,000,000)	-	-
Transfers:					
Transfer to Statutory reserve	-	(103,785)	-	103,785	-
Total transfers	-	(103,785)	-	103,785	-
At 31 December	11,800,000	(848,756)	-	5,163,717	16,114,961
2020					
At 1 January	9,800,000	(695,562)	-	5,059,932	14,164,370
Total comprehensive income:					
Loss for the year	-	(246,858)	-	-	(246,858)
Total comprehensive income	-	(246,858)	-	-	(246,858)
Transactions with owners:					
Deposit for share	-	-	2,000,000	-	2,000,000
Total transactions with owners	-	-	2,000,000	-	2,000,000
At 31 December	9,800,000	(942,420)	2,000,000	5,059,932	15,917,512

Summary Statement of Cash Flow For The Year Ended 31 December 2021

	2021 GH¢	2020 GH¢
Cash flows from operating activities		
Profit/ (loss) for the year	207,569	(246,858)
Adjustments for:		
Depreciation – property and equipment	932,863	960,451
Depreciation – right-of-use assets	1,736,545	2,072,445
Amortisation	190,803	184,054
Net impairment loss on loans and advances	2,732,611	1,685,256
National fiscal stabilisation levy	15,154	-
Income tax expense	80,362	55,970
Lease remeasurement	(256,697)	(1,438,128)
Unrealised exchange loss - lease liabilities	271,602	1,348,337
Interest expense on lease liabilities	639,130	916,882
Profit from disposal of property and equipment	(9,300)	-
Net interest income	(24,175,434)	(24,474,586)
	(17,634,792)	(18,936,177)
Changes in operating assets and liabilities:		
Loans and advances to customers	(8,935,339)	(6,555,492)
Other assets	(525,613)	1,574,631

Pan-African Savings And Loans Company Limited

Notes to the summary Financial Statements

1. Reporting entity:

Pan-African Savings and Loans Company Limited provides microcredit and savings products to the Ghanaian market. The Company is a limited liability company incorporated and domiciled in Ghana. The address of the Company's registered office is No. 19 Mayor Road, Ridge West, Accra.

2. Basis of preparation:

The summary financial statements have been prepared in accordance with the requirements of the Guide for Financial Publication for Banks and Bank of Ghana Licensed Financial Institutions. The Guide requires the summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and adopted by Institute of Chartered Accountants, Ghana (ICAG).

The accounting policies applied in the preparation of the audited financial statements, from which the summary financial statements were derived, are in accordance with IFRSs and are consistent with the accounting policies applied in the preparation of the previous annual audited financial statements.

The annual audited financial statements are available for inspection at the Head Office of Pan-African Savings and Loans Company Limited.

3. Quantitative Disclosure

	2021	2020
Capital adequacy Ratio	10.34%	10.45%
Non-performing loans ratio (IFRS)	15.60%	14.00%

Compliance with statutory liquidity

Default in statutory liquidity (times)	Nil	Nil
Default in statutory liquidity sanction (GHC)	Nil	Nil

4. Qualitative Disclosures:

The Company's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the Company's business, and operational risks are an inevitable consequence of being in business. The Company's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Company's financial performance.

The Company's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to date information systems. The Company regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

The most important types of risk are credit risk, liquidity risk and market. Market risk includes currency risk, interest rate and operational risk.

The Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Board's commitment to good risk management is evidenced by their support for the implementation and continued improvement of the risk management framework within the Company.

Signed
Theresa Osei Tutu

Signed
Emelia Desiree Atta-fynn

Independent Auditor's Report on the Summary Financial Statements

To the Members of Pan-African Savings and Loans
Company Limited

Opinion

The summary financial statements, which comprise the summary statement of financial position at 31 December 2021, and the summary statements of comprehensive income, changes in equity and cash flows for the year then ended and related notes, are derived from the audited financial statements of Pan-African Savings and Loans Company Limited for the year ended 31 December 2021.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, in accordance with the basis described in note 2.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) applied in the preparation of the audited financial statements of Pan-African Savings and Loans Company Limited. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 27 April 2022. 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 financial statements for the current period.

Directors' Responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of the summary financial statements in accordance with the basis described in note 2.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*

The engagement partner on the audit resulting in this independent auditor's report is Labaran Amidu (ICAG/P/1472).

KPMG

For and on behalf of:
KPMG: (ICAG/F/2022/038)
CHARTERED ACCOUNTANTS
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ACCRA

27 April 2022

