

# Blue Financial Services Ghana LTD

Abridged audited results for the year ended 31 December, 2021  
(All amounts are stated in Ghana Cedis unless otherwise stated)

**blue**  
FINANCIAL SERVICES GH. LTD  
Every Step with You, Trust in Blue

**10**  
YEARS  
OF SOUND  
FINANCIAL  
SERVICES



## STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME

|  | 2021<br>GHS      | 2020<br>GHS       |
|--|------------------|-------------------|
| Interest Income                                | 8,111,927        | 9,417,003         |
| Interest Expense                               | -                | -                 |
| <b>Net Interest Income</b>                     | <b>8,111,927</b> | <b>9,417,003</b>  |
| Fees and Commission Income                     | 2,178,718        | 1,970,011         |
| Fees and Commission Expense                    | (1,251,224)      | (1,421,318)       |
| <b>Fees and Commission Income</b>              | <b>927,494</b>   | <b>548,693</b>    |
| Other Income                                   | 128,303          | 150,207           |
| <b>Net Interest Income</b>                     | <b>9,167,724</b> | <b>10,115,903</b> |
| Net Loan Impairment Allowance                  | (72,644)         | (251,535)         |
| Personnel Expenses                             | (2,596,862)      | (2,279,269)       |
| Operating Lease Expense                        | (287,160)        | (266,280)         |
| Depreciation and Amortisation                  | (94,298)         | (87,602)          |
| Other Operating Expenses                       | (2,074,615)      | (1,962,058)       |
| <b>Profit before Taxation</b>                  | <b>4,042,145</b> | <b>5,269,159</b>  |
| National Stabilisation Levy                    | (202,107)        | (263,458)         |
| Income Tax Expenses                            | (800,143)        | (1,470,517)       |
| <b>Net Profit After Tax</b>                    | <b>3,039,895</b> | <b>3,535,184</b>  |
| Other Comprehensive Income                     | -                | -                 |
| <b>Total Comprehensive Income for the year</b> | <b>3,039,895</b> | <b>3,535,184</b>  |

## STATEMENT OF FINANCIAL POSITION

|                                     | 2021<br>GHS       | 2020<br>GHS       |
|-------------------------------------|-------------------|-------------------|
| <b>ASSETS</b>                       |                   |                   |
| Cash and Bank Balances              | 793,962           | 3,794,762         |
| Investments at Amortised Cost       | 1,999,999         | -                 |
| Loans and Advances to Customers     | 28,009,337        | 24,836,926        |
| Accounts Receivable                 | 408,318           | 384,265           |
| Corporate Tax                       | 169,252           | -                 |
| Deferred Tax Assets                 | 32,081            | 22,936            |
| Intangible Assets                   | 317,096           | -                 |
| Property, Plant and Equipment       | 102,228           | 158,146           |
| <b>TOTAL ASSETS</b>                 | <b>31,832,273</b> | <b>29,197,035</b> |
| <b>EQUITY AND LIABILITIES</b>       |                   |                   |
| <b>EQUITY</b>                       |                   |                   |
| Stated Capital                      | 12,947,835        | 12,947,835        |
| Retained Earnings                   | 5,585,536         | 4,623,979         |
| Statutory Reserve                   | 8,531,771         | 7,771,797         |
| Credit Risk Reserve                 | 3,099,715         | 1,781,351         |
| <b>TOTAL EQUITY</b>                 | <b>30,164,857</b> | <b>27,124,962</b> |
| <b>LIABILITIES</b>                  |                   |                   |
| Accounts Payable                    | 1,667,416         | 1,729,222         |
| Taxation                            | -                 | 342,850           |
| <b>TOTAL LIABILITIES</b>            | <b>1,667,416</b>  | <b>2,072,072</b>  |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>31,832,273</b> | <b>29,197,034</b> |

## STATEMENT OF CHANGES IN EQUITY

|                                    | STATED<br>CAPITAL<br>GHS | RETAINED<br>EARNINGS<br>GHS | STATUTORY<br>RESERVE<br>GHS | CREDIT<br>RISK<br>RESERVE<br>GHS | TOTAL<br>GHS      |
|------------------------------------|--------------------------|-----------------------------|-----------------------------|----------------------------------|-------------------|
| <b>2021</b>                        |                          |                             |                             |                                  |                   |
| Balance as at 1st January          | 12,947,835               | 4,623,979                   | 7,771,797                   | 1,781,351                        | 27,124,962        |
| Profit for the Year                | -                        | 3,039,895                   | -                           | -                                | 3,039,895         |
| Transfer to Credit Risk Reserve    | -                        | (1,318,364)                 | -                           | 1,318,364                        | -                 |
| Transfer to Statutory Reserve      | -                        | (759,974)                   | 759,974                     | -                                | -                 |
| <b>Balance as at 31st December</b> | <b>12,947,835</b>        | <b>5,585,536</b>            | <b>8,531,771</b>            | <b>3,099,715</b>                 | <b>30,164,857</b> |
| <b>2020</b>                        |                          |                             |                             |                                  |                   |
| Balance as at 1st January          | 12,947,836               | 4,110,963                   | 6,004,205                   | 526,775                          | 23,589,779        |
| Profit for the Year                | -                        | 3,535,184                   | -                           | -                                | 3,535,184         |
| Transfer to Credit Risk Reserve    | -                        | (1,254,576)                 | -                           | 1,254,576                        | -                 |
| Transfer to Statutory Reserve      | -                        | (1,767,592)                 | 1,767,592                   | -                                | -                 |
| <b>Balance as at 31st December</b> | <b>12,947,836</b>        | <b>4,623,979</b>            | <b>7,771,797</b>            | <b>1,781,351</b>                 | <b>27,124,963</b> |

## STATEMENT OF CASH FLOWS

|  | 2021<br>GHS      | 2020<br>GHS      |
|--|------------------|------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>               |                  |                  |
| Profit before tax  | 4,042,145        | 5,269,159        |
| <b>Adjusted for:</b>                                     |                  |                  |
| Depreciation and Amortisation                            | 94,298           | 87,602           |
| Loss on Foreign Exchange                                 | -                | (2,824)          |
| Net Loan Impairment Allowance                            | (875,087)        | 251,535          |
|  | <b>3,261,356</b> | <b>5,605,472</b> |
| <b>Adjusted for changes in Working Capital Items</b>     |                  |                  |
| Decrease/ (Increase) in Trade and Other Receivables      | (24,053)         | (187)            |
| Decrease/ (Increase) in Gross Loan and Advances          | (2,297,324)      | (2,485,991)      |
| (Decrease)/ (Increase) in Trade and Other Payables       | (61,806)         | (145,038)        |
| <b>Cash Flow from Operating Activities</b>               | <b>878,173</b>   | <b>3,001,256</b> |
| Tax Paid   | (1,523,498)      | (1,554,741)      |
| <b>Net Cash Flow Generated from Operating Activities</b> | <b>(645,325)</b> | <b>1,446,515</b> |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>               |                  |                  |
| Purchase of Property, Plant and Equipment                | (25,912)         | (53,398)         |
| Purchase of Intangible Assets                            | (329,564)        | -                |
| <b>Net Cash Flow from Investing Activities</b>           | <b>(355,476)</b> | <b>(53,398)</b>  |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>               |                  |                  |
| <b>Net Cash Flow from Financial Activities</b>           |                  |                  |
| Net Increase in Cash and Cash Equivalents                | (1,000,801)      | 1,393,117        |
| Cash and Cash Equivalents at 1st January                 | 3,794,762        | 2,401,645        |
| <b>Cash and Cash Equivalents at 31st December</b>        | <b>2,793,961</b> | <b>3,794,762</b> |
| <b>Analysis of Cash and Cash Equivalents</b>             |                  |                  |
| Cash Balance   | 43,903           | 70,768           |
| Bank Balance   | 750,059          | 3,723,994        |
| Investments at Amortised Cost                            | 1,999,999        | -                |
|  | <b>2,793,961</b> | <b>3,794,762</b> |

## REPORT OF THE DIRECTORS

### 1.0. STATEMENT OF THE DIRECTOR'S RESPONSIBILITIES

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with 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); and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### 2.0. DIRECTORS REPORT

The Directors submit their report and financial statements for the year ended December 31, 2021, which disclose the state of affairs of the Company.

#### Principal Activities

The Company is a financial services supplier providing ethical, innovative and affordable credit solutions to people within Ghana.

#### Financial Results

The Company made a profit after taxation of GHS 3,039,895 (2020: GHS 3,535,184) for the year ended December 31, 2021. No dividends have been declared for the year under review.

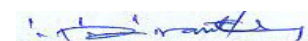
#### Auditors

In accordance with Section 139 (11) of the Companies Act, 2019 (Act 992) and Section 81 (4) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), Messrs. BNA Chartered Accountants was appointed in April 2021 as the statutory auditors of the Company to replace UHY Voscon Chartered Accountants for the financial year ended 31st December, 2021. The Board of Directors have recommended for the re-appointment of Messrs BNA Chartered Accountants to continue in office as auditors of the company. BNA Chartered Accountants have indicated to continue in office as auditors of the company.

#### By Order of the Board:



Director  
28/04/2022



Director  
28/04/2022

### 3.0. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

#### Reporting Entity

The Company was incorporated on 3 July, 2008 and was given the certificate to commence business on 23 April, 2009. The Institution's registered officer is located at the Matti House, Eleventh Lane, Ringway Estates, Osu-Ghana.

#### Basis for Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB). They have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments.

#### Use of Judgement

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

### 4.0. QUALITATIVE DISCLOSURES

#### Risk Management Framework

The Board of Directors has overall responsibility for the establishment of oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Board of Directors has established a Risk Committee, which is responsible for developing and monitoring risk management policies. The Institution's key risks are: credit risk, liquidity risk, market risk and operational risk.

### 5.0. QUANTITATIVE DISCLOSURES

|                              | 2021  | 2020  |
|------------------------------|-------|-------|
| Capital Adequacy Ratio (CAR) | 67%   | 75%   |
| Non-Performing Loans Ratio   | 14.0% | 14.8% |

### 6.0. INDEPENDENT AUDITORS REPORT

**BNA Chartered Accountants**

#### INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF BLUE FINANCIAL SERVICES GHANA LIMITED

##### Opinion

The summary financial statements, which comprise the summary statements of financial position as at 31st December, 2021 and the summary statements of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended and related notes are derived from the audited financial statements of Blue Financial Services Ghana Limited for the year ended 31st December, 2021.

In our Opinion, the accompanying summary financial statements are a fair summary of the audited financial statements in accordance with the basis of financial statements preparation described in the notes.

##### Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930) applied in the preparation of the audited financial statements of Blue Financial Services Ghana 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 28th 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 year.

##### Director's responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of the summary financial statements in accordance with the Bank of Ghana guide for financial publications for licensed Financial Institutions.

##### 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 Standards 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 Ebenezer Batsa- Nakotey (ICAG/P/1361).

  
BNA Chartered Accountants (ICAG/F/2022/027)  
P. O. Box AN 10673  
Accra- North  
Dated: 28th April, 2022