

ASUTIFI RURAL BANK LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

PLANITA CONSULTING
FIRST FLOOR No 31 SAMORA MACHEL ROAD
ASYLUM DOWM
ACCRA
P O BOX CT 521 CANTONMENTS
ACCRA

ASUTIFI RURAL BANK LIMITED
(Reg No. C-20475 dated 29th March, 1982, TIN C0006739776)
(BOG license no. 061 dated 2nd December, 1982)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2021.

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**ASUTIFI RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2021.**

CORPORATE INFORMATION

DIRECTORS	ANTHONY YAW OPPONG AKWASI AKUAMOAH-BOATENG ADU GYAMFI KESSEY AKUA KESSEY OSEI-WUSU KWASI ADUSE-POKU PETER MENSAH KONADU (JUSTICE) RICHARD ADJEI-FRIMPONG
CHIEF EXECUTIVE OFFICER	RICHARD MERZ
SECRETARY	RICHARD MERZ
AUDITORS	PLANITA CONSULTING CHARTERED ACCOUNTANTS P O BOX CT521 CANTOMENTS ACCRA
CLEARING BANKS	ARB APEX BANK GHANA LIMITED ECOBANK BANK GHANA LIMITED BARCLAYS BANK GHANA LIMITED
REGISTERED OFFICE	ACHERENSUA, AHAFO
HEAD OFFICE	ASUTIFI RURAL BANK LIMITED P . O. BOX 34, ACHERENSUA, AHAFO

ASUTIFI RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2021.

REPORT OF THE DIRECTORS

FINANCIAL STATEMENTS

	2021	2020
	GH¢	GH¢
Profit/(Loss) Before Taxation is	272,526	52,109
From which is deducted Taxation of	<u>-</u>	<u>-</u>
Giving a Net Profit After Taxation of	272,526	52,109
To which is added Balance on Retained Earnings brought forward of	<u>(2,423,541)</u>	<u>(2,475,650)</u>
Leaving a balance of	(2,151,015)	(2,423,541)
Transfer to Statutory Reserve	-	-
Transfer from Credit Reserve	<u>-</u>	<u>-</u>
Leaving a Balance of Retained Earnings carried forward of	<u>(2,151,015)</u>	<u>(2,423,541)</u>

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF ASUTIFI RURAL BANK LIMITED
REPORT OF THE DIRECTORS (CONTINUED)**

Nature of Business

The nature of business of the Bank is as follows:

Rural banking business as per the Banking Act 2004 (Act 673) as amended by the Banking Act, 2007 (Act 738).

Particulars of entries in the Interests Register during the financial year

No Director had any interest in contracts and proposed contracts with the Bank during the year under review, hence there were no entries recorded in the Interests Register as required by 194(6),195(1)(a) and 196 of the Companies Act 2020, (Act 992).

Corporate social responsibility and code of ethics

A total of GH¢34,351 (2020: GH¢30,918) was spent under the Bank's social responsibility program with key focus on education, health, financial inclusion and others in the communities within which the Bank operates.

Capacity building of directors to discharge their duties

No capacity building training was conducted in the year for the Directors.

Auditors and Audit fees

In accordance with Section 139(5) of the Companies Act, 2019 (Act 992), Planita Consulting will remain in office as auditors for the Bank. As at 31 December 2021, the amount payable in respect of audit fees was GH¢6,878 out of the Audit fee of GH¢15,502 (2020: GH¢13,637) out of the Audit fee of GH¢20,500)

Going Concern

The Board of Directors have made an assessment of the Bank's ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Dividend

The Directors do not recommend the payment of a dividend to members.

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF ASUTIFI RURAL BANK LIMITED
REPORT OF THE DIRECTORS (CONTINUED)**

Acknowledgement

The Board of Directors hereby expresses its sincere appreciation for the support, loyalty and dedicated service of the staff, management and all stakeholders of the Bank over the past year.

Statement of Directors Responsibilities

The directors are responsible for the preparation of Financial Statements that give a true and fair view of Asutifi Rural Bank Limited, comprising the statements of financial position at 31 December 2021, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and the Bank Specialised Deposit-Taking Institutions Act, 2016 (Act 930). In addition, the directors are responsible for the preparation of the report of the directors.

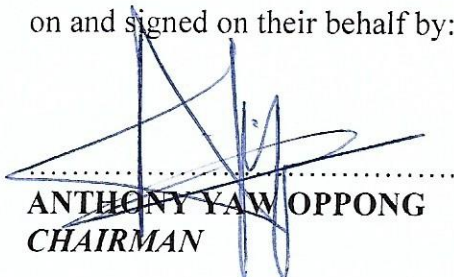
The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

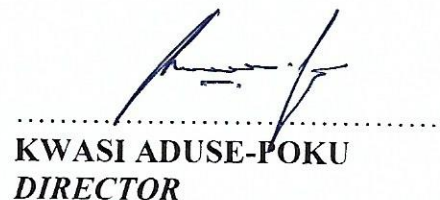
The directors have made an assessment of the ability of the Bank to continue as a going concern and have no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Approval of the report of the directors

The report of the directors of Asutifi Rural Bank Limited, was approved by the board of directors on and signed on their behalf by:


.....
ANTHONY YAW OPPONG
CHAIRMAN


.....
KWASI ADUSE-POKU
DIRECTOR

Date: 25 April, 2022

Date: 25 April, 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ASUTIFI RURAL BANK LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Asutifi Rural Bank Limited ("the Company"), which comprise the statements of financial position as at 31 December 2021, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

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. We are independent of the Company in accordance with the International Ethics Standards 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we believe no such matters need be mentioned here.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view 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.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or Bank or to cease operations, or have no realistic alternative but to do so.

The Directors are 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 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. 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 ISAs, we exercise professional judgment and maintain professional skepticism 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit 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 Directors.
- Conclude on the appropriateness of the 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 Group and/or Bank's ability to continue as a going concern. If 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 disclosures 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 Group and/or Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992) and Section 85 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930)

We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept, so far as appears from our examination of those books.

The statements of financial position and comprehensive income are in agreement with the accounting records and returns.

We are independent of the Company under audit pursuant to Section 143 of the Companies Act, 2019 (Act 992).

The Company's transactions were within their powers and the Company generally complied with the relevant provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The Company have generally complied with the provisions of the Anti-Money Laundering Act, 2008 (Act 749), the Anti-Terrorism Act, 2008 (Act 762) and all relevant Amendments and Regulations governing the Acts.

The engagement partner on the audit resulting in this independent auditor's report is Kwasi Owusu-Takyi (ICAG/P/2022/1059).



For and on behalf of:

PLANITA CONSULTING: (ICAG/F/2022/026)

CHARTERED ACCOUNTANTS

ASYLUM DOWN - ACCRA

DATE: 25 April, 2022.

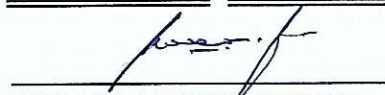
ASUTIFI RURAL BANK LIMITED
STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2021.

	NOTE	2021 GH¢	2020 GH¢
Interest Income	6	3,793,874	2,558,517
Interest Expense	7	<u>(713,747)</u>	<u>(672,128)</u>
Net Interest Income		3,080,127	1,886,389
Commissions and Fees	8	647,437	461,275
Other Operating Income	9	<u>293,535</u>	<u>279,710</u>
TOTAL INCOME		<u>4,021,099</u>	<u>2,627,374</u>
Increase In Provision for Doubtful Advances	10b	(458,155)	(120,000)
Operating Expenses	11	<u>(3,290,418)</u>	<u>(2,455,265)</u>
Total Operating Expenses		<u>(3,748,573)</u>	<u>(2,575,265)</u>
Operating Loss Before Tax		272,526	52,109
Taxation	25	<u>-</u>	<u>-</u>
Net Profit before other comprehensive income		272,526	52,109
Other Comprehensive Income:			
Revaluation Gain	17	-	-
Gain on Apex Share		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u><u>272,526</u></u>	<u><u>52,109</u></u>

ASUTIFI RURAL BANK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2021.

ASSETS	NOTE	2021 GH¢	2020 GH¢
Cash and Short - Term Funds	12	1,520,738	1,576,047
Short-term Investments	13	1,155,661	2,774,800
Advances	14	8,002,389	5,210,536
Inventories	15	82,504	108,473
Receivables & Prepayments	16	823,979	1,137,828
Taxation	24	82,111	82,111
		<u>11,667,382</u>	<u>10,889,795</u>
Property, Plant and Equipment	17	1,362,199	1,455,826
Long Term Investments	18	200,230	200,230
		<u>1,562,429</u>	<u>1,656,056</u>
TOTAL ASSETS		<u><u>13,229,811</u></u>	<u><u>12,545,851</u></u>
Liabilities and Shareholders Funds			
Deposit and Current Accounts	20	11,662,784	11,776,934
Borrowings	21	1,645,959	1,241,609
Other Accounts payable and Accruals	22	309,956	194,588
		<u>13,618,699</u>	<u>13,213,131</u>
TOTAL LIABILITIES		<u><u>13,618,699</u></u>	<u><u>13,213,131</u></u>
Stated Capital	23a	915,988	915,988
Contribution to Stated Capital	23b	97,232	91,366
Statutory Reserve fund		227,775	227,775
Capital Surplus		509,132	509,132
Education Fund		12,000	12,000
Retained Earnings		<u>(2,151,015)</u>	<u>(2,423,541)</u>
Shareholders' Funds		<u>(388,888)</u>	<u>(667,280)</u>
Total Liabilities and Shareholders' Fund		<u><u>13,229,811</u></u>	<u><u>12,545,851</u></u>


ANTHONY YAW OPPONG
CHAIRMAN


KWASI ADUSE-POKU
DIRECTOR

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

2021	Stated capital	Contribution to Stated capital	Capital Surplus	Statutory Reserves	Retained Earnings	Education Fund	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance as at 01/01/2021	915,988	91,366	509,132	227,775	(2,423,541)	12,000	(667,280)
Net Profit/(Loss)	-	-	-	-	272,526	-	272,526
Contribution to Stated Capital	-	5,866	-	-	-	-	5,866
Balance as at 31/12/2021	915,988	97,232	509,132	227,775	(2,151,015)	12,000	(388,888)

2020	Share capital	Contribution to Share capital	Capital Surplus	Statutory Reserves	Retained Earning	Education Fund	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance as at 01/01/2020	915,988	7,126	509,132	227,775	(2,475,650)	12,000	(803,629)
Net Profit	-	-	-	-	52,109	-	52,109
Contribution to Stated Capital	-	84,240	-	-	-	-	84,240
Balance as at 31/12/2020	915,988	91,366	509,132	227,775	(2,423,541)	12,000	(667,280)

ASUTIFI RURAL BANK LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
DECEMBER 31, 2021.

	2021 GH¢	2020 GH¢
Profit/(loss) for the period	272,526	52,109
Adjustment for		
Retained earning-opening balance difference		(187)
Depreciation	<u>155,945</u>	<u>132,359</u>
	<u>428,471</u>	<u>184,281</u>
(Increase)/Decrease in Investment	1,619,139	(73,373)
(Increase)/Decrease in Advances	(2,791,853)	(2,355,255)
(Increase)/Decrease in Inventories	25,969	(55,589)
(Increase)/Decrease in receivables & prepayments	313,849	(638,002)
Increase/(Decrease) in Deposits & Current Accounts	(114,150)	3,567,872
Increase/(Decrease) in Creditors & Accruals	115,368	(218,445)
Tax paid	-	(2,500)
<i>Net cash flows from operating activities</i>	<u>(403,208)</u>	<u>408,988</u>
Cash flows from investing activities		
Purchase of Property, Plant & Equipment	(62,317)	(407,427)
(Increase)/Decrease in Long-term Investments	-	11,175
Building WIP	-	7,106
<i>Net cash flows used in investing activities</i>	<u>(62,317)</u>	<u>(389,146)</u>
Cash flows from financing activities		
Proceeds from the sale of shares	5,866	84,240
Borrowing	404,350	634,711
<i>Net cash flows from financing activities</i>	<u>410,216</u>	<u>718,951</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(55,309)	738,793
Cash and Cash Equivalents at 1 January	<u>1,576,047</u>	<u>837,254</u>
Cash and Cash Equivalents at 31 December	<u><u>1,520,738</u></u>	<u><u>1,576,047</u></u>
Cash and Cash Equivalents comprise:		
Cash at Bank	<u><u>1,520,738</u></u>	<u><u>1,576,047</u></u>

ASUTIFI RURAL BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER, 2021.

REGULATING ENTITY

Asutifi Rural Bank Limited (ARB Ltd.) was incorporated in Ghana on 29 March, 1982 under the Companies Act, 2019, (Act 992) and regulated under the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738).

The Bank is fully owned by Ghanaians, mainly local residents of Asutifi, in the Ahafo Region. Asutifi Rural Bank Limited is domiciled in Ghana and headquartered at Acherensua, Ahafo Region with its registered office at an Unnumbered Building, Acherensua, Asutifi South District of Ahafo Region.

The Bank is authorised to carry on the following businesses:

1. To provide current and deposit accounts for its customers;
2. To provide savings and time deposits accounts for its customers;
3. To act as agents of other financial institutions in the country;
4. To accept and discount bills of exchange;
5. To accept securities for safe-keeping/custody;
6. To act as executors and trustees of wills of small farmers and small merchants;
7. To provide finance for small farmers, merchants, industrialists and co-operatives of such farmers merchants and industrialists resident in the Asutifi North and South Districts.
8. To engage in other commercial or industrial enterprises in the locality.

Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the IASB in force as of the reporting date.

2.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by Asutifi Rural Bank Limited in the preparation of the financial statements are set out below.

ASUTIFI RURAL BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER, 2021.

2.1 Basis of Preparation

The financial statements have been prepared under the historical cost convention as modified by revaluation of property, plant and equipment and by the use of fair value and amortised cost measurement bases for assets and liabilities required to be measured by relevant IFRSs.

2.2 Functional and Presentation Currency

The financial statements are presented in Ghana Cedis (GHS) which is the functional currency.

2.3 Foreign Currency Transactions

Foreign currency transactions are recorded, on initial recognition in Cedis by applying to the foreign currency amount the exchange rate between the Cedi at the date of the transaction.

At the end of the reporting period;

- Monetary items are reported using the closing rate; the closing rate is the ruling exchange rate at the end of the financial year; and
- Non-monetary items are maintained at actual historical rates.

Exchange differences arising on the settlement of monetary items or on reporting the entities monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognised as income or expenses in the period in which they arise.

Ghana Cedi equivalents were paid for all foreign currency transactions. There were no monetary assets and/or liabilities denominated in foreign currencies as at the end of the year.

2.4 Property, Plant and Equipment

The Bank recognizes an item of property, plant and equipment as an asset when it is probable that future economic benefits will flow to it, the amount meets the materiality threshold set by the Bank, and can be reliably measured.

Property, plant and equipment are initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to or replace part of it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment are carried at cost or valuation less accumulated depreciation and any impairment losses.

The depreciable amount related to each asset is determined as the difference between the cost and the residual value of the asset. The residual value is the estimated amount, net of disposal costs, which the Bank would currently obtain from the disposal of an asset in similar age and condition.

ASUTIFI RURAL BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER, 2021.

2.4 Property, Plant and Equipment (ontinued)

as expected at the end of the Annual depreciation rates of items of property, plant and equipment have been assessed as follows:

Bank Building	2.0%
Computers	33.3%
Office Equipment	25.0%
Furniture & Fittings	20.0%
Bungalow Furniture	20.0%
Motor Vehicle/Bicycle	25.0%

Costs associated with routine servicing and maintenance of assets is expensed as incurred. Subsequent expenditure is only capitalized if it is probable that future economic benefits associated with the item will flow to the Bank.

The carrying values of property, plant and equipment are reviewed for indications of impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognised. Residual values, useful lives and methods of depreciation for property and equipment are reviewed and adjusted if appropriate, at each financial year end.

2.5 Employee Benefits.

Short-Term Benefits.

Short-term employee benefits are amounts payable to employees that fall due wholly within twelve months after the end of the year in which the employee renders the related service.

The costs of short-term employee benefits are recognised as an expense in the period when the economic benefit is given, as an employee cost. Unpaid short-term employee benefits at the end of the accounting year are recognised as an accrued expense and any short-term benefit paid in advance are recognised as prepayment to the extent that it will lead to a future cash refund or a reduction in future cash payment.

Wages and salaries payable to employees are recognised as an expense in the income statement at gross amounts. The Bank's contribution to the social security fund is also charged as an expense.

Social Security and National Insurance Trust (SSNIT) and Tier 2 Pension

Under a National Defined Contribution Pension Scheme, the Bank contributes 13% of employees' basic salary to a pension scheme for employee pension. The Bank's obligation is limited to the relevant contributions which are settled on due dates. The pension liabilities and obligation however rest with SSNIT and the private fund manager the Bank has elected to manage part of the total contributions attributable to the pension scheme of employees.

ASUTIFI RURAL BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER, 2021.

Provident Fund

The Bank also makes a contribution of 7.5% (while employees contribute 5%) to a provident fund for employees with its obligation limited to the amount contributed in relation to each individual employee. The manager of this fund which is a private Investment Company therefore carries the liability until it is finally settled.

2.6 Taxation

Income tax in the Income Statement comprises current tax and deferred tax. Current tax is the tax expected to be payable, under the Income Tax Act, 2015 (Act 896) on the taxable profit for the year.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are generally recognised for all taxable temporary differences that are expected to reverse in the foreseeable future while deferred tax assets are recognised to the extent that it is probable future taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated using the rate expected to be applicable in the period during which the asset will be realised or the liabilities settled.

2.7 Financial Instruments

Initial recognition and measurement

The Bank recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

The Bank classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the instrument. These are initially measured at fair value (including transaction costs for assets and liabilities not measured at fair value through profit or loss).

Subsequent measurement of financial instruments

For purposes of subsequent measurement financial assets are classified as follows:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through other comprehensive income.
- Financial assets measured at fair value through profit or loss

(a) Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it meets the following two (2) conditions:

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the two conditions is measured at amortised cost (net of any write down for impairment).

ASUTIFI RURAL BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE
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(b) Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if:

- It is designated on initial recognition as such, or
- It relates to other financial assets that are not classified under any of the other categories.

(c) Financial assets measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if:

- It is designated as such upon initial recognition, or
- Meets the recognition of 'held for trading'.

Financial Liabilities

For purposes of subsequent measurement financial liabilities are classified as follows:

- Financial liabilities measured at amortised cost
- Financial liabilities measured at fair value through profit or loss.

(a) Financial liabilities measured at fair value through profit or loss

A financial liability at fair value through profit or loss is a financial liability that is designated on initial recognition at fair value through profit or loss or liabilities that are 'held for trading'.

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(b) Financial liabilities at amortised cost

These are financial liabilities that are not held for trading and are also not designated on initial recognition at fair value through profit or loss.

A financial asset or financial liability is deemed to be 'held for trading' if

- (i) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term,
- (ii) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- (iii) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging contract).

The Bank's principal financial assets are loans and advances to customers, cash and bank balances and investments.

Loans and advances and investments have been classified as financial assets at amortised cost and are measured at amortised cost.

Cash and bank balance has been classified as financial asset at fair value through profit or loss and is measured at fair value with measurement gains and losses recognised in profit or loss.

Equity investment has been classified as fair value through other comprehensive income and is measured at fair value with measurement gains and losses recognised in other comprehensive income.

The Bank's principal financial liabilities are fixed term investments from customers and demand and savings deposits from customers.

The Bank's financial liabilities have been classified as financial liabilities at amortised cost and are measured at amortised cost.

The foregoing classification of financial instruments for purposes of subsequent measurement, are spelt out in IFRS 9 'Financial Instruments' which will be effective for annual periods beginning on or after 1st January 2018.

The adoption of the above classification amounts to an early adoption of IFRS 9.

The amortised cost of a financial asset or a financial liability.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment.

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Fair Value Measurement

The Bank defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement assumes an orderly transaction between market participants at the measurement date under current market conditions.

In measuring fair value:

- The Bank takes into account the characteristics of the asset or liability being measured that a market participant would take into account when pricing the asset or liability at the measurement date.
- The Bank determines classes of asset or liability for disclosure purposes on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy within which the fair value measurement is categorized.

De-recognition of financial assets and liabilities

A financial asset or a portion thereof, is derecognized when the bank's rights to cash flows have expired or when it has transferred its rights to cash flows relating to the financial assets, including the transfer of substantially all the risk and rewards associated with the financial assets or when control over the financial assets has passed.

A financial liability is derecognised when the obligation is discharged, cancelled or has expired.

Impairment of financial assets

Framework for measuring impairment of financial assets

At each reporting date the Bank assesses whether, as a result of one or more events occurring after initial recognition, there is objective evidence that a financial asset or group of financial assets has become impaired.

Evidence of impairment may include significant difficulty of the issuer or obligor, the disappearance of an active market for that financial asset because of financial difficulties, etc.

In the case of equity investments, objective evidence would include significant or prolonged decline in the fair value of the investment below its cost.

For debt instruments and financial assets measured at amortised cost, if there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account.

Assets together with the associated allowances are written off when there is no realistic prospect of future recovery and all collateral have been utilised.

If a future write-off is later recovered the recovery is credited to 'credit loss expense'. The present value of the estimated future cash flows is determined using the financial asset's original effective interest rate.

ASUTIFI RURAL BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE
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2.8 Regulatory Credit Risk Reserve

Provision for loans and advances has been made based on IFRS principles. However, provisions made should meet Bank of Ghana's criteria for loan provisioning.

Where provision for impairment based on Bank of Ghana's criteria is higher than that based on IFRS principles the difference is charged to income surplus and transferred to a non-distributable reserve.

2.9 Events after the Reporting Period

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

2.10 Cash and Cash Equivalents.

Cash and cash equivalents comprise cash in vault and bank balances.

2.11 Provisions

The Bank recognises provisions when it has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Bank expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

2.12 Use of Estimates and Judgements

In the preparation of the financial statements, the Bank makes estimates and judgements that could affect the reported amounts of assets and liabilities within the next financial year.

Key areas in which judgment is applied include:

- (i) Determination of depreciation rates for property plant and equipment
- (ii) Estimation of provisions
- (iii) Determination of contingent liabilities and contingent assets
- (iv) Impairment of financial and non-financial assets.

ASUTIFI RURAL BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE
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2.13 Revenue recognition

Revenue is recognised to the extent that the economic benefit will flow to the Bank and can be reliably measured. The following specific income recognition criteria have been applied in the financial statements.

• **Interest Income**

Interest income is recognised in profit for all interest – bearing financial assets measured at amortised cost, as interest accrues using the effective interest method. The Bank’s financial assets that give rise to interest income are loans and advances and investments.

• **Commissions and fees**

Revenue fees that are an integral part of the true interest rate of financial assets and are included in the measurement of the effective interest rate are spread over the period of the financial assets.

Commission and fees from the rendering of services are recognised in the income statement when the related services are performed.

The company earns commissions and fees from a range of services provided to its customers. Commissions and fees counted for as follows:

Income earned on customer’s current account (commission on turnover) is recognised when charged.

Income earned from the provision of cheque clearing services are recognised when the services are provided.

2.14 Interest Expense

Interest expense is recognised in profit or loss for all interest –bearing financial liabilities measured at amortised cost. The Bank’s financial liabilities that give rise to interest expense are fixed term and savings deposits from customers.

2.15 Accruals and Payables

Liabilities are recognized for amounts to be paid in the future, and amounts accrued but payments not yet made.

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2.16 New Standards and interpretations issued but not yet effective

The bank has elected not to do an early adoption of the following standards, amendments and interpretations to existing standards that were issued but not yet effective, for the accounting periods beginning 1st January 2018.

Their non-application will, however, not have a significant impact on the bank's financial statements.

Standard/Interpretation		Effective date and main effect
IFRS 9	<i>Financial Instruments</i>	Annual periods beginning on or after 1 January, 2018 with retrospective application and early adoption permitted. This standard will have a significant impact on the Company, including changes in the measurement bases of the Company's financial assets.
IAS 1	<i>Disclosure Initiative</i>	Annual periods beginning on or after 1 January, 2016 with retrospective application and early adoption permitted. This is expected to have an effect on the Company.
IFRS 15	<i>Revenue from Contracts with Customers</i>	Annual periods beginning on or after 1 January, 2018 with early adoption permitted. The extent of the expected effect on the Company would need to be determined and disclosed later.
IFRS 16	<i>Leases</i>	Annual periods beginning on or after 1 January, 2019 with early adoption permitted only if the entity also adopts IFRS 15. This is expected to have a significant effect on the Company.

3. RISK MANAGEMENT

The Bank's operations come with these risk: Credit, Market, Liquidity and Operational.

3.1 Credit Risk

To the Bank, Credit Risk is the likelihood that a receivable from a financial instrument issued by a Bank to a borrower is unlikely to be received regarding the principal with or the interest according to the terms contained in the financial instrument.

This will result in economic loss to the Bank.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE
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3.1 Credit Risk (Continued)

The Credit Risk arises from largely Loans and Advances to customers.

The Credit Risk is managed through the systems and controls established by the Credit Department that ensures that periodic review of the status of the receivable at every stage from application to completion of the repayment of the advance by the borrower. The Credit Department submits reports of the performance of the Loans and Overdraft to a Credit Committee which takes appropriate actions for recovery. Credit facilities are monitored for early warning signals of non-performance.

The maximum amount of Credit Risk emanating from these sources is as follows:

	2021	2020
	GH¢	GH¢
Loans and Advances to customers	8,483,329	5,498,791
Special Farmers Loans Disbursed, Planting for food and Jobs and Interest on Loan	<u>(320,655)</u>	<u>(99,863)</u>
	<u>8,162,675</u>	<u>5,398,928</u>

Collateral held as security against these risks consists mainly of cash.

The Loans and Advances portfolio is further analysed in terms of quality as follows:

(i) Neither past due nor impaired	7,233,496	5,020,394
(ii) Past due but not impaired	541,146	43,162
(iii) Impaired	<u>388,033</u>	<u>335,373</u>
Gross loans and advances	<u>8,162,675</u>	<u>5,398,928</u>

The Fair Value of Collateral Security held on (b).

Financial Assets Past Due But Not Impaired

These are analysed by age as follows:

No. Of	2021			2020		
	Amort. Cost	Fair Value	Total	Amort. Cost	Fair Value	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
(0-90)	52,934	24,910	77,844	36,655	45,680	53,905
91-180	49,738	24,498	74,236	14,593	14,357	21,781
181-360	75,702	46,398	122,100	52,644	35,674	84,909
Over 360	143,572	244,461	388,033	149,485	75,633	404,014
Total	321,948	340,268	662,214	253,378	171,344	564,610

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3.2 Market Risk

Market Risk is the potential of losses arising from movements in market prices such as Interest Rates, Exchange Rates ,and Equity and Commodity Prices . Currently , the Bank's activities expose it to Interest Rate risks with no exposure to exchange rate ,equity commodity price risks. The Interests Rate risk is inherent in the Bank's Financial Assets and Liabilities such as Loans, Customer Deposits and Borrowings.

3.3 Liquidity Risk

Liquidity Risk is the potential loss to the Bank arising from either its inability to meet its maturing Short-Term obligations as they fall due or to found increases in assets without incurring unacceptable costs. The management of this risk enables the Bank minimise the timing of cash flows relating to its Assets and Liabilities to ensure that it regularly maintains the Primary Reserve requirement of 13% of Total Deposits as required by Bank of Ghana

3.4 Operational Risk

Operational Risk is of direct or indirect loss resulting from inadequate or failed internal controls and processes, staff and systems. These are managed by well designed operating procedures, business continuity planning, reconciliations, internal audit and timely and reliable management reporting.

4. CAPITAL

4.1 The Objectives of Capital Management

The Capital Management Objective of the Bank is to ensure that the financial net assets at the end of the financial year exceed the financial amount of the net assets at the beginning of the year after deducting distributions to and adding contributions from the owners.

The objective is also to ensure that, at any time, the Stated Capital requirement by Bank of Ghana could be met and also to comply with the Capital Adequacy Ratio Regulatory requirements of Bank of Ghana . This is achieved by maintaining appreciable level of profits to meet the expected Capital increases by Bank of Ghana.

4.2 Capital Description

The Bank's Capital is its Shareholders' funds comprising Stated Capital, Statutory Reserves, Capital Surplus and Income current and previous year's retained earnings. The current level of the Bank's capital complies with existing minimum Stated Capital requirement of Surplus, which includes Bank of Ghana.

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4.3 The Level of Capital Adequacy

The Capital Adequacy Ratio as at 31 December, 2020 is disclosed as follows:

	2021	2020
	GH¢	GH¢
Registered Paid-Up Capital	915,975	915,975
Unregistered Paid-Up Capital	97,232	91,366
Disclosed Reserves	(1,249,840)	(1,369,096)
Permanent Preference Shares	13	13
Tier 1 Capital	<u>(236,620)</u>	<u>(361,742)</u>
Less:		
Investment in Unconsolidated Subsidiaries	61,405	61,405
Net Tier 1 Capital	(298,025)	(423,147)
Tier 2 Capital	-	-
ADJUSTED CAPITAL BASE	<u>(298,025)</u>	<u>(423,147)</u>

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	2021	2020
	GH¢	GH¢
6. INTEREST INCOME		
Investment Discount on T-Bills	229,403	281,204
Advances	<u>3,564,471</u>	<u>2,277,313</u>
	<u><u>3,793,874</u></u>	<u><u>2,558,517</u></u>
7. Interest Expense		
Savings Account/Deposits	119,193	90,196
Interest on loan	264,276	200,672
Fixed Deposit	<u>330,278</u>	<u>381,260</u>
	<u><u>713,747</u></u>	<u><u>672,128</u></u>
8. Commission and Fees		
Commissions	148,303	271,975
Commitment Fees	<u>499,134</u>	<u>189,300</u>
	<u><u>647,437</u></u>	<u><u>461,275</u></u>
9. Other Operating Income		
Sundry Income	288,331	279,710
CHEQUE CLEARING FEE	<u>5,204</u>	<u>-</u>
	<u><u>293,535</u></u>	<u><u>279,710</u></u>
10a. Impairments		
Provision - Balance Brought Forward	288,255	564,610
Net Increase/(Decrease) In Provision	192,686	(276,355)
Impairment (Bad Debt)	<u>-</u>	<u>-</u>
	<u><u>480,941</u></u>	<u><u>288,255</u></u>
10b. Charge to operating Expenses		
Net Increase/(Decrease) In Provision for Doubtful Advances	<u><u>458,155</u></u>	<u><u>120,000</u></u>

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11. Operating Expenses	2021	2020
	GH¢	GH¢
Salaries	938,831	646,230
Other Staff Cost	309,078	187,303
Depreciation	155,945	132,359
Audit Fees	15,502	20,500
Motor Running-Fuel Expenses	15,522	19,544
Motor Running-Repairs & Maintenance	47,454	25,622
Board Meeting Expenses	80,980	42,737
Director's Fees	16,810	16,800
Repairs & Maintenance	30,323	13,972
Uncleared Effect and Mascloc	-	99,305
Donations	34,351	30,918
Specie Movement	19,958	9,085
Bank Charges	5,715	4,766
Insurance	82,097	46,796
Audit Expenses	7,207	4,561
Travelling & Transport	26,904	19,046
Printing & Stationery	46,654	47,456
Postage & Telephone	13,256	5,393
Subscription & Periodicals	43,620	60,429
Bungalow Expenses	962	1,877
Police Guard Duties	11,540	18,353
Mobilization/Recovery Expenses	16,569	8,789
Communication Expenses- Apex	135,990	145,722
Entertainment	341,254	257,151
Electricity & Water	93,000	63,285
Medical Expenses	10,094	2,461
Legal Expenses	61,881	24,062
Advertising & Publicity	1,060	3,188
Cleaning & Conservancy	23,040	24,288
Staff Training	60,166	33,107
Office Expenses	9,199	21,891
AGM Expenses	18,330	18,300
Generator Expenses	25,075	19,732
Computerisation Expenses	-	36,086
Micro-Finance Expenses	166,985	69,042
Shortage in Till	325	13
Direct Sales Executives salary	157,821	140,324
Direct sales Executives transport	38,766	36,900

ASUTIFI RURAL BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE
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11. Operating Expenses (Continue)

Sac Expenses	13,314	7,460
Rent, Rates and Taxes	22,485	17,680
Consultancy fees	-	26,367
Sundry Expenses (Agency renovation)	-	815
Recovery	526	550
Other Expenses	191,829	-
Write-off of Additional System Generated Overdrafts	-	45,000
	<u>3,290,418</u>	<u>2,455,265</u>

12. Cash and Short - Term Funds

	2021	2020
	GH¢	GH¢
Cash on Hand	764,327	914,449
Apex Clearing Account	152,583	115,621
5% Placement with Apex	553,953	441,255
Balance with Other Banks	31,575	70,441
Ecobank account	18,300	34,281
	<u>1,520,738</u>	<u>1,576,047</u>

13. Short -Term Investments

	2021	2020
	GH¢	GH¢
Treasury Bills	961,318	2,778,825
Less Unearned discount on T-Bills	(105,657)	(154,025)
ACOD 7 - ARP Apex Bank	300,000	150,000
	<u>1,155,661</u>	<u>2,774,800</u>

14. Advances

Analysis by customer type:

	2021	2020
	GH¢	GH¢
Individuals	4,745,772	2,099,833
Corporate Bodies	471,401	320,057
Others	3,266,156	3,078,901
	<u>8,483,329</u>	<u>5,498,791</u>
Impairments (Note 10)	(480,941)	(288,255)
	<u>8,002,388</u>	<u>5,210,536</u>

14.1 Advances - Others

Others Include Poverty, Alleviation, Mowac, Planting for Food and Jobs, Bonanza and Special farmers loan Disbursed

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Analysis by advance type

Loans	7,318,467	5,176,241
Overdraft	1,064,071	178,998
	<u>8,382,538</u>	<u>5,355,239</u>
Interest in Arrears	100,792	143,552
	<u>8,483,330</u>	<u>5,498,791</u>
Impairments (Note10)	(480,941)	(288,255)
	<u>8,002,389</u>	<u>5,210,536</u>

14.2 Analysis by Advance type- Loans

Loans balances have been reclassified to Include Poverty, Alleviation, Mowac, Planting for Food and Jobs, Bonanza and Special farmers loan Disbursed

Related Party Transaction included in Advances are

Directors Loans	-	-
Staff Loans	-	-

15. Inventories

	2021	2020
	GH¢	GH¢
Stationery stock	<u>82,504</u>	<u>108,473</u>

16. Receivables and Prepayments

	2021	2020
	GH¢	GH¢
Sundry Debtors	400	750
Inter-Agency	537	770,166
Special Farmers Loan Disbursed	-	-
Poverty Alleviation	-	-
Insurance Prepaid	32,692	31,112
Rent Prepaid	119,890	109,360
Ezwich Operation	115,301	73,806
Interest in Arrears	-	45,087
Uncleared Effect	24,536	(17,629)
GRA Staff Tax Liability	16,363	26,169
Embezzlement Account	-	88,999
Controller and Accountant General Account	22,450	10,000
Suspense Credit Account	491,810	8
	<u>823,979</u>	<u>1,137,828</u>

17. Property Plant and Equipment

Cost	Balance	Additions	Balance
	01/01/2021		31/12/2021
	GHC	GHC	GHC
Bank Premises	836,578	5,000	841,578
Office Equipment	457,082	13,351	470,433
Computers	288,506	-	288,506
Computer Software	160,439	-	160,439
Fixture & Fittings	209,270	16,952	226,222
Motor Vehicle	400,606	25,264	425,870
Capital WIP	3,827	1,750	5,577
Bicycles	295	(295)	-
	<u>2,356,603</u>	<u>62,022</u>	<u>2,418,625</u>

Accumulated Depreciation	Current Depreciation		31/12/2021
	01/01/2021	on Cost	
	GHC	GHC	GHC
Bank Premises	59,611	16,823	76,434
Office Equipment	215,669	13,364	229,033
Computers	221,989	11,172	233,161
Computer Software	53,426	53,426	106,852
Fixture & Fittings	172,396	8,909	181,305
Motor Vehicle	177,390	52,251	229,641
Bicycles	295	(295)	-
	<u>900,777</u>	<u>155,650</u>	<u>1,056,426</u>

Carrying Amount 31/12/2021

1,362,199

Carrying Amount 31/12/2020

1,455,826

The values of property, plant and equipment that have been fully depreciated but continue to be used in the activities of the company are shown below:

	2021	2020
	GHC	GHC
Bungalow Furniture	1,196	1,196
Office Furniture & Fittings	6,572	6,572
Bicycles	295	295
	<u>8,063</u>	<u>8,063</u>

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Bungalow furniture, Office Furniture and Fittings have been reclassified together as Fixtures and Fittings
 Bicycles have to be written off from the Financial Statements

The fair value measurement of the Land and Buildings at 31 December, 2015 was performed by Adwoa Konadu Prempeh, a Chartered Surveyor and member of the Ghana Institute of Surveyors based in Sunyani. She has the appropriate qualifications and experience in the fair value measurement of such properties, plants and equipment and in the Brong and Ahafo Regions of Ghana.

The revaluation is based on fair value measurement using a fair value technique that reflects the significance of the market value of the utility of the items to the company considering the economic, legal, physical and institutional factors and the area location which influence the values of the items. The fair values of property, plant and equipment were determined based on the use approach that reflects the market value of use that the company would derive from the items.

None of the assets of the Company has been used as security for any loan.

18. Long Term Investments

	2021	2020
	GH¢	GH¢
Apex Bank	61,405	61,405
GN Investment (Net)	<u>138,825</u>	<u>138,825</u>
	<u><u>200,230</u></u>	<u><u>200,230</u></u>
GN Investments represents:		
Gold Coast Investment	710,000	710,000
GN Loan Overdraft	(11,175)	-11,175
Gold Coast Loan	<u>(560,000)</u>	<u>(560,000)</u>
GN Investment (Net)	<u><u>138,825</u></u>	<u><u>138,825</u></u>

There was an agreement between the Company and GN Investments allowing net-off of the two items above.

The Directors believe the Gold Cost Investment is recoverable and must be maintained.
 This is based on a Parliamentary approval of the amount the Government of Ghana had requested to protect depositors and investors of the failed financial institutions and to improve liquidity on the financial sector in the country.

19. Capital Work-in-progress

Re-Classified as part of Property, Plant and Equipments
 Capital Work-in-progress represents physical additions to the Bank's premises.

ASUTIFI RURAL BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE
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20. Deposits and Current Accounts

	2021	2020
	GH¢	GH¢
Savings Accounts	6,437,958	6,773,549
Current accounts	1,194,620	945,800
Fixed Deposit	2,245,230	2,387,265
Susu	1,784,976	1,710,334
Dormant Account	-	-40,014
	<u>11,662,784</u>	<u>11,776,934</u>

21. Borrowings

	2021	2020
	GH¢	GH¢
IFAD loan		478,399
Apex Loan	1,645,959	763,210
	<u>1,645,959</u>	<u>1,241,609</u>

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22. Other Accounts Payables & Accruals	2021	2020
	GH¢	GH¢
Sundry Creditors	215,134	102,740
Audit Fee - Planita Consulting	6,878	13,637
AGM	28,037	36,698
Kuapa Kokoo Ltd	-	32,472
Adwumapa cocoa trsf/UNICOM	12	47
Unicorn Commodity	5,787	4,075
Accrued Interest/ Unearned Interest	1,647	8,883
Withholding Tax	2,205	1,636
Accrued Interest	58,513	43,100
E-zwich Operations	22,924	20,508
E-zwich Holding	184,876	211,863
Payment Order	29,242	106,356
Provision for Rent	7,928	10,328
T24 License Fee Payable	24,391	108,263
Provision for Subscription	4,475	1,971
Provision for Communication Cost	-	640
Overs in Till	351	312
Provision for Staff PF	30,331	13,710
Provision for Police Guard	2,400	4,800
Account Closure Suspense	45	45
System Generating Overdrafts	(528,841)	(528,841)
E-zwich Card Proceeds A/C	-	1,345
Main Credit Undis Loans	10,574	-
Ghana Water Company Ltd	367	-
Mastercard Loan Undisb	28,714	-
Monica's Court Issues	31,135	-
CCC Uncleared Effects	9,347	-
Accrued Int. on FDR	12,454	-
Interest Suspense	37,146	-
National Service Salary PTMT ACCT	224	-
CAGD Loan Settlement	80,357	-
GH-Link Suspense Acct	3,303	-
	309,956	194,588

ASUTIFI RURAL BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER, 2021.

23a. Stated Capital

Authorised

The Company is registered with 10,000,000 ordinary shares and 125,000 preference share both of no par value.

Issued

The Issued Share Capital is held as follows:

	2021		2020	
	Number	GH¢	Number	GH¢
Issued for Cash (Ordinary Shares)	4,579,875	915,975	4,579,875	915,975
Issued for Cash (Preference Shares)	125,000	13	125,000	13

23b. Contribution to Stated Capital

	2021		2020	
	Number	GH¢	Number	GH¢
Issued for Cash (Ordinary Shares)	35,630	7,126	35,630.00	7,126

This represents current year contributions to Stated Capital that have not been registered with the office of the Registrar General's Department. It will be recognised after the statutory stamp duties have been paid and the Stated Capital registered with and recognised by Bank of Ghana.

24. Taxation	Balance at 1/1/21 GH¢	Paid During the Period GH¢	Charged for the Period GH¢	Balance at 31/12/2021 GH¢
2018	(76,124)	(3,487)	-	(79,611)
2019	(79,611)			(79,611)
2020	(79,611)	(2,500)	-	(82,111)
2021	(82,111)	-	-	(82,111)

Corporate Tax Liabilities are subject to agreement with Ghana Revenue Authority (GRA).