

ASUTIFI RURAL BANK PLC

Financial Statements for the Year Ended December 31, 2022

PLANITA CONSULTING

(Auditing, Accounting, Tax, & Mgt Consultants)
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A member of



Independent legal & accounting firms

ASUTIFI RURAL BANK PLC
(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, 2022.**

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ASUTIFI RURAL BANK PLC

(Reg No. C-20475 dated 29th March, 1982, TIN C0006739776)

(BOG license no. 061 dated 2nd December, 1982)

**FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2022.**

CORPORATE INFORMATION

DIRECTORS

KWASI ADUSE-POKU - CHAIRMAN
PETER MENSAH KONADU
AKWASI AKUAMOAH-BOATENG
ADU GYAMFI KESSEY
AKUA KESSEY OSEI-WUSU
(JUSTICE) RICHARD ADJEI-FRIMPONG

GENERAL MANAGER

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 PLC
P . O. BOX 34,
ACHERENSUA, AHAFO

ASUTIFI RURAL BANK PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 DECEMBER, 2022

Report of The Directors to the Members of Asutifi Rural Bank PLC

The Board of Directors has the pleasure of submitting the report of the Bank for the year ended 31 December, 2022.

(i) 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 PLC, 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 auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

(ii) 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).

(iii) 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).

(iii) Corporate social responsibility

A total of GH¢31,349 (2021: GH¢34,351) 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.

(iv) Capacity building of directors to discharge their duties

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

ASUTIFI RURAL BANK PLC

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**FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2022.**

Report of The Directors to the Members of Asutifi Rural Bank PLC (continued)

(v) Statement of Affairs of the Bank

	2022	2021
	GH¢	GH¢
Total Operating Income	374,666	272,526
Profit/(Loss) Before Taxation is	374,666	272,526
Profit After Income Tax	374,666	272,526
Shareholders' Funds	(169,680)	(388,888)
Total Liabilities	22,968,635	13,618,699
Total Assets	22,798,955	13,229,811

(vi) Highlights of the Financial Results of the Bank

	2022	2021
	GH¢	GH¢
Profit for the year ended 31 December	374,666	272,526
From which is deducted taxation of	(86,558)	-
Giving a Profit after Tax of	288,108	272,526
To which is added balance on the Retained Earnings brought forward of	(2,151,015)	(2,423,541)
Leaving a Balance of	(1,862,907)	(2,151,015)
Transfer to Regulatory Statutory Reserve	-	-
Transfer from/(to) Credit Reserve	-	-
Less: Dividend	-	-
Leaving a Balance on Retained Earnings carried forward of	(1,862,907)	(2,151,015)

The Directors consider the state of Bank's affairs to be satisfactory.

No transfers will be made to any reserves until the balance on the Shareholders' Fund turns positive.

ASUTIFI RURAL BANK PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 DECEMBER, 2022

Report of The Directors to the Members of Asutifi Rural Bank PLC (continued)

(vii) 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. The Audit fee for the year is GH¢13,000.

(viii) 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 unaware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. The financial statements, therefore, continue to be prepared on the going concern basis.

(ix) Dividend

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

(x) 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.


(xi) Approval of the report of the directors

The report of the directors of Asutifi Rural Bank PLC, was approved by the Board of Directors and signed on its behalf by:



KWASI ADUSE-POKU
CHAIRMAN

Date: 20/04/2023



PETER MENSAH KONADU
DIRECTOR

Date: 20/04/2023

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Asutifi Rural Bank PLC (“the Bank”), which comprise the statements of financial position as at 31 December 2022, 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 financial statements give a true and fair view of the Bank as at 31 December 2022, 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 Bank 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, if any are addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

From the matters communicated with the Board of Directors, 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.

In this audit, we have determined that no key audit matter is to be communicated in our report.

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Report of the Directors as required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930), the Chairman's Report, the Chief Executive Officer's Report 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 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, 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 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 Group and Bank'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 Bank or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Bank'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 Group and Bank'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 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 Bank under audit pursuant to Section 143 of the Companies Act, 2019 (Act 992).

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

The Bank has 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/2023/1059).

FOR AND ON BEHALF OF:





**PLANITA CONSULTING
(ICAG/F/2023/026)
CHARTERED ACCOUNTANTS
COMMUNITY 12, TEMA**

DATE: 19 APRIL, 2023

ASUTIFI RURAL BANK PLC*(Reg No. C-20475 dated 29th March, 1982, TIN C0006739776)**(BOG license no. 061 dated 2nd December, 1982)***STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2022.**

ASSETS	NOTE	2022 GH¢	2021 GH¢
Cash and Short - Term Funds	5	3,365,486	1,520,738
Short-term Investments	6	5,291,166	1,155,661
Advances	7	11,308,072	8,002,389
Inventories	8	89,225	82,504
Receivables & Prepayments	9	1,308,756	823,979
Taxation		-	82,111
		<u>21,362,705</u>	<u>11,667,382</u>
Property, Plant and Equipment	12	1,236,020	1,362,199
Long Term Investments	10	200,230	200,230
Capital work-in-progress		-	-
		<u>1,436,250</u>	<u>1,562,429</u>
TOTAL ASSETS		<u>22,798,955</u>	<u>13,229,811</u>
LIABILITIES AND SHAREHOLDER'S FUNDS			
Deposit and Current Accounts	11	20,662,058	11,662,784
Borrowings	13	1,438,696	1,645,959
Taxation	21	4,447	
Other Accounts payable and Accruals	14	863,434	309,956
		<u>22,968,635</u>	<u>13,618,699</u>
TOTAL LIABILITIES		<u>22,968,635</u>	<u>13,618,699</u>
Stated Capital	22	915,988	915,988
Contribution to Stated Capital		103,344	97,232
Statutory Reserve fund		227,775	227,775
Capital Surplus		509,132	509,132
Education Fund		-	12,000
Retained Earnings		(1,925,919)	(2,151,015)
Shareholders' Funds		(169,680)	(388,888)
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS		<u>22,798,955</u>	<u>13,229,811</u>


KWASI ADUSE-POKU
CHAIRMAN
PETER MENSAH KONADU
DIRECTOR

ASUTIFI RURAL BANK PLC
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**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR
 ENDED DECEMBER 31, 2022.**

	NOTE	2022 GH¢	2021 GH¢
Interest Income	15	5,000,062	3,793,874
Interest Expense	16	<u>(1,217,689)</u>	<u>(713,747)</u>
Net Interest Income		3,782,373	3,080,127
Commissions and Fees	17	932,306	647,437
Other Operating Income	18	<u>123,678</u>	<u>293,535</u>
TOTAL INCOME		<u>4,838,357</u>	<u>4,021,099</u>
Provision for Impairment	19b	(67,860)	(458,155)
Operating Expenses	20	<u>(4,395,831)</u>	<u>(3,290,418)</u>
Total Operating Expenses		<u>(4,463,691)</u>	<u>(3,748,573)</u>
Operating Loss Before Tax		374,666	272,526
Taxation	25	<u>(86,558)</u>	-
Net Profit before other comprehensive income		<u>288,108</u>	<u>272,526</u>
Other Comprehensive Income:			
Revaluation Gain		-	-
Gain on Apex Share		-	-
TOTAL COMPREHENSIVE INCOME		<u><u>288,108</u></u>	<u><u>272,526</u></u>

ASUTIFI RURAL BANK PLC

(Reg No. C-20475 dated 29th March, 1982, TIN C0006739776)

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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
DECEMBER 31, 2022.**

2022	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 1st January	915,988	97,232	509,132	227,775	(2,151,015)	12,000	(388,888)
Net Profit	-	-	-	-	288,108	-	288,108
Changes in Retained Earnings					(63,012)		(63,012)
Write-off of Education Fund						(12,000)	(12,000)
Contribution to Stated Capital		6,112	-	-	-	-	6,112
Balance as at 31 December	915,988	103,344	509,132	227,775	(1,925,919)	-	(169,680)

2021	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 1st January	915,988	91,366	509,132	227,775	(2,423,541)	12,000	(667,280)
Net Profit	-	-	-	-	272,526	-	272,526
Contribution to Stated Capital	-	5,866	-	-	-	-	5,866
Balance as at 31 December	915,988	97,232	509,132	227,775	(2,151,015)	12,000	(388,888)

ASUTIFI RURAL BANK PLC*(Reg No. C-20475 dated 29th March, 1982, TIN C0006739776)**(BOG license no. 061 dated 2nd December, 1982)***STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
DECEMBER 31, 2022.**

	NOTE	2022 GH¢	2021 GH¢
Profit/(loss) for the period	17	374,666	272,526
Adjustment for:			
Retained earning-Adjustment		(63,012)	-
Depreciation		184,428	155,945
		<u>496,082</u>	<u>428,471</u>
(Increase)/Decrease in Investment		(4,135,505)	1,619,139
(Increase)/Decrease in Advances		(3,305,683)	(2,791,853)
(Increase)/Decrease in Inventories		(6,721)	25,969
(Increase)/Decrease in receivables & prepayments		(484,777)	313,849
Increase/(Decrease) in Deposits & Current Accounts		8,999,274	(114,150)
Increase/(Decrease) in Creditors & Accruals		553,478	115,368
Tax paid		-	-
<i>Net cash flows from operating activities</i>		<u>2,116,148</u>	<u>(403,208)</u>
Cash flows from investing activities			
Purchase of Property, Plant & Equipment		(58,249)	(62,317)
<i>Net cash flows used in investing activities</i>		<u>(58,249)</u>	<u>(62,317)</u>
Cash flows from financing activities			
Disposal of Education Fund		(12,000)	-
Proceeds from the sale of shares		6,112	5,866
Borrowing		(207,263)	404,350
<i>Net cash flows from financing activities</i>		<u>(213,151)</u>	<u>410,216</u>
Net Increase/(Decrease) in Cash and Cash Equivalents		1,844,748	(55,309)
Cash and Cash Equivalents at 1 January		1,520,738	1,576,047
Cash and Cash Equivalents at 31 December		<u>3,365,486</u>	<u>1,520,738</u>
Cash and Cash Equivalents comprise:			
Cash at Bank		<u>3,365,486</u>	<u>1,520,738</u>

ASUTIFI RURAL BANK PLC

(Reg No. C-20475 dated 29th March, 1982, TIN C0006739776)

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER, 2022.**

1. REPORTING ENTITY

Asutifi Rural Bank PLC (ARB PLC) 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 PLC 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 and 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.

ASUTIFI RURAL BANK PLC
(Reg No. C-20475 dated 29th March, 1982, TIN C0006739776)
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NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER, 2022.

2.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by ASUTIFI RURAL BANK PLC in the preparation of the financial statements are set out below.

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 and the foreign currency 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.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER, 2022.**

2.4 Property, Plant and Equipment (Cont'd)

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 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.

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2.5 Employee Benefits (Cont'd)

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 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.

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).

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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).

(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'.

(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.

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(b) Financial liabilities at amortised cost (Cont'd)

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.

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.

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Fair Value Measurement (Cont'd)

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.

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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.

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.

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• **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 revenue are accounted 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.

2.15 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 2022. 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>	Periods 2019 -2021. This amendment clarifies for the purpose of performing the '10% Test' for derecognition of Financial Liabilities, fees must be determined between a borrower/Lender and the particular borrower/Lender only.
IAS 1	<i>Classification of liabilities into Current and Non-Current</i>	Annual periods beginning on or after 1 January, 2023. The amendment requires that to be current, a right to defer settlement must have substance and exist at the end of the
IAS 8	<i>Definition of Accounting estimates</i>	Accounting Policy changes require retrospective application but Accounting estimates changes do not. The distinction between these is thus important in Corporate Reporting.. The amendment replaces the definition of changes in accounting estimates with the definition of Accounting Estimates as 'monetary amounts in financial statements that are subject to measurement uncertainty'. Changes in Accounting Estimates from new information or new developments is not correction of

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YEAR ENDED 31ST DECEMBER, 2022.****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.

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:

	2022	2021
	GH¢	GH¢
Loans and Advances to customers	11,851,061	8,483,329
Other Loans - Bonanza, Poverty Alleviation, Mowac 2008/2009, Special Farmers Loans Disbursed, Planting for food and Jobs and Interest on Loan	<u>(706,520)</u>	<u>(320,655)</u>
	<u>11,144,542</u>	<u>8,162,675</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	9,838,961	7,233,496
(ii) Past due but not impaired	690,022	541,146
(iii) Impaired	<u>615,559</u>	<u>388,033</u>
Gross loans and advances	<u>11,144,542</u>	<u>8,162,675</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 Days	2022			2021		
	Amort. Cost	Measured at Fair Value	Total	Amort. Cost	Measured at Fair Value	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Overdue						
(0-90)	7,483,085	3,521,452	11,004,536	52,934	24,910	77,844
(91-180)	63,600	31,325	94,925	49,738	24,498	74,236
(181-360)	63,193	38,731	101,925	75,702	46,398	122,100
Over 360	202,782	345,278	548,060	143,572	244,461	388,033
Total	<u>7,812,660</u>	<u>3,936,786</u>	<u>11,749,446</u>	<u>321,947</u>	<u>340,268</u>	<u>662,214</u>

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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 Interest 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 fund increases in assets without incurring unacceptable costs. The management of this risk enables the Bank to 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 an 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.

4.3 The Level of Capital Adequacy

The Capital Adequacy Ratio as at 31 December, 2022 is disclosed as follows:

	2022	2021
	GH¢	GH¢
Registered Paid-Up Capital	915,975	915,976
Unregistered Paid-Up Capital	103,344	97,232
Disclosed Reserves	(1,189,012)	(1,249,840)
Permanent Preference Shares	13	13
Tier 1 Capital	<u>(169,680)</u>	<u>(236,620)</u>
Less:		
Investment in Unconsolidated Subsidiaries	61,405	61,405
Net Tier 1 Capital	<u>(231,085)</u>	<u>(298,025)</u>
ADJUSTED CAPITAL BASE	<u>(231,085)</u>	<u>(298,025)</u>

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YEAR ENDED 31ST DECEMBER, 2022.****5. Cash and Short - Term Funds**

	2022	2021
	GH¢	GH¢
Cash on Hand	2,608,309	764,327
Apex Clearing Account	(246,199)	152,583
5% Placement with Apex	680,171	553,953
Balance with Other Banks	121,513	31,575
Ecobank account	201,692	18,300
	<u>3,365,486</u>	<u>1,520,738</u>

6. Short -Term Investments

	2022	2021
	GH¢	GH¢
Treasury Bills	4,773,433	961,318
Less Unearned discount on T-Bills	(432,267)	(105,657)
ACOD 7 - ARP Apex Bank	950,000	300,000
	<u>5,291,166</u>	<u>1,155,661</u>

7. Advances

	2022	2021
	GH¢	GH¢
Analysis by customer type:		
Individuals	11,050,130	4,745,772
Corporate Bodies	532,016	471,401
Others	268,916	3,266,156
	<u>11,851,061</u>	<u>8,483,329</u>
Impairments (Note 10)	(615,559)	(480,941)
	<u>11,235,502</u>	<u>8,002,388</u>

7.1 Advances - Others

Others Include Poverty, Alleviation, Mowac, Planting for Food and Jobs, Bonanza and Special farmers loan Disbursed which have been standing in the books for a long time

Analysis by advance type

Loans	9,806,688	7,318,467
Overdraft	1,994,601	1,064,071
	<u>11,801,289</u>	<u>8,382,538</u>
Interest in Arrears	122,342	100,792
	<u>11,923,631</u>	<u>8,483,330</u>
Impairments (Note10)	(615,559)	(480,941)
	<u>11,308,072</u>	<u>8,002,389</u>

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8. Inventories	2022	2021
	GH¢	GH¢
Stationery stock	89,226	82,504

9. Receivables and Prepayments	2022	2021
	GH¢	GH¢
Sundry Debtors	-	400
Inter-Agency	472,552	537
Insurance Prepaid	37,295	32,692
Rent Prepaid	120,290	119,890
Ezwich Operation	133,403	115,301
Uncleared Effect	26,130	24,536
GRA Staff Tax Liability	16,844	16,363
Controller and Accountant General Account	377,943	22,450
Suspense Credit Account	124,299	491,810
	<u>1,308,756</u>	<u>823,979</u>

10. Long Term Investments	2022	2021
	GH¢	GH¢
Apex Bank	61,405	61,405
GN Investment (Net)	138,825	138,825
	<u>200,230</u>	<u>200,230</u>

GN Investments represents:

Gold Coast Investment	150,000	710,000
GN Loan Overdraft	(11,175)	(11,175)
Gold Coast Loan	-	(560,000)
GN Investment (Net)	<u>138,825</u>	<u>138,825</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.

11. Deposits and Current Accounts	2022	2021
	GH¢	GH¢
Savings Accounts	10,237,186	6,437,958
Current accounts	4,109,173	1,194,620
Fixed Deposit	3,072,986	2,245,230
Susu	3,242,713	1,784,976
Dormant Account	-	-
	<u>20,662,058</u>	<u>11,662,784</u>

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12. Property Plant and Equipment

Cost	Balance	Additions	Balance
	01/01/2022		31/12/2022
	GH¢	GH¢	GH¢
Bank Premises	841,578	-	841,578
Bungalow Furniture	1,196	-	1,196
Office Equipment	470,433	(238)	470,195
Computers	288,506	12,016	300,522
Computer Software	160,439	-	160,439
Fixture & Fittings	226,222	(5,703)	220,519
Motor Vehicle	425,870	46,014	471,884
Bicycles	295	-	295
Capital Work-in-Progress	5,577	6,160	11,737
	<u>2,420,116</u>	<u>58,249</u>	<u>2,478,365</u>

Accumulated Depreciation

	01/01/2022	Current	31/12/2022
		Depreciation	
	GH¢	on Cost	GH¢
Bank Premises	76,434	16,832	93,266
Bungalow Furniture	1,196	-	1,196
Office Equipment	229,033	15,164	244,197
Computers	233,161	11,311	244,472
Computer Software	106,852	53,426	160,278
Fixture & Fittings	181,305	10,604	191,909
Motor Vehicle	229,641	77,091	306,732
Bicycles	295	-	295
	<u>1,057,917</u>	<u>184,428</u>	<u>1,242,345</u>

Carrying Amount 31/12/2022

1,236,020

Carrying Amount 31/12/2021

1,362,199

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:

	2022	2021
	GH¢	GH¢
Bungalow Furniture	1,196	1,196
Computers	244,472	-
Office Furniture & Fittings	191,909	191,909
Bicycles	295	295
	<u>437,872</u>	<u>193,400</u>

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13. Borrowings	2022	2021
	GH¢	GH¢
IFAD loan	-	478,399
Apex Loan	<u>1,438,696</u>	<u>763,210</u>
	<u>1,438,696</u>	<u>1,241,609</u>

14. Other Accounts Payables & Accruals	2022	2021
	GH¢	GH¢
Sundry Creditors	207,434	215,134
Audit Fee - Planita Consulting	15,847	6,879
AGM	46,037	28,037
Adwumapa cocoa trsf/UNICOM	-	12
Unicorn Commodity	6,331	5,787
Accrued Interest/ Unearned Interest	1,834	1,647
Withholding Tax	1,139	2,205
Accrued Interest	(49,173)	58,513
E-zwich Operations	44,654	22,924
E-zwich Holding	202,981	184,876
Payment Order	225,191	29,242
Provision for Rent	10,206	7,928
T24 License Fee Payable	-	24,391
Provision for Subscription	-	4,475
Overs in Till	351	351
Provision for Staff PF	183,278	30,331
Provision for Police Guard	-	2,400
Account Closure Suspense	45	45
System Generating Overdrafts	(328,441)	(528,841)
E-zwich Card Proceeds A/C	93	-
Main Credit Undis Loans	7,571	10,574
Ghana Water Company Ltd	-	366
MasterCard Loan Undisb	50,168	28,714
Monica's Court Issues	37,638	31,135
Other Provision	12,000	-
CCC Uncleared Effects	115,812	9,347
Accrued Int. on FDR	1,733	12,454
Interest Suspense	76,833	37,146
National Service Salary PTMT ACCT	1,006	224
CAGD Loan Settlement	-	80,357
GH-Link Suspense Acct	(2,998)	3,303
T 24 R20 Miss Converted	(4,139)	-
Ghana Pay Wallet	3	-
	<u>863,434</u>	<u>309,956</u>

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15. INTEREST INCOME

	2022	2021
	GH¢	GH¢
Investment Discount on T-Bills	299,759	229,403
Advances	4,700,303	3,564,471
	<u>5,000,062</u>	<u>3,793,874</u>

16. Interest Expense

	2022	2021
	GH¢	GH¢
Savings Account/Deposits	135,227	119,193
Interest on loan	673,150	264,276
Fixed Deposit	409,312	330,278
	<u>1,217,689</u>	<u>713,747</u>

17. Commission and Fees

	2022	2021
	GH¢	GH¢
Commissions	392,660	148,303
Commitment Fees	539,646	499,134
	<u>932,306</u>	<u>647,437</u>

18. Other Operating Income

	2022	2021
	GH¢	GH¢
Sundry Income	104,170	288,331
Commission income	9,979	-
Cheque Clearing Fee	9,529	5,204
	<u>123,678</u>	<u>293,535</u>

19a. Impairments

	2022	2021
	GH¢	GH¢
Provision - Balance Brought Forward	480,941	288,255
Net Increase/(Decrease) In Provision	134,618	192,686
Impairment (Bad Debt)	-	-
	<u>615,559</u>	<u>480,941</u>

19b. Charge to operating Expenses

Net Increase/(Decrease) In Provision for Doubtful Advances	<u>67,860</u>	<u>458,155</u>
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ASUTIFI RURAL BANK PLC
(Reg No. C-20475 dated 29th March, 1982, TIN C0006739776)
(BOG license no. 061 dated 2nd December, 1982)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER, 2022.**

	2022	2021
	GH¢	GH¢
20. Operating Expenses		
Salaries	1,247,003	938,831
Other Staff Cost	369,184	309,078
Depreciation	184,428	155,945
Audit Fees	15,847	15,502
Motor Running-Fuel Expenses	34,311	15,522
Motor Running-Repairs & Maintenance	51,121	47,454
Board Meeting Expenses	57,298	80,980
Director's Fees	7,200	16,810
Repairs & Maintenance	33,440	30,323
Donations	31,349	34,351
Specie Movement	20,313	19,958
Bank Charges	6,344	5,715
Insurance	80,458	82,097
Audit Expenses	9,877	7,207
Travelling & Transport	70,656	26,904
Printing & Stationery	63,854	46,654
Postage & Telephone	17,109	13,256
Subscription & Periodicals	64,701	43,620
Bungalow Expenses	876	962
Police Guard Duties	11,208	11,540
Mobilization/Recovery Expenses	14,726	16,569
Communication Expenses- Apex	221,322	135,990
Entertainment/Staff allowance	519,338	341,254
Electricity & Water	101,134	93,000
Medical Expenses	17,360	10,094
Legal Expenses	74,281	61,881
Advertising & Publicity	6,297	1,060
Cleaning & Conservancy	24,983	23,040
Staff Training	71,973	60,166
Office Expenses	7,390	9,199
AGM Expenses	18,000	18,330
Generator Expenses	40,272	25,075
Micro-Finance Expenses	316,602	166,985
Shortage in Till	594	325
Direct Sales Executives salary	227,066	157,821
Direct sales Executives transport	79,669	38,766
Sac Expenses	53,142	13,314
Rent, Rates and Taxes	24,100	22,485
Recovery	550	526
Other Expenses	-	191,829
Write-off of System Generated Overdrafts	200,455	-
	<u>4,395,831</u>	<u>3,290,418</u>

ASUTIFI RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER, 2022.

21. Taxation

	Balance at 1/1/22 GH¢	Paid During the Period GH¢	Charged for the Period GH¢	Balance at 31/12/2022 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)
2022	(82,111)	-	86,558	4,447

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

Tax Rate Reconciliation

	2022 GH¢	2021 GH¢
Profit per Income Statement	374,666	272,526
Prior Year Tax Loss B/F	(278,135)	(1,067,807)
Permanent Difference (Un-allowed Expenses)		
Unallowed Exp - R&M	-	-
Unallowed Exp	336,259	517,146
Taxable Amount per Income Statement	<u>432,791</u>	<u>(278,135)</u>
Tax thereon at Statutory Rate per Income Statement (20% for Rural Bank)	<u>(86,558)</u>	<u>-</u>

22a. 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:

	2022		2021	
	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
		<u>915,988</u>		<u>915,988</u>

22 b. Contribution to Stated Capital

	2022		2021	
	Number	GH¢	Number	GH¢
Issued for Cash (Ordinary Shares)	35,630	7,126	35,630	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 transfer to Stated Capital has been approved by and registered with Bank of Ghana.