



ADANSI RURAL BANK PLC

FINANCIAL STATEMENTS

31 DECEMBER 2022

ADANSI RURAL BANK PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

CONTENTS	PAGES
Corporate Information	1
Report of the Directors	2 - 3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 - 7
Income Statement	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 - 31

**ADANSI RURAL BANK PLC
CORPORATE INFORMATION**

BOARD OF DIRECTORS	Mr. Kofi Ampofo Agyapong Mr. Samuel Abu-Bonsrah Mr. Philip Ofori Asante Mr. Kwabena Fosuhene Asante Prof. Stephen Adei Mrs. Philomena Abu-Bonsra Mr. Alexander Frimpong	Chairman Member - Retired (December 2022) Member - Retired (December 2022) Member - Resigned (August 2022) Member Member - Appointed (April 2022) Member - Appointed (April 2022)
SECRETARY	Naana Boatenmaa Owusu-Akyaw P.O. Box 4731 Adum-Kumasi	
MANAGEMENT	Daniel Amponsah Emmanuel Nana A. Asamoah Kwasi Ameyaw Emmanuel Boakese Naomi Pokuua Asare Michael Asamani-Darko Daniel Owusu Agyare Francis Anaafi George Kakraba	Chief Executive Officer Ag. Head, Banking Operations/Head, Bus. Development. Head of Finance - Resigned (June 2022) Head of Internal Audit Head of HR & Administration Head of Risk & Compliance - Resigned (September 2022) Head of Credit - Resigned (June 2022) Head of Micro-Banking Head of IT
AUDITOR	PKF Accountants and Business Advisers P. O. Box 976 Kumasi	
SOLICITORS	KAB Legal Consult (Adansiman Chambers) P. O. Box 802 Kumasi	
BANKERS	ARB Apex Bank Limited Cal Bank Ghana Limited Access Bank Ghana Limited Ecobank Ghana Limited First Atlantic Bank Ghana Limited GCB Bank Ghana Limited	
REGISTERED OFFICE	Adansi Rural Bank Limited Building Abu-Bonsrah Street Fomena P. O. Box 35 Fomena, Ashanti	

ADANSI RURAL BANK PLC
REPORT OF DIRECTORS

In accordance with the requirements of Section 136 of the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institution Act, 2016 (Act 930), we the Board of Directors of Adansi Rural Bank Plc, do herewith submit our annual report on the state of affairs of the Company for the year ended 31 December 2022.

Statement of Directors Responsibilities

The directors are responsible for the preparation of financial statements that give a true and fair view of Adansi Rural Bank Plc, comprising the statements of financial position at 31 December 2022, and the income statement, 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 Specialised Deposit-Taking Institution 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 company to continue as going concerns and believe that the shareholders will introduce additional capital into the business.

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.

The Directors report as follows:

	2022	2021
	GH¢	GH¢
Operating Income	25,434,819	22,915,864
Profit before tax from which is deducted; a provision for estimated income tax expense of	2,423,182 (647,142)	867,838 (122,030)
leaving a profit after tax of	1,776,041	745,808
which is to be added to the balance brought forward of Transfer to Reserve Fund	1,251,744 (444,010)	692,388 (186 452)
resulting in a balance to be carried forward on the retained earnings account at December 31 of	2,583,775	1,251,744

ADANSI RURAL BANK PLC

REPORT OF DIRECTORS

Nature of Business

The principal activity of the Bank during the year was in accordance with Section 2 of the Regulations of the Bank. This represents no change from the activities carried out for the previous year.

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, 2019 (Act 992).

Corporate Social Responsibility and Code of Ethics

There was no amount spent by the Bank on corporate social responsibility during the year.

Capacity Building of Directors to Discharge their Duties

The directors attended about four training programs during the year under review.

Auditor and Audit fee

In accordance with Section 139(5) of the Companies Act, 2019 (Act 992), PKF will remain in office as auditor for the Bank. As at 31 December, 2022, the amount payable in respect of audit fees was **GH¢42,665** (2021: GH¢40,545)

Going Concern

The Board of Directors has made an assessment of the Bank's ability to continue as a going concern and is satisfied that it will have the resources from its shareholders 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 propose a dividend payment for the year of **0.01** Ghana Pesewas per share.

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.

Approval of the report of the directors

The report of the directors of Adansi Rural Bank Plc, was approved by the

board of directors on *APRIL 12th 2023* and signed on their behalf by

.....
Director

.....
Director

ADANSI RURAL BANK PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing financial statements for each financial year to give a true and fair view of the state of affairs of the Bank and of its income statement for the period. In preparing those financial statements, the directors are required to:

Select suitable accounting policies and then apply them consistently

Make judgements and estimates that are reasonable and prudent

State whether the applicable accounting standards have been followed

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue in business

The directors are responsible for ensuring that the Bank keeps accounting records which disclose with reasonable accuracy the financial position of the Bank and which enable them to ensure that the financial statements comply with International Financial Reporting Standards. They are responsible for taking such steps as are reasonably open to them to safeguard the asset of the Bank, and to prevent and detect fraud and other irregularities.

ADANSI RURAL BANK PLC
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022 GH¢	2021 GH¢
Interest income	3	26,905,501	23,219,032
Interest expense	4	(4,601,968)	(3,639,514)
Net interest income		22,303,533	19,579,518
Commissions and fees	5	3,012,496	3,162,630
Other operating income	6	118,790	173,716
Operating income		25,434,819	22,915,864
Personnel expenses	7	(10,247,616)	(6,965,813)
Operating expenses	8	(9,816,514)	(8,498,026)
Impairment charge	14.1	(851,910)	(4,350,624)
Depreciation and amortisation	9	(2,095,597)	(2,233,563)
Net profit before taxation		2,423,182	867,838
Income tax expense	10	(647,142)	(122,030)
Net profit after taxation		1,776,040	745,808

ADANSI RURAL BANK PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	NOTES	2022 GH¢	2021 GH¢
Assets			
Deferred tax asset	10.4	86,732	35,869
Cash and short-term funds	11	22,997,098	17,342,718
Short term investments	12	48,013,617	18,514,373
Long term investments	13	35,847,141	37,367,797
Loans and advances	14	41,225,389	34,755,659
Other assets	15	5,377,084	5,833,013
Property, plant & equipment	16	10,215,061	10,993,798
Intangible assets	17	429,104	515,943
Total assets		164,191,226	125,359,170
Liabilities			
Deposits from customers	18	143,103,322	110,010,141
Other liabilities	19	7,737,293	2,861,772
Taxation	10.3	590,588	752,154
Long-term borrowing	20	1,300,000	2,133,540
Total liabilities		152,731,203	115,757,607
Equity			
Stated capital	21	4,975,310	4,892,890
Statutory reserve	22	3,851,535	3,407,525
Retained earnings	23	2,583,774	1,251,744
Capital reserve	24	49,404	49,404
Total shareholders' funds		11,460,023	9,601,563
Total liabilities and equity		164,191,226	125,359,170

Approved by the Board on *APRIL 12th 2023*

.....
DIRECTOR

.....
DIRECTOR

ADANSI RURAL BANK PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

2022

	Stated Capital GH¢	Reserve Fund GH¢	Retained Earnings GH¢	Capital Reserve GH¢	TOTAL GH¢
Balance at 1 January	4,892,890	3,407,525	1,251,744	49,404	9,601,563
Profit for the year	0	0	1,776,040	0	1,776,040
Proceeds from issue of shares	82,420	0	0	0	82,420
Reserve Fund	0	444,010	(444,010)	0	0
Balance at 31 December	4,975,310	3,851,535	2,583,774	49,404	11,460,023

2021

	Stated Capital GH¢	Reserve Fund GH¢	Retained Earnings GH¢	Capital Surplus GH¢	TOTAL GH¢
Balance at 1 January	3,761,460	3,221,073	692,388	49,404	7,724,325
Profit for the year	0	0	745,808	0	745,808
Proceeds from issue of shares	1,131,430	0	0	0	1,131,430
Reserve Fund	0	186,452	(186,452)	0	0
Balance at 31 December	4,892,890	3,407,525	1,251,744	49,404	9,601,563

ADANSI RURAL BANK PLC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 GH¢	2021 GH¢
Cash flows from operating activities		
Profit for the year	2,423,182	867,838
Adjustment for:		
Depreciation	1,834,057	2,004,736
Amortisation	261,540	228,827
(Profit)/Loss on Disposal	(822)	66,012
	4,517,957	3,167,413
Change in loans and advances	(6,469,730)	5,769,270
Change in other assets accounts	455,929	(1,591,838)
Change in deposits	33,093,181	13,477,717
Change in creditors and accruals	5,066,010	(1,247,948)
	36,663,347	19,574,614
Tax paid	(1,050,062)	(720,000)
Net cash generated from operating activities	35,613,285	18,854,614
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,092,996)	(1,616,531)
Proceeds from disposal	38,500	7,365
Purchase of intangible asset	(174,701)	(271,399)
Change in short term investments	(29,499,244)	9,094,773
Change in long term investments	1,520,656	(25,733,021)
Net cash used in investing activities	(29,207,785)	(18,518,813)
Cash flows from financing activities		
Issue of shares	82,420	1,131,430
Long-term borrowings	(833,540)	(196,396)
Net cash from financing activities	(751,120)	935,034
Net increase in cash and cash equivalents	5,654,380	1,270,835
Cash and cash equivalent at 1st January	17,342,718	16,071,883
Cash and cash equivalent at 31 December	22,997,098	17,342,718
Cash and Cash Equivalent		
Cash on Hand	7,302,853	6,301,570
Current Account Balances	15,694,245	11,041,148
	22,997,098	17,342,718

ADANSI RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTE	2022 GH¢	2021 GH¢
3 Interest income			
Investments		11,535,817	7,041,435
Loans and overdrafts		15,369,684	16,177,597
		<u>26,905,501</u>	<u>23,219,032</u>
4 Interest expenses			
Interest on savings		548,607	352,612
Interest on fixed deposit		3,717,815	2,830,033
Interest on borrowings		335,546	456,869
		<u>4,601,968</u>	<u>3,639,514</u>
5 Commission and fees			
Commitment fees		980,261	895,854
Cheques clearing fees		73,048	41,268
Commission		1,959,187	2,225,508
		<u>3,012,496</u>	<u>3,162,630</u>
6 Other operating income			
SMS charges		93,573	129,307
Income earned on money transfers		24,395	44,409
Profit on Disposal	27	822	0
		<u>118,790</u>	<u>173,716</u>
7 Personnel Expenses			
Salaries and wages		6,542,234	5,117,563
Staff fuel allowance		713,454	207,831
Staff car maintenance allowance		597,725	223,139
Staff clothing & other staff allowances		1,232,843	525,760
SSF & provident fund contribution		1,119,513	709,248
Staff training expenses		41,847	182,272
		<u>10,247,616</u>	<u>6,965,813</u>

ADANSI RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTE	2022 GH¢	2021 GH¢
8 Other Expenses			
Directors emoluments		299,040	364,979
Board meeting expenses		271,874	321,274
Medical expenses		129,626	86,053
Travelling and transport		568,646	426,384
Audit fee		42,665	40,545
Printing and stationery		401,548	402,378
Repairs and maintenance - general		200,325	319,974
Vehicle running expenses		531,901	268,365
Microfinance expenses		64,832	60,378
PSelf-expenses		1,051,226	373,513
Generator expenses		92,811	48,213
Rent and rate and taxes		80,941	76,724
Postage and telecommunication		235,475	243,328
Insurance		507,069	452,899
Electricity and water		439,679	415,694
Entertainment/business development cost		160,441	116,128
Subscriptions/periodicals		63,622	39,190
Donation		67,365	65,065
Specie movement expenses		8,207	8,451
Security expenses		612,212	491,671
Office expenses		381,983	435,538
Internal audit expenses		33,899	40,794
AGM expenses		218,442	137,147
Advertisement		245,679	203,702
Other Impairment-Investment		298,025	0
Professional and legal Fees		47,876	54,981
Bank charges		336,410	323,076
Computerization expenses		428,587	577,586
Loan recovery expenses		110,037	142,505
Susu commission		1,612,546	1,603,096
Out of station expenses		36,145	105,206
Hotel & Accommodation		50,715	105,576
Cleaning and sanitation		40,366	81,601
Penalties and fines		146,299	0
Loss on disposal	27	0	66,012
		9,816,514	8,498,026
9 Depreciation, Amortisation and Impairment			
Amortisation		261,540	228,827
Depreciation		1,834,057	2,004,736
		2,095,597	2,233,563

ADANSI RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 GH¢	2021 GH¢
10. INCOME TAX		
10.1 Income tax expense		
The major components of income tax expense for the years ended 31 December 2022 and 2021 are:		
Current income tax charge	698,005	1,212,583
	<u>698,005</u>	1,212,583
Deferred tax charge	(50,863)	(1,090,553)
Income tax reported in the income statement	<u>647,142</u>	<u>122,030</u>

10.2 Reconciliation of Effective Tax

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the statutory tax rate on the applicable profit as follows:

Accounting profit before income tax	<u>2,423,182</u>	<u>867,838</u>
Statutory income tax rate of 25% (2021: 25%)	605,796	216,960
Non-deductible expenses for tax purposes	212,772	1,087,656
Effect of non-chargeable income	(178,761)	(188,962)
Other Temporary differences	7,336	(993,624)
Income tax expense reported in the income statement	<u>647,142</u>	<u>122,030</u>
Effective tax rate	<u>27%</u>	<u>14%</u>

10.3 Current income tax

	Balance at 1 Jan. GH¢	Under Provision GH¢	Paid during the year GH¢	Charged to income statement GH¢	Balance at 31 Dec. GH¢
2017-2020	259,571	190,491	0	0	450,062
2021	492,583	0		0	492,583
2022	0	0	(1,050,062)	698,005	(352,057)
	<u>752,154</u>	<u>190,491</u>	<u>(1,050,062)</u>	<u>698,005</u>	<u>590,588</u>

This computation is subject to agreement with the Ghana Revenue Authority.

	2022 GH¢	2021 GH¢
10.4 The movement on the deferred tax account is as follows:		
Balance at January 1	(35,869)	1,054,684
Origination/reversal of temporary differences: recognised in the income statement	(50,863)	(1,090,553)
Balance at December 31	<u>(86,732)</u>	<u>(35,869)</u>

ADANSI RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022 GH¢	2021 GH¢
11 Cash and short-term funds			
Cash on hand		7,302,853	6,301,570
Other banks		726,477	348,437
Apex bank clearing account		1,759,727	941,976
Apex bank deposit account		6,408,041	5,350,735
Apex certificate of deposit (ACOD)		6,800,000	4,400,000
		<u>22,997,098</u>	<u>17,342,718</u>
12 Short term investments			
Government treasury bills and notes			
Investment with other financial institutions	Note 28	39,142,000	9,702,000
		8,871,617	8,812,373
		<u>48,013,617</u>	<u>18,514,373</u>
13 Long term investment			
ARB Apex bank -shares			
Government of Ghana Bonds		41,404	41,404
		35,805,737	37,326,393
		<u>35,847,141</u>	<u>37,367,797</u>
14 Loans and advances			
Overdraft			
Loans		1,768,876	3,337,675
		40,918,248	37,550,955
Provision for bad and doubtful debts	14.1	42,687,124	40,888,630
		(1,461,735)	(6,132,971)
		<u>41,225,389</u>	<u>34,755,659</u>
14.1 Impairment loss			
Provision as at January 1		6,132,971	2,538,195
Bad debt written off		(4,808,101)	0
Recoveries from bad debt		(715,045)	(755,848)
Increase in provision		851,910	4,350,624
Provision as at December 31		<u>1,461,735</u>	<u>6,132,971</u>
15 Other asset accounts			
Stationery stock		167,626	312,814
Insurance prepaid		55,272	34,327
Rent prepaid		45,290	98,083
Interest and commission accrued		355,245	325,877
Interest in arrears		314,631	785,648
Ezwich operation		26,596	41,723
Accrued interest receivable on investment		2,380,067	2,760,043
Interest accrued Pself loan		1,904,443	1,070,832
Sundry Asset		127,914	403,666
		<u>5,377,084</u>	<u>5,833,013</u>

ADANSI RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

16 Property, plant & equipment
2022

	Land	Owned buildings	Office equipment	Furniture, fixture & fittings	Computers and accessories	Motor vehicles and bikes	Generators and plant	Other Buildings Improvements	ATM Accessories	Leasehold Properties	Total
Cost	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 1 January	52,000	2,456,727	1,819,246	387,476	1,027,829	778,414	542,294	6,309,961	1,778,649	2,782,403	17,934,999
Additions	42,000	0	126,957	0	82,177	818,711	0	23,151	0	0	1,092,996
Asset Write-off/Disposal	(30,000)	0	0	0	(1,630)	(23,272)	0	0	0	0	(54,902)
Balance at 31 December	64,000	2,456,727	1,946,203	387,476	1,108,376	1,573,853	542,294	6,333,112	1,778,649	2,782,403	18,973,093
Depreciation											
Balance at 1 January	0	524,346	1,349,171	235,763	770,671	555,822	227,717	2,524,862	354,930	397,918	6,941,200
Charge for the year	0	73,702	233,787	53,246	184,525	166,261	135,573	556,561	177,865	252,537	1,834,057
Asset Write-off/Disposal	0	0	0	0	(544)	(16,681)	0	0	0	0	(17,225)
Balance at 31 December	0	598,048	1,582,958	289,009	954,652	705,402	363,290	3,081,423	532,795	650,455	8,758,032
Carrying amount											
December 31	64,000	1,858,679	363,245	98,467	153,724	868,451	179,004	3,251,689	1,245,854	2,131,948	10,215,061

ADANSI RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

**16.1 Property, plant & equipment
2021**

	Owned		Office	Furniture,	Computers	Motor	Generators	Other	ATM	Leasehold	Total
	Land	buildings	equipment	fixture & fittings	and accessories	vehicles and bikes		Buildings Improvements	Accessories Work in progress		
Cost	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 1 January	52,000	2,456,727	1,631,576	321,055	853,841	947,932	380,020	5,508,201	1,778,649	2,782,403	16,712,404
Additions	0	0	187,670	67,296	173,988	223,543	162,274	801,760	0	0	1,616,531
Disposal	0	0	0	(875)	0	(393,062)	0	0	0	0	(393,937)
Balance at 31 December	52,000	2,456,727	1,819,246	387,476	1,027,829	778,413	542,294	6,309,961	1,778,649	2,782,403	17,934,998
Depreciation											
Balance at 1 January	0	450,644	1,005,980	168,875	523,104	797,449	92,144	1,895,981	177,465	145,381	5,257,023
Charge for the year	0	73,702	343,191	67,763	247,567	78,057	135,573	628,881	177,465	252,537	2,004,736
Disposal	0	0	0	(875)	0	(319,684)	0	0	0	0	(320,559)
Balance at 31 December	0	524,346	1,349,171	235,763	770,671	555,822	227,717	2,524,862	354,930	397,918	6,941,200
Carrying amount December 31	52,000	1,932,381	470,075	151,713	257,158	222,591	314,577	3,785,099	1,423,719	2,384,485	10,993,798

ADANSI RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	GH¢	GH¢
17 Intangible assets		
Cost		
Balance at 1 January	1,032,012	760,613
Additions	174,701	271,399
Balance at 31 December	1,206,713	1,032,012
Amortisation		
Balance at 1 January	516,069	287,242
Charge for the year	261,540	228,827
Balance at 31 December	777,609	516,069
Carrying amount		
31 December	429,104	515,943
18 Deposits from customers		
Savings account	39,209,516	30,778,538
Current accounts	24,875,239	20,220,941
Time deposit	31,066,101	24,976,855
Susu	47,952,466	34,033,807
	143,103,322	110,010,141
19 Other liabilities		
Accrued interest liabilities	1,861,537	1,481,898
Sundry creditors	1,608,321	603,192
Audit fees accrued	47,541	43,526
Unearned discount on treasury bills	2,653,330	194,336
Staff fund	565	565
Withholding tax	39,541	175,133
Bill payables	1,413,170	248,792
Dividend payable	113,288	114,330
	7,737,293	2,861,772

ADANSI RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	GH¢	GH¢
20 Long-term borrowing		
Individuals/Institutions Note 29	1,300,000	1,300,000
Commercial Bank (FABL)	0	750,000
Bank of Ghana (Kfw Project)	0	83,540
	<hr/> 1,300,000 <hr/>	<hr/> 2,133,540 <hr/>
21 STATED CAPITAL	Number	Number
Authorised		
Number of ordinary shares of no par value	100,000,000	100,000,000
	<hr/> 100,000,000 <hr/>	<hr/> 100,000,000 <hr/>
Issued		
Number of ordinary shares of no par value	46,311,715	45,982,022
Preference Shares	13	13
	<hr/> 46,311,728 <hr/>	<hr/> 45,982,035 <hr/>
	Proceeds	Proceeds
	GH¢	GH¢
Issued for Cash		
Number of ordinary shares of no par value	4,975,297	4,892,877
Preference Shares	13	13
	<hr/> 4,975,310 <hr/>	<hr/> 4,892,890 <hr/>
	<hr/> 4,975,310 <hr/>	<hr/> 4,892,890 <hr/>
There is no unpaid liability on any share and there are no shares in treasury.		
22 Statutory reserve		
Statutory reserve represents the cumulative amount set aside from annual net profit after tax as required by Section 34 of the Banks and Specialised Deposit-Taking Institutions Act 2016, (Act 930).		
23 Retained Earnings		
This represents the cumulative annual profits that are available for distribution to shareholders		
24 Capital reserve		
This represents bonus shares received from Apex bank and treated as capital reserve per ARB Apex bank's directive		
25 Earnings per Share		
Net profit for the year	1,776,040	745,808
Number of shares	46,311,715	35,184,215
	0.04	0.02

ADANSI RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

26 Related party transactions and balances

A number of transactions are entered into with related parties in the normal course of business. These normally include loans advanced to related persons. The disbursements and related outstanding balances at the year-end are as follows:

26.1 Loans to directors & related companies	2022	2021
	GH¢	GH¢
Loans	<u>0</u>	<u>500,000</u>
26.2 Loans and advances to employees		
Loans	<u>1,643,297</u>	<u>1,837,076</u>
26.3 Key management personnel and directors emoluments		
Directors' Emoluments	<u>299,040</u>	<u>364,979</u>
27 Disposal of Property, Plant and Equipment		
Cost of Assets	54,902	393,936
Accumulated Depreciation	(17,224)	(320,559)
Carrying Amount	37,678	73,377
Amount Realised On Sale	(38,500)	(7,365)
(Profit)/Loss on Sale of Property, Plant & Equipment	<u>(822)</u>	66,012

28 Included in the investment with other financial institutions is an amount of **GH¢1,005,263** invested with Prestige Capital Limited. The Bank holds a pledge over the securities of Prestige Capital registered with the Central Securities Depository GH Limited. The pledge is dated 09/09/2020 with the security symbol as SIC, GOIL, SOGEGH, SCB and HFC

29 The Bank has allotted a ten year redeemable preference shares to certain individuals and institutions with a coupon rate of 21% payable every six (6) months.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF
ADANSI RURAL BANK PLC
FOR THE YEAR ENDED 31 DECEMBER 2022**

Report on the Audit of the Financial

Statements Opinion

We have audited the accompanying financial statements of Adansi Rural Bank Plc which comprise the statement of financial position as at December 31, 2022, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and 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 Adansi Rural Bank Plc as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with 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 Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

Responsibilities of Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements that gives 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 for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, 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 expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. 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 Company 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.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

The Companies Act, 2019 (Act 992) and the Specialised Deposit-Taking Institutions Act 2016 (Act 930) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) 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.
- ii) In our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books, and proper returns adequate for audit purposes have been received.
- iii) The statement of financial position and the income statement of Adansi Rural Bank Plc are in agreement with the books of account.
- iv) The financial statements give a true and fair view of the state of affairs of the Company and its results for the year under review.
- v) The Bank's transactions are within its powers.
- vi) Adequate disclosures have been made in the financial statements for the directors' emoluments and pension as well as amount due from officers and the amounts reported in the financial statements are in agreement with the accounting records.

The engagement partner on the audit resulting in this independent audit report is Nana Abena Adu-Gyamfi (ICAG/P/1089).



.....
FOR AND ON BEHALF OF PKF (ICAG/F/2023/039)
CHARTERED ACCOUNTANTS
FARRAR AVENUE ACCR

13th April, .2023