



ADANSI RURAL BANK PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

INCOME STATEMENT

	NOTES	2021 GH¢	2020 GH¢
Interest income	3	23,219,032	15,582,913
Interest expense	4	(3,639,514)	(2,603,140)
Net interest income		19,579,518	12,979,773
Commissions and fees	5	3,162,630	2,407,261
Other operating income	6	173,716	6,009,983
Operating income		22,915,864	21,397,017
Personnel expenses	7	(6,965,813)	(5,579,880)
Operating expenses	8	(8,498,026)	(8,075,265)
Impairment charge	14.1	(4,350,624)	(1,571,444)
Depreciation and amortisation	9	(2,233,563)	(2,067,539)
Net profit before taxation		867,838	4,102,889
Income tax expense	10	(122,030)	(582,679)
Net profit after taxation		745,808	3,520,210

STATEMENT OF FINANCIAL POSITION

	NOTES	2021 GH¢	2020 GH¢
Assets			
Cash and short-term funds	11	17,342,718	16,071,883
Short term investments	12	18,514,373	27,609,147
Long term investments	13	37,367,797	11,634,776
Loans and advances	14	34,755,659	40,524,927
Other assets	15	5,833,013	4,241,175
Property, plant & equipment	16	10,993,799	11,455,381
Intangible assets	17	515,943	473,371
Total assets		125,323,302	112,010,660
Liabilities			
Deposits from customers	18	110,010,141	96,532,424
Other liabilities	19	2,861,772	4,109,720
Taxation	10	752,154	259,571
Long-term borrowing	20	2,133,540	2,329,936
Deferred tax (asset)/liability	10.4	(35,869)	1,054,684
Total liabilities		115,721,738	104,286,335
Equity			
Stated capital	21	4,892,890	3,761,460
Statutory reserve	22	3,407,525	3,221,073
Retained earnings	23	1,251,744	692,388
Capital reserve	24	49,404	49,404
Total shareholders' funds		9,601,563	7,724,325
Total liabilities and equity		125,323,302	112,010,660

Approved by the Board on..... 1st APRIL 2022

Director

Director

STATEMENT OF CHANGES IN EQUITY

2021	Stated Capital GH¢	Reserve Fund GH¢	Retained Earnings GH¢	Capital Reserve 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
2020	Stated Capital GH¢	Reserve Fund GH¢	Retained Earnings GH¢	Capital Surplus GH¢	TOTAL GH¢
Balance at 1 January	3,754,139	2,341,021	(1,947,770)	49,404	4,196,794
Profit for the year	0	0	3,520,210	0	3,520,210
Proceeds from issue of shares	7,321	0	0	0	7,321
Statutory Reserve	0	880,052	(880,052)	0	0
Balance at 31 December	3,761,460	3,221,073	692,388	49,404	7,724,325

STATEMENT OF CASH FLOWS

	2021 GH¢	2020 GH¢
Cash flows from operating activities		
Profit for the year	867,838	4,102,889
Adjustment for:		
Depreciation	2,004,736	1,435,876
Amortisation	228,827	359,023
Impairment of Asset	0	272,640
Loss on Disposal	66,012	0
	3,167,413	6,170,428

	2021 GH¢	2020 GH¢
Change in loans and advances	5,769,270	(3,389,816)
Change in other assets accounts	(1,591,838)	2,532,579
Change in deposits	13,477,717	25,376,224
Change in creditors and accruals	(1,247,948)	2,029,619
	19,574,614	32,719,034
Tax paid	(720,000)	(761,788)
Net cash generated from operating activities	18,854,614	31,957,246
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,616,531)	(4,984,849)
Proceeds from disposal	7,365	0
Purchase of intangible asset	(271,399)	(199,858)
Increase in short term investments	9,094,773	(7,436,244)
Increase in long term investments	(25,733,021)	(11,593,372)
Net cash used in investing activities	(18,518,813)	(24,214,323)
Cash flows from financing activities		
Issue of shares	1,131,430	7,321
Long-term borrowings	(196,396)	(1,428,593)
Net cash from financing activities	935,034	(1,421,272)
Net increase in cash and cash equivalents	1,270,835	6,321,651
Cash and cash equivalent at 1st January	16,071,883	9,750,232
Cash and cash equivalent at 31 December	17,342,718	16,071,883
Cash and Cash Equivalent		
Cash on Hand	6,301,570	4,143,260
Current Account Balances	11,041,148	11,928,623
	17,342,718	16,071,883

REPORT ENTITY

Adansi Rural Bank Limited referred to as the bank in these financial statements is a limited liability company incorporated under the Companies Act, 2019 (Act 992) and licensed by the Bank of Ghana with its headquarters at Adansi Fomena in the Ashanti Region of Ghana. The address of its registered office is P. O. Box 35 Adansi Fomena, Ashanti and the principal place of business is Fomena.

2.1 STATEMENT OF COMPLIANCE

The financial statements of the company have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930) and the Companies Act, 2019 (Act 992).

2.2 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS').

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts in the financial statements. The areas involving a higher degree of judgement or complexity, or areas where assumptions or estimates are significant to the financial statements, are disclosed in note 2.4.

2.3 BASIS OF MEASUREMENT

The financial statements have been prepared on the historical cost basis except for the following:

- * financial instruments at fair value through profit or loss are measured at fair value
- * available-for-sale financial assets are measured at fair value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The financial statements have been prepared in the Ghana Cedi (GH¢) which is the company's functional currency and all values have been rounded to the nearest One Cedi (GH¢1).

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 Limited, do herewith submit our annual report on the state of affairs of the Company for the year ended 31 December 2021.

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 Limited, comprising the statements of financial position at 31 December 2021, 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

REPORTS OF DIRECTORS CONTINUED

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.

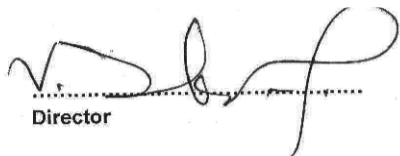
Nature of Business

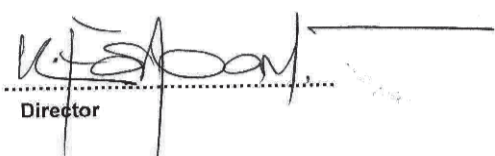
The principal activity of the Bank during the year was in accordance with Section 2 of the Regulations of the Bank. This represents no change from the activities carried out for the previous year.

Approval of the report of the directors

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

board of directors on 1st April, 2021 and signed on their behalf by


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Director


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Director

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the accompanying financial statements of Adansi Rural Bank Limited which comprise the statement of financial position as at December 31, 2021, 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 Limited as at December 31, 2021, 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.

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



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FOR AND ON BEHALF OF PKF (ICAG/F/2022/039)
CHARTERED ACCOUNTANTS
FARRAR AVENUE
ACCRA

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1ST APRIL 2022
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