

ENYAN DENKIRA RURAL BANK LTD



REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2024

K AND A ACCOUNTING SERVICES  
CHARTERED ACCOUNTANTS  
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**ENYAN DENKIRA RURAL BANK LTD**

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

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# **ENYAN DENKIRA RURAL BANK LTD**

## **CORPORATE INFORMATION**

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### **BOARD OF DIRECTORS:**

<b>BOARD OF DIRECTORS</b>	<b>Position on the Board</b>	<b>Date of Appointment</b>	<b>End of Term</b>
Dr. John Kofi Mensah	Board Chairman	18 <sup>th</sup> Nov. 2021	30 <sup>th</sup> Sept. 2024
Mr. Siisi Crenstil	Member	28 <sup>th</sup> July 2021	18 <sup>th</sup> July 2024
Mr. Mathew Ewudzie Arthur	Member	31 <sup>st</sup> Aug. 2021	31 <sup>st</sup> Aug. 2024
Mr. Frank Jones Abban	Member	31 <sup>st</sup> Aug. 2021	31 <sup>st</sup> Aug. 2024
Mr. Kojo Essamuah Sam-Woode	Member	28 <sup>th</sup> July 2021	28 <sup>th</sup> July 2024

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### **COMPANY SECRETARY:**

Mr. Kennedy Anyasor Mate-Kole

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### **AUDITOR:**

K. and A. Accounting Services  
49 Boundary Road (Coastal)  
Off Spintex Road, Baatsonaa Accra  
P. O. BOX 8361, Accra North

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### **REGISTERED OFFICE:**

House No. 2029  
P. O. Box 15  
Enyan Denkyira

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### **BANKERS:**

ARB Apex Bank PLC  
Agricultural Development Bank

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## **ENYAN DENKIRA RURAL BANK LTD**

### **REPORT OF THE DIRECTORS**

The Directors have the pleasure in submitting their Forty-Second (42<sup>nd</sup>) annual report together with the Statement of Comprehensive Income for the year ended December 2024, the Statement of Financial Position as at 31 December 2024, Statement of Cash Flows as at 31 December, 2024 and Statement of Changes in Equity as at 31 December 2024 and the attached notes.

#### **Directors' Responsibilities**

The Companies Act 2019 (Act 992), requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Bank as at the end of the financial year and of the comprehensive income of the Bank for that period.

The Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930) requires every bank to prepare annually as at 31<sup>st</sup> December of each year financial statements and returns in accordance with that Act.

In preparing these financial statements, the directors are required to:

- Select accounting policies, which comply with the Companies Act 2019 (Act 992) (as amended) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930) and in accordance with International Financial Reporting Standards and to apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- Ensure applicable accounting standards have been followed and any material departures disclosed.
- Prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Bank will continue in business.

The Directors are responsible for keeping proper 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 the Companies Act 2019 (Act 992), the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930), Anti-Money Laundering Act, 2008 (Act 749) as amended by the Anti-Money Laundering (Amendment) Act, 2014 (Act 874) and the International Financial Reporting Standards (IFRS).

They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Bank and prevent and detect fraud and other irregularities.

The above statement which should be read in conjunction with the statement of the auditor's responsibilities set out on pages 1 and 2 is with the view of distinguishing for the shareholders the respective responsibilities of the Directors and the Auditors in relation to the financial statements.



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## Incorporation

The bank was incorporated on 11<sup>th</sup> March, 1980 as a limited liability company registered under the Companies Act, 1963 (Act 179). The bank commenced business on February 1, 1984. The bank was authorized to commence business on 26<sup>th</sup> July, 1980 and was issued with an operating License on 12<sup>th</sup> January, 1984.

The Bank is domiciled in Ghana where it is incorporated as a Limited Liability by shares under the Companies Act, 2019 (Act 992). The address of the registered office is set out on page 2.

## Principal Activities

The principal activities carried out by the Bank during the year under review are within the limits permitted by its Regulations and also consistent with its strategic focus. There were no changes in the principal activities of the Bank during the year.

## Financial Results

The results of operations for the year ended 31 December 2024 are set out in the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and the Notes to the financial statements from page 21 to 42.

A summary of the Financial results is as follows:

	2024 GH¢	2023 GH¢
Total Income	15,040,769	11,367,556
Total Expenditure	13,315,362	(9,838,012)
<b>Profit before tax</b>	<b>1,725,407</b>	<b>1,529,544</b>
Income tax Expense	(577,335)	(456,866)
<b>Profit after tax</b>	<b>1,148,072</b>	<b>1,072,678</b>
<b>Deposit</b>	<b>49,807,072</b>	<b>33,381,562</b>
<b>Total Asset</b>	<b>66,563,676</b>	<b>41,973,514</b>

## Events after the reporting date

Events subsequent to the Statements of Financial Position date are reflected in the financial statements only to the extent that they relate to the period under review and the effect is material. There were no subsequent events at the reporting date, 31 December 2024.

## Particulars of entries in the interests register during the financial year

There were no entries in the interest register of Directors during the year.

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### **Capacity of Directors**

The Directors of Enyan Denkyira Rural Bank Ltd have years of relevant experience in banking, finance, and tax administration. As part of discharging their duties, the Directors have periodic trainings from the Ghana Banking College, Bank of Ghana and other Training providers to build their capacity. The Bank ensures that only fit and proper persons are appointed to the board after obtaining the necessary approval from the regulator, Bank of Ghana. For the year under review, all the Directors participated in Anti-Money Laundering training organized by ARB Apex Bank PLC.

### **Directors**

The names of the directors who served during the year are provided under "Corporate Information". No director had any interest at any time during the year, in any contract of significance, other than a service contract with the Bank. All directors have shares in the Bank.

### **Going Concern**

The Directors believe that the Bank has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Directors have satisfied themselves that the Bank is in a sound financial position and that revenue from the assets under management would be enough to meet its foreseeable cash requirements. The Directors are not aware of any new material changes that may adversely impact the Bank. The Directors are also not aware of any material non compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Bank.

### **Anti-Money Laundering**

The Bank has established an anti-money laundering system in compliance with the requirements of Ghana's Anti-Money Laundering Act, 2020 (Act 1044) and the Regulations made under these enactments. These include due diligence for opening new accounts, customer identification, monitoring of high-risk accounts, record keeping and training of staff on money laundering which assist in reducing regulatory and reputational risk to its business. The Bank has purchased Anti-Money Laundering Software to improve compliance.

### **Dividend**

The Board of Directors have proposed Dividend of GH¢450,000.00 for the year ((2022: GH¢109,889.00).

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### Corporate Social Responsibility

The amount spent on Corporate Social Responsibility during the year by the Bank amounted to GH¢77,746.00 (2023: GH¢14,000).

Details are as follows;

AREAS OF SUPPORT	BRIEF NARATION	BENEFICIARY COMMUNITIES / INSTITUTIONS	AMOUNT GH¢
Education	Support for Educational activities	Presby., Mando, Essiam, Abaasa, Abaasa Basic Schools, UEW Ajumako and other Basic Schools in the host communities	7,220
Sports	Sponsorship of Sporting event	Hembaa Football Academy	2,400
Security	Support for Police visibility	Nkwantanum Police Station	3,000
Health	Support to complete renovation Works	Nkwantanum Health Centre	2,000
Education	Sponsorship for 2024 District Science and Math. Quiz	Ghana Education Service-Ajumako	1,500
Agriculture	Donation towards Farmers' Day Celebration	A.E.E.D	2,000
Education	Sponsorship for District Reading Festival	Ghana Health Service-Ajumako	2,000
Sports	Sponsorship of Sporting Activities	Bisease, Denkyira & Enyan Maim Circuit	1,300
Others	Other Social Responsibilities	-	56,326
<b>Total</b>			<b>77,746</b>

### Audit Fee Payable

Included in the general and administrative expenses is the auditor's remuneration of GH¢55,000.00 exclusive of Taxes and Levies.

### Auditors

Messrs K and A Accounting services are willing to continue in office as auditor to the Bank for the ensuing year in accordance with the provision of Section 139 (5a) of Ghana Companies Act 2019 (Act 992). The Directors hereby recommend their re-appointment.



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#### Director's interest in contract

The directors have no interest in contracts entered into by the Bank.

#### Directors

The Directors who held office during the year and their percentage shareholdings were as follows.

s/n	Name of director	Designation	Shareholdings	percentage (%) shareholding
1.	Dr. John Kofi Mensah	Chairman	343,633	1.75
2.	Mr. Susi Crentsil	Member	2,999,042	15.24
3.	Mr. Frank Jones Abban	Member	26,667	0.13
4.	Mr. Mathew Ewudzie Arthur	Member	13,300	0.07
5.	Mr. Kojo Essamuah Sam-Woode	Member	10,000	0.05

Dr. John Kofi Mensah exited the Board on 30<sup>th</sup> September, 2024. Mr. Kojo Essamuah Sam-Woode is the current Acting Chairman from 1<sup>st</sup> October 2024 pending Bank of Ghana approval.

#### Approval of Financial Statements

The report of the directors of the bank was approved by the Board of Directors on 28<sup>th</sup> April 2025 and signed on their behalf by:

  
Signature

FRANK JONES ABBAN  
Name of Director  
Date 28<sup>th</sup> April 2025

  
Signature

KOJO ESSAMUAH SAM-WOODE  
Name of Director  
Date 28<sup>th</sup> April 2025



## **CORPORATE GOVERNANCE REPORT TO THE MEMBERS OF ENYAN DENKYIRA RURAL BANK LTD**

### **Introduction**

Enyan Denkyira Rural Bank Ltd recognizes the importance of good corporate governance as a means of sustained long-term viability of the business and therefore always seeks to align the attainment of the business objectives with good corporate behavior in line with our corporate vision, values and business principles. Enyan Denkyira Rural Bank's vision is to provide its customers with the best financial products. The business adopts prudent standard accounting practices and ensures sound internal controls to facilitate transparency in the disclosure of information and to give assurance to the reliability of the financial statements.

### **Corporate Governance Directives for Rural and Community Banks 2021**

The Board of Directors certifies that the Bank is generally compliant with the Corporate Governance Directive for Rural and Community Banks (CGD for RCBs), 2021 issued by the Bank of Ghana, which came into effect in May 2021. The Corporate Governance processes of the Bank are effective and meet its purposes.

In accordance with Section 45 and 46 of the Corporate Governance Directive for RCBs, the independent external evaluation of the Board for the year was done by Seku, MK & Associates. The scope of the engagement included roles and responsibilities of the board, competencies of the members, structure and composition of the board and its sub-committees, processes and relationships, and other key governance issues.

### **Certification of Compliance with Bank of Ghana Risk Management Directive 2021**

In compliance with paragraph 41 of the Bank of Ghana Risk Management Directive 2021, the Board of Directors of Enyan Denkyira Rural Bank Ltd hereby declares that to the best of its knowledge and having made appropriate enquires in all material respects:

- I. The Bank has put in place systems for ensuring compliance with all prudential requirements.
- II. The systems and resources that are in place for identifying, measuring, evaluating, controlling, mitigating, and reporting material risk, and the Risk Management Framework itself are appropriate to the Bank and are commensurate with the size, business mix and complexity of the Bank.
- III. The Risk and internal control systems in place are operating effectively and are adequate.
- IV. The Bank has a Risk Management Strategy that complies with the Bank of Ghana Risk Management Directive 2021, and the Bank has complied with the requirements described in its Risk Management Strategy, and
- V. The Bank is satisfied with the effectiveness of its processes and management information systems.

**CORPORATE GOVERNANCE REPORT  
TO THE MEMBERS OF ENYAN DENKYIRA RURAL BANK LTD-CONT'D**

**Systems of internal control, risk management and compliance**

Enyan Denkyira Rural Bank Ltd is continuously enhancing its comprehensive risk and control review. This is aimed at both improving the mechanism for identifying and monitoring risk as well as appraising the systems of internal control. The bank has effective systems for identifying, managing, and monitoring risks. The system of internal controls is implemented and monitored by appropriately trained personnel, suitably segregated as to authority, duties, and reporting lines.

**Internal Audit Control and Framework**

The Internal Audit Unit reviews the business' risk, management practices, compliance with policies, applicable laws, and regulations, and assesses the adequacy of systems of internal controls. The Chief Internal Auditor holding this role has sufficient authority, independence, resources and access to the board.

In accordance with section 50 of the Directive, the Internal Auditor has no involvement in the day-to-day activities of the bank.

**Board of Directors**

The Board of Directors are responsible for setting the bank's strategic direction. As of 31 December 2024, the Board of Directors of Enyan Denkyira Rural Bank Ltd consisted of four (4) Non-Executive Directors. Dr. John Kofi Mensah exited the Board on 30<sup>th</sup> September, 2024. The Board members have wide experience and in-depth knowledge in management, industry and financial markets which enables them to make informed decisions and valuable contributions to the Banks progress. The Board met four (4) times during the year, which met the minimum required number of meetings to be held by the Board per section 32 of the Corporate Governance Directive of 2021.

**Attendance at Board Meetings**

Membership and attendance at Board meetings during the year are set out below:

MEMBER	POSITION	MEETINGS ATTENDED
Dr. John Kofi Mensah	Chairman	4/4
Mr. Siisi Crentsil	Member	4/4
Mr. Frank Jones Abban	Member	4/4
Mr. Mathew Ewudzie Arthur	Member	4/4
Mr. Kojo Essamuah Sam-Woode	Member	4/4



**CORPORATE GOVERNANCE REPORT  
TO THE MEMBERS OF ENYAN DENKYIRA RURAL BANK LTD-CONT'D**

### **Board Committees**

The Board has two sub-committees with specific delegated authorities. These are the Board Audit Committee and Credit, Risk and Compliance Committee.

The respective Chairpersons present their reports to the Board at each schedule meeting throughout the reporting period.

### **Audit Committee**

The Committee is appointed by the Board for the purpose of assisting it in assessing; the adequacy and effectiveness of the controls over financial reporting, the independence of the bank's external auditors; the effectiveness, independence and overall performance of the bank's Internal Audit, the adequacy and effectiveness of risk management framework and practices; the adequacy and effectiveness of the bank's management recommendations regarding material risks related to the performance of the strategic activities of the bank.

### **Schedule of Attendance of Audit Committee Meetings**

<b>Members</b>	<b>Position</b>	<b>Meetings Attended</b>
Mr. Frank Jones Abban	Chairperson	4/4
Mr. Ebenezer Siisi Crentsil	Member	4/4
Mr. Mathew Ewudzie Arthur	Member	4/4

### **Credit, Risk and Compliance Committee**

The Credit Committee has the oversight responsibilities on behalf of the Board for the approval of credit facilities for the bank. The role of the credit committee includes the following; considering and approving specific loans above Management Credit Committee limit as determined by the Board; reviewing Management Credit Committee's authority level as and when deemed necessary and recommending new levels to the Board for consideration, conducting review of credits granted by the bank to ensure compliance with the banks internal controls systems and credit approval procedures.

The Committee is also mandated to review and approve the bank's risk policies; set a risk appetite or tolerance and strategy including Anti-Money Laundering within which management is required to develop business strategy or plans, objectives and targets for achievements. The Committee is to advise the Board on the recommended risk strategy or appetite within which its business is to be conducted.

**CORPORATE GOVERNANCE REPORT  
TO THE MEMBERS OF ENYAN DENKYIRA RURAL BANK LTD-CONT'D**

**Schedule of Attendance of Credit, Risk and Compliance Meetings**

<b>Members</b>	<b>Position</b>	<b>Meetings Attended</b>
Mr. Ebenezer Siisi Crentsil	Chairperson	4/4
Mr. Frank Jones Abban	Member	4/4
Mr. Mathew Ewudzie Arthur	Member	4/4

**Code of Conduct**

As part of the company's corporate governance practice, management has communicated the principles of the company's code of conduct to all employees. The code of conduct provides a basic framework and guidance for behaviours and business conduct. The code of conduct also serves as a reference point in all aspects of employee's working relationships with other employees, customers, suppliers, government officials, regulators and the broader community.

**Board Qualifications and Composition**

In accordance with sections 19 to 21 of the Directive, all Board members are qualified for the position and remain qualified through training, for their positions. They have a clear understanding of their role in corporate governance and are able to exercise sound and objective judgement about the affairs of the company. They also possess, individually and collectively, appropriate experience, competencies and personal qualities, including professionalism and integrity. There is no female Director on the Board; The Board has not met the minimum no. of Directors, at 31 December 2024, the Directors were four (4) on the Board. There are no Directors serving on the Board that are related persons.

**Remuneration Structure**

Directors are not entitled to fixed remuneration for their service on the Board; however, they are provided with Sitting Allowance and fuel reimbursements in connection with their attendance at Board meetings. The Board members' Sitting Allowance was approved by the shareholders at Annual General Meeting.

**Board Performance Evaluation**

The Board hereby certifies that it has complied with sections 45 and 46 of the Corporate Governance of 2021 on board evaluation. The Board is yet to complete the self-evaluation assessment for 2024.

**Related Party Transactions**

The Board has in place policies and procedures to ensure that all related party transactions are carried out at arm's length in accordance with the Directive and in accordance with the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930). This is intended to ensure that there is no favourable treatment given to a related party. Therefore, in any connected transactions the company ensures all the necessary approvals are obtained prior to the execution of the transaction.



**CORPORATE GOVERNANCE REPORT  
TO THE MEMBERS OF ENYAN DENKYIRA RURAL BANK LTD-CONT'D**

**Separation of Powers**

There is clearly in place a division of responsibilities between the positions of the Board Chair and the Chief Executive Officer in accordance with section 17 of the Directive.

**Conflict of Interest**

The company's directors have a statutory duty not to place themselves in a position which gives rise to a real or substantial possibility of conflict of interest or duty in relation to any matter which is, or is likely to be brought, before the board. There was no conflict of interest.

**Anti-Money Laundering**

The company has established an anti-money laundering system in compliance with the requirements of the Anti-Money Laundering (Amendment) Act 2020 (Act 1044). These include due diligence for opening new accounts, customer identification, monitoring of high-risk accounts, record keeping and training of staff on money laundering which assist in reducing regulatory and reputational risk to its business.

**Compliance Declaration**

The Board declares that the Bank has complied with the requirement of section 13 of the Corporate Governance Directive.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ENYAN DENKYIRA RURAL BANK LTD**

**Report on the Audit of the Financial Statements.**

We have audited the accompanying financial statements of *Enyan Denkyira Rural Bank Ltd* which comprise the statement of comprehensive income for the year ended 31 December 2024, statement of financial position as at 31 December 2024, the statement of cash flows, and the statement of changes in equity for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies.

**Opinion**

In our opinion, the accompanying financial statements show a true and fair view of the financial position as at 31 December 2024, and of its financial performance and cash flows for the year then ended in accordance with the Companies Act 2019-Act 992, the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), the Anti-Money Laundering Act, 2020 (Act 1044), the International Financial Reporting Standards (IFRS).

**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 Code of Ethics for Professional Accountants (Including International Independence Standards) (The Code) issued by the International Ethics Standards Board for Accountants and the independence requirement of section 143 of the Companies Act, 2019 (Act 992). 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 audit opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgments, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there were no such matters to report on for the year under review.

**Other Information**

The directors are responsible for the other information. The other information comprises Corporation Information and Report of the Directors but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we have obtained prior to the date of this auditor's report, 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.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENYAN DENKYIRA RURAL BANK LTD-CONT'D**

### **Responsibilities of Management and Directors for the Financial Statements**

The Bank's Directors are responsible for the preparation of these financial statements in accordance with the Companies Act, 2019 - Act 992, the Banks, and Specialized Deposit – Taking Institutions Act, 2016 (Act 930), and the International Financial Reporting Standards (IFRSs). This responsibility includes designing, implementing, and maintaining internal control as Management determines is necessary and relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error, and selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, Management is responsible for assessing the 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 Management either intends to liquidate the Bank or to cease operations, or has no realistic alternative, but to do so.

Management and Board of Directors are responsible for overseeing the 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 based on these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgments 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, misrepresentation 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management's 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 Bank's ability to continue as a going concern. If we conclude that a material uncertainty

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENYAN DENKYIRA RURAL BANK LTD-CONT'D

- exists, we are required to draw attention in our auditor's report to the related disclosures in the Bank's 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 Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Bank's audit. We remain solely responsible for our audit opinion.

We communicate with Management and 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

The Companies Act, 2019 - Act 992 requires that in carrying out audit we report on the following:

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 Accounting records have been kept by the Bank, so far as appears from our examination of those records, and
- iii. The statement of Financial Position, the Statement of Comprehensive Income, the statement of Cash Flows are in agreement with the Accounting records.
- iv. The financial statements give a true and fair view of the state of affairs of the Bank and its results for the year under review
- v. We are independent of the Bank in accordance with section 143 of the Companies Act, 2019 (Act 992)



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
ENYAN DENKYIRA RURAL BANK LTD-CONT'D**

**Banks and Specialised Deposit-Taking Act, 2016 (Act 930)**

The Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) requires that we state certain matters in our report.

We hereby certify that:

1. The financial statements give a true and fair view of the state of affairs as at 31 December 2024 of the Bank and the results for the year under review.
2. We obtained all the information and explanation required for the efficient performance of our audit.
3. The transactions of the Bank are within their powers; and
4. The Bank has generally complied with the provisions of the Anti-Money Laundering Act, 2020, (Act 1044), the Anti-Terrorism Act, 2008 (Act 762) and the Regulations made under these enactments.
5. The Bank has generally complied with the provisions of the Banks and Specialized Deposit- Taking Institutions Act, 2016 (Act 930)

The Engagement Partner on the audit resulting in this independent auditor's report was Mr. Kwadwo Kwarteng.

*K & A Accounting Services*

**K. and A. Accounting Services (ICAG/F/2024/089)  
(Chartered Accountants)**

**Partner Signing: Kwadwo Kwarteng**

**License Number (ICAG/P/1097)**

**49 Boundary Road (Coastal)**

**Off Spintex Road, Baatsonaa (Accra)**

Date: *29<sup>th</sup> April*.....2025

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**K & A ACCOUNTING SERVICES  
CHARTERED ACCOUNTANTS**

**ENYAN DENKYIRA RURAL BANK LTD**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024**

	<u>NOTES</u>	<u>2024</u> <u>GHC</u>	<u>2023</u> <u>GHC</u>
Interest Income	3	12,574,968	9,378,390
Interest Expenses	4	<u>(4,382,155)</u>	<u>(3,414,507)</u>
<b>Net Interest Income</b>		<b>8,192,813</b>	<b>5,963,883</b>
Commissions and Fees	5	2,022,451	1,637,337
Other Operating Income	6	<u>443,350</u>	<u>351,829</u>
<b>Total Operating Income</b>		<b>10,658,614</b>	<b>7,953,049</b>
Impairment Gain /( Loss) on Financial Assets	7	(136,190)	(115,552)
Depreciation and Amortisation	8	(307,644)	(223,347)
Other Operating Expenses	9	(8,489,372)	(6,084,605)
<b>Operating Profit /(Loss) Before Taxation</b>		<b>1,725,408</b>	<b>1,529,545</b>
Current Tax Charge	21 (a)	(460,626)	(425,787)
Growth and Sustainability Levy	21 (b)	(92,125)	(63,868)
Deferred Tax Credit	21 (c)	(24,585)	32,789
<b>Net Profit After Tax</b>		<b><u>1,148,072</u></b>	<b><u>1,072,678</u></b>
<b>Total Comprehensive Income</b>		<b><u><u>1,148,072</u></u></b>	<b><u><u>1,072,678</u></u></b>

Notes 1 - 34 form an integral part of these financial statements  
Auditors Report - Page 13 - 16

**ENYAN DENKYIRA RURAL BANK LTD**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024**

**ASSETS**

**CURRENT ASSETS**

	NOTES	2024 GH¢	2023 GH¢
Cash and Short Term Funds	10	4,687,188	3,712,412
Investments	12 (c)	29,934,758	13,800,899
Loans and Advances to Customers	13	28,895,850	22,214,538
Other Assets Account	13	1,045,152	1,001,601
		<b>64,562,948</b>	<b>40,729,450</b>
Long Term Investment	14	138,410	100,910
Property, Plant & Equipment	16	1,776,388	1,041,403
Intangible Asset	17	85,930	101,751
<b>TOTAL ASSETS</b>		<b>66,563,676</b>	<b>41,973,514</b>

**LIABILITIES AND SHAREHOLDERS' FUND**

**LIABILITIES**

Deposits and Current Accounts	17	49,807,072	33,381,562
Interest Payable and Other Liabilities	18	2,310,718	1,658,146
Borrowings	19	8,659,840	2,041,357
Taxation	20 (a) & (b)	177,751	364,657
Deferred Tax Liability	20 (c)	55,382	30,797
<b>TOTAL LIABILITIES</b>		<b>61,010,763</b>	<b>37,476,519</b>

**SHAREHOLDERS' FUNDS**

Stated Capital	22	2,677,020	2,628,820
Preference Shares	22	13	13
Statutory Reserve	23	1,804,840	1,517,824
Capital Reserves	25	43,070	43,070
Retained Earnings	26	1,027,970	307,268

**TOTAL SHAREHOLDERS' FUNDS**

<b>5,552,913</b>	<b>4,496,995</b>
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**TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS**

<b>66,563,676</b>	<b>41,973,514</b>
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Approved by the Directors on 28<sup>th</sup> April 2025 and signed by:



**CHAIRMAN**



**DIRECTOR**

Notes 1 - 34 form an integral part of these financial statements  
Auditors Report - Page 1 - 3

**ENYAN DENKYIRA RURAL BANK LTD**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024**

2024	Stated Capital GH¢	Preference Shares GH¢	Retained Earnings GH¢	Statutory Reserve GH¢	Capital Reserves GH¢	Capital Credit Risk Reserve GH¢	Total GH¢
Balance as at 1 January, 2024	2,628,820	13	307,268	1,517,822	43,070	-	4,496,993
Net Profit for the Year	-	-	1,148,072	-	-	-	1,148,072
Transfer to Statutory Reserve	-	-	(287,018)	287,018	-	-	-
Adjustment for year	-	-	(140,351)	-	-	-	(140,351)
Issue of Shares	48,200	-	-	-	-	-	48,200
<b>Balance as at December 31</b>	<b>2,677,020</b>	<b>13</b>	<b>1,027,970</b>	<b>1,804,840</b>	<b>43,070</b>	<b>-</b>	<b>5,552,913</b>

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2023**

2023	Stated Capital GH¢	Preference Shares GH¢	Retained Earnings GH¢	Statutory Reserve GH¢	Capital Reserves GH¢	Capital Credit Risk Reserve GH¢	Total GH¢
Balance as at January 1	1,443,611	13	202,564	981,485	202,756	-	2,830,429
Net Profit for the Year	-	-	1,072,678	-	-	-	1,072,678
Transfer to Statutory Reserve	-	-	(536,339)	536,339	-	-	-
Reversal of Revaluation Gain on Asset	-	-	-	-	(159,686)	-	(159,686)
Adjustment for the year	-	-	(321,746)	-	-	-	(321,746)
Dividend	-	-	(109,889)	-	-	-	(109,889)
Issue of Shares	1,185,209	-	-	-	-	-	1,185,209
<b>Balance as at December 31</b>	<b>2,628,820</b>	<b>13</b>	<b>307,268</b>	<b>1,517,824</b>	<b>43,070</b>	<b>-</b>	<b>4,496,995</b>



**ENYAN DENKYIRA RURAL BANK LTD**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024**

	<b>2024</b>	<b>2023</b>
	<b>GHC</b>	<b>GHC</b>
<b><u>CASHFLOW FROM OPERATING ACTIVITIES</u></b>		
Net Profit Before Tax	1,725,408	1,529,545
<b><u>ADJUSTMENTS TO RECONCILE OPERATING PROFIT TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u></b>		
Depreciation and Amortisation	307,644	223,347
Impairment on Loans and investments	136,190	115,552
Prior year Adjustment	(140,351)	(321,746)
<b><u>CASHFLOW FROM OPERATING ACTIVITIES BEFORE CHANGES IN OPERATING ASSETS AND LIABILITIES</u></b>	<b>2,028,891</b>	<b>1,546,698</b>
(Increase)/ Decrease in Loans and Advances to Customers	(6,817,504)	(6,177,948)
(Increase)/Decrease in Investments	(16,133,859)	(3,262,278)
(Increase)/ Decrease in Other Assets	(43,551)	92,566
Increase/ (Decrease) in Deposits Liability	16,425,510	8,472,821
Increase/ (Decrease) in Interest Payable and Other Liabilities	652,572	87,780
Increase/(Decrease ) in Borrowings	6,618,483	(336,024)
	<b>2,730,542</b>	<b>423,615</b>
Corporate Tax Paid	(739,657)	(277,641)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>1,990,885</b>	<b>145,974</b>
<b><u>INVESTING ACTIVITIES</u></b>		
Purchase of Property, Plant and Equipment	(1,026,809)	(398,422)
<b>NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES</b>	<b>(1,026,809)</b>	<b>(398,422)</b>
<b><u>FINANCING ACTIVITIES</u></b>		
Dividend Paid	-	(109,889)
Proceeds from Issue of Shares	48,200	1,185,209
Apex Bank Shares Paid	(37,500)	-
<b>NET CASH (OUTFLOW) FROM FINANCING ACTIVITIES</b>	<b>10,700</b>	<b>1,075,320</b>
Net Increase / (Decrease) in Cash and Cash Equivalents	974,776	822,872
Cash and Cash Equivalents as at 1/1/2024	3,712,412	2,889,540
Cash and Cash Equivalents as at 31/12/2024	<b>4,687,188</b>	<b>3,712,412</b>
<b><u>ANALYSIS OF CASH AND CASH EQUIVALENTS</u></b>		
Cash on Hand	2,023,707	1,200,663
Bank Balances with ARB Apex Bank - Current	322,958	(41,358)
- 5% Apex Deposit	2,228,951	1,618,238
Balances with Other Banks	111,572	934,869
	<b>4,687,188</b>	<b>3,712,412</b>

**ENYAN DENKYIRA RURAL BANK LTD**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

**1.0 GENERAL INFORMATION**

**1.1 Registration and Nature of Business**

Enyan Denkyira Rural Bank Ltd is a Private Company incorporated and domiciled in Ghana. The Registered office is located at Enyan Denkyira, Central Region. The Bank primarily is involved in rural banking.

Enyan Denkyira Rural Bank Ltd is a company registered under the Companies Act 2019, (Act 992). Its headquarters is in Enyan Denkyira in the Central Region and has two (3) branches and three (2) agencies located in Enyan Denkyira, Ajumako, Manekessim, Besease and Abaasa respectively. The nature of the business the bank is authorized to carry on includes the provision of current and deposit as well as savings and time deposit accounts for its customers.

The address of its registered office is House No. 2029, and a Post Office of P. O. Box 15, Enyan Denkyira, Central Region, Ghana.

**1.2 Basis of Preparation and Presentation of financial statements**

**1.3 Statement of Compliance**

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

**1.4 Basis of Measurement**

The financial statements have been prepared on a historical cost convention, except for the measurement of available for sale financial assets that measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

Fair Value is the price that will be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Bank takes into account the characteristics of the asset or liability if market participants will take those characteristics into account when pricing the asset or liability at the measurement date.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2024-CONT'D**

**1.5 Functional and Presentation Currency**

The financial statements are presented in Ghana Cedi (GH¢) which is the functional and presentation currency of the Bank. Except otherwise indicated, the financial information presented has been rounded off to the nearest One Ghana Cedi.

**1.6 Use of Estimates and Judgements**

In the process of applying the Bank's accounting policies, management has exercised judgement and estimates in determining the amounts recognized in the financial statements.

**2.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies applied by Enyan Denkyira Rural Bank Ltd in the preparation of the financial statements are set out below:

**2.1 Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can reliably be measured. The following specific recognition criteria apply in revenue recognition.

Revenue includes interest income, commissions and fees and gain on disposal of securities.

**a) Interest Income and Expenses**

Interest income and expense are recognized within "finance income" and "finance costs" in profit or loss using the effective interest rate method, except for borrowing costs relating to qualifying assets, which are capitalized as part of the cost of that asset.

The Bank has chosen to capitalise borrowing costs on all qualifying assets irrespective of whether they are measured at fair value or not.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, pre-payment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2024-CONT'D**

**b) Fees and Commission**

Fees and commission are generally recognized on accrual basis. Fees and commission fee including advisory fees, transfer commission, facility and processing fees and syndication fees are recognised as the related services are performed. Fees and commission arising from negotiating or participating in a transaction on behalf of a third party are recognised upon completion of the underlying transaction.

**c) Other Income**

Other incomes are recognised as and when they are earned.

**2.2 General and administrative expenses**

Expenses include legal, accounting, auditing and other fees. They are recognised in profit or loss in the period in which they are incurred (on an accruals basis).

**2.3 Employee Benefits**

The Bank contributes to two defined contribution schemes (Social Security Fund and Provident Fund) on monthly basis on behalf of employees and the last month outstanding contribution is included in creditors and accruals.

**i. Social Security and National Insurance Trust (SSNIT)**

Under a National Deferred Benefits Pension Scheme, the Bank contributes 13% of employees' basic salary in addition to 5.5% deduction from employees' basic salary to SSNIT for employee pensions.

**ii. Short-term benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**2.4 Cash & Cash Equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents include cash in hand, balance with ARB Apex Bank, amounts due from other banks and financial institutions and short-term government securities.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2024-CONT'D**

## **2.5 Intangible Assets**

### **i. Initial recognition**

Intangible assets that are acquired by the Bank and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment charges.

### **ii. Subsequent measurement**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including internally generated goodwill, is written off in profit or loss as incurred.

### **iii. Amortization**

Intangible assets are amortized on a straight-line basis in profit or loss over their estimated useful lives, from the date they are available for use.

## **2.6 Property, Plant and Equipment (PPE)**

All property, plant and equipment (PPE) is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items and where applicable borrowing costs.

Cost of an item of PPE includes its purchase price and any direct attributable costs. Cost includes the cost of replacing part of an existing PPE at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an item of PPE.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognized. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

### **a. Depreciation**

Depreciation, based on a component approach, is calculated using the straight-line method to allocate the cost over the assets' estimated useful lives as follows:

<b>ASSETS</b>	<b>RATES (%)</b>
<b>Motor Vehicle</b>	20
<b>Building</b>	2.5
<b>Office Furniture</b>	20
<b>Equipment</b>	20
<b>Computers and Accessories</b>	33.33
<b>Generator</b>	20
<b>Intangible Asset</b>	10

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2024-CONT'D**

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the statement of profit or loss.

**2.7(a) Income Tax Expense**

The income tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income or equity - in which case, the tax is also recognised in other comprehensive income or equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position in Ghana where the Bank operates. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**2.7 (b) Deferred tax**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The carrying value of the Bank's investment property is assumed to be realised by sale at the end of use. The capital gains tax rate applied is that which would apply on a direct sale of the property recorded in the statement of financial position regardless of whether the Bank would structure the sale via the disposal of the subsidiary holding the asset, to which a different tax rate may apply. The deferred tax is then calculated based on the respective temporary differences and tax consequences arising from recovery through sale.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Bank and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2024-CONT'D**

**2.8 Provisions**

Provisions are recognised when a present legal or constructive obligation exists as a result of past events, where it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably measured. When the Bank expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

**a. Dividend**

Dividend distribution to the Bank's shareholders is recognized as a liability in the Bank's financial statements in the period in which the dividends are declared.

**b. Stated Capital**

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**c. Post statement of financial position events**

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

**d. Contingent liabilities**

Contingent liabilities are potential liabilities that arise from past events, the existence of which will be confirmed only on the occurrence or non-occurrence of one or more uncertain future events which are not wholly within the control of the Bank.

Provisions for liabilities are recorded when a loss is considered probable and can be reasonably estimated. The determination of whether or not a provision should be recorded for any potential liabilities is based on management's judgment.

**2.9 Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method, any differences between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowing. Borrowings and other forms of financial liabilities shall be de-recognised from the books only when they are extinguished, that is when the obligation specified in the contract is discharged or cancelled or expired.

**2.10 Foreign currencies translation**

Transactions are recorded on initial recognition in Ghana cedis, being the currency of the primary economic environment in which the Bank operates (the functional currency). Transactions in foreign currencies during the year are converted into Ghana cedis at prevailing rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Ghana cedis at the rates of exchange ruling at the statement of financial position date. The resulting gains and losses are dealt with in the profit or loss account. The Bank is not expected to keep funds in foreign currency.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2024-CONT'D**

**2.11 Critical accounting estimates and assumptions**

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Because of the inherent uncertainties in this evaluation process, actual losses may be different from the originally estimated provision. In addition, significant estimates are involved in the determination of provisions related to taxes and litigation risks. These estimates are subject to change as new information becomes available and changes subsequent to these estimates may significantly affect future operating results.

**a. Income taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Bank establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the Bank and the tax authority.

Where the final outcomes of these matters are different from the amounts that were initially recorded, such differences will impact the income tax provisions in the period in which such determination is made.

**2.12 Critical judgements in applying the Bank's accounting policies**

In the process of applying the Bank's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

**Useful economic life of property, plant and equipment**

To a large extent, the bank financial statements are based on estimates, judgements and models rather than exact depictions of reality. Providing relevant information about the Bank's Property, plant and equipment requires estimates and other judgements. This includes measuring the cost of an item of property, plant and equipment, including those that are self-constructed. The subsequent allocation of depreciation involves further judgements and estimates including:

- allocating the cost of the asset to particular major components;
- determining the most appropriate depreciation method;
- estimating useful life; and estimating residual value.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2024-CONT'D**

**2.13 Financial Instruments**

**Initial recognition and subsequent measurement**

**i. Recognition**

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date, i.e. the date that the bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Services provided to customers on credit are recognised when the service is provided to the customers. The bank recognises due to customer balances when payment reaches the bank.

**ii. Initial measurement of financial instruments**

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial instruments are measured initially at their fair value plus transaction cost, except in the case of financial assets and liabilities recorded at fair value through profit or loss.

**iii. Amortised cost measurement**

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

**iv. Fair value measurement**

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial markets or for all other financial instruments fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist and valuation models. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from similar transactions.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2024-CONT'D**

**v. Expected Credit Loss Impairment Model**

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting. It is effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Bank assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and advances category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

**vi. Credit Risk Reserve**

The Credit risk is a non- distribution reserve and it represents the excess of total provisions for loans and overdraft determined in accordance with the Bank of Ghana prudential guidelines over the impairment loss for loans and advances under the IFRS framework. The Bank applies the general approach and calculates expected losses on all its instruments.

As at the reporting date, total provision for losses for loans and advances under Bank of Ghana provisioning criteria amounted to GH¢1,170,087 (2023: GH¢1,106,471). This was below the impairment allowances for loans and Overdraft recognized under the IFRS framework of GH¢1,273,276 (2023: GH¢1,137,086).



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2024-CONT'D**

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established the Audit, Risk, and Compliance Committee which is responsible for developing and monitoring the Bank's risk appetite framework.

**Expected Credit Loss Schedule-IFRS 9**

Instrument	Stage 1 12-months GH¢	Stage 2 Lifetime ECL GH¢	Stage 3 Lifetime ECL GH¢	Total GH¢
2024 Loans (Incl. Overdraft)	276,835	777,561	218,880	<b>1,273,276</b>
2023 Loans (Incl. Overdraft)	213,307	452,291	471,489	<b>1,137,086</b>

**Bank of Ghana Provisioning for Loans and Advances**

CREDIT RISK RATING	DAYS PAST DUE	MINIMUM REQUIRED (%)
Current	Less than 30	1%
OLEM	31-90	10%
Sub-Standard	91-180	25%
Doubtful	181-360	50%
Loss	> 360	100%

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2024-CONT'D**

**Impairment Losses (Bank of Ghana Provision)**

The ageing of Loan and Overdraft at the reporting date was:

		<b>2024</b>		<b>2023</b>	
		<b>Gross Amt</b>	<b>Impairment</b>	<b>Gross Amt</b>	<b>Impairment</b>
		<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
Current	0-30 days	27,682,803	276,828	21,330,727	213,307
OLEM	31-90 days	1,051,693	105,169	793,257	79,326
Sub-Standard	91-180 days	154,659	38,665	187,118	57,832
Doubtful	181-360 days	1,061,091	530,545	569,033	284,517
Loss	Over 360 days	218,880	218,880	471,489	471,489
<b>Total</b>		<b>30,169,126</b>	<b>1,170,087</b>	<b>23,351,624</b>	<b>1,106,471</b>

Continued...

ENVYAN DENKYIRA RURAL BANK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023
	GHC	GHC
<b>3 INTEREST INCOME</b>		
Investment	3,989,812	2,506,686
Advances	8,585,156	6,871,704
<b>TOTAL (PAGE 17)</b>	<b>12,574,968</b>	<b>9,378,390</b>
<b>4 INTEREST EXPENSES</b>		
Savings	625,662	501,883
Fixed Deposits	3,363,432	2,790,472
Borrowings	393,061	122,152
<b>TOTAL (PAGE 17)</b>	<b>4,382,155</b>	<b>3,414,507</b>
<b>5 FEES AND COMMISSION INCOME</b>		
Commitment Fees	1,861,436	1,508,043
Commission Received	161,015	129,294
<b>TOTAL (PAGE 17)</b>	<b>2,022,451</b>	<b>1,637,337</b>
<b>6 OTHER OPERATING INCOME</b>		
Sundry Income	420,092	328,212
Interest Received on Clearing Account	23,258	23,617
<b>TOTAL (PAGE 17)</b>	<b>443,350</b>	<b>351,829</b>
<b>7 IMPAIRMENT GAIN / (LOSS) ON FINANCIAL ASSETS</b>		
Loans and Advances	136,190	115,552
Impairment of Government Bonds	-	-
<b>Total Impairment Charge for the year</b>	<b>136,190</b>	<b>115,552</b>
<b>8 DEPRECIATION AND AMORTISATION</b>		
Depreciation of Property, Plant & Equipment	291,823	207,526
Amortization of Intangible Assets	15,821	15,821
<b>Total Charge for the Year</b>	<b>307,644</b>	<b>223,347</b>
<b>9 OTHER OPERATING EXPENSES</b>		
Personnel Expenses-Appendix I	3,484,978	2,565,018
Occupancy Cost - Appendix II	614,692	482,851
Administrative and Other Expenses - Appendix III	3,554,691	2,525,377
Directors Remuneration	700,764	432,554
Audit Fees	55,000	50,000
Donation	79,247	28,805
<b>TOTAL (PAGE 17)</b>	<b>8,489,372</b>	<b>6,084,605</b>



Continued...

**ENYAN DENKYIRA RURAL BANK LTD**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

	<u>2024</u>	<u>2023</u>
	<u>GHC</u>	<u>GHC</u>
<b>10 CASH AND SHORT TERM FUNDS</b>		
Cash on Hand	1,849,209	1,049,007
ARB Apex Bank (5% Deposit)	2,228,951	1,618,238
ARB Apex Bank (Clearing Account)	322,958	(41,358)
E-Cash	174,498	151,656
ADB	111,572	934,869
<b>TOTAL(PAGE 18 )</b>	<u><u>4,687,188</u></u>	<u><u>3,712,412</u></u>

The balances held with ARB Apex Bank includes a mandatory 5% reserve deposit of GHC 2,228,951 (2023: GHC1,618,238) which is not available for use in the Bank's day to day operations.

<b>11(a) INVESTMENTS IN SHORT TERM SECURITIES</b>		
Government Securities (Treasury Bills)	20,000,000	8,300,000
ARB Apex Bank REPO	-	150,000
ARB Apex Bank Product ACOD	3,800,000	2,800,000
<b>Sub Total</b>	<u><u>23,800,000</u></u>	<u><u>11,250,000</u></u>
<b>11(b) OTHER INVESTMENT</b>		
ADB Investment Plus	4,883,859	1,000,000
Family Founting Assets and Securities	1,250,899	1,550,899
<b>Sub Total</b>	<u><u>6,134,758</u></u>	<u><u>2,550,899</u></u>
<b>11(c) TOTAL INVESTMENT (PAGE 18 )</b>	<u><u>29,934,758</u></u>	<u><u>13,800,899</u></u>

Accounting policies for financial instruments have been applied to the following line items.

	<u>2024</u>		
	AT AMORTIZED COST	FAIR VALUE TP&L	TOTAL
	<u>GHC</u>	<u>GHC</u>	<u>GHC</u>
<b>11(d) FINANCIAL ASSETS BY CATEGORY</b>			
Description			
Cash and Short Term Funds	-	4,687,188	4,687,188
Investment	29,934,758	-	29,934,758
Loans and advances to Customers	28,895,850	-	28,895,850
<b>TOTAL(PAGE 18 )</b>	<u><u>58,830,608</u></u>	<u><u>4,687,188</u></u>	<u><u>63,517,796</u></u>
	<u>2023</u>		
Cash and short term funds	-	2,889,540	2,889,540
Investment	10,538,622	-	10,538,621
Loans and advances to Customers	16,229,173	-	16,229,173
<b>TOTAL(PAGE 18 )</b>	<u><u>26,767,795</u></u>	<u><u>2,889,540</u></u>	<u><u>29,657,334</u></u>

<b>11(e) FINANCIAL LIABILITIES BY CATEGORIES</b>			
Deposits and Current Accounts	2024	<u><u>49,807,072</u></u>	<u><u>49,807,072</u></u>
Deposits and Current Accounts	2023	<u><u>33,381,562</u></u>	<u><u>33,381,562</u></u>

**12 LOANS AND ADVANCES TO CUSTOMERS**

	2024 GH¢	2023 GH¢
<b>a Analysis by type of customer</b>		
Individuals	26,178,712	19,577,474
Private and Public Enterprises	2,413,641	2,265,862
Staff	1,576,773	1,508,288
	<b>30,169,126</b>	<b>23,351,624</b>
Impairment Allowance	(1,273,276)	(1,137,086)
	<b>28,895,850</b>	<b>22,214,538</b>
<b>b Analysis by type of Sector</b>		
Agriculture	1,208,265	381,557
Cottage	2,178,042	2,639,885
Transport, Storage & Communication	39,410	102,319
Transport, Storage & Communication	8,729,641	6,295,507
Others	18,013,768	13,932,356
	<b>30,169,126</b>	<b>23,351,624</b>
Impairment Allowance	(1,273,276)	(1,137,086)
	<b>28,895,850</b>	<b>22,214,538</b>
<b>c Analysis by type of Advance</b>		
Loans	26,863,811	20,613,227
Overdraft	3,305,315	2,738,397
	<b>30,169,126</b>	<b>23,351,624</b>
Impairment Allowance	(1,273,276)	(1,137,086)
	<b>28,895,850</b>	<b>22,214,538</b>
<b>d Analysis by Performance</b>		
Performing	29,950,246	22,123,984
Non Performing	218,880	1,227,640
	<b>30,169,126</b>	<b>23,351,624</b>
Impairment	(1,273,276)	(1,137,086)
	<b>28,895,850</b>	<b>22,214,538</b>
<b>e Impairment Charges / Allowances -IFRS</b>		
Balance at 1 January 2024	1,137,086	1,021,534
Impairment charge for the year	136,190	115,552
<b>Balance at 31 December 2024</b>	<b>1,273,276</b>	<b>1,137,086</b>
<b>Bank of Ghana Provisions</b>		
Balance at 1 January 2024	1,106,471	1,021,534
Impairment charge for the year	63,616	84,937
<b>Balance at 31 December 2024</b>	<b>1,170,087</b>	<b>1,106,471</b>
<b>13 OTHER ASSETS ACCOUNT</b>		
Stationery Stocks	92,570	132,951
Rent Prepaid	57,650	79,680
ATM Card Stock	959	959
CCC Uncleared Effect Account	2,010	5,151
Insurance prepaid	104,508	64,423
Interest Accrued (Loans)	355,789	223,788
E-Zwich Debit	4,775	6,451
Interest in arrears	416,891	374,393
Office Accounts DR.	-	44,600
Refundable Deposit CAGD	10,000	10,000
Interest and Commission Accrued	-	59,205
	<b>1,045,152</b>	<b>1,001,601</b>
<b>14 LONG TERM INVESTMENTS</b>		
ARB Apex Bank Ltd	138,410	100,910
	<b>138,410</b>	<b>100,910</b>

Continued...

ENVAN DENKYIRA RURAL BANK LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2024

**15 PROPERTY, PLANT AND EQUIPMENT-2024**

COST / VALUATION	Bungalow							TOTAL
	Land & Building	Furniture & Fittings	Computers	Furniture & Fittings	Office Equipment	Motor Vehicles	Generator	
	GHC	GHC	GHC	GHC	GHC	GHC	GHC	GHC
Gross value as at January 1, 2024	505,845	1	371,530	207,479	769,416	345,344	197,486	2,397,100
Transfer								
Additions for the Year	154,136	-	66,464	47,250	103,519	755,440	-	1,126,809
Gross value as at December 31, 2024	659,981	1	437,994	254,729	872,935	1,100,784	197,486	3,523,909
<b>ACCUMULATED DEPRECIATION</b>								
Balance as at 01/01/2024	145,464	-	292,859	179,382	364,333	316,920	156,740	1,455,698
Charge for the Year	32,518		43,084	19,461	110,470	71,524	14,766	291,823
Release								
Balance as at 31/12/2024	177,982	-	335,943	198,843	474,803	388,444	171,506	1,747,521
<b>CARRYING AMOUNT</b>								
Balance as at 31/12/2024	481,999	1	102,051	55,886	398,132	712,340	25,980	1,776,388



Continued

ENVAN DENKYIRA RURAL BANK LTD  
NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

15 PROPERTY, PLANT AND EQUIPMENT-2023

COST / VALUATION	Bungalow							TOTAL
	Land & Building	Furniture & Fittings	Computers	Furniture & Fittings	Office Equipment	Work-in-Progress	Motor Vehicles	Generator
	GHC	GHC	GHC	GHC	GHC	GHC	GHC	GHC
Gross value as at January 1, 2023	630,230	1	321,780	202,929	591,334	-	325,902	188,689
Additions for the Year	35,300		49,751	4,551	180,582	100,000	19,442	8,796
Reversal on Revaluation Gains	(159,686)				(2,500)			
Gross value as at December 31, 2023	505,844	1	371,531	207,480	769,416	100,000	345,344	197,485
								2,497,101

ACCUMULATED DEPRECIATION

Balance as at 01/01/2023	159,435	-	259,905	163,238	269,849	-	299,634	144,392
Charge for the Year	33,935		32,954	16,144	94,859	-	17,286	12,348
Release	(47,906)				(375)	-		
Balance as at 31/12/2023	145,464	-	292,859	179,382	364,333	-	316,920	156,740
								1,455,698

CARRYING AMOUNT

Balance as at 31/12/2023	360,380	1	78,672	28,098	405,083	100,000	28,424	40,745
								1,041,403

Continued...

**ENYAN DENKYIRA RURAL BANK LTD**  
**NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024**

**16 INTANGIBLE ASSET**

**COST / VALUATION**

	<b>T24 LICENSE</b>	<b>TOTAL</b>
	<b>GHC</b>	<b>GHC</b>
Gross value as at January 1, 2024	158,208	158,208
Additions for the Year	-	-
<b>Gross value as at December 31, 2024</b>	<b><u>158,208</u></b>	<b><u>158,208</u></b>

**ACCUMULATED AMORTIZATION**

Balance as at 01/01/2024	56,457	56,457
Charge for the Year	15,821	15,821
<b>Balance as at 31/12/2024</b>	<b><u>72,278</u></b>	<b><u>72,278</u></b>

**CARRYING AMOUNT**

Balance as at 31/12/2024	<u>85,930</u>	<u>85,930</u>
Balance as at 31/12/2023	<u>101,751</u>	<u>101,751</u>

Continued...

**ENYAN DENKYIRA RURAL BANK LTD**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

17	<b>DEPOSIT ACCOUNTS</b>	<b>2024</b>	<b>2023</b>
		<b>GHC</b>	<b>GHC</b>
	Savings Accounts		
	Current Account Deposit	18,102,376	11,139,984
	Time Deposits	6,084,046	4,652,795
	Susu Accounts and E-Zwich	20,153,401	14,358,437
	<b>TOTAL (PAGE 18)</b>	<b>5,467,249</b>	<b>3,230,346</b>
18	<b>INTEREST PAYABLE AND OTHER LIABILITIES</b>	<b>49,007,072</b>	<b>33,301,562</b>
	Office Account		
	Audit Fees	116,155	106,045
	Payment Orders / Bills payable	55,000	50,000
	Interest Suspense	26,007	14,493
	Accrued Interest	379,828	237,335
	Unearned Discount on Treasury Bills	680,065	447,335
	Dividend Payable	800,086	484,370
	Provisions	28,394	112,528
	Unearned Interest	9,000	8,583
	Upgrade Suspense	180,691	179,379
	Sundry Liabilities	-	18,078
	<b>TOTAL (PAGE 18)</b>	<b>35,492</b>	<b>-</b>
		<b>2,310,718</b>	<b>1,658,146</b>
19	<b>BORROWINGS</b>		
	Other Sources (REDF)		
	ARB Apex Bank Ltd-Pick Up Loan	5,205,920	1,927,960
	Loan for NIA Device	641,667	38,694
	ARB Apex Bank Ltd-Salary Loan	62,253	74,703
		2,750,000	-
		<b>8,659,840</b>	<b>2,041,357</b>
20 (a)	<b>CURRENT TAX</b>	<b>Bal. at 1st</b>	
		<b>Years</b>	<b>Jan. Tax Charge Tax Paid Bal. at 31 Dec.</b>
			<b>GHC GHC GHC</b>
	Up To	2021	- - -
		2022	- - -
		2023	300,789 - (300,789)
		2024	- 460,626 (300,000)
	<b>Total</b>		<b>300,789 460,626 (600,789) 160,626</b>
20 (b)	<b>GROWTH AND SUSTAINABILITY LEVY</b>	<b>Bal. at 1st</b>	
		<b>Years</b>	<b>Jan. Tax Charge Tax Paid Bal. at 31 Dec.</b>
			<b>GHC GHC GHC</b>
		2023	- 63,868 (63,868)
		2024	- 92,125 (75,000)
	<b>Total</b>		<b>- 155,993 (138,868) 17,125</b>
20 (c)	<b>DEFERRED TAX</b>	<b>2024</b>	<b>2023</b>
		<b>GHC</b>	<b>GHC</b>
	Balance as at 1 January, 2024	30,797	63,586
	Charge for the Year	24,585	(32,789)
	<b>Balance as at 31 December, 2024</b>	<b>55,382</b>	<b>30,797</b>
20 (d)	<b>INCOME TAX EXPENSE</b>		
	Current Tax Charge	460,626	425,787
	Growth and Sustainability Levy	92,125	63,868
	Deferred Tax Charge	24,585	(32,789)
		<b>577,336</b>	<b>456,866</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2024-CONT'D**

**21. RECONCILIATION OF TAX EXPENSE TO PRODUCT OF ACCOUNTING AND APPLICABLE RATE**

	<b>2024</b>	<b>2023</b>
	<b>GH¢</b>	<b>GH¢</b>
Profit Before Tax	1,725,408	1,529,545
Adjustable Pre-tax Profit		
Tax at Applicable Rate @ 25%	431,352	382,386
Tax Effect of Non-Deductible Expenses	130,770	94,926
Tax Effect of Capital Allowances	(101,496)	(51,524)
Add Origination of Temporary Differences	(24,585)	(32,789)
<b>TOTAL TAX EXPENSE</b>	<b>485,211</b>	<b>392,999</b>
<b>Effective Tax Rate</b>	<b>28%</b>	<b>26%</b>

<b>22. STATED CAPITAL</b>	<b>Number</b>	<b>Number</b>
i) Authorised Ordinary Shares of No Par Value	20,000,000	20,000,000
ii) Issued Ordinary Shares of No Par Value	19,679,530	19,515,863
iii) Preference Shares Issued for Cash	125,000	125,000
	<b>GH¢</b>	<b>GH¢</b>
Proceeds issued for Cash-Preference Shares	12.50	12.50
Balance at 1 January	2,628,820	1,443,611
Issued during the year	48,200	1,185,209
	<b>2,677,020</b>	<b>2,628,820</b>

There is no unpaid liability on any share and there is no share in Treasury. During the year under review the bank issued 163,667 ordinary shares for cash consideration of GH¢48,200.

<b>23. STATUTORY RESERVE FUND</b>	<b>2024</b>	<b>2023</b>
	<b>GH¢</b>	<b>GH¢</b>
Balance at 1 January	1,517,822	981,483
Add: Transfer from Retained Profits	287,018	536,339
<b>Balance as at 31 December</b>	<b>1,804,840</b>	<b>1,517,822</b>

The Statutory Reserve Fund is non-distributable reserve required by section 34 of the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930). This Statute requires a mandatory transfer of a specified percentage of profit after tax, before declaring dividends to a non-distributable statutory reserve fund. The transfer to statutory reserve fund represents 25% of the Bank's profit after tax. The Bank transferred an amount of GH¢287,018 to the Statutory Reserve Fund.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2024-CONT'D**

24	<b>REVALUATION SURPLUS</b>	<b>2024</b>	<b>2023</b>
		<b>GHC</b>	<b>GHC</b>
	Balance at as 1 January		
	Add: Additions during the year	43,070	43,070
	Balance as at 31 December	-	-
		<b>43,070</b>	<b>43,070</b>

25	<b>RETAINED EARNINGS ACCOUNT</b>	<b>2024</b>	<b>2023</b>
		<b>GHC</b>	<b>GHC</b>
	Balance as at 1 January		
	Net Adjustment for the year	307,267	202,564
	Profit for the year transferred from Statement of Comprehensive Income	(140,351)	(321,746)
		<b>1,148,072</b>	<b>1,072,678</b>
	Transfers to:		<b>953,496</b>
	Statutory Reserve Fund		
	Credit Risk Reserve	(287,018)	(536,339)
	Dividend Account	-	-
	Balance as at 31 December	<b>1,027,970</b>	<b>(109,889)</b>
			<b>307,268</b>

This represents the residual of cumulative annual profits that is available for distribution to shareholders.

The movements in the Retained Earnings account is shown as part of the Statement of Changes in Equity.

**26. EARNINGS PER SHARE**

	<b>2024</b>	<b>2023</b>
	<b>GHC</b>	<b>GHC</b>
Profit attributable to ordinary shareholders	1,148,072	1,072,678
Weighted average number of ordinary shares		
Issued ordinary shares as at 1 January	19,515,863	11,614,470
Effect of Shares issued as at 31 December	163,667	7,901,393
Number of ordinary shares at 31 December	19,679,530	19,515,863
Basic and Diluted Earnings per Share	0.058	0.055

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2024-CONT'D**

**28. PROPOSED DIVIDEND**

The Board of Directors have proposed Dividend of GH¢450,000.00 on the Bank's Retained Earnings for 2024 (2022: GH¢109,889).

**29. CONTINGENT LIABILITIES**

There were no contingent assets as at the balance sheet date.

**30. CAPITAL EXPENDITURE COMMITMENTS**

There were no capital commitments as at the balance sheet date.

**31. 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:

**a. Loans to Directors**

There was no outstanding balance for Loans and advances for the Directors (2023:Nil)

**b. Loans to Key Management Staff**

	2024 GH¢	2023 GH¢
Loans outstanding as at 1 January	333,657	103,657
Movement during the year	315,488	230,000
<b>Loans outstanding as at 31 December</b>	<b>649,145</b>	<b>333,657</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2024-CONT'D**

**c. Key Management Staff Compensation**

Key management staff are defined as persons having authority and responsibility for planning, directing and controlling the activities of Enyan Denkyira Rural Bank Ltd. The Details of their compensation is as follow;

	GH¢ 2024	GH¢ 2023
Salaries and Wages	454,814	363,851
Employer Social Security	59,126	47,300
Allowances	191,240	124,306
<b>Total Compensation</b>	<b>705,180</b>	<b>535,458</b>

**d. Directors Emoluments**

Remuneration paid to directors in the form of sitting allowances, transportation and other related expenses are shown below;

	2024 GH¢	2023 GH¢
Directors Sitting Allowance	254,725	233,780
Board Meeting Expenses	158,927	103,716
Directors Transportation	187,112	95,058
<b>Total</b>	<b>700,764</b>	<b>432,554</b>

**ENYAN DENKYIRA RURAL BANK LTD**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024**

32

**VALUE ADDED STATEMENT**

	<b>2024</b>	<b>2023</b>
	<b>GH¢</b>	<b>GH¢</b>
Interest earned and other operating income	15,040,769	11,367,556
Direct cost of services	(8,685,785)	(6,391,651)
Value added by banking services	6,354,984	4,975,905
Impairment	(136,190)	(115,552)
<b>Value added</b>	<b>6,218,794</b>	<b>4,860,353</b>
<b>Distributed as follows:</b>		
Directors (Non-Executives)	700,764	432,554
To Employees:	3,484,978	2,565,019
<b>To Government:</b>		
Income Tax	577,336	456,866
<b>To Providers of Capital:</b>		
Dividends to Shareholders	-	109,889
<b>To expansion and growth:</b>		
Depreciation and Amortization	307,644	223,347
Retained Earnings	1,148,072	1,072,678
<b>Total Distribution</b>	<b>6,218,794</b>	<b>4,860,353</b>

**33 QUANTITATIVE DISCLOSURES**

	<b>2024</b>	<b>2023</b>
Capital Adequacy Ratio	13.11%	14.08%
Gross Non-Performing Loans Ratio	0.73%	5.55%
Loan Loss Provision	4.22%	4.87%
Liquidity Ratio	94.50%	92.01%

**34 Adjustment for the year**

	<b>2024</b>
	<b>GH¢</b>
Being Interest in Arrears written off per Bank of Ghana Directive	(109,736)
Being difference in reconciliation of Impairment provision	(30,615)
<b>Total Page 19</b>	<b>(140,351)</b>

**ENYAN DENKYIRA RURAL BANK LTD**  
**COMPUTATION OF CAPITAL ALLOWANCE FOR THE YEAR ENDED 31 DECEMBER 2024**

	POOL 1 40% GH¢	POOL 2 30% GH¢	POOL 3 20% GH¢	POOL 4 10% GH¢	T/24 SOFTWARE 1/10 GH¢	TOTAL GH¢
W.D.V B/F-1-01-24	58,745	31,714	517,038	127,515	184,953	919,965
Additions	66,464	150,769	755,440	154,136	-	1,126,809
Total	<b>125,209</b>	<b>182,483</b>	<b>1,272,478</b>	<b>281,651</b>	<b>184,953</b>	<b>2,046,774</b>
Less Capital Allowance	50,084	54,745	254,496	28,165	18,495	405,985
WDV C / Fwd-31-12-25	<b>75,125</b>	<b>127,738</b>	<b>1,017,982</b>	<b>253,486</b>	<b>166,458</b>	<b>1,640,789</b>

**INCOME TAX COMPUTATION-2024**

	2024 GH¢	2023 GH¢
Net Profit before Tax	1,725,408	1,529,545
Add Back: Depreciation and Amortisation	307,644	223,347
Donation	79,247	28,805
Impairment Allowance	136,190	115,552
Penalty	-	12,000
Assesable Income	<b>2,248,489</b>	<b>1,909,249</b>
Less: Capital Allowance	(405,985)	(206,095)
Chargeable Income	<b>1,842,504</b>	<b>1,703,154</b>
Tax Charge @ 25%	460,626	425,788
Growth and Sustainability Levy @ 5%	92,125	63,868

**DEFERRED TAX COMPUTATION**

	2024 GH¢	2023 GH¢
Carrying Amount of Property, Plant and Equipment	1,776,388	1,041,403
Carrying Amount of Intangible Asset	85,930	101,751
Less Work-in-Progress	-	(100,000)
Net Carrying amount as @ 31-Dec. 2024	<b>1,862,318</b>	<b>1,043,154</b>
Less Carrying fwd of Capital Allowance	(1,640,789)	(919,965)
Temporary Difference	<b>221,529</b>	<b>123,189</b>
Diferred Tax Liability @ 25%	<b>55,382</b>	<b>30,797</b>



ENYAN DENKYIRA RURAL BANK LTD

**SCHEDULE OF APPENDICES FOR THE YEAR ENDED 31 DECEMBER 2024**

**APPENDIX I - STAFF COST**

	2024 GH¢	2023 GH¢
Salaries	2,651,111	2,077,453
Staff Training Expenses	198,861	81,331
Staff Medical	62,062	71,246
Clothing Allowance	130,955	67,486
Bonus	243,176	135,732
SSF Employer Contribution	198,813	131,770
<b>TOTAL (PAGE 32)</b>	<b>3,484,978</b>	<b>2,565,018</b>

**APPENDIX II - OCCUPANCY COST**

Rent, Rates and Taxes	37,030	36,150
Electricity and Water Expenses	220,127	161,603
Generator Expenses	89,074	57,266
Police Guard and Private Security	268,461	227,832
<b>TOTAL (PAGE 32)</b>	<b>614,692</b>	<b>482,851</b>

**APPENDIX III - ADMINISTRATIVE AND OTHER EXPENSES**

Travelling and Transport	595,672	251,630
Specie Movement	14,105	22,575
Printing and Stationery	176,429	228,280
Postal and Telecommunications	67,597	38,965
Annual General Meeting Expenses	134,348	144,570
Insurance	206,816	167,280
Periodicals and Subscriptions	93,386	40,108
Mobilisation Expenses	719,363	443,260
Motor Vehicle Running Expenses	224,970	284,011
Office Expenses	161,507	177,645
Bank Charges	5,858	2,231
Penalties	-	12,000
Computerization Expenses	447,590	368,402
Sundry Expenses (OEX)	337,565	139,278
Advertising & Publicity	157,095	47,113
Legal Expenses	34,150	18,885
Entertainment	3,060	2,800
Audit Expenses	34,140	22,375
Repairs & Maintenance	118,062	98,657
Cheque Clearing Expenses	16,539	13,548
Loan Recovery Expenses	6,440	1,764
<b>TOTAL (PAGE 32)</b>	<b>3,554,691</b>	<b>2,525,377</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2024-CONT'D**

**37.0 Risk Management**

The Bank's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. The Bank's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects on its financial performance. Risk management is carried out by the management of the Bank under policies approved by the Board of Directors. Management identifies, evaluates and hedges financial risks. For example, cash requirements are reviewed, and any excess funds invested for interest to hedge against loss of value.

- a. Credit risk
- b. Liquidity risk
- d. Operational risk
- C. Management of Capital
- d. Compliance Risk

**37.1 Credit Risk**

**Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

The Bank is in the business of advancing loans to customers and therefore has a high exposure to credit risk. The Bank maintains a provision for loan loss based upon the expected collectability of all loans. Strict credit control is exercised through a robust assessment of customer requests before granting loans, monitoring of customers' loan performance and, when necessary, provision is made for specific doubtful accounts. As at the year end, management had provided for general credit risk and specific risk exposure based on how long some loans and advances have been outstanding and future economic benefits likely to accrue from those loans. The table below shows the maximum exposure to credit risk by class of financial instrument:

	2024	2023
	GH¢	GH¢
Bank Balances	4,687,188	3,712,412
Loans and advances to clients	30,169,126	23,351,624
Investments	30,073,168	13,901,809
<b>Total Credit risk exposure</b>	<b>64,929,482</b>	<b>40,965,845</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2024-CONT'D**

**Liquidity risk**

The Bank evaluates its ability to meet its obligations on an ongoing basis. Based on these evaluations, the Bank devises strategies to manage its liquidity risk. The bank's liquidity risk management is aimed at ensuring that sufficient cash is readily available to meet depositors' demands. This is done by maintaining high bank balances. This is due to the peculiar nature of the industry, where depositors can make demands on very short notice and inability to honor may trigger panic withdrawals.

**Operational Risk**

Operational risk is the potential for loss from failed systems and processes, staff incompetence and misconduct and uncontrolled external events. These risks are monitored and controlled in the Bank through well designed operating manuals that reflect the main operating procedures, business continuity planning, reconciliations, internal audit and timely and reliable management reporting.

**Management of capital**

The primary objectives of the company's capital management are to ensure that the Bank is able to advance loans to clients as and when they apply, meet its depositors' demands as they make requests and also pay up creditors as and when their bills fall due. In doing so, the Bank also seeks to maximize shareholders value. The objectives, policies and processes adopted and applied were consistent throughout the period.

**(e) Compliance and regulatory risk**

In order to strengthen the Bank's compliance with regulatory requirements, the Bank organizes series of dedicated training on a regular basis to equip staff with compliance and regulatory issues in order to minimize risk emanating therefrom.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 DECEMBER 2024-CONT'D**

**Number of Shareholders**

**Twenty (20) largest Shareholders**

<b>NO</b>			
<b>No.</b>	<b>NAME</b>	<b>Number of Shares</b>	<b>Percentage Holding (%)</b>
1	SMK IMPEX LIMITED	7,845,060	39.86
2	Siisi Crentsil	2,999,042	15.24
3	Clarus Kobina Sekyi	1,239,687	6.30
4	Kwesi Sam-Woode	1,165,600	5.92
5	W.P. Bray	695,167	3.53
6	Araba Amissah	533,262	2.71
7	John Kofi Mensah	343,633	1.75
8	Kofi Ampiaiw Osei	313,255	1.59
9	Ekow Nkrumah	278,861	1.42
10	J.Nkum Okyere	210,582	1.07
11	Anaku Education Fund	179,502	0.91
12	Albert K. Koomson (Twafo Nsona Clan)	165,224	0.84
13	Andrew kobina Koomson	145,700	0.74
14	John Benjamin Addo	130,152	0.66
15	Grace Veronica Hammond	101,990	0.52
16	Kweku Gyasi Essel	95,288	0.48
17	Edward Frimpong	87,000	0.44
18	Prof. Josephine Nketsia-Tabiri	78,765	0.40
19	Peter Nyanful	72,850	0.37
20	Samuel Wilberfore Mensah	59,746	0.30
		<b>16,740,366</b>	<b>85.05</b>
	Others	2,939,164	14.95
X	<b>TOTAL SHARE HOLDING</b>	<b>19,679,530</b>	<b>100</b>

**ENYAN DENKYIRA RURAL BANK**  
**CAPITAL ADEQUACY FOR THE YEAR ENDED 31 DECEMBER 2024**

<b>ITEM</b>	<b>2024 GH¢</b>	<b>2023 GH¢</b>
1 Paid-Up Capital		
2 Disclosed Reserves	2,677,020	2,628,820
3 Permanent Preference Shares	2,832,810	1,825,091
4 <b>Tier 1 Capital (1+2)</b>	<u>13</u> 5,509,843	<u>13</u> 4,453,924
<b>Less:</b>		
5 Goodwill/Intangibles – Preliminary Expenses		
6 Losses not Provided For		
7 Investments in Unconsolidated Subsidiaries		
8 Investment in the capital of other Banks & Fin Insts.	138,410	100,910
9 Connected Lending of Long Term Nature		
9 <b>Net Tier 1 Capital (3-4-5-6-7-8)</b>	5,371,433	4,353,014
<b>Add:</b>		
10 Revaluation Reserves	21,535	21,535
11 Subordinated Term Debt (Limited to 50% of 3)		
12 Hybrid Capital		
13 <b>Tier 2 Capital (9+10+11+12)(Limited to 100% of 3)</b>		
14 <b>ADJUSTED CAPITAL BASE (9 +12)</b>	5,392,968	4,374,549
15 <b>TOTAL ASSETS(Less contra items)</b>	66,563,676	41,973,514
<b>Less:</b>		
16 Cash on Hand	2,023,707	1,200,663
<b>Claim on Banks:</b>		
17 i. 5% Deposit ARB	2,228,951	1,618,238
18 ii. Clearing Account Balance	322,958	(41,358)
19 iii. ACOD and REPO	3,800,000	2,950,000
20 iv. Balances with other Banks	111,572	934,869
<b>Claims on Government</b>		
21 i) Treasury Securities (Bills and Bonds)	20,000,000	8,300,000
22 ii) Stocks –Call Account		
23 80% of Cheques drawn on other banks		
24 Goodwill/Intangibles		
25 Investments in Unconsolidated Subsidiaries		
26 Investments in the Capital of Other Banks & Fin Institutions	138,410	100,910
27 Connected Lending of Long Term Nature		
28 80% of claims on Discount Houses		
29 80% of claims on Other Banks	4,907,807	2,040,719
30 50% of claims on Other Insts. (Public Sector)		
31 80% of loans guaranteed by government		
32 80% of loans guaranteed by multilateral banks		
33 50% of Residential Mortgage Loans		
34 50% of Export Financing Loans		
35 <b>Adjusted Total Assets (15-(16+17 to 34)</b>	33,030,272	24,869,473
<b>Add:</b>		
36 100% of 3yrs Average Annual Gross Income	8,120,591	6,196,350
37 <b>ADJUSTED ASSET BASE (35+36)</b>	41,150,864	31,065,823
38 <b>Adjusted Capital Base as percentage of</b>	13.11%	14.08%
39 <b>CAPITAL SURPLUS/DEFICIT (14 – (10% of 35)</b>	1,277,882	1,267,967

**ENYAN DENKYIRA RURAL BANK LTD**  
**LIQUIDITY RATIO FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024 GH¢	2023 GH¢
<b>DEPOSITS</b>		
1 Demand Deposit	6,084,046	4,652,795
2 Savings Deposit	18,102,376	11,139,984
3 Time Deposit	20,153,401	14,358,437
4 Other Deposit	5,467,249	3,230,346
5 Sub-Total (1+2+3+4)	<u>49,807,072</u>	<u>33,381,562</u>
<b>LIQUID ASSETS (ACTUAL)</b>		
<b>A PRIMARY</b>		
6 Cash on Hand	2,023,707	1,200,663
7 ACOD	3,800,000	2,950,000
8 Other Banks Balances	2,663,481	2,511,749
9 Sub - Total (6+7+8)	<u>8,487,188</u>	<u>6,662,412</u>
<b>B SECONDARY</b>		
10 Call Account	-	-
11 Other Investments	6,134,758	2,550,899
12 Treasury Bills	20,000,000	8,300,000
13 Total (10+11+12)	<u>26,134,758</u>	<u>10,850,899</u>
14 Primary Reserve % of 9/5	17.04	19.96
15 Secondary Reserve % of 13/5	52.47	32.51
<b>Required Reserves</b>		
16 Primary 13% ( of No. 5)	6,474,919	4,339,603
17 Secondary 30% (of No. 5)	14,942,122	10,014,469
<b>EXCESS RESERVES</b>		
<b>Primary Reserve</b>		
18 Available Reserve (No. 9)	8,487,188	6,662,412
19 Required Reserve (No. 16)	6,474,919	4,339,603
20 Excess Reserve (18-19) (i)	<u>2,012,268</u>	<u>2,322,809</u>
<b>Secondary Reserve</b>		
21 Available Reserve (No. 13)	26,134,758	10,850,899
22 Required Reserve (No. 17)	14,942,122	10,014,469
Excess Reserve (21 - 22) (ii)	<u>11,192,637</u>	<u>836,430</u>
<b>TOTAL EXCESS/(DEFICIT) RESERVE</b>		
Total Excess/(Deficit) Reserves (i) + (ii)	<u>13,204,905</u>	<u>3,159,239</u>