

SONZELE RURAL BANK LIMITED**Statement of Comprehensive Income for the year ended 31st December, 2020.**

| Revenue | Note | 2020 GH¢ | 2019 GH¢ |
|--|-------------|---------------------|---------------------|
| Interest Income | 2 | 3,044,397 | 2,455,919 |
| Interest Expense | 3 | (385,081) | (293,514) |
| | | ----- | ----- |
| | | - | - |
| Net Interest Income | | 2,659,316 | 2,162,405 |
| Commissions, Fees & Others | 4A | 630,192 | 537,062 |
| Other Operating Income | 4B | 54,148 | 13,316.00 |
| | | ----- | ----- |
| Total Operating Income | | 3,343,656 | 2,712,783 |
| Expenses: | | | |
| decrease in Provision for Bad & Doubtful Debts | 9(d) | 4,678 | - |
| Operating Expenses | 5 | (2,631,659) | (1,920,196) |
| | | ----- | ----- |
| Net Profit Before Tax | | 716,675 | 792,587 |
| Taxation | 18 | (72,642) | (198,147) |
| | | ----- | ----- |
| Net Profit After Tax | | 644,033 | 594,440 |
| | | ===== | ===== |

Statement of Changes in Equity as at 31/12/2020

| | Stated Capital GH¢ | Retained Earnings GH¢ | Statutory Reserve GH¢ | Totals GH¢ |
|--|-----------------------------------|--------------------------------------|--------------------------------------|-----------------------|
| Bal. @ 01/01/2020 | 1,301,124 | 1,505,501 | 758,633 | 3,565,258 |
| Prior Year Adjustment Note 1.5 (m) | | (55,891) | - | (55,891) |
| | ----- | ----- | ----- | ----- |
| Re-Stated Balance | 1,301,124 | 1,449,610 | 758,633 | 3,509,367 |
| Issued for Cash | 1,487 | - | - | 1,487 |
| Net Profit After Tax | - | 644,033 | - | 644,033 |
| Transfer to/ (from) | - | (80,504) | 80,504 | - |
| | ----- | ----- | ----- | ----- |
| Bal. @ 31/12/2020 | 1,302,611 | 2,013,139 | 839,137 | 4,154,887 |
| | ===== | ===== | ===== | ===== |

Statement of Changes in Equity as at 31/12/2019

| | Stated Capital GH¢ | Retained Earnings GH¢ | Statutory Reserve GH¢ | Totals GH¢ |
|--------------------------|-----------------------------------|--------------------------------------|--------------------------------------|-----------------------|
| Bal. @ 01/01/2019 | 1,300,046 | 985,366 | 684,328 | 2,969,740 |
| Issued for Cash | 1,078 | - | - | 1,078 |
| Net Profit After Tax | - | 594,440 | - | 594,440 |
| Transfer to/ (from) | - | (74,305) | 74,305 | - |
| | ----- | ----- | ----- | ----- |
| Bal. @ 31/12/2019 | 1,301,124 | 1,505,501 | 758,633 | 3,565,258 |
| | ===== | ===== | ===== | ===== |

The accompanying notes on pages 10 - 21 form an integral part of the Financial Statements

SONZELE RURAL BANK LIMITED

Statement of Financial Position As at 31 December 2020.

| | Note | 2020 GH¢ | 2019 GH¢ |
|-------------------------------|------|-------------------|-------------------|
| Assets | | | |
| Cash & Bank Balances | 6 | 4,077,472 | 6,935,866 |
| Investments in Securities | 7 | 18,870,000 | 11,870,000 |
| Other Investments | 8 | 67,043 | 67,043 |
| Loans & Advances | 9 | 2,712,373 | 2,543,932 |
| Other Assets | 10 | 1,680,759 | 613,586 |
| | | ----- | ----- |
| Total Liquid Assets | | 27,407,647 | 22,030,427 |
| Property, plant & equipment | 11 | 940,134 | 945,804 |
| | | ----- | ----- |
| Total Assets | | 28,347,781 | 22,976,231 |
| | | ===== | ===== |
| Equity and Liabilities | | | |
| Equity | | | |
| Stated Capital | 15 | 1,302,611 | 1,301,124 |
| Retained Earnings | | 2,013,139 | 1,505,501 |
| Statutory Reserve | 16 | 839,137 | 758,633 |
| Other Reserves | 17 | 344,243 | 308,768 |
| | | ----- | ----- |
| | | 4,499,130 | 3,874,026 |
| | | ----- | ----- |

Liabilities**Current**

| | | | |
|-----------------------------|----|-------------------|-------------------|
| Deposits & Current Accounts | 12 | 22,635,101 | 16,661,457 |
| Payables & Accruals | 13 | 975,779 | 2,080,044 |
| Managed Funds | 14 | 40,439 | 40,439 |
| Taxation | 18 | 126,661 | 216,645 |
| | | ----- | ----- |
| | | 23,777,980 | 18,998,585 |

Non-Current

| | | | |
|------------------------------|----|--------|---------|
| Loans Taken from Other Banks | 19 | 70,671 | 103,621 |
| | | ----- | ----- |

| | | | |
|--------------------------|--|-------------------|-------------------|
| Total Liabilities | | 23,848,651 | 19,102,206 |
| | | ----- | ----- |

| | | | |
|-------------------------------------|--|-------------------|-------------------|
| Total Equity and Liabilities | | 28,347,781 | 22,976,232 |
| | | ===== | ===== |

The accompanying notes on pages 10 - 21 form an integral part of the Financial Statements

Director

Director

SONZELE RURAL BANK LIMITED

**Cash Flow Statement For the year ended 31
December 2020**

| | 2020 GH¢ | 2019 GH¢ |
|--|---------------------|---------------------|
| Net Operating Activities | 4,544,057 | 5,014,083 |
| | ----- | ----- |
| Net Cash Inflow from Operating Activities | 4,544,057 | 5,014,083 |
| | ----- | ----- |
| Investing Activities | | |
| Purchase of Property & Equipment | (187,947) | (184,193) |
| Increase in Investment in T.Bill and ACOD | (7,000,000) | (2,000,000) |
| Decrease in Pension Fund | - | (27,773) |
| Decrease in Development Fund | 35,475 | (8,688) |
| | ----- | ----- |
| Net Cash Inflow from Investing Activities | (7,152,472) | (2,220,654) |
| | ----- | ----- |
| Taxation | | |
| Tax Paid (for 2019) | (162,626) | - |
| | ----- | ----- |
| Financing Activities | | |
| Proceeds from issue of shares | 1,487 | 1,078 |
| Loans Taken from Other Banks Prior Year | (32,950) | 93,621 |
| Adjustment | (55,891) | - |
| | ----- | ----- |
| Net Cash Inflow from Financing Activities | (87,354) | 94,699 |
| | ----- | ----- |
| Net increase in Cash and Cash Equivalents | (2,858,395) | 2,888,128 |
| | ===== | ===== |

Movement in Cash and Cash Equivalent

| | | |
|---|--------------------|------------------|
| Cash and Cash Equivalents at 1 January | 6,935,866 | 4,047,738 |
| Net increase in Cash and Cash Equivalents | (2,858,395) | 2,888,128 |
| | ----- | ----- |
| Cash and Cash Equivalents at end of Year | 4,077,471 | 6,935,866 |
| | ===== | ===== |

Analysis of Cash and Cash Equivalents

| | | |
|------------------------|------------------|------------------|
| Apex Bank Ltd | 1,641,631 | 4,459,688 |
| 5% Placement @ Apex | 938,145 | 684,181 |
| Cash in hand | 1,497,696 | 1,791,997 |
| | ----- | ----- |
| | 4,077,472 | 6,935,866 |
| | ===== | ===== |

Reconciliation of Profit to Cash

| | | |
|--|------------------|------------------|
| Net profit before tax | 716,675 | 792,587 |
| Adjustment for: | | |
| Depreciation | 193,617 | 113,310 |
| Increase in Advances | (168,441) | (361,707) |
| Decrease (Increase) in Other Assets | (1,067,173) | 24,697 |
| Increase in Deposits & Current Accounts | 5,973,644 | 3,319,123 |
| Decrease (Increase) in Payables & Accruals | (1,104,265) | 1,126,073 |
| | ----- | ----- |
| Net cash Flow from Operating Activities | 4,544,057 | 5,014,083 |
| | ===== | ===== |

1. Significant Accounting Policies

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the international Accounting standards Board (IASB) and adopted by the institute of Chartered Accountants, Ghana (ICAG), and in the manner required by the companies Act, 2019 (Act 992), and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

2. Quantitative Disclosure

| | 2020 | 2019 |
|------------------------------------|-------------|-------------|
| a) Capital Adequacy Ratio | 59.65% | 56.36% |
| b) Non-Performing Loan (NPL) Ratio | | |
| c) Liquid Ratio | 113% | 109% |

3. Qualitative Disclosures

The Banks dominant Risk are: Credit Risk, Liquidity Risk and Operational Risk. There is a well-structured system in place to manage these risks.

Approval of Financial Statements

The Audited Financial Statements of the Bank were approved by the Board of Directors on April, 2021 and signed off by:

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Mr. Samwine K. Mathiase

(Board Chairman)

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Naa Festus D. Dakurah

(Director)