LOWER PRA RURAL BANK PLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 2023

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REPORT OF THE DIRECTORS TO THE MEMBERS OF LOWER PRA RURAL BANK PLC

FOR THE YEAR ENDED 31 DECEMBER, 2023

The Directors present their report together with the audited financial statements of the bank for the year ended 31 December, 2023.

1. DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

The directors have made an assessment of the ability of the bank to continue as a going concern and have no reason to believe that the bank will not be a going concern in the year ahead.

2. NATURE OF BUSINESS

The bank's principal activities are provision of rural banking services.

There was no change in the nature of the Bank's business during the year.

3. FINANCIAL RESULTS

The results of operations for the year ended 31 December, 2023 are set out in the attached financial statements, highlights of which are as follows:

	2023 GH¢	2022 GH¢
The Bank recorded a net profit before taxation of	5,513,876	2,592,461
From which is deducted income tax expense of	(1,744,752)	(698,806)
Giving a net profit after tax of	3,769,124	1,893,655
There was a transfer to statutory reserve fund of	(471,140)	(236,707)
Leaving a profit for the year after tax and transfer to statutory reserve of	3,297,983	1,656,948
When added to the opening balance on the income surplus account as of 1 January	7,287,878	6,669,463
From which is deducted final dividend paid of	-	(1,038,533)
Leaving a closing balance on the income surplus account of	**10,585,861**	**7,287,878**

4. STATED CAPITAL

The Bank's Stated Capital relating to Ordinary Shares issued increased from GH¢1,791,169 as at the end of the previous year to GH¢1,824,858; recording an increase of GH¢33,689 as at close of the year. The number of issued shares also increased from 4,154,131 to 4,168,934 showing an increase of 14,803.

5. DIVIDEND

The Directors recommend the payment of dividend for the year of GH¢ 0.25 per share (2022 - GH¢ 0.25) on 4,168,934 ordinary shares which qualifies for dividends amounting to GH¢ 1,042,233.50 (2022- GH¢ 1,038,532.75).

6. MANAGEMENT REPRESENTATION

We certify that the Statement of Comprehensive Income and the Statement of Financial Position referred to in the report of the Auditors together with the notes thereon identified on pages 15 - 40 of this report have been prepared from records, information and representations made by us, the Directors of Lower Pra Rural Bank PLC. So far as we are aware, there is no relevant audit information (i.e. information needed by the Bank's auditors in connection with their work and report) of which the Bank's auditors are unaware and each director has taken reasonable steps that ought to be taken by a director in order to make him/her self-aware of any relevant audit information and to establish that the Bank's auditors are aware of that information.

We confirm that to the best of our knowledge and belief the Financial Statements contain all transactions and that they are complete and accurate in all material respects. We approve the Statement of Comprehensive Income for the year ended 31st December, 2023 and the Statement of Financial Position at that date together with the notes thereon.

7. AUDITORS

The Auditors, Opoku, Andoh & Co will continue in office in accordance with Section 134 (5) of the Companies Act, 2019 (Act 992).

8. APPROVAL OF THE FINANCIAL STATEMENTS

The Financial Statements were approved by the Board of Directors on 03 - 04 - ....., 2024 and were signed on their behalf by the following:

.....
DIRECTOR

.....
DIRECTOR

LOWER PRA RURAL BANK PLC

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER, 2023

	(NOTES)	2023 GH¢	2022 GH¢
ASSETS			
Cash and Cash Equivalents	(16)	29,344,118	26,765,506
Non-Pledged Trading Assets	(17)	10,000,000	8,000,000
Pledged Trading Assets	(18)	100,336,336	59,631,850
Loans and Advances to Customers	(19)	101,710,264	93,422,909
Current Tax Assets	(13)	(318,225)	(36,680)
Other Assets	(20)	7,347,931	5,915,733
Investment in Securities	(21)	306,505	248,966
Property, Plant & Equipment	(22)	7,234,907	8,000,323
Total Assets		**255,961,838**	**201,948,607**
LIABILITIES			
Deposits from Customers	(23)	236,024,682	183,896,959
Deferred Tax Liability	(13)	526,223	346,858
Other Liabilities	(24)	3,391,036	4,449,174
Total Liabilities		**239,941,941**	**188,692,991**
EQUITY AND RESERVES			
Stated Capital	(25)	1,824,857	1,791,169
Income Surplus	(25)	10,585,860	8,326,410
Statutory Reserve	(26)	3,609,178	3,138,038
Total Equity and Reserves		**16,019,896**	**13,255,617**
Total Liabilities and Equity		**255,961,838**	**201,948,607**

The financial statements were approved by the directors on 03 – 04 – **, 2024**
and were signed on their behalf by:

DIRECTOR **DIRECTOR**

The notes form an integral part of these financial statements.

LOWER PRA RURAL BANK PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER, 2023

2023	Stated Capital	Income Surplus	Statutory Reserve Fund	Total Equity
				GH¢
Balance as at 1 January, 2023	1,791,169	8,326,410	3,138,038	13,255,617
Prior period Adjustments				-
Balance as at 1 January re-stated, 2023	1,791,169	**8,326,410**	3,138,038	13,255,617
Total Comprehensive Income	-	-	-	
Net Profit for the Year	-	3,769,124	-	3,769,124
Total Comprehensive Income	**-**	**3,769,124**	**-**	**3,769,124**
Transactions with Equity Holders				
Issue of Shares - Normal	33,688	-	-	33,688
Dividend Paid	-	(1,038,533)	-	(1,038,533)
Total Transactions with Equity Holders	**33,688**	**(1,038,533)**	**-**	**-** **1,004,845**
Regulatory Transfers				
Transfer to Statutory Reserve Fund	-	(471,140)	471,140	-
Total Regulatory Transfers	**-**	**(471,140)**	**471,140**	**-**
Balance as at 31 December, 2023	**1,824,857**	**10,585,860**	**3,609,178**	**16,019,896**

LOWER PRA RURAL BANK PLC

STATEMENT OF CASHFLOW

FOR THE YEAR ENDED 31 DECEMBER, 2023

	(NOTES)	2023 GH¢	2022 GH¢
Cash flows from operating activities			
Profit before tax		5,513,876	2,592,461
Adjustments for:			
Depreciation		1,998,212	1,764,703
Change in loans and advances to customers		(8,287,355)	(20,050,807)
Change in Non-pledged trading assets		(2,000,000)	(6,277,409)
Change in pledged trading assets		(40,704,486)	1,012,192
Change in other assets		(1,432,198)	(977,640)
Investment in Securities		(57,539)	-
Change in deposits from customers		52,127,723	32,754,163
Change in deferred/other liabilities		(1,058,138)	1,192,606
		6,100,095	**12,010,269**
Income tax paid		(1,283,842)	(500,000)
Net cash generated from operating activities		**4,816,253**	**11,510,269**
Cash flows from investing activities			
Purchase of property & equipment		(1,232,797)	(3,160,724)
Net cash used in investing activities		**(1,232,797)**	**(3,160,724)**
Cash flows from financing activities			
Dividend paid		(1,038,533)	(826,841)
Increase/Decrease in borrowings		-	(59,070)
Issue of ordinary shares		33,688	50,416
Net cash used in financing activities		**(1,004,845)**	**(835,495)**
Net increase in cash and cash equivalents		**2,578,612**	**7,514,050**
Cash and cash equivalents at 1 January		26,765,506	19,251,456
Cash and cash equivalents at 31 December	**(16)**	**29,344,118**	**26,765,506**

The notes form an integral part of these financial statements.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOWER PRA RURAL BANK PLC
ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2023

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lower Pra Rural Bank PLC, which comprise the statement of financial position for the year ended 31st December 2023, and the statement of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 11 to 40.

In our opinion, the accompanying statements present fairly in all material respects (or give a true and fair view) of the financial position of the Bank for the year ended 31 December 2023, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930)

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Emphasis of Matter

The expected credit loss per IFRS 9 was not computed, though the Bank of Ghana loan classification was computed to determine the impairment loss.

External board evaluation had not been done at the time of our audit. Management explained that a Consultant had been engaged in that respect.

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Report of the Directors as required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), and the Chairman's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material mistatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Bank's financial reporting process.

Auditors'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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticm throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to 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.

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

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books.

The Statement of Financial Position and the Statement of Comprehensive Income of the Bank are in agreement with the accounting records and returns.

The Engagement Partner on the audit resulting in this independent auditor's report is Peter Opoku (ICAG/P/1009).

PETER OPOKU (ICAG/P/1009)

Opoku / Andoh & Co

OPOKU, ANDOH & CO.
(ICAG/F/2024/053)
CHARTERED ACCOUNTANTS
SDA 8, COMMUNITY 5
TEMA

DATED: 03 – 04 – **2024**