

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF WETO RURAL BANK LIMITED

Opinion

We have Audited the Financial Statements of **Weto Rural Bank Limited** which comprise the Statement of Financial position as at 31st December 2020, and the Statements of Comprehensive Income, Statement of Changes in Equity and Statement of Cash flows for the year then ended, together with the notes to the Financial Statements which include a summary of significant Accounting Policies and other explanatory notes as set out on pages 19 to 36.

In our opinion, these Financial Statements give a true and fair view of the financial position of **Weto Rural Bank Limited** as at 31st December 2020, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs) for Small & Medium Sized-Entities and in the manner required by the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit – Taking Institutions Act, 2016 (Act 930).

Our report is made solely to the Company's members, as a body, in accordance with Section 133 of the Companies Act 2019, (Act 992). The purpose of our Audit is to enable us to make a statement to the members of the Company on those matters specifically required by law to be mentioned in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and its members as a body for our Audit work, our report, or the opinions we have expressed herein above.

Basis of Opinion

We conducted our Audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Standards) (the Code) issued by the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the Audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (Including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants (IESBA). We have fulfilled our other ethical responsibilities in accordance with the Act.

Other Information

Other information in this context comprises the information included in the Annual Report and the Board of Directors' Report as required by the Companies Act, 2019 (Act 992). The other information does not include the Financial Statements and our Auditors' Report thereon. The Board of Directors are responsible for the other information. 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 the 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 misstatement of this other information; we are required to report that fact. We have nothing to report in this regard

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF WETO RURAL BANK LIMITED (CONTINUED)

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) for Small & Medium-Sized Entities and in the manner required by the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit – Taking Institutions Act 2016, (Act 930).

The Board of Directors is also responsible for such internal control as they 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 Board of Directors is responsible for assessing the Company's ability to continue as a Going Concern, disclosing as applicable, matters related to going concern and using the Going Concern basis of Accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Responsibilities of the Auditors 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 Audit 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 on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform Audit procedures responsive to those risks, and obtain Audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the Audit in order to design Audit procedures that are appropriate in the circumstance, 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 management.

Conclude on the appropriateness of the Board of Directors use of the Going Concern Basis of Accounting and, based on the Audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Audit report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the Audit evidence obtained up to the date of our Audit Report. However, future events or conditions which are beyond the scope

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF WETO RURAL BANK LIMITED (CONTINUED)

- of this report 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.
- Communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the Audit and significant Audit findings, including any significant deficiencies in internal control that we identify during our Audit.
- Provide the Board of Directors 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 considered to bear on our independence, and where applicable, related safeguards.
- Determine, from the matters communicated, with the Board of Directors 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 Audit 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 public interest and benefits of such communication.

Emphasis of Matter

Without forming the basis of any qualification in our Audit Report, we highlight the following two issues

- (i) The Provisions made by the Bank for Corporate taxes are subject to the agreement of the Ghana Revenue Authority.

Report on Other Legal and Regulatory Requirements

- (a) Under the Companies Act 2019 (Act 992) we are required, when carrying out our Audit, to consider and report on certain specific matters. We accordingly report that:
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit;
 - ii) In our opinion proper books of Accounts have been kept by the Bank, as far as appears from our examination of those books; and
 - iii) In all material respect, the Bank's Statement of Financial position and Statements of Comprehensive income and Cash flows are in agreement with the books of Accounts.
- (b) Section 85 (2) of the Banks and Specialised Deposit – Taking Institutions Act, 2016 (Act 930) also requires that we state certain matters in our report. We accordingly state that:
 - i) We were able to obtain all the information and explanations required for the efficient performance of our duties as Auditors;
 - ii) The Bank's transactions were within its powers;
 - iii) The Bank has complied in all material respect with the provisions of the Anti-Money Laundering Act, 2008 (Act 749), and the Anti-Terrorism Act, 2008 (Act 762); and
 - iv) The Bank has complied in all material respects with the provisions of the Banks and Specialised Deposit – Taking Institutions Act 2016 (Act 930).

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF WETO RURAL BANK LIMITED (CONTINUED)

The Engagement Partner on the Audit of **WETO RURAL BANK LIMITED** resulting in this Independent Auditor's report is **JUSTICE AKOETE QUIST**

JUSTQUIST CONSULT

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JUSTQUIST CONSULT
MANAGING CONSULTANT
JUST QUIST CONSULT
(CHARTERED ACCOUNTANTS)
ACCRA - GHANA
TE: 020 - 9096050 / 026 - 2096050
(ICAG/F/2021/150)

JUSTICE AKOETE QUIST

(ICAG/P/2021/1105)

P. O. Box AN 5942

ACCRA -NORTH

Signed *[Signature]*

Date *24/04*, 2021

WETO RURAL BANK LIMITED

STATEMENT OF FINANCIAL POSITION AS AT

31ST DECEMBER, 2020

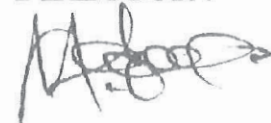
ASSETS	NOTES	2020 GHC	2019 GHC
Cash and Balances with other Banks	20	1,840,885	1,577,205
Short Term Investments	21	10,453,902	9,282,523
Long Term Investments	22	70,475	70,475
Loans & Advances to Customers	23	4,251,386	3,299,701
Other Assets	24	1,125,797	817,299
Taxation	18	<u>276,390</u>	<u>362,944</u>
		18,018,835	15,410,147
Property, Plant & Equipment	34	428,477	463,306
Intangible Assets	35	121,934	-
TOTAL ASSETS		<u>18,569,246</u>	<u>15,873,453</u>
 LIABILITIES AND EQUITY			
 CURRENT LIABILITY			
Deposits/Savings	25	13,508,782	11,361,094
Accounts Payable and Accruals	28	334,275	370,671
Dividend Payable	29	160,698	162,045
Short Term Borrowings	26	921,867	525,756
Long Term Borrowings	27	<u>663,115</u>	<u>663,115</u>
		15,588,737	13,082,681
 NET ASSETS		 <u>2,980,509</u>	 <u>2,790,772</u>
 EQUITY			
Stated Capital	31	1,039,888	1,039,888
Statutory Reserve Fund		823,927	776,493
Other Reserve Fund		77,570	77,570
Income Surplus		<u>1,039,124</u>	<u>896,823</u>
		2,980,509	2,790,774
 TOTAL LIABILITIES & EQUITY		 <u>18,569,246</u>	 <u>15,873,455</u>

This Financial Statements on pages 9-26 were approved by the Board of Directors on 24/1/21 2021

CHAIRPERSON:



DIRECTOR :



WETO RURAL BANK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED

31ST DECEMBER, 2020

	NOTES	2020 GH¢	2019 GH¢
Interest Income	11	3,426,775	2,535,890
Interest Expense	12	<u>(421,208)</u>	<u>(351,900)</u>
NET INTEREST INCOME		3,005,567	2,183,990
Commission, Fees	13	258,845	227,781
Other Operating Income	14	<u>102,061</u>	<u>68,562</u>
TOTAL INCOME		3,366,473	2,480,333
Provision for Bad Debts	15	(110,610)	(11,038)
Staff Cost	16	(1,433,171)	(1,409,281)
Operating Expenses	17	<u>(1,541,403)</u>	<u>(1,526,010)</u>
NET OPERATING INCOME		281,289	(465,996)
Income Tax Provision		<u>(91,554)</u>	<u></u>
NET PROFIT AFTER INCOME TAX		<u>189,735</u>	<u>(465,996)</u>

WETO RURAL BANK LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31ST DECEMBER, 2020

	STATED CAPITAL	STATUTORY RESERVE ACCOUNT	INCOME SURPLUS ACCOUNT	OTHER RESERVE ACCOUNT	TOTAL EQUITY
	GHC	GHC	GHC	GHC	GHC
Balance @ 01/01/2020	1,039,888	776,493	896,823	77,570	2,790,774
Dividend					
Transfer to Capital					
Additional Capital introduced					
Net Profit after tax			189,735		189,735
Transfer to Statutory Reserve		47,434	(47,434)		
Balance@31/12/2020	1,039,888	823,927	1,039,124	77,570	2,980,509

STATEMENT OF CHANGES IN EQUITY AS AT 31ST DECEMBER, 2019

	STATED CAPITAL	STATUTORY RESERVE ACCOUNT	INCOME SURPLUS ACCOUNT	OTHER RESERVE ACCOUNT	TOTAL EQUITY
	GHC	GHC	GHC	GHC	GHC
Balance @ 01/01/2019	1,039,565	776,493	1,362,817	77,570	3,256,445
Dividend					
Transfer to Capital					
Additional Capital introduced	310				310
Prior Year Adjustment	13				13
Net Loss after tax			(465,994)		(465,994)
Balance@31/12/2019	1,039,888	776,493	896,823	77,570	2,790,774

WETO RURAL BANK LIMITED

STATEMENT OF CASHFLOW FOR THE YEAR ENDED

31ST DECEMBER, 2020

	2020	2019
	GH¢	GH¢
OPERATING ACTIVITIES		
Net Profit from Operations	281,289	(465,996)
Adjustment for:		
Depreciation on PPE	145,956	164,136
Amortization	6,418	
Operating Cashflow Before Movement in Working Capital	433,663	(301,860)
Net Changes in Operating Assets and Liabilities		
(Increase) In Loans & Advances	(951,685)	(710,454)
(Increase) In Other Assets	(308,498)	182,319
(Increase) In Short Term Investments	(1,171,379)	(395,551)
Increase In Customers Deposits	2,147,688	1,022,293
(Decrease) In Interest Payable and Other Liabilities	(36,395)	(288,464)
Increase In Short Term Borrowings	396,111	262,225
Net Cash flow from Operating Activities	509,505	(229,492)
Tax Paid	(5,000)	(27,086)
INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment	(111,127)	(13,299)
Intangible Assets	(128,351)	
Net Cashflow from Investing Activities	(239,478)	(13,299)
FINANCING ACTIVITIES		
Proceeds from Issue Of Ordinary Shares		310
Prior Year Adjustment		13
Dividends Paid	(1,347)	(5,112)
Net Cash Flow from Financing Activities	(1,347)	(4,789)
Net Increase in Cash & Cash Equivalents	263,680	(274,666)
ANALYSIS OF CASH & CASH EQUIVALENTS		
Cash & Cash Equivalents at 01/01/	1,577,205	1,851,870
Net Increase in Cash and Cash Equivalents	263,680	(274,666)
Cash and Cash Equivalents at 31/12/	1,840,885	1,577,204