

GOMOA COMMUNITY BANK LIMITED

***ANNUAL REPORTS
AND
FINANCIAL STATEMENTS***

31ST DECEMBER 2022

GOMOA COMMUNITY BANK LIMITED

REPORTS AND FINANCIAL STATEMENTS

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GOMOA COMMUNITY BANK LIMITED

CORPORATE INFORMATION**BOARD OF DIRECTORS:**

Benjamin Amoah	- Board Chairman
Laud Allan Ghansah	- Director
Kobina Nyamekye Eshun	- Director
John Kingsford Arthur	- Director
Albert Amenya	- Director
Perpetual Praise Annan (Mrs.)	- Director

KEY MANAGEMENT PERSONNEL:

Daniel Amoah Gyampoh	- Acting General Manager/ Operations Manager
Eric Marcus Crentsil	- Internal Audit Manager
Richie Cudjor Ahetor	- Risk/ Compliance Manager
Mary Siripi	- Credit Manager
Obed Ananse Egyin	- Head of Info Tech.
Grace Asuku (Mrs)	- Human Resource Managress

SECRETARY:

Worldwide Securities Limited
No. 80 Ringway Link
Yeboa Afari Plaza
Ringway Estates, Osu
P. O. Box OS 1072
Osu - Accra.

REGISTERED OFFICES:

56 Kow Richardson Road
V135 Apam-Ankamu ST
CI – 0005 - 2084

INDEPENDENT AUDITORS:

Nexia Debrah & Co
(Chartered Accountants)
BCB Legacy House
#1 Nii Amugi Avenue
East Adabraka, Accra
P. O. Box CT 1552
Cantonments, Accra.

BANKERS:

ARB Apex Bank Plc
adb Bank Ghana Plc
GCB Bank Plc

GOMOA COMMUNITY BANK LIMITED

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF
GOMOA COMMUNITY BANK LIMITED**

We, the Directors of the Gomoa Community Bank Limited have pleasure in submitting our annual report together with the Audited Financial Statements for the year ended 31st December 2022.

STATEMENT OF DIRECTORS RESPONSIBILITY

Under the Companies Act 2019 (Act 992), we are responsible for preparing in respect of each financial year, Financial Statements which give a true and fair view of the state of affairs of the bank, and of its profit or loss and cash flows for that year in accordance with the International Financial Reporting Standards (IFRSs). In preparing these Financial Statements we are required to select suitable accounting policies and apply them consistently, make judgments and estimates that are reasonable and prudent.

As directors we are responsible for keeping proper books of accounts which disclose with reasonable accuracy at any time the financial position of the Bank. We are also responsible for safeguarding the assets of the bank and taking reasonable steps for the prevention and detection of fraud and other irregularity.

CORPORATE GOVERNANCE

The Bank of Ghana has issued a directive on Corporate Governance which requires compliance by all regulated financial institutions (RFI). Our report on this can be found on pages 5 to 11 of this report.

DIRECTORS INTEREST AND RELATED PARTY TRANSACTIONS

During the year, no director had any interest in any contract awarded by the bank. No director contracted loan from the bank.

NATURE OF BUSINESS

The principal business of the company is to provide banking and related services including taking deposits and lending money.

FINANCIAL RESULTS AND DIVIDEND

The results for the year are as set out in the attached detailed Financial Statements on pages 19 to 53 and summarized below:

	2022	2021
	GH¢	GH¢
Profit before tax for the year	1,258,707	295,618
From which is deducted a tax (charge)/credit of	(319,720)	(400,433)
	-----	-----
Resulting in a Profit/(Loss) after tax of	938,987	(104,815)
To which must be added the balance brought forward on the Retained Earnings Account at the beginning of the year	(4,171,176)	(4,066,361)
	-----	-----
Leaving a balance before statutory and other transfers of	(3,232,189)	(4,171,176)
From which the following transfers were made:		
• Transfer to Statutory Reserve in accordance with Section 34 of the Banking Act 2019 (Act 930)	(469,494)	-
	-----	-----
Leaving a balance on the Income Surplus Account to be Carried Forward of	(3,701,682)	(4,171,176)
	=====	=====

The directors cannot recommend the payment of any dividend for the year **(2021: Nil)**.

GOMOA COMMUNITY BANK LIMITED

REPORT OF THE DIRECTORS (CONT'D)**APPOINTMENT, RETIREMENT AND RE-ELECTION OF DIRECTORS**

In accordance with section 325 of the Companies Act 2019, (Act 992), and the Regulations of the Bank, Mr. Albert Kwame Amenya and Madam Perpetual Praise Annan retire by rotation and being eligible, offer themselves for re-election.

AUDITORS

Messrs Nexia Debrah & Co have served your bank very well as its external auditors. The firm has served notice that it is unable to continue serving the bank as its external auditor due to the limitation of term placed on the firm and the bank by section 81(4) of the Banks and Specialised Deposit- Taking Institutions Act, 2016 (Act 930) which reads as follows:

“An auditor of a bank or specialised deposit-taking institution shall hold office for a term of not more than six years and is eligible for reappointment after a cooling off period of not less than five years”.

Fees charged by the auditor for the year is **GH¢37,000 (2021: GH¢30,000)**

GOING CONCERN CONSIDERATIONS

The attached Financial Statements have been presented on the basis of accounting policies and conventions applicable to a going concern entity. As directors, we have made the necessary assessment and evaluation of the present and future capital and other financial requirements of the bank and regardless of the current apparent solvency challenges, we are hopeful that the bank will turn around and regain its footing in profitable operations. As directors, we do commit ourselves to finding appropriate mix and value of equity capital to ensure that the bank continues as a going concern.

SUBSEQUENT EVENTS

There were no post balance sheet events that could materially affect either the reported state of affairs of the bank as at 31 December 2022, or the result for the year ended on the same date, which have not been adequately provided for or disclosed.

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 19 - 53 of this report have been prepared from records, information and representations made by us, the Directors of Gomoa Community Bank Limited.

So far as we are aware, there is no relevant audit information (i.e. information needed by the company's auditors in connection with their work and report) of which the company's auditors are unaware and each director has taken reasonable steps that ought to have been taken by a director in order to make himself/herself aware of any relevant audit information and to establish that the company'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 December 31, 2022 and the Statement of Financial Position at that date together with the notes thereon this **21st day of April 2023**.

.....)
) **DIRECTORS**

.....)
April 21, 2023 , APAM

CORPORATE GOVERNANCE REPORT

The bank has established Corporate Governance structures designed to make the institution more accountable and transparent to all stakeholders, thereby increasing its long-term value while ensuring its potential growth. These structures define appropriate arrangements to facilitate and enable the execution of the overall vision and objectives of the Gomoa Community Bank Limited. The bank seeks to implement the highest standards and best practices in corporate governance, in accordance with the most widely accepted codes.

This is consistent with the bank's belief that good corporate governance leads to sustainable business and good financial performance which, ultimately, delivers appropriate returns for shareholders.

1. The objectives of these disclosures are to:

1. Enhance transparency and market discipline;
2. Enhance the accountability of Gomoa Community Bank Ltd to its stakeholders;
3. Assess the effectiveness of Gomoa Community Bank's Corporate Governance practices and their risk profiles;
4. Promote public confidence and trust in the bank; and
5. Amend all disclosures required in the Bank's Annual Report as stated in the Bank of Ghana Corporate Governance Directive, 2018 to disclosures in the bank's "Audited Financial Statements".

2. Relevant Disclosure Provisions under Bank of Ghana Corporate Governance Directives, 2018 (CGD)

- (a) The Board certifies that within 2022 financial year, Gomoa Community Bank Ltd complied with the contents of Bank of Ghana (BOG) Corporate Governance Directive, 2018 (CGD).
 - i. The Board was unable to independently assess and document whether the corporate governance process of the Bank is effective and has successfully achieved its objectives. However, internal evaluation done by the Board indicates that the corporate governance process of the Bank is effective and has successfully achieved its objectives.
 - ii. Directors are aware of their responsibilities to the Bank as persons charged with governance
- (b) The Board reported all material deficiencies and weaknesses that were identified in the course of the year, along with action plans and timetables for corrective action to the BOG.
- (c) All Non-Executive Directors of the Bank obtained certification in Corporate Governance and Responsibilities of Directors from the National Banking College during the year.
- (d) Directors shareholding as at 31st December 2022 is tabulated as:

Name of Directors	No. of Ordinary Shares	Percentage of Stated Capital
Benjamin Amoah	60,000	0.049
Laud Allan Ghansah	4,000	0.003
Kobina Nyamekye Eshun	20,000	0.019
John Kingsford Arthur	11,000	0.011
Albert Kwame Amenya	23,100	0.023
Perpetual Praise Annan (Mrs)	11,000	0.011

The Board Charter was amended during the year to introduce 10,000 ordinary shares as the minimum, which qualifies a member for election as a director.

CORPORATE GOVERNANCE REPORT (CONT'D)

e) Executive shareholdings as at 31st December 2022 are:

Name of Manager	No. of Ordinary Shares	Percentage of Stated Capital
DANIEL AMOAH GYAMPOH	94,837	0.066
OBED ANANSE EGYIN	85,372	0.073
ERIC MARCUS CRENTSIL	10,000	0.008

f) During the year, **60,149** ordinary shares were allotted and sold thereby increasing the bank's stated capital by **GHC18,241**.

- (3) The Board Charter was further amended during the year to introduce clauses on management limitations, procedure of recruiting directors, directors' minimum shareholdings, rotation and re-election arrangements of existing directors, Board-management relationship, etc.
- (4) There were no new Directors during the year since the term of existing directors are not expired. Mr. Richie Ahador, was employed, trained and inducted by the Board as a full term employee to head the Compliance Department and also to perform the roles of anti-money laundering Officer.
- (5) The size and composition of Board is as follows:

Name of Director	Designation	Date of Appointment	Approved by BOG?
Benjamin Amoah	Non-Executive Director	9 th Apr 2021	Yes
Laud Allan Ghansah	Non-Executive Director	9 th Apr 2021	Yes
Kobina N. Eshun	Non-Executive Director	9 th Apr 2021	Yes
John Kingsford Arthur	Non-Executive Director	9 th Apr 2021	Yes
Albert Kwame Amenya	Non-Executive Director	9 th Apr 2021	Yes
Perpetual Praise Annan	Non-Executive Director	9 th Apr 2021	Yes

- (a) The Board and Audit and Risk Committee has 100% Ghanaian membership each.
- (b) The Board is made up 100% Non-Executive Directors;
- (c) There is no Related Persons serving on the Board of Gomoa Community Bank Ltd.
- (d) There is appropriate balance of power and authority on the Board between the Executive and Non-Executive Directors such that no one individual or group shall dominate the Board's decision-making process. The role of Board Chairman is separated from that of Chief Executive Officer and the two (2) positions are occupied by separate individuals.
- (6) The former Chief Executive Officer, Mr. Isaac Sasah, separated with the Bank during the year after a Board of Enquiry was constituted by the Board.

CORPORATE GOVERNANCE REPORT (CONT'D)**(7) Profile of Board of Directors:****Benjamin Amoah (Chairman)**

Benjamin is a Chartered Accountant with 20+ years' experience in Corporate Finance, Public Financial Management, Advisory Services and Accountancy Education. A graduate of the University of Ghana- Legon, a member of the Institute of Chartered Accountants Ghana (ICAG) and a Fellow of Telecommunications Executive Management Institute of Canada (TEMIC). He also holds BSc. Administration and MBA (Accounting).

Laud Allan Ghansah (Vice Chairman)

He holds BBA (HONS) in Banking and Finance from Methodist University College Ghana. He holds stage 1 certification of the Chartered Institute of Bankers with over 4 decades experience in Banking Operations.

Kobina Nyamekye Eshun (Chairman of Credit Committee)

He is a member of the Institute of Chartered Accountants, Ghana and Chartered Institute of Taxation, Ghana. He holds BSc. Accounting from the University of Ghana and has over 2 decades experience in budgeting, taxation, accounting operations and Corporate Finance.

John Kingsford Arthur (Chairman of Audit, Risk & Compliance Committee)

He holds BSc. Accounting and MBA in Accounting and Finance from the University of Professional Studies, Accra (UPSA). He has over a decade of experience in the field of finance and accounting.

Albert Amenyah (Board Member)

Albert holds B.Ed in Basic Education and Diploma in Basic Education from the University of Education Winneba, UEW. A retired educationist with over 3 decades of experience in the education service.

Mrs. Perpetual Praise Annan (Board Member)

She holds M.A Environmental Management and Policy from the University of Cape Coast, Bachelor of Education in English Education and Diploma in English Education from the University of Winneba, UEW. Educationist and administrator.

8. Report on Board Evaluation

The effectiveness of the Board as a whole, the Chairman, Individual Directors and the Board sub-Committees were assessed during the year by using internal peer review criteria. Board members were asked to respond to a set of questionnaires using quantitative evaluation criteria and the responses from directors were collated to arrive at collective response of the board. Response to the questionnaires were interpreted as follows:

- 1 - Poor
- 2 - Fair
- 3 - Good
- 4 - Excellent

Summary of key findings from the Board Evaluation

Peer evaluation of the board showed that the board is focused on the execution of its well defined strategic direction. That the board is involved in company strategic planning process, considers shareholder value in the decision-making process and has blend of knowledge and experience to optimize performance.

CORPORATE GOVERNANCE REPORT (CONT'D)

Weaknesses observed include insufficient awareness and compliance with legal responsibilities. There is no approved system of delegated authority. Poor organizational capacity in areas of succession plans for key management personnel, analysis of product development cycle, analytical approach to innovation and information strategy.

The board is in the processes of developing accounting policies and procedural manual to be approved by second quarter 2023. The Board recruited a Compliance officer during the year to lead the Compliance Strategy and to resolve the identified weaknesses by the third quarter 2023.

- 9) The company made arrangement for Directors to participate in Corporate Governance Certification program, which was facilitated by National Banking College of Ghana during the year. Aside this, Directors participated in their privately arranged capacity building programs organized by their respective affiliated professional associations such as the Chartered Institute of Ghana, ICAG, Chartered Institute of Economists, University of Cape Coast etc.

(10) Profile of Key Management Personnel

Daniel Amoah Gyampoh (Ag. CEO & Head of Operations)

He holds MBA in Accounting and B.Com from UCC. He has 25+ years' experience in Rural Banking with diverse experience in Operations, Finance etc .

Eric Marcus Crentsil (Head of Internal Auditor)

He has M.Sc. Finance and Investment from KNUST. PGD in Entrepreneurship and Finance from the University College of Entrepreneurship. BA. Management studies – UCC; Diploma in Accounting from Tarkoradi Polytechnic; Global Institution of Internal Auditors (IIA Ghana Full Member). He has over 18 years' experience in Banking.

Mary Siripi (Head of Credit & Sales)

MBA Finance from UCC, BA Economics & Philosophy from University of Ghana. She has over 12 years in Banking experience.

Obed Ananse Egyin (Head of MIS).

MBA (Generic) – KNUST; Premium Member of Institute of ICT Professionals Ghana, Bachelor of Commerce - UCC Ghana; Association of Cybersecurity and Digital Forensic Examiners; Certified Digital Forensics Examiner (CDFE); Certified Professional Ethical Hacker (CPEH); Microsoft Certified Solutions Expert (MCSE); Certified Network Security Specialist; Information Systems Auditing, Controls and Assurance. He has 13+ years' experience in Banking

Grace Asuku (Head of HR)

Associate member of Chartered Human Resource Practitioner (CIHRM, Ghana); Holds MBA in HRM – UCC; Bachelor of Management Studies – UCC; HND Secretaryship and Management Studies from Cape Coast Technical Univ. She has 14+ years' experience in Human Resource Management and Administration.

Richie C. Ahedor (Head of Risk and Compliance and AMLO)

Bachelor of Arts Degree in Economics and Sociology from KNUST. Over 14 years of banking experience with diverse experience in credit risk analysis, loans recovery, marketing, operations, and internal audit.

CORPORATE GOVERNANCE REPORT (CONT'D)**11) Remuneration Policies**

- i. The Board oversees the design and operation of the compensation system and it monitors the review of the compensation system to ensure that it is effectively aligned with prudent risk taking;
- ii. The Board ensures that levels of remuneration are sufficient to attract, retain, and motivate executive officers of Gomoa Community Bank and ensures that the remuneration is balanced to avoid excessive risk taking or potential risks to bank's capital base. Employees were not paid bonuses during the year in accordance with BOG's directives as the bank did not meet the minimum capital adequacy threshold.
- iii. The Board ensured that commission payable to SUSU Sales Executives, which is tied to performance, is designed in such a way as to prevent excessive risk taking;
- iv. The Board determined the remuneration of employees after extensive negotiations with Commercial Workers Union of TUC. That of Key Management Personnel was determined by the Board.
- v. Board Fees and reimbursable transport expenses of Non-Executive Directors were determined by shareholders at Annual General Meeting.
- vi. The executive remuneration policy aligns with the long term sustainability of Gomoa Community Bank by providing a mix of short-term and long-term remuneration to incentivize sustainable long-term performance.

12. Board Committees

The Board has two (2) sub- committees, namely Credit and Audit, Risk and Compliance.

- (i) Each Board Committee has membership of three (3). However, a board committee can invite any employee to its meeting where necessary.
- (ii) Terms of reference of the Committee are stated in the corporate Board Charter.
- (iii) Summary of work carried out by the Credit Committee during 2022 include,
 - Assessment of credit risk, credit/project delivery and general risk management and recovery.
 - Revised the Credit and Risk Policy Manual for Board approval
 - Assigned standards for Head of Credit, determined levels of loan authority and credit mix.
 - Conducted credit review process to verify the integrity of the loan portfolio and the adherence to the bank's credit policies.
 - Interacted with corporate key borrowers and assessed the progress of projects and reported to the board.
 - Interacted with holders of major NPLs to discuss opportunities for loan reschedule.
- iv) Summary of work carried out by the Audit, Risk and Compliance Committee include preparation of the following policy documents for the approval of the board:
 - GoCB Anti-Money Laundering/Combating the Financing of Terrorism and Proliferation of Weapons of Mass Destruction Policy
 - GOCB Compliance Charter
 - GOCB Compliance Policy
 - GOCB Customer Complain Policy
 - Risk Management Framework, and
 - Revised Internal Audit Policy

The Committee also worked on the annual work plan of the Internal Audit and Compliance Departments for the approval of the board.

CORPORATE GOVERNANCE REPORT (CONT'D)**13. Board Meetings**

(i) Due to the volume of work and the urgent need to recapitalize the Bank, the board was meeting monthly during the first half of the year. This was subsequently changed to bi-monthly at the second half of the year and the plan is to hold quarterly meetings in 2023 and beyond.

(ii) The Board held ten (10) meetings in the year and attendance by Directors is provided below:

Name of Directors	No. of Meeting Attendance
Benjamin Amoah	10
Laud Allan Ghansah	8
Kobina Nyamekye Eshun	10
John Kingsford Arthur	8
Albert Kwame Amenya	8
Perpetual Praise Annan (Mrs)	8

(iii) Directors' other external and professional engagements in the year were:

Name of Directors	Occupation	Director position in other Company?
Benjamin Amoah	Manager with ECG	No
Laud Allan Ghansah	Pensioner	No
Kobina Nyamekye Eshun	Finance and Tax Advisory Services	No
John Kingsford Arthur	Employee of SSNIT	No
Albert Kwame Amenya	Pensioner	No
Perpetual Praise Annan (Mrs)	Educationist	Founder and Director of Moonlite Stopover Co. Ltd

14. Succession Plan

To ensure succession plan, the Board Charter was revised to provide the following retirement and re-election plan of existing directors:

- Two (2) directors will retire in 2023 and available for re-election.
- Two (2) directors will retire in 2024 and available for re-election, and
- Two (2) directors will retire in 2025 and available for re-election.

Directors to retire in each year were decided by elections.

The Board put in place pool of Key Management Personnel in various positions as Head of Departments, Assistant Head of Departments and Branch Managers. The team is being developed to occupy executive positions in the Bank.

15. Internal Control Framework

- (1) The Board has developed and implemented effective system of internal control framework, which is constantly assessed and reviewed.
- (2) The Board has responsibility for maintaining and reviewing the effectiveness of risk management systems, and for determining the aggregate level and types of risks the bank is willing to take in achieving its strategic objectives.

CORPORATE GOVERNANCE REPORT (CONT'D)**16. Internal Audit**

The bank has effective internal audit function to provide an independent assessment of the adequacy of, and compliance with established policies and procedures. Internal Audit Department reports to the board. Its roles and responsibilities include the appraisal of the internal controls and the accounting system and prevention and detection of misstatements.

17. Conflicts of Interest

- (1) The Board has well defined conflict of interest policy and objective compliance process.
- (2) No conflict of interest case was detected by the Board during the year.

18. Ethics and Professionalism

- (1) Gomoa community Bank has not yet put in place a Code of Conduct, which could be made available to all persons who applies;
- (2) The Bank, the employees, management, and Board commit to the highest standards of professional behaviour, business conduct, and sustainable business practices;
- (3) No policy is yet established to govern trading in the shares of GOCB by directors, Key Management Personnel, and employees; and
- (4) The board is in the process of establishing corporate culture and values that promote and reinforce norms for responsible behavior in terms of bank's risk awareness, risk-taking and risk management.

19. Related Party Transactions

- i. The Board has disclosed in the Audited Financial Statement, the nature and extent of transactions with Related Parties;
- ii. Transactions have been reviewed by the Board to assess risk and are subject to appropriate restrictions;
- iii. Transactions are conducted on non-preferential terms/basis; except where otherwise indicated in the financial statements.
- iv. Transactions comply with applicable legislation and other requirements, regarding exposure limits for loans to Related Parties and staff.

20. Management Reporting Structures

The Board receives and reviews monthly Management Accounts and Variance Analysis Reports from Management. Other reports include Annual Plans for implementation of Strategy from the CEO, Annual Performance Objectives/ KPIs from CEO, which is cascaded downwards and Semi-annual Review of Company Performance against Strategic Plan.

These reports enable directors to keep abreast with the performance of the bank against the strategic plan and budget.



**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF
GOMOA COMMUNITY BANK LIMITED**

Opinion

We have audited the financial statements of **Gomoa Community Bank Limited** which comprise the statement of financial position at 31st December 2022, and the statements of comprehensive income, changes in equity and 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 53.

Except for the comments made under the basis of opinion section of our report, in our opinion, these Financial Statements give a true and fair view of the financial position of Gomoa Community Bank Limited at 31st December 2022, and of its financial performance and cash flows for the year then ended in accordance with the 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).

Our report is made solely to the company's members, as a body, in accordance with section 137 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 auditors' 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 for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the section of our report dealing with the Auditors' Responsibilities for the Audit of the Financial Statements. In form and substance, we are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) 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. We are also obligated to refer to the following matters over which we were dissatisfied.

1. Going Concern Considerations

The Financial Statements have been prepared on the going concern basis under the presumption that the bank will continue to operate into the foreseeable future. The basis of this presumption is more fully explained in note 2.1 to the Financial Statements which also describes the nature of accounting adjustments required to be made to the attached Financial Statements if their preparation on the going concern basis is proven inappropriate.

The validity of the going concern presumption is contingent upon the continued financial support by the shareholders and directors of the bank as well as the ability of the bank to generate sufficient revenues from its operations to fully underwrite its operating expenditure.

2. Balances of Doubtful Recovery

- a) There were unreconciled net debit balances between the head office of the bank and its other agencies disclosed as other assets in the bank's statement of financial position in the amount of **GH¢1,421,690** (2021: **GH¢1,495,137**). The nature of issues contributing to the above totals are presently unknown and may contain elements of expenditure bound for the profit and loss account. Besides, the existence of unreconciled balance as high as **GH¢1,421,690** may represent material misstatement of the financial statements.

GOMOA COMMUNITY BANK LIMITED

**REPORT OF THE AUDITORS
TO THE MEMBERS OF
GOMOA COMMUNITY BANK LIMITED (CONT'D)**

- b) The consolidation of the ledgers and accounts arising from the merger of the three former banks in 2015 resulted in a net integration deficit of **GH¢(1,074,156)** shown separately on the face of the statement of financial position since the 2017 reporting date up to present reporting date. The recoverability of this amount is uncertain and has therefore been reclassified as part of equity under the name 'Integration Deficit Reserve.'
- c) The portfolio of Short-Term Investments included amounts originally considered as fixed income in nature made with certain licensed Fund Management Institutions including Frontline Capital Advisors Limited **GH¢2,618,891 (2021: GH¢2,618,891)** and Gold Coast Securities Limited **GH¢2,567,832 (2021: GH¢2,567,832)**. The Securities and Exchange Commission is the Regulatory Institution responsible for overseeing the operations of these entities or investment houses. For various stated reasons published by the Regulatory Institution, the Operating Licenses of these entities were revoked and placed under Receivership.
- (i) The Receiver for Frontline Capital Advisors Limited confirmed the balance owed to the bank with an additional interest of **GH¢68,660** which was acknowledged in the books of the bank in 2021. Fifty percent (**50%**) of the certified amount due from the Receiver of Frontline Capital and Advisors Limited was then paid leaving a balance of **GH¢1,309,445**. A decision was then taken by the Receiver placing the balance of **GH¢1,309,445** into bonds through Amalgamated Mutual Fund owned by the GCB Bank Limited. The coupon rate for the issuance of the bond was not given and the bank has since not accrued any interest on the bond. The timing of cash inflows from this bond is currently not certain.

Background to the Amalgamated Mutual Fund

The Amalgamated Mutual Fund (AM Fund) is an open-ended collective investment scheme set up by GCB Capital Limited (GCL) with funding from the Government of Ghana. It is a Special Purpose Vehicle (SPV) to implement a Bailout Programme for investors whose funds were locked up with defunct Fund Management Companies (FMCs). Membership of the Fund is open to validated former clients of the defunct FMC's. Investors receive pro-rata shares of their validated claims in either one or both tiers of the Fund. Investors have GCB Bank accounts opened for them into which cash redemptions are paid.

- (ii) The bank made a claim for **GH¢2,660,036** from the Receiver of Gold Coast Security Limited out of which the amount of **GH¢2,567,832** was verified or accepted. In effect, the amount of **GH¢92,204** was rejected by the Receiver. The Receiver subsequently made a down payment of **GH¢50,000** in 2021 from the certified amount to the bank and also deducted a loan amount of **GH¢1,000,000** owed to GN Bank which Gomoa Community Bank Limited contracted with GN Bank in the year 2018 leaving a balance of **GH¢1,517,832**. The payment of the remaining balance due from the Receiver of Gold Coast Security Limited has been stalled pending the outcome of the court case between the government of Ghana and the owners of Gold Coast Security Limited. The certainty for the recovery of the unpaid balance from the Receiver of the defunct Gold Coast Security Limited is unknown due to the uncertainty surrounding the pending court case.
- d) Whilst it may thus be difficult under the circumstances to predict when and how these Fixed Term Deposit investments will be repaid, the directors of the bank have informed us that they have taken appropriate steps to secure the repayment of the amounts due to the bank. Related interest income is consequently suspended. The directors are further relying on the Presidential assurance given by the President of the Republic of Ghana to the effect that all validated or verified deposits will be paid to the respective investors under the financial sector clean up exercise.

**REPORT OF THE AUDITORS
TO THE MEMBERS OF
GOMOA COMMUNITY BANK LIMITED (CONT'D)**

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. 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 matter. For each matter below, our description of how our audit addressed the matter is provided in that context.

1.0 Impairment Allowance (Refer to Note 11d)

Impairment allowances represent management's best estimate of expected credit loss ('ECL') within each portfolio at the reporting date. The identification and the determination of allowances is inherently judgmental. During the year impairment allowances increased from **GH¢857,536** as at 31st December 2021 to **GH¢1,047,455** as at 31st December 2022. The key areas where we identified significant levels of management judgement and therefore increased levels of audit focus is the Bank's implementation of IFRS 9:

- Significant Increase in Credit Risk ('SICR') –the criteria selected to identify a significant increase in credit risk is a key area of judgement within the Bank's ECL calculation as these criteria determine whether a 12 month or lifetime provision is recorded.
- Economic scenarios – IFRS 9 requires the Bank to measure ECLs on a forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied to determining the economic scenarios used and the probability weightings applied.
- ECL estimations – Inherently judgmental modelling is used to estimate ECLs which involves determining Probabilities of Default ('PD'), Loss Given Default ('LGD'), and Exposures at Default ('EAD').

The PD models used are the key drivers of the Bank's ECL results and are therefore the most significant judgmental aspect of the Bank's ECL modelling approach.

- Disclosure quality - the disclosures regarding the Bank's credit risks are key to understanding the key judgements and material inputs to the IFRS 9 ECL results. Given the high degree of estimation uncertainty and significance of the balance, we considered impairment allowances on loans and advances to customers to be a key audit matter.

How the matter was addressed in our audit

We focused our testing of the impairment on loans and advances on the key assumptions and inputs made by management and directors. Specifically, our audit procedures included:

- (i) Obtaining an understanding of the loan loss impairment calculation process of the bank;
- (ii) Testing the design and determining implementation of key controls across the processes relevant to the Expected Credit Losses (allocation of assets into stages, model governance, data accuracy and completeness, credit monitoring, multiple economic scenarios, post model adjustments, individual impairment and processing of journal entries and disclosures);
- (iii) Assessing the ECL impairment levels by stages to determine if they were reasonable considering the bank's portfolio, risk profile, credit risk management practices and the macroeconomic environment;
- (iv) Challenging the criteria used to allocate asset to stage 1, 2 or 3 in accordance with IFRS 9;
- (v) Testing the assumptions, inputs and formulae used in a sample of ECL models (including assessing the appropriateness of model design and formulae used, assessing the bank's approach and methodology of incorporating the impacts of COVID-19 in the ECL models, considering alternative modelling techniques and recalculating the probability of default, loss given default and exposure at default for a sample of models);
- (vi) Testing the data used in the ECL calculation by reconciling to source systems;
- (vii) Assessing the adequacy and appropriateness of disclosures for compliance with the accounting standards.

**REPORT OF THE AUDITORS
TO THE MEMBERS OF
GOMOA COMMUNITY BANK LIMITED (CONT'D)**

2.0 Revenue recognition (GH¢5,827,310)

Refer to **Note 3** to the Financial Statements.

Revenue is recognized and recorded in the Financial Statements on the accrual basis, and to the extent that it is probable that economic benefits will flow to the Bank and the related revenue can be reliably measured. Majority of the Bank's revenues were derived from rate sensitive assets and the reliability and accuracy of such revenues relate in a large measure to the underlying financial asset.

How the matter was addressed in our audit

We evaluated loan agreements and investment certificates issued at either side of the reporting date and assessed whether the related revenues were recognized in the correct reporting period. We recomputed interest income earned on investment during the year to ascertain reasonableness and accuracy. We also developed an expectation of the current year revenue balance based on trend analysis, particularly trends in the historical interest rates and monthly movements in rate sensitive assets. We then compared the expectation to actual results and ascertained reasons for any significant departures or differences. We also considered the adequacy of the Bank's disclosures in respect of revenue.

3.0 Existence and Valuation of Loans and Advances (GH¢8,227,290)

Refer to **Note 11** to the Financial Statements.

Loans and Advances are non-derivative financial assets having a fixed or determinable cash flow patterns and are not quoted on any active market. Loans and Advances are initially recognized at fair value equivalent to the cash consideration or outflow required to originate or generate the loan (transaction costs excepted), and measured subsequently at amortised cost using the effective interest method. Where any impairment arises the estimated impairment loss is fully provided for and recognized in the profit and loss as charge for credit losses.

How the matter was addressed in our audit

We tested controls over loans and advances and reconciled sampled balances to relevant records. We also reviewed the classification of loans and advances as basis to assess the adequacy of the provision for bad and doubtful debts and general impairment at the reporting date.

We also considered the adequacy of the Bank's disclosures in respect of those loans and advances.

Other Information

Other information in this context comprises the information included in the Annual Report and the Directors' Report as required by the Companies Act, 2019 (Act 992). The other information does not include the Financial Statements and our audit report thereon. The 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 AUDITORS
TO THE MEMBERS OF
GOMOA COMMUNITY BANK LIMITED (CONT'D)**

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of 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).

The Directors are 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 Directors are 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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are 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 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 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 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.

GOMOA COMMUNITY BANK LIMITED

**REPORT OF THE AUDITORS
TO THE MEMBERS OF
GOMOA COMMUNITY BANK LIMITED (CONT'D)**

- Provide the 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 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 benefits of such communication.

Emphasis of Matter

Without forming the basis of any qualification in our audit report, we draw attention to the obvious fact that the provisions made by the Bank for corporate taxes and resultant tax position are subject to the agreement of the Ghana Revenue Authority.

Report on 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) Except as stated elsewhere under the “basis for opinion” section of our report, 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) Except as stated elsewhere under the “basis for opinion” section of our report, in our opinion proper books of account have been kept by the Bank, as far as appears from our examination of those books; and
 - iii) Except as stated elsewhere under the “basis for opinion” section of our report, in all material respect, the Bank’s statement of financial position and statement of comprehensive income and cash flows are in agreement with the books of account.
 - iv) Except as stated elsewhere under the “basis for opinion” section of our report, to the best of our knowledge and belief, the financial statements present in all material respect the required information and in the manner prescribed by the Companies Act 2019 (Act 992); and
 - v) In form and substance, we are independent of the Bank in accordance with section 143 of the Act and also in accordance with the Code of Ethics for Professional Accountants.
- (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) Except as stated elsewhere under the “basis for opinion” section of our report, we were able to obtain all the information and explanations required for the efficient performance of our duties as auditors;
 - ii) Save as expressly stated elsewhere in our report, the Bank’s transactions were within its powers;
 - iii) Nothing has come to our attention to suggest that the Bank breached any provisions of the Anti-money Laundering Act, 2008 (Act 749), and the Anti-Terrorism Act, 2008 (Act 762); and
 - iv) Except for Section 29 dealing with Capital Adequacy, as well as matters related to the maintenance of adequate liquidity and primary reserves, the bank has complied in all material respects with the provisions of the Banks and Specialized Deposit – Taking Institutions Act 2016 (Act 930).

GOMOA COMMUNITY BANK LIMITED

**REPORT OF THE AUDITORS
TO THE MEMBERS OF
GOMOA COMMUNITY BANK LIMITED (CONT'D)**

- (c) The Bank of Ghana has issued a set of corporate governance directives which became effective on 31st March 2022. Among other things, this required the board to give a declaration in the annual report and audited financial statements as to the compliance or otherwise of the bank to this directive. The required declaration is embodied in the directors' statement on corporate governance which can be found on pages 5 to 11 of this report. Our review was facilitated by a set of questionnaires bearing on each specific area of the corporate governance directives.

This is the first year in which such a report or disclosure has been made by the directors and our review indicates that there are several areas where improvements can be made. These include succession planning especially for key management personnel, remuneration policies, board evaluation, related party transactions, ethics and professionalism as well as awareness and compliance with legal responsibilities.

The Engagement Partner on the audit resulting in this Independent Auditors' Report is **Kwame Manu-Debrah (ICAG/P/1264)**.

Nexia Debrah & Co (ICAG/F/2022/069)
Chartered Accountants
BCB Legacy House
#1 Nii Amugi Avenue
East Adabraka, Accra

April 25, 2023

GOMOA COMMUNITY BANK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Notes	2022 GH¢	2021 GH¢
Interest Income	3	5,827,310	3,449,680
Interest Expenses	4	(880,961)	(746,407)
		-----	-----
Net Interest Income		4,946,349	2,703,273
Commissions and Fees	5	994,470	1,126,830
Other Operating Income	6	174,748	130,821
		-----	-----
Total Operating Income		6,115,568	3,960,924
Charge for Credit Loss	11d	(189,920)	(59,469)
Operating Cost	7	(4,666,940)	(3,605,837)
		-----	-----
Profit Before Taxation		1,258,707	295,618
Taxation	18(i)	(319,720)	(400,433)
		-----	-----
Profit/(Loss) After Taxation Transferred to Retained Earnings Account		938,987	(104,815)
		=====	=====
Basic Earnings Per Share		0.0125	(0.0029)

GOMOA COMMUNITY BANK LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2022

	NOTES	2022 GH¢	2021 GH¢
ASSETS			
Cash and Bank Balances	9	2,824,612	3,133,909
Short Term Investments	10	19,050,332	10,725,368
Loans and Advances	11	8,227,290	7,667,489
Apex Bank Deposit Reserve	12	1,584,631	1,369,295
Equity Investments	14	153,676	153,676
Other assets	13	3,126,667	3,079,336
Taxation	18ii	-	5,989
Deferred Tax Asset	18iii	310,493	591,853
Property and Equipment	23(a)	285,469	311,779
Intangible Assets – T24 License	23(c)	134,769	154,022
Right-of-Use Asset	23(d)	138,700	141,280
		-----	-----
TOTAL ASSETS		35,836,639	27,333,997
		=====	=====
LIABILITIES & SHAREHOLDERS' FUNDS			
Liabilities			
Customer Deposits	15	35,340,062	27,389,699
Managed Funds	20	569,388	575,338
Borrowing	21	375,000	375,000
Dividends Payable	16	1,837	1,837
Deferred Income	17	960,984	915,759
Taxation	18(ii)	33,336	-
Obligation for Software License – T24 License		37,436	56,154
Creditors and Accruals	22	1,531,204	1,993,045
		-----	-----
Total Liabilities		38,849,247	31,303,832
		-----	-----
Shareholders' Funds			
Stated Capital	24	1,293,736	1,275,496
Statutory Reserve Fund		469,494	
Integrated Deficit Reserves		(1,074,156)	(1,074,156)
Retained Earnings Account		(3,701,682)	(4,171,176)
		-----	-----
Total Shareholder's Funds		(3,012,608)	(3,969,837)
		=====	=====
TOTAL LIABILITIES & SHAREHOLDERS' FUNDS		35,836,639	27,333,997
		=====	=====
Net Asset per Share		(0.0300)	(0.0395)

.....)
) **DIRECTORS**
)
.....)

April 21, 2023,
Apam

GOMOA COMMUNITY BANK LIMITED

**STATEMENT OF CASHFLOW
FOR THE YEAR ENDED DECEMBER 31, 2022**

	2022	2021
	GH¢	GH¢
Operating Activities		
Profit before Tax	1,258,707	295,618
Add/(Less)		
Depreciation	188,247	178,941
Provision for Credit Losses	189,920	59,469
Cash Inflow before Changes in	-----	-----
	1,636,874	534,027
Operating Assets and Liabilities		
(Decrease)/Increase in Loans & Advance	(749,720)	(2,112,908)
(Decrease)/Increase in Other Assets	(47,331)	(718,499)
(Decrease)/Increase in Creditors & Accrual	(461,841)	528,931
Increase/(Decrease) in Customers Deposit	7,950,363	4,002,391
Deferred Income	45,226	185,975
	-----	-----
Cash Inflow from Operating Activities	8,373,572	2,419,917
Dividend and Tax		
Tax (Paid) / Credit	-	(19,127)
	-----	-----
	8,373,572	2,400,790
	-----	-----
Investing Activities		
Property and Equipment Purchased	(97,744)	(152,211)
Intangible Assets	-	-
Right-of-Use Asset	(41,400)	(124,800)
	-----	-----
	(139,144)	(277,011)
	-----	-----
Financing:		
Proceed from Issue of Shares	18,241	13,200
Increase/(Decrease) in Loan (Interest on Loans)	-	(1,000,000)
Loan Repaid	-	-
Redemption of Preference Shares	-	(120,000)
Increase/(Decrease) in Software License – T24 License	(18,718)	(74,872)
Increase in Managed Funds	(2,950)	14,339
	-----	-----
	(3,427)	(1,167,333)
	-----	-----
Net (Decrease)/ Increase in Cash and Cash Equivalent	8,231,001	956,446
Cash & Cash equivalent at January 1 st	15,228,574	14,272,127
	-----	-----
Cash & Cash equivalent at December 31 st	23,459,575	15,228,573
	=====	=====
Analysis of Cash & Cash Equivalent as Shown in the Balance Sheet		
Cash & Bank Balances	2,824,612	3,133,910
Apex Deposit Reserve	1,584,631	1,369,295
Short Term Investment	19,050,332	10,725,368
	-----	-----
	23,459,575	14,272,127
	=====	=====

GOMOA COMMUNITY BANK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Stated Capital GH¢	Statutory Reserves GH¢	Integration Deficit Reserve GH¢	Retained Earnings GH¢	Total GH¢
<u>2022</u>					
Balance At 1 st January	1,275,495	-	(1,074,156)	(4,171,176)	(3,969,836)
Addition (equity shares)	18,241	-	-	-	18,241
Transfer to Statutory Reserves	-	469,494	-	(469,494)	-
Payment (Preference shares)	-	-	-	-	-
Net Profit/(Loss) for the Year	-	-	-	938,987	938,987
Balance at 31st December	<u>1,293,736</u>	<u>469,494</u>	<u>(1,074,156)</u>	<u>(3,701,682)</u>	<u>(3,012,608)</u>
<u>2021</u>					
Balance at 1 st January	1,382,295	-	(1,074,156)	(4,066,361)	(3,758,222)
Addition (equity shares)	13,200	-	-	-	13,200
Transfer to Statutory Reserves	-	-	-	-	-
Payment (Preference shares)	(120,000)	-	-	-	(120,000)
Net Profit/(Loss) for the Year	-	-	-	(104,815)	(104,815)
Balance At 31st December	<u>1,275,495</u>	<u>-</u>	<u>(1,074,156)</u>	<u>(4,171,176)</u>	<u>(3,969,836)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022**

1. THE REPORTING ENTITY

1.1 The Company

The Gomoa Community Bank Limited was incorporated on 11th December 2012 to take over as a going concern the business operations including the permitted assets and liabilities of the erstwhile Gomoa Rural Bank Limited at Apam, Gomoa Ajumako Rural Bank Limited at Afransi and Eastern Assin Rural Bank Limited at Dominase.

The merger discussions were initiated and precipitated by the respective shareholders' resolution of the three (3) component Banks passed in 2012 which provided the baseline authority to the takeover.

The is domiciled in Ghana and headquartered at Apam in the Central Region of the Republic of Ghana.

1.2 Licensing and Commencement of Operations

The Gomoa Community Bank Limited was issued with a final license by the Bank of Ghana to operate the business of Rural Banking on 18th June 2014 and the licenses of the previous banking entities withdrawn.

Financial Statements

The directors of the new entity assumed control of the permitted assets and liabilities of the 3 previous banking entities in 2014. However, effective business operations under the merged bank's name of Gomoa Community Bank Limited occurred in 2016 after receiving a certificate to commence business from the Registrar of Companies in later part of 2016. The first set of financial statements under the name of Gomoa Community Bank therefore occurred in 2017.

The audited Financial Statement of the Gomoa Community Bank Limited for the year ended 31st December 2022 is therefore the Sixth set of Financial Statements prepared by the new bank and was approved for issue by the board of directors of the bank on **20th April 2023**.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements of the bank for the year ended 31st December 2022 incorporate the principal accounting policies set out below, including changes introduced by the International Financial Reporting Standards (IFRS).

All the material information required by legislation, particularly the Companies Act 2019 (Act 992) and the Banks and Specialised Deposit – Taking Institutions Act 2016 (Act 930) have also been disclosed or presented in the appropriate context.

2.1 Basis of Accounting

The bank prepares its Financial Statements under the historical cost basis as modified by the revaluation of certain assets and liabilities through the assessment of impairment and fair value measurement. The preparation of the Financial Statements is underpinned by the going concern basis which assumes that the bank will continue to operate into the foreseeable future on a scale similar to, or better than the levels of current operations.

NOTES (CONT'D)

The presumption of going concern is challenged by the following:

- (1) The total Assets of the bank at the reporting date included aspects with diluted liquidity potential. These assets total **GH¢5,210,912 (2021: GH¢4,935,439)** and the directors are seeking the consent and concurrence of the Bank of Ghana for a moratorium to enable a phased write-off over a reasonable period of time if recovery seem remote.
- (2) The total liabilities of the Bank at the reporting date is in excess of its total assets by **GH¢3,012,608 (2021: GH¢3,969,836)**, thereby undermining the viability of the going concern presumption. The validity or viability of the going concern presumption also depends to a very large extent on the ability of the bank to generate sufficient revenues from its operations to underwrite its recurrent expenditures. The shareholders and directors of the bank have provided assurances that they would continue to provide financial support to the bank until it is able to meet its financial obligations to depositors and other outside parties as they fall due.

Should the bank be unable to continue to operate, adjustments would have to be made to the Financial Statements to restate Assets at their Break-up values, recognize any costs associated or consequential upon their disposal, and reclassify long term liabilities as short term.

2.2 Income Recognition

Income is recognized and recorded in the Financial Statements on the accrual basis, and to the extent that it is probable that economic benefits will flow to the Bank and the related revenue can be reliably measured.

Interest Income

The effective interest method is used as basis to recognize interest income in the profit and loss account for all interest – bearing financial instruments including loans and advances. The effective interest method is a method of calculating the amortised cost of a financial asset and allocating the interest income.

The applicable effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts available over the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the related financial asset.

The effective interest rate is calculated within the context of all estimated cash flows, and due consideration to all contractual terms of the financial instrument including any early payment options but not future credit losses. The calculation also includes all related transactional cost such as processing and commitment fees received by the bank.

The recognition of interest income ceases when the payment of interest or principal is in doubt. Interest is included in income thereafter only when it is received. Loans are reevaluated on the accrual basis only when doubts about their collectability are removed and when the outstanding arrears of interest and principal are received.

NOTES (CONT'D)

Commissions and Fees

Commissions and loan fees are credited to income when earned with reasonable certainty and in the case of loan fees, the income is spread over the loan tenure.

Other Operating Income

This relates to income accruing from the consequential dimension of the bank's operations including the sale of value books, susu/micro-finance operations and where applicable profits or gains from the sale of property and equipment.

2.3 Interest Expense

Interest expense is recognized in the profit or loss for all interest bearing Financial Instruments measured at amortised cost, including savings and fixed deposits, as interest accrues using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expenses.

The effective interest rate is the rate that exactly discounts the estimated future cash payments over the expected life of the instrument or, when appropriate, a shorter period to the net carrying amount of the financial liability.

The effective interest rate is calculated on initial recognition of the financial liability, estimating the future cash flows after considering all the contractual terms of the instrument.

2.4 Financial Assets and Liabilities

Financial Assets and Liabilities are recognized in the bank's balance sheet in accordance with measurement criteria explained below:

2.4.1 *Financial Assets*

A financial asset is an asset that is either cash, a contractual right to receive cash, the right to exchange a financial instrument with another accounting entity under potentially favourable terms or an equity instrument of another entity. The financial assets of the bank are in three categories namely, Loans and Advances, Investment Held to Maturity, and Available for sale Financial Assets.

a. Loans and Advances

Loans and Advances are non-derivative financial assets having a fixed or determinable cash flow patterns and are not quoted on any active market. Loans and Advances are initially recognized at fair value equivalent to the cash consideration or outflow required to originate or generate the loan including any transaction costs, and measured subsequently at amortised cost using the effective interest method. Where any impairment arises the estimated impairment loss is fully provided for and recognized in the profit and loss as charge for credit losses.

b. Held to Maturity Financial Assets

Held to Maturity Financial Assets are non-derivative financial assets with a fixed or determinable payments and tenor in which the bank has a positive interest and ability to hold to maturity. Such financial assets are not measured at fair value through profit or loss, but are rather carried at amortised cost using the effective interest method less any impairment losses.

NOTES (CONT'D)

For instance, bills discounted and securities with a fixed redemption date which are purchased with the intention of being held to maturity are initially recognized at cost and subsequently adjusted to give effect to amortization of premiums and discounts on purchase over the period to redemption

c. Available for Sale Financial Assets

Available for Sale financial assets are those intended to be held for indeterminate period of time, and which may be sold in response to challenges arising from liquidity, changes in interest rates or other such financial market indices and which have not been classified as loans and advances, assets held to maturity or at fair value through profit and loss.

2.4.2 *Financial Liabilities*

Financial liabilities are contractual obligations to either deliver cash or another financial asset to another accounting entity, or to exchange financial instrument with another entity on potentially unfavourable terms. These may be measured either at fair value through profit or loss, or at amortised cost depending on their sub-categorization.

a. Financial liabilities at fair value

These are liabilities which are measured at the current market value through the profit or loss subsequent to their initial recognition.

b. Financial liabilities measured at amortised cost

Liabilities which are not measured at current market value fall under this category. These are essentially non-trading liabilities which are not quoted in any active market and are therefore measured at amortised cost.

2.4.3 *Determination of Fair Value*

The International Financial Reporting Standard (IFRS) 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, excluding transaction cost other than that relating to transportation. In practical terms issues usually considered in such a determination would include highest and best use, physical possibility, legal permissiveness and financial feasibility.

Quoted market prices, inter – bank interest rates as well as regulatory discount rates are examples of the practical measurement standards applicable to the Gomoa Community Bank Limited.

2.5 **Impairment of Financial Asset**

A financial asset or a group of financial assets is considered impaired only if there is an objective evidence of impairment as a result of one or more event(s) that have occurred after initial recognition of the asset and the event or events have adverse impact on the estimated future cash flow of such financial asset, or group of financial assets.

The amount of impairment is measured as the difference between the carrying value of the financial asset or group of financial assets and the estimated future cash flows discounted at the original effective interest rate used to originate the financial asset or group of financial assets in question.

Evidence of impairment may include indications that the holders of the bank's loans and advances are experiencing significant financial difficulty, default or delinquencies in the payment of interest and /or principal. It may also include the fact that the debt is being restructured to reduce the burden on the borrower.

NOTES (CONT'D)*Impairment of Loans and Advances*

Provision for credit losses is made, having regard to specific risk. The provisions are made in respect of those advances that have been individually reviewed and specifically identified as bad or doubtful. In determining the level of provision required, management considers numerous factors including, but not limited to, domestic economic conditions such as GDP growth rate, unemployment rates, Central Bank policy rates Consumer price and inflation rates. Other important factors worthy of consideration include the composition of the advance portfolio and prior bad debt experience.

Expected Credit Loss (ECL)

The Bank calculates Expected Credit Losses (ECLs) based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL method are summarized below:

- Stage 1: The 12m ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the financial statement 12 months after the reporting date. The Bank calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12- month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR
- Stage 3: For loans considered credit-impaired the Bank recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

Provisions made during the year are charged as a separate amount in the profit and loss account. When an advance is deemed irrecoverable it is written off against the related bad debt provision. Subsequent recoveries of advances that have been written off are credited to the profit and loss account under the category of Other Operating Income.

2.6 Impairment of Non-Financial Asset

Non-financial assets are assets that have indefinite useful life and are not subject to amortization and are tested annually for impairment. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the Assets Fair Value (Market Value) less cost to sell.

It is the policy of the bank to review all non – financial assets that suffer impairment for possible reversal of the impairment at each reporting date.

NOTES (CONT'D)**2.7 Cash and Cash Equivalents**

Cash and Cash Equivalents identified in the statement of cash flows comprise physical cash balances on hand and with other banks as well as highly liquid investments with up to three (3) months maturity from the date of acquisition.

2.8 Equity Investment

Equity investments are marked to market. Market in this context refers to the periodic advice issued by the ARB Apex Bank regarding the price of its equity shares held by the bank.

2.9(a) Property and Equipment

Items of property and equipment are stated at cost less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item. All other repairs and maintenance cost are charged to profit and loss during the financial period in which they occur.

Depreciation is recognized in the profit or loss on a straight-line basis to write off the cost less residual amount over their estimated useful lives as follows:

Motor Vehicle	33.3%
Office Equipment	25.0%
Furniture & Fittings	20.0%
Freehold Land & Buildings	5.0%
Building Refurbishments/Renovations	33.3%
Intangible Asset - T24 License	10.0%

(b) Intangible Assets**Software**

Software acquired by the Company is stated at cost less impairment losses and accumulated amortization. Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortization is recognized in the statement of comprehensive income on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is Ten (10) years and subject to renewal.

Right-of-use assets

The Bank recognises right-of-use assets at the commencement date of the right to use the asset (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of all subsequent payment for the extension of the right to use the underlying asset. The cost of right-of-use assets is made up of all prepaid amounts which exceeds one calendar year (12 Months).

Right-of-use assets are depreciated on a straight-line basis over the years the company has right for the use of the assets and are subject to impairment in line with the Bank's policy of Impairment of non-financial assets.

NOTES (CONT'D)**2.10 Income Tax****Current Tax**

In accordance with the most recent tax legislation, the current income tax expense of rural banks is calculated at 25% of chargeable income. There are tax sensitive income and expenditure items which precipitate a numerical difference between the reported profits or losses and chargeable income for a particular period. Where these differences exist and are material, reconciliation is prepared to enable an easy identification of the effective tax rate for any period of assessment.

Deferred Tax

Deferred income tax is calculated and provided for in full using the liability method on temporary differences that may arise from the tax basis of assets and liabilities and their carrying amounts in the Financial Statements. The determination of deferred income tax is based on tax rates (and tax laws as the case may be) that have been enacted or expected to become valid for application by the reporting date, or when the related deferred income tax asset may be realised or when the deferred income tax liability may be settled.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized and as such future profits can be reliably measured. As a result, deferred tax assets are reviewed periodically to ensure that their expected recoverable values grounding their initial recognition have not been impaired and where they have, to reduce the related deferred tax assets to their recoverable amounts.

2.11 Provisions

A provision is recognized in the statement of financial position when a legal or constructive obligation as a result of a past transaction or event exist at the reporting date and the amount of the obligation can be reliably estimated and also probable that an outflow of economic resource will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.12 Stated Capital and Reserves**(a) Stated Capital**

Stated Capital comprises amount arising from the issue of shares for cash and transfers from retained earnings and other surpluses as defined under the Companies Act 2019 (Act 992). These shares are not redeemable by holders in the normal course of business. Dividends on ordinary shares are recognized in the period in which they are approved by the shareholders.

(b) Statutory Reserves

The Statutory Reserve Fund is required under section 34 of the Banking Act 2016 (Act 930) to be set aside cumulatively from annual profit after tax. Depending on the ratio of the existing Statutory Reserve Fund to paid up capital, the proportion of after-tax profits required to be transferred to this reserve fund ranges from 12.50% to 50. The bank during the year transferred 50% of the after-tax profit from the Retained Earnings to the Statutory Reserves Fund Account.

NOTES (CONT'D)**(c) Reserves**

The capital surplus account is a creation of law under sections 69 and 70 of the company's Act 2019 (Act 992) and records gains or losses arising from the revaluation of assets of the company including its property, plant and equipment. The International Financial Reporting Standards (IFRS) require the evaluation at regular intervals of these property, plant and equipment. The bank has therefore adopted a policy to evaluate its assets at regular intervals.

(d) Retained Earnings

The Retained Earnings account records the cumulative annual profits (after appropriations) available for distribution to shareholders.

2.13 Post Balance Sheet Events

Events subsequent to the balance sheet date are reflected in the Financial Statements only to the extent that they relate to the year under consideration and the effect is material.

2.14 Employment Benefit

The cost of all employee benefits is recognised during the period in which the employee renders the related service. The provisions for employee entitlements to wages, salaries, annual and sick leave represent the amount which the company has a present obligation to pay as a result of the employees' services provided to the reporting date.

National Pension

The Company contributes 13.50% of qualifying employee costs to a National Pensions Scheme and the contribution is charged to the Profit and Loss Account as part of total Employee Benefit. The National Pension Scheme is a creation of law and managed by the Government of Ghana through the appropriate public and private sector entities.

2.15. Leases

From January 1, 2019, IFRS 16 has been the effective standard guiding the accounting treatment for lease transactions. IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17 Leases, and related Interpretations. IFRS 16 has one model for leases, which will result in almost all leases being included on the Statement of Financial position. No significant changes have been included for lessors.

The standard is effective for annual periods beginning on or after 1st January 2020, with early adoption permitted only if the entity also adopts IFRS 15. The Company has accepted and prospectively adopted IFRS 16 effective 2020.

GOMOA COMMUNITY BANK LIMITED

NOTES (CONT'D)

	2022	2021
	GH¢	GH¢
3. INTEREST INCOME		
From Loans & Advances	3,715,615	2,597,052
From Government Securities & Other Investments	2,111,695	852,628
	-----	-----
	5,827,310	3,449,680
	=====	=====
4. INTEREST EXPENSE		
Interest on Savings Accounts	494,666	426,067
Interest on Fixed Deposits	386,295	320,341
	-----	-----
	880,961	746,407
	=====	=====
5. COMMISSIONS AND FEES		
Commission on Turnover	580,365	739,870
Commitment Fees (Note 17)	414,105	386,960
	-----	-----
	994,470	1,126,830
	=====	=====
6. OTHER OPERATING INCOME		
Income from Sales of Value Book	-	-
Other Commission Income	174,748	130,821
Bad Debt	-	-
	-----	-----
	174,748	130,821
	=====	=====
7. OPERATING COSTS		
Donation	68,714	30,037
Depreciation (See note 23)	124,052	116,580
Audit Fees	37,000	30,000
General & Administrative Expenses	1,909,366	1,428,320
Staff Related Costs (see note 8)	2,527,808	2,000,900
	-----	-----
	4,666,940	3,605,837
	=====	=====

GOMOA COMMUNITY BANK LIMITED

NOTES (CONT'D)

	2022	2021
	GH¢	GH¢
8. STAFF RELATED COSTS		
Directors Remuneration	14,650	7,887
Staff Training & Development	105,839	54,319
Staff Medical Costs	17,188	18,395
Staff Provident Fund	70,998	71,085
Other Staff Allowances	328,791	411,069
Staff Social Security Costs	119,410	119,091
Staff Remuneration	1,870,932	1,319,053
	-----	-----
	2,527,808	2,000,900
	=====	=====

The average staff strength remained unchanged at 73 for both 2022 and 2021.

9. CASH AND BANK BALANCES

ARB Apex Bank	1,181,434	453,279
Un-cleared Effects	(31,020)	-
	-----	-----
	1,150,414	453,279
Other Bank and Institutions	1,715	1,260,715
Cash Holdings	823,424	939,153
E-Money Float	849,059	480,763
	-----	-----
	2,824,612	3,133,910
	=====	=====

GOMOA COMMUNITY BANK LIMITED

NOTES (CONT'D)

		2022 GH¢	2021 GH¢
10. SHORT TERM INVESTMENTS			
<i>(a) Bills Redeemable within 90 days</i>			
At Redemption Value		11,787,000	7,697,000
Less: Unearned Interest at year end		(663,946)	(198,909)
		-----	-----
At Amortised Cost at 31 st December	(A)	11,123,054	7,498,091
		-----	-----
<i>(b) Fixed Deposit</i>			
At Cost:			
Amalgamated Mutual Fund		1,309,445	2,550,231
Accrued Interest		-	68,660
Redemption		-	(1,309,445)
		-----	-----
Amalgamated Mutual Fund	(B1)	1,309,446	1,309,445
		-----	-----
Black shield Limited		1,517,832	2,660,036
(Interest Written off)/ Interest Accrued		-	(92,204)
Redemption and Loan Set Off		-	-
		-----	-----
Blackshield Limited	(B2)	1,517,832	1,517,832
		-----	-----
Marked to Coupon at 31st December	(B1+B2)	2,827,277	2,827,277
		-----	-----
<i>(c) Apex Certificate of Deposits</i>			
At 1 st January		400,000	1,220,000
Net Investments during the year		5,100,000	400,000
Net Disinvestments during the year		(400,000)	(1,220,000)
		-----	-----
At 31st December	(C)	5,100,000	400,000
		-----	-----
TOTAL SHORT-TERM INVESTMENTS (A+B+C)		19,050,332	10,725,368
		=====	=====

The government of Ghana has successfully concluded a Domestic Debt Exchange Programme, under which existing government bonds were exchanged for new bonds. The bank did not hold any government bonds at the reporting date and therefore was not affected by the domestic debt exchange programme (DDEP).

GOMOA COMMUNITY BANK LIMITED

NOTES (CONT'D)

	2022	2021
	GH¢	GH¢
11. LOANS AND ADVANCES		
<i>(a) Analyzed by type of Facility</i>		
Overdraft	984,899	1,205,219
Loans	8,289,846	7,319,806
	-----	-----
	9,274,745	8,525,025
Less: Provision for Credit Losses	(1,047,455)	(857,536)
	-----	-----
	8,227,290	7,667,490
	=====	=====
 <i><u>Impairment Statistics</u></i>		
Credit loss provision ratio for the year	2.05%	0.66%
Cumulative year end credit loss provision ratio	10.02%	10.02%
The above constitute loans and advances to customers and staff. The maximum amount Due from officers of the bank during the year amounted to GH¢512,207 (2021: GH¢750,502).		
<i>(b) Analyzed by Type of Customer</i>		
Staff	512,207	750,502
Private Enterprises	279,084	269,586
Others	1,902,635	2,532,191
Individuals	6,580,818	4,972,746
	-----	-----
	9,274,745	8,525,025
Less: Provision for Credit Losses	(1,047,455)	(857,536)
	-----	-----
	8,227,290	7,667,490
	-----	-----
<i>(c) Analyzed by Business Segment</i>		
Transport	523,737.28	321,674
Agricultural	637,139	869,684
Commerce	2,242,509	2,376,802
Miscellaneous	5,871,360	4,956,865
	-----	-----
	9,274,745	8,525,025
Less: Provision for Credit Losses	(1,047,455)	(857,536)
	-----	-----
	8,227,290	7,667,490
	=====	=====

GOMOA COMMUNITY BANK LIMITED

NOTES (CONT'D)

	2022	2021
	GH¢	GH¢
<i>(d) Movement in the Provision for Credit Loss</i>		
Balance on the Provision at January 1 st	857,536	789,069
Less: Specific Bad Debts written off	-	-
Provision for the year	189,920	59,467
	-----	-----
Balance on the Provision at December 31st	1,047,455	857,536
	=====	=====

The provision for credit losses is done using Bank of Ghana guidelines, within the context of the principles of IFRS in terms of Expected Credit Losses (ECLs). Where possible, this involves the individual assessment of loans and advances outstanding having regard to factors that may impair or impede the ability of loan holder to retire the loans on time. The general outcome of the assessment and review processes leading to the impairment provision at the reporting date is as follows:

<u>Category</u>	<u>Percent</u> <u>Provision</u>	<u>2022</u> <u>GH¢</u>	<u>2021</u> <u>GH¢</u>
Current	1%	76,229	72,944
Other Loans Especially Mentioned (OLEM)	5%	6,220	5,988
Substandard	25%	5,961	11,204
Doubtful	50%	47,698	46,374
Loss	100%	803,916	721,026
		-----	-----
		940,024	857,536
Additional Impairment (ECL Provision)		107,431	-
		-----	-----
		1,047,455	857,536
		=====	=====

In accordance with the suggestion contained in the Bank of Ghana notice to banks, the rate of impairment related to OLEM has been reduced from 10% to 5% effective the 2020 financial year due to issues related to Covid-19 pandemic.

The impairment methodology, including the model, assumptions and key inputs used to estimate the amount of loan impairment losses using the ECL model under IFRS 9 resulted in a cumulative position of **GH¢1,047,455 (2021:GH¢461,518)**

The stages of impairment using the Expected Credit Losses (ECL) provision at the end of reporting date is as follows:

<u>Category</u>	<u>Percent</u> <u>Provision</u>	<u>2022</u> <u>GH¢</u>	<u>2021</u> <u>GH¢</u>
Stage 1	9.84%	103,070	45,396
Stage 2	43.68%	457,296	201,588
Stage 3	46.48%	487,089	214,534
	-----	-----	-----
Total	100%	1,047,455	461,518
	=====	=====	=====

The implementation of the ECL MODEL for the last year (2021) was for good reason deferred by the directors for implementation in 2022. For this reason ,the cumulative balance brought forward on the provision for bad debts account reflected the position per the Bank of Ghana guidelines.

GOMOA COMMUNITY BANK LIMITED

(NOTES CONT'D)

	2022	2021
	GH¢	GH¢
12. APEX BANK DEPOSIT RESERVE		
Balance at 1 st January	1,369,295	1,099,436
Net Investments during the year	215,336	269,859
	-----	-----
Balance at 31 st December	1,584,631	1,369,295
	=====	=====
13. OTHER ASSETS		
Uncleared Effects	-	126,071
Stationery Stock	73,681	110,189
Interest Suspense	2,534	-
E-Zwich Operations	319,651	-
Head Office Inter Agency	1,421,690	1,495,137
Office Accounts (App I)	723,783	613,025
Others	238,161	138,970
Interest in Arrears	244,676	255,883
Interest and Commission Accrued	102,490	340,061
	-----	-----
	3,126,667	3,079,336
	=====	=====
14. EQUITY INVESTMENTS		
Ordinary Shares in APEX Bank	6,000	6,000
Surplus Arising on Revaluation	109,784	109,784
	-----	-----
At Revaluation	115,784	115,784
Right Issue	37,892	37,892
	-----	-----
At diluted Cost	153,676	153,676
	=====	=====

GOMOA COMMUNITY BANK LIMITED

(NOTES CONT'D)

	2022	2021
	GH¢	GH¢
15. CUSTOMER DEPOSITS		
(a) Analyzed by Type of Account		
Time Deposit	4,188,982	4,098,171
Susu Saving Account	5,465,933	3,952,877
Current Account	6,597,106	4,927,018
Savings Account	19,088,041	14,411,633
	-----	-----
	35,340,062	27,389,699
	=====	=====
(b) Analyzed by Type of Customer		
Public Enterprises	1,003,805	1,166,473
Private Enterprises	2,393,335	1,548,371
Others	7,072,507	4,918,103
Individuals	24,870,415	19,756,751
	-----	-----
	35,340,062	27,389,699
	=====	=====
16. DIVIDEND PAYABLE		
Balance at 1 st January	1,837	1,837
Dividend paid during the year	-	-
	-----	-----
Balance at 31st December	1,837	1,837
	=====	=====

GOMOA COMMUNITY BANK LIMITED

NOTES (CONT'D)

	2022	2021
	GH¢	GH¢
17. DEFERRED INCOME		
Balance as at 1 st January	915,758	729,784
Commitment Fees for the year	459,331	572,935
	-----	-----
	1,375,089	1,302,719
Released to Income	(414,105)	(386,960)
	-----	-----
Balance as at 31st December	960,984	915,758
	=====	=====

Deferred Income comprises income from commitment fees paid by the customers of the bank on loans granted. It is recognized as income in the statement of comprehensive income over the period of the loan tenure. It also consists of all unpaid matured interest on investments with other investment companies except government securities (precisely income from Blackshield Limited and Amalgamated Mutual Fund). The investments in these companies are under receivership.

	2022	2021
	GH¢	GH¢
Comprising:		
Unearned Commitment Fees	355,815	310,590
Unpaid Interest on Investment	605,169	605,169
	-----	-----
	960,984	915,759
	=====	=====
18. TAXATION		
(i) Tax Expenses (see Note 18(ii))	38,361	-
Deferred Tax Charged (see Note 18(iii))	281,359	381,306
Tax Audit Adjustment (see Note 18 (ii))	-	19,127
	-----	-----
	319,720	400,433
	=====	=====

GOMOA COMMUNITY BANK LIMITED

NOTES (CONT'D)

i) TAXATION

	Balance At 1/1/22 GH¢	Charge in P&L A/C GH¢	Other Taxes GH¢	Tax Credit Payments GH¢	Balance At 31/12/22 GH¢
Corporate Taxes					
2018	(5,025)	-	-	-	(5,025)
2019-2020	-	-	-	-	-
2021	-	-	-	-	-
2022	-	38,361	-	-	38,361
	-----	-----	-----	-----	-----
	(5,025)	38,361	-	-	33,336
	-----	-----	-----	-----	-----
Other Taxes					
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
2021	-	-	-	-	-
	-----	-----	-----	-----	-----
	-	-	-	-	-
	-----	-----	-----	-----	-----
TOTAL	(5,025)	38,361		-	33,336
	=====	=====	=====	=====	=====

	2022 GH¢	2021 GH¢
<u>Comprising</u>		
Balance at 1 st January	(5,025)	(5,989)
Charged to Profit/Loss during the year	38,361	-
	-----	-----
	33,336	(5,989)
Less Tax Credits/Payments	-	-
	-----	-----
Balance at 31st December	33,336	(5,989)
	=====	=====

Corporate Income Tax is charged at 25% (2020: 25%) of Taxable Profits. All tax liabilities are subject to the agreement of the Domestic Tax Revenue Division of the Ghana Revenue Authority.

GOMOA COMMUNITY BANK LIMITED

(NOTES CONT'D)

	2022	2021
	GH¢	GH¢
iii) Deferred Tax Account		
Balance at January 1	(591,853)	(973,159)
Released during the year	281,360	381,306
	-----	-----
Balance at December 31	310,493	(591,853)
	=====	=====

Deferred income tax is determined on temporary differences under the liability method using principal tax rate of 25%. The movement on the deferred tax account is as indicated above. The position of deferred tax is attributable to the following items.

ii) Explained by:

	2022	2021
	GH¢	GH¢
Property, Plant and Equipment	(48,629)	(49,252)
Loans & Advances	(261,864)	(214,384)
Unquoted Equity Investment	-	-
Unrelieved Losses from 2018-2020	-	(328,217)
	-----	-----
	(310,492)	(591,853)
	=====	=====

19. NET INTEGRATION DEFICIT (CALL IN ARREARS)

Balance as at 1/1	1,074,156	1,074,156
Less: Net Integration Surplus	-	-
	-----	-----
Balance as at 31/12	1,074,156	1,074,156
	=====	=====

The consolidation of the ledgers and accounts arising from the merger of the three former banks in 2015 resulted in a net integration deficit of **GH¢(1,074,156)** shown separately on the face of the statement of financial position since the 2017 reporting date up to present reporting date.

20. MANAGED FUNDS

MOWAC/ Japanese Grant	-	-
MOF/GRB Outboard Motor Grant	37,784	37,784
Special Farmers Assistant Grant	40,378	40,378
MOWAC	-	-
Planting for Food & Jobs/PSL	622	622
Covid-19 Alleviation Program Loan	490,604	493,554
	-----	-----
	569,388	572,338
	=====	=====

GOMOA COMMUNITY BANK LIMITED

(NOTES CONT'D)

	2022	2021
	GH¢	GH¢
21. BORROWINGS		
ARB Apex Loan to Ajumako	-	-
Other Financial Institution	375,000	375,000
	-----	-----
	375,000	375,000
	=====	=====

The bank contracted a loan of **GH¢1,000,000** from Gold Coast Security in 2018 and no payment of interest or principal was made during the year. The management of the bank accrued interest of **GH¢375,000** and added to the principal. The Company was placed under Receivership and the principal loan balance of **GH¢1,000,000** was used to set off against the indebtedness of Gold Coast Security with the bank leaving the interest amount.

	2022	2021
	GH¢	GH¢
22. CREDITORS AND ACCRUALS		
Audit Fees	36,972	33,497
Payment Orders	19,466	33,489
Other Provision	24,068	-
Provision for End of Service Benefit	85,266	88,008
Office Account	553,485	1,217,261
Interest Accrued On Saving	88,764	61,589
E-Zwich	14,976	14,985
Provident Fund	6,395	6,395
Lien	-	310,390
Sundry Creditors	423,266	66,025
Unassigned Line	27,070	14,190
Police Guard	6,800	2,400
Interest Suspense	244,676	144,817
	-----	-----
	1,531,204	1,993,046
	=====	=====

(NOTES CONT'D)

23a. PROPERTY & EQUIPMENT - 2022	(NOTES CONT'D)							
	Capital WIP Progress GH¢	Office Equipment & Computers GH¢	Motor Vehicles GH¢	Land & Building GH¢	Furniture & Fittings GH¢	Generator & Water Pump GH¢	Office Renovation GH¢	Total GH¢
Cost								
At 1/1/2022	24,872	716,879	129,232	2,685	191,298	12,914	301,113	1,378,993
Additions	-	83,634	5,800	-	5,710	-	2,600	97,744
Transfer	(24,872)	-	-	-	-	-	24,872	-
At 31/12/2022	-	800,513	135,032	2,685	197,008	12,914	328,585	1,476,737
DEPRECIATION								
At 1/1/2022	-	588,354	123,231	-	127,787	11,513	216,329	1,067,214
Charge for the Disposal	-	51,089	3,583	-	19,831	700	48,848	124,052
	-	-	-	-	-	-	-	-
At 31/12/2022	-	639,443	126,814	-	147,618	12,213	265,177	1,191,266
NET BOOK VALUE								
At 31/12/2022	-	161,070	8,217	2,685	49,389	701	63,407	285,469

GOMOA COMMUNITY BANK LIMITED

(NOTES CONT'D)

23b. PROPERTY & EQUIPMENT – 2021

	Capital WIP Progress GH¢	Office Equipment & Computers GH¢	Motor Vehicles GH¢	Land & Building GH¢	Furniture & Fittings GH¢	Generator & Water Pump GH¢	Office Renovation GH¢	Total GH¢
Cost								
At 1/1/2021	24,872	659,068	122,332	2,685	166,478	12,914	238,434	1,226,783
Additions	-	57,811	6,900	-	24,820	-	62,679	152,210
Disposal	-	-	-	-	-	-	-	-
At 31/12/2021	24,872	716,879	129,232	2,685	191,298	12,914	301,113	1,378,993
DEPRECIATION								
At 1/1/2021	-	533,962	122,331	-	109,453	10,813	174,074	950,634
Charge for the Disposal	-	54,391	900	-	18,333	700	42,255	116,580
At 31/12/2021	-	588,354	122,331	-	127,787	11,513	216,329	1,067,214
NET BOOK VALUE								
At 31/12/2021	24,872	128,524	6,000	2,685	63,510	1,401	84,784	311,778

(NOTES CONT'D)

	2022	2021
	GH¢	GH¢
23(c) INTANGIBLE ASSETS		
T24 Software License		
COST – At 1 st January	192,527	192,527
Additions during the year	-	-
Disposal	-	-
	-----	-----
At 31st December	192,527	192,527
	-----	-----
Amortization		
Balance at 1 st January	38,505	19,253
Amortized during the year	19,253	19,253
Disposal	-	-
	-----	-----
	57,758	38,505
	-----	-----
Net Book Value	134,769	154,022
	=====	=====
23(d) RIGHT-OF-USE ASSET		
Balance as at 1 st January	141,280	59,587
Payment during the year	43,500	124,800
	-----	-----
	184,780	184,387
Amortised during the year	(46,080)	(43,107)
	-----	-----
Balance as at 31st December	138,700	141,280
	=====	=====

GOMOA COMMUNITY BANK LIMITED

(NOTES CONT'D)

24. STATED CAPITAL Authorized:	2022		2021	
	<u>No. of Shares</u>	<u>Amount GH¢</u>	<u>No. of Shares</u>	<u>Amount GH¢</u>
Ordinary Shares @ 31 st December	1,000,000,000	-	1,000,000,000	-
	-----	-----	-----	-----
	1,000,000,000	-	1,000,000,000	-
	=====	=====	=====	=====
Issued for Cash Consideration:				
At January 1	100,586,122	1,263,661	100,500,922	1,250,461
Additions	60,149	18,241	85,200	13,200
	-----	-----	-----	-----
At December 31st	100,646,271	1,281,902	100,586,122	1,263,661
	-----	-----	-----	-----
18% Redeemable Preference Shares				
Issued for Cash Consideration:				
At January 1	-	11,834	-	131,834
Additions	-	-	-	-
Redeemed	-	-	-	(120,000)
	-----	-----	-----	-----
At December 31st	-	11,834	-	11,834
	-----	-----	-----	-----
Total Stated Capital	100,646,271	1,293,736	100,586,122	1,275,495
	=====	=====	=====	=====

The Gomoa Community Bank was created from the merger of three banks namely Gomoa Ajumako Rural Bank at Afransi, Gomoa Rural Bank at Apam and East Assin Rural Bank at Dominase. Afransi bank was given 30% ordinary shares in the community, Apam bank was given 45% ordinary shares in the community and the Dominase bank was given 25% ordinary shares in the community.

Capital Adequacy

	2022		2021	
	Required By BOG	Actually Achieved	Required By BOG	Actually Achieved
Capital Adequacy Ratio	10%	(14.13) %	13%	(24.79) %

(NOTES CONT'D)**25. FINANCIAL RISK MANAGEMENT****Overview**

The company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risks

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

Risk management framework

The Board of Directors have the overall responsibilities for the establishment and oversight of the Bank's risk management framework. The Risk and Compliance Manager of the Bank is responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank.

Management gains assurance in relation to the effectiveness of internal control and risk management from: summary information in relation to the management of identified risks; detailed review of the effectiveness of management of selected key risks; results of management's self-assessment process over internal control; and the independent work of the Bank's internal audit and risk management department, which ensures that management understands the Bank's key risks and risk management capability; sets standards on governance and compliance; and provides assurance over the quality of the Bank's internal control and management of key risks.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to these limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

(i) Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Bank's amount due from all investment portfolios and advances to customers.

The Bank's exposure to credit risk continue to be high as greater part of the investment portfolios amount outstanding in receivership at the end of the reporting date has still not been paid by the Security and Exchange Commission.

GOMOA COMMUNITY BANK LIMITED

(NOTES CONT'D)

(i) Credit risk (cont'd)

Receivables from Investment Portfolios and Advances to Customers

The Bank's exposure to credit risk is influenced mainly by the operational results of the investment companies and the businesses of customers to whom loans and overdraft has been granted. Management has established an investment and customer policy under which a new investment and advances granted to new customers and existing ones are assessed in line with the current operational performance of these companies and individuals to ascertain their risk levels for a possible call out of the investments and the advances. The Bank's investment and advances to individual customers are also done with predefined and selective companies and customers.

Allowances for impairment

The Bank establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of overdue investments and other advances to customers.

The main components of this allowances are all specific loss components that relates to individual significant exposures, and a collective loss allowance established for homogeneous assets in respect of losses that have been incurred but have not yet been identified. The collective loss allowance is determined based on historical data of payment for similar financial assets.

The Bank made an impairment loss provisional estimate against the current year profit and loss account as a cover for all future non-payment of any financial asset.

Exposure to credit risks

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk and non-risk at the reporting date was:

	2022	2021
	GH¢	GH¢
Fixed Deposit with Amalgamated Mutual Fund	1,309,445	1,309,445
Fixed Deposit with Blackshield Limited	1,517,832	1,517,832
Apex Certificates of Deposit (ACOD)	5,100,000	400,000
	-----	-----
Total Investment Risk Exposure	7,927,277	3,227,277
Other Assets	3,126,667	3,079,336
Loans and Advances to Customers	8,253,393	7,667,490
Equity Investment (Shares in ARB Apex Bank)	153,676	153,676
	-----	-----
Total Company Credit Risk Exposure	19,461,013	14,127,779
Total Risk-Free Investments (In Government Securities)	11,123,054	7,498,091
	-----	-----
	30,584,067	21,625,870
	=====	=====

The total balance of **GH¢11,123,054 (2021: GH¢7,498,091)** as part of the client's investment portfolio is risk free which are basically in Treasury Bills purchased from the government of Ghana.

GOMOA COMMUNITY BANK LIMITED

(NOTES CONT'D)

As indicated above, greater part of the lock up funds with some fund management companies whose licenses were revoked by the Security and Exchange Commission had still not been paid to the bank. However, management are sure of full recovery of the locked up funds due to the promise made by the president and the assurance received from the Security and Exchange Commission (See the movement below the aging analysis).

Impairment losses

The aging of Investment and account receivables at the reporting date was:

	2022			2021		
	Gross GH¢	Impairm't GH¢	Net GH¢	Gross GH¢	Impairm't GH¢	Net GH¢
Current (less than 365 days)	25,357,828	-	25,357,828	18,080,560	-	18,080,560
Impaired (Part of Loans and Fixed Deposits) (above 365 days)	3,631,194	-	3,631,193	3,545,310	-	3,545,310
	-----	-----	-----	-----	-----	-----
	28,989,022	-	28,989,022	21,625,870	-	21,625,870
	=====	=====	=====	=====	=====	=====

The movement in the allowances or balances in respect of investment under receivership in the previous year was as follows:

	2022 GH¢	2021 GH¢
Balance at 1 January	2,827,277	5,210,267
Reconciled interest	-	(23,535)
	-----	-----
	2,827,277	5,186,732
Recoveries during the year	-	(2,359,455)
	-----	-----
Balance at 31 December	2,827,277	2,827,277
	=====	=====

The Security and Exchange Commission certified and paid 50% of the indebtedness of Frontline Capital Advisors Limited amounting to **GH¢1,309,455 in the previous year** and the balance put in bonds without coupon rate. The balance of **GH¢2,660,036** owed by Blackshield Limited was certified by the Receiver of the defunct Blackshield Limited rejecting an interest amount of **GH¢92,204** in previous year. The Receiver has since paid **GH¢50,000** out of the total amount owed by Gold Coast Security. No other recovery has been made as at the reporting date.

(ii) Liquidity risk

Liquidity risk is the risk that the Bank either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access them only at excessive cost. The Bank's approach to managing liquidity risk is to ensure that it will maintain adequate liquidity to meet its liabilities when due. The following are contractual maturities of financial liabilities:

GOMOA COMMUNITY BANK LIMITED

(NOTES CONT'D)

Contractual cash flows

	Carrying Amount GH¢	Total GH¢	6 months or less GH¢	6 – 12 months GH¢	Above 1Yr GH¢
31st December 2022					
Susu Savings Scheme	5,465,933	5,465,933	5,465,933	-	-
Current Account	6,597,106	6,597,106	6,597,106	-	-
Time Deposits	4,188,982	4,188,982	4,188,982	-	-
Savings Account	19,088,040	19,088,040	19,088,040	-	-
	-----	-----	-----	----	----
Total Deposits	35,340,062	35,340,062	35,340,062	-	-
Creditors and Accruals	1,531,204	1,531,204	1,531,204	-	-
Managed Funds	569,388	569,388	569,388	-	-
Long Term Borrowing	375,000	375,000	375,000	-	-
Lease Obligation – T24 License	37,436	37,436	37,436	-	-
	-----	-----	-----	----	----
	37,853,090	37,853,090	37,853,090	-	-
	=====	=====	=====	----	----

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

Currency risk only exists on account of financial instruments being denominated in a currency that is not the functional currency and has being of a monetary nature.

In the normal course of business, all the Bank's transactions on investments and purchase of goods and services were denominated in the local currency which is the functional and reporting currency. The Bank was not exposed to any currency risk of transacting business in foreign currencies (primarily in United States Dollars) and is again not subject to transaction and translation exposure from fluctuations in foreign currency exchange rates.

Interest rate risk

Fluctuations in interest rates had effect on the value of the Bank's financial instruments as the bank's main business is to trade and invest in securities and shares which are mainly considered as interest-bearing financial instruments at variable rates.

GOMOA COMMUNITY BANK LIMITED

(NOTES CONT'D)

(iv) Operational risk

The Board of directors have the overall oversight over the bank's operations and gives direction to the management team to ensure that the bank's operational risk is adequately managed.

(v) Capital management

Capital comprises stated capital and surpluses. The primary objective of managing the Bank's capital is to ensure that there is sufficient capital available to support the funding requirements of the Bank, including capital expenditure, in a way that: Optimises the cost of capital; maximises shareholders' returns; and ensures that the bank remains in a sound financial position. Although the bank's net capital position is in deficit of **GH¢3,012,608 (2021: GH¢3,969,836)**, management have reasonable expectation that the shareholders will continue to support the bank's operations within the foreseeable future and are committed to make additional capital expenditure whilst management continue the effort of generating sufficient profit to keep the bank's liquidity position in a more secured and favourable position.

26. CAPITAL COMMITMENTS

There were no capital commitments not provided for in the Financial Statement at the reporting dates.

27. CONTINGENT LIABILITIES

There was no contingent liability not provided for in the Financial Statements at the reporting dates.

28. RELATED PARTY TRANSACTIONS**Transactions with key management personnel**

Key management personnel are those persons having authority for planning, directing and controlling the activities of the Bank and comprises the Non-Executive Directors and Senior Management Staff of Gomoa Community Bank Limited and these are considered related parties. The full list of these persons can be found on page 2 under corporate information.

a. Remuneration of Directors

	2022	2021
	GH¢	GH¢
Directors Remuneration	14,650	7,887
Board Meeting Expenses	72,365	62,977
	-----	-----
	87,015	70,864
	=====	=====

b. Remuneration of Key Management Personnel

Salaries and Other Benefits	385,594	176,319
Employers Social Security Fund Contribution	26,146	22,921
Employers Provident Fund Contribution	23,555	13,224
	-----	-----
	435,295	212,464
	=====	=====

b. Loans to Key Staff

Balance at January 1 st	204,343	213,568
Net Movement	(120,391)	(9,225)
	-----	-----
Balance at December 31st	83,952	204,343
	=====	=====

These loans were granted to the key management staff at a concessionary rate of 6% per annum.

GOMOA COMMUNITY BANK LIMITED

(NOTES CONT'D)

25. SHAREHOLDING STRUCTURE**(i) Directors Shareholding:**

The Directors named below held the following number of shares in the Bank as at 31st December 2022.

	No. of Shares	% of Issued Capital
Directors		
Mr. Benjamin Amoah	60,000	0.049
Laud Allan Ghansah	4,000	0.003
Kobina Nyamekye Eshun	20,000	0.009
John Kingsford Arthur	11,000	0.011
Albert Kwame Amenya	23,100	0.023
Perpetual Praise Annan (Mrs)	11,000	0.011
	-----	-----
TOTAL	129,100	0.956
	=====	=====

(ii) Number of Shareholders

The Bank had 3,785 ordinary shareholders as at 31st December 2022 distributed as follows:-

Holding	No. of Members	Total Holding	%Holding
1 – 1,000	913	328,096	0.33
1,001 – 5,000	427	1,142,606	1.14
5,001 – 10,000	116	962,965	0.95
Exceeding 10,000	2,401	98,212,604	97.58
	-----	-----	-----
	3,857	100,646,271	100.00
	=====	=====	=====

GOMOA COMMUNITY BANK LIMITED

(NOTES CONT'D)

(iii) List of Twenty Largest Shareholders as at 31st December 2022

	Name of Shareholder	No. of Shares	% of Issued Capital
1.	Jetline Limited	321,584	0.32
2.	Francis Alex Acquaye	210,822	0.21
3.	M D C C Head Office	201,447	0.20
4.	John Ahomka Sey	184,822	0.18
5.	Kwame Eyiah	179,547	0.18
6.	Theophilus Binney	147,108	0.15
7.	J. A King-Edu	140,075	0.14
8.	Harvey Effrim Assan	133,921	0.13
9.	James Quartey	133,918	0.13
10.	Albert Kojo Crentsil	126,775	0.13
11.	Rose E Newman	125,309	0.12
12.	Andrew Bondzie Simpson	122,450	0.12
13.	Samuel Mantey	120,247	0.12
14.	David Egyir	118,090	0.12
15.	Francis Alfred Taqndoh	118,043	0.12
16.	Oheneba Kow Richardson	112,823	0.11
17.	Daniel Dadzie Nunoo	112,823	0.11
18.	T. Kyemenu - Caiquo	110,182	0.11
19.	Samuel Adentwi Bentum	110,171	0.11
20.	Joyce Violet Jetuah	108,916	0.11
	TOTAL	2,937,276	0.92

GOMOA COMMUNITY BANK LIMITED

(NOTES CONT'D)

26. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES

	Designated At Fair Value Through P & L GH¢	Held to Maturity Inv'mt GH¢	Available for Sale Fin. Asset GH¢	Loans and Accounts Receivable GH¢	Total Amount GH¢
Financial Assets					
Loans and Advances	-	-	-	8,227,290	8,227,290
Short Term Investments	-	19,050,332	-	-	19,050,332
Cash and Cash Balances	2,824,612	-	-	-	2,824,612
Deposit Reserve	1,584,631	-	-	-	1,584,631
Equity Investments	-	-	153,676	-	153,676
Other Assets	-	-	-	3,126,667	3,126,667
Total Financial Assets	4,409,243	19,050,332	153,676	11,353,957	34,967,208
Total Non-Financial Assets					
Property, Plant & Equipment					285,469
Intangible Assets – T24 License					134,769
Right-of-Use Asset					138,700
Deferred Tax					310,493
Total Assets					35,836,639
Financial Liabilities					
Customer Deposits					35,340,062
Creditors and Accruals					1,531,204
Borrowing					375,000
Managed Funds					569,387
Dividend Payable					1,837
Short Term Lease Obligation – T24 License					37,436
Total Financial Liabilities					37,854,926
Total Non-Financial Liabilities					
Deferred Income					960,984
Taxation					33,336
Shareholders Fund					(3,012,608)
Total Liabilities and Shareholders' Fund					35,836,638

GOMOA COMMUNITY BANK LIMITED

(NOTES CONT'D)

Schedule 1

	2022	2021
	GH¢	GH¢
Board Meeting	72,365	63,977
Police Guard	45,778	30,605
Travelling and Transport	163,510	110,142
Annual General Meeting	51,320	27,458
Sundry Expenses	41,555	36,412
Office Expenses	1,221	5,106
Consultancy Fees	62,583	-
Repairs and Maintenance	62,011	82,870
Rent and Rate Amortised	44,788	35,419
Postage and Telephone	14,444	13,435
Insurance	123,448	112,342
Cleaning and Sanitation	45,550	38,840
Utilities (Water & Electricity)	116,733	107,675
Subscription and Periodicals	30,676	17,477
Field Audit Expenses	11,360	8,680
Specie Expense	44,851	37,575
Generator Expense	84,715	53,240
Entertainment	920	20,161
Printing & Stationery	94,676	80,136
Loans Recovery	7,412	8,068
Computerization Expenses	410,865	294,897
Bank Charges	12,085	16,683
Legal Expenses	9,493	300
Advert & Publicity	40,262	14,890
Motor Vehicle Running	74,380	60,631
Cashiers Shortages	4,178	1,562
Motor Vehicle Repairs & Maintenance	77,464	30,325
Business Development and Protocol	-	500
Mobilisation Expenses	98,682	105,726
Penalties	-	825
Commission – Susu Agent	10,493	12,364
Microfinance Expenses	51,539	-
	-----	-----
At December 31st	1,909,366	1,428,320
	=====	=====

GOMOA COMMUNITY BANK LIMITED

TAX COMPUTATION
YEAR OF ASSESSMENT 2022
BASIS PERIOD (1/1/22 - 31/12/22)

(1) <u>Corporate Tax</u>	2022	2021
	GH¢	GH¢
Profit before Tax	1,258,707	295,618
Add/(Less):		
Provision for Credit Losses	189,920	59,468
Depreciation	143,305	135,833
Donations	-	-
Penalties	-	825
Entertainment	920	20,161
	-----	-----
Assessable Income	1,592,852	511,905
Less: Capital Allowances	(126,545)	(117,274)
	-----	-----
Total Chargeable Income	1,466,307	394,632
Less Tax Loss Utilised	(1,312,865)	(394,632)
	-----	-----
	153,442	-
	=====	=====
Tax @ 25%	38,361	Nil
	=====	=====

Summary of Accumulated Losses Utilised

	Total	Amount	Loss to be
	Loss	Utilised/Expired	Carried Forward
	1/1/2022	during the year	31/12/2022
	GH¢	GH¢	GH¢
1. Loss brought forward from 2019 (Expired 2022)	1,280,103	(1,280,103)	-
2. Loss brought forward from 2020 (Expired 2023)	32,762	(32,762)	-
	-----	-----	-----
Total Losses	1,312,865	(1,312,865)	-
	=====	=====	=====

GOMOA COMMUNITY BANK LIMITED

CAPITAL ALLOWANCE COMPUTATION
YEAR OF ASSESSMENT 2022
BASIS PERIOD (1/1/20-31/12/22)

2022

	Depreciation Allow. Rate	WDV 1/1/22 GH¢	Additions GH¢	Total GH¢	Depreciation Allowance GH¢	WDV 31/12/22 GH¢
POOL OF ASSET						
Pool 1 Computers	40%	84,848	83,634	168,481	67,392	101,089
Pool 2 Motor Vehicles	30%	7,660	5,800	13,460	4,038	9,422
Pool 4 Fixture /Equip't	20%	74,264	5,710	79,974	15,994	63,979
Pool 5 Building (On Cost)	10%	49,940	-	49,940	6,242	43,697
Pool 5 Building Renovation	10%	56,989	-	56,988	7,123	49,864
Pool 5 Building Renovation	10%	56,412	-	56,412	6,268	50,144
Pool 5 Building Renovation	10%	-	2,600	2,600	260	52,340
Pool 5 Intangible Assets	10%	153,802	-	153,802	19,225	134,577
		-----	-----	-----	-----	-----
TOTAL		483,915	97,744	581,659	126,545	455,114
		=====	=====	=====	=====	=====

2021

	Depreciation Allow. Rate	WDV 1/1/21 GH¢	Additions GH¢	Total GH¢	Depreciation Allowance GH¢	WDV 31/12/21 GH¢
POOL OF ASSET						
Pool 1 Computers	40%	83,602	57,811	141,413	55,734	84,848
Pool 2 Motor Vehicles	30%	4,044	6,900	10,944	1,733	7,660
Pool 4 Fixture /Equip't	20%	68,010	24,820	92,830	17,003	74,264
Pool 5 Building (On cost)	10%	56,183	-	56,183	6,243	49,940
Pool 5 Building	10%	64,112	-	64,112	7,124	56,988
Pool 5 Building Renovation	10%	-	62,680	62,680	6,268	56,412
Pool 5 Intangible Assets	10%	173,028	-	192,253	19,225	153,802
		-----	-----	-----	-----	-----
TOTAL		448,979	152,211	601,189	117,274	483,915
		=====	=====	=====	=====	=====

Appendix 1

	2022	2021
<u>Office Account Details</u>	GH¢	GH¢
Sundry Debtors	4,555	5,336
New Susu Suspense	18,478	18,449
Land Suspense	3,988	3,988
Migration Difference	6,948	-
Defalcation Suspense	138,329	67,717
Leap Expenses	12,456	-
Micro Finance Insurance Suspense	-	1,211
Stationery Suspense	2,015	2,174
CAP Loan Suspense	198	198
Deferred Payment WTD Consult	81,244	44,637
Covid-19 Loan Suspense	378,331	389,750
GOCB Staff Clothing (Friday Wear)	9,157	10,017
Current Account Suspense	4,507	4,507
NBSSI Cap suspense account	63,574	65,551
Deferred Income Commitment Fees	-	700
	-----	-----
	723,783	613,025
	=====	=====