

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

Opinion

We have audited the financial statements of Gomoa Community Bank Ltd (the Company), which comprise the statement of financial position as at December 31, 2023 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes as set out on pages 21 to 68. In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Company as at December 31, 2023, and (of) its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by The Companies Act, 2019, (Act 992) and any other relevant local legislation.

Basis for Opinion

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

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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors as required by the Companies Act, 2019 (Act 992), Corporate Information and Supplementary Information but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read 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.

Responsibilities of The Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and in the manner required by The Companies Act, 2019, (Act 992) and any other relevant local legislation, and for such internal control as The Board of Directors determine is necessary to enable the preparation of financial statements that are

free from material misstatement, whether due to fraud or error. In preparing the financial statements, The Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless The Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process. responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken 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 circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by The Board of Directors.
- Conclude on the appropriateness of The Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide The Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with The Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication".

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992)

The Companies Act, 2019 (Act 992) requires that in carrying out our audit work we consider and report on the following matters.


We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit. We confirm that:

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

The Company has kept proper books of account, so far as it appears from our examination of those books. The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns. The Banks and Specialised Deposit-Taking Institutions Act, Act 2016 (Act 930) requires that we state certain matters in our report.

We hereby state that:

- I. the accounts give a true and fair view of the state of affairs of the Company and their results for the year under review;
- II. we were able to obtain all the information and explanations required for the efficient performance of our duties as auditors;
- III. the Company transactions were within its powers; and
- IV. the Company has generally complied with the provisions in the Banks and Specialised Deposit-Taking Institutions Act, Act 2016 (Act 930).
- V. We are independent of the Company under audit pursuant to Section 143 of the Companies Act, 2019 (Act 992).
- VI. The engagement partner on the audit resulting in this independent auditor's report is [Arnold Okai].


Signed by: **Arnold Teteh Okai (ICAG/P/1077)**
For and on Behalf of:
Iako CONSULT (ICAG/F/2024/003)
CHARTERED ACCOUNTANTS
32 Samora Machel Road, Asylum Down
P. O. Box TN 617, Accra

ARNOLD OKAI
Senior Partner
Iako Consult
Chartered Account. & Regt. Consultants

11/06/24

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023 GH¢	2022 GH¢
Interest Income	4	9,264,985	5,827,310
Interest Expense	5	(1,177,831)	(880,961)
Net Interest Income		8,087,154	4,946,349
Fees and Commission Income	6	1,012,488	994,470
Fees and Commission Expense	7	(107,435)	(10,493)
Net Fees and Commission Interest		905,053	983,977
Other Operating Income	8	613,201	174,748
Total Operating Profit		9,605,408	6,105,074
Impairment Loss "Loans & Advances to Customers"	9	(271,245)	(189,920)
Personnel Expenses	10	(3,289,669)	(2,527,808)
Depreciation & Amortization	13c	(229,440)	(189,385)
Other Expenses	11a	(3,197,393)	(1,939,254)
Total Operating Expenses		(6,987,747)	(4,846,367)
Profit/(Loss) Before Taxation		2,617,661	1,258,707
Tax Expenses	14a	(996,618)	(319,720)
Profit/(Loss) after Taxation		1,621,043	938,987

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	2023 GH¢	2022 GH¢
Assets			
Current Assets			
Cash & Cash Equivalent	15a	4,757,282	4,409,243
Loans and Advance	19a	11,277,704	8,227,290
Financial Investment	16a	31,597,777	19,050,331
Equity Investment	17	184,926	153,676
Deferred Tax	14d	190,725	310,493
Other Asset	18	2,650,399	3,126,666
		50,658,813	35,277,699
Non-Current Assets			
Plant, Properties & Equipment	13a&b	414,293	285,471
Intangible Assets	12	115,516	134,769
Right of use Assets	13d	117,820	138,700
		647,629	558,940
Total Assets		51,306,442	35,836,639
Liabilities			
Customer Deposits	20	46,003,874	35,340,062
Borrowings	23	-	375,000
Dividend Payable	21	-	1,837
Deferred Income	22	2,378,421	960,984
Corporate Tax Liability	14b	618,940	33,336
Other Liabilities	24	3,036,096	2,138,028
Total Liabilities		52,037,331	38,849,247
Equity			
Stated Capital	25	1,323,261	1,293,736
Retained Earnings		(3,890,319)	(4,775,838)
Statutory Reserve		1,280,015	469,494
Credit Risk Reserve		556,154	-
Shareholder's Funds		(730,889)	(3,012,608)
Total Equity and Liabilities		51,306,442	35,836,639

The Board of Directors approved these financial statements on

11/06/24


DIRECTOR


DIRECTOR

The accompanying notes on pages 21 to 68 form part of these financial statements and should be read in conjunction therewith.

STATEMENT OF CASHFLOW
AS AT 31 DECEMBER 2023

	Notes	2023 GH¢	2022 GH¢
OPERATING ACTIVITIES			
Profit before tax		2,617,661	1,258,707
Adjustments for:			
Depreciation & Amortization	13a&b	168,907	124,052
Amortization	12	19,253	19,253
Depreciation - Right-of-Use Asset	13d	41,280	46,080
Cash inflow before changes in operating assets and liabilities		2,847,101	1,448,092
Changes in Operating Assets			
(Increase)/Decrease in Loans & Advances	19a	(3,050,414)	(559,801)
Financial investment	16a	(12,547,446)	(8,324,963)
(Increase)/Decrease in Deferred Tax Asset	14d	119,768	281,360
(Increase)/Decrease in Tax Asset	14b	-	5,989
(Increase)/Decrease in Other Assets	18	476,267	(47,330)
Changes in Operating Liabilities			
Increase/(Decrease) in Customer Deposits	20	10,663,812	7,950,363
Increase/(Decrease) in Borrowings	23	(375,000)	-
Increase/(Decrease) in Dividend Payable	21	(1,837)	-
Increase/(Decrease) in Deferred Income	22	1,417,437	45,225
Increase/(Decrease) in Tax Liabilities	14b	585,604	33,336
Increase/(Decrease) in Other Liabilities	24	898,068	(483,509)
Cash generated from operating activities		1,033,360	348,761
Tax Expense		(996,618)	(319,720)
Net cash generated from operating activities		36,742	29,041
INVESTING ACTIVITIES			
Purchase of PPE	13a&b	(297,729)	(97,744)
Addition to Right-of-Use Asset	13d	(20,400)	(43,500)
Investment in shares	17	(31,250)	-
Net cash from investing activities		(349,379)	(141,244)
FINANCING ACTIVITIES			
Proceeds from Issue of shares	25	41,359	18,241
Redemption of Preference Shares	25	(11,834)	-
Adjustment-Prior year		631,151	-
Net cash used in financing activities		660,676	18,241
Net increase (decrease) in cash and cash equivalent		348,039	(93,962)
Cash and cash equivalents at beginning of year		4,409,243	4,503,205
Cash and cash equivalents at end of year		4,757,282	4,409,243

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2023

	Stated Capital	Retained Earnings	Statutory Reserve	Credit Risk Reserve	Total
	GH¢	GH¢	GH¢	GH¢	GH¢
Balance as at 1 January	1,293,736	(4,775,838)	469,494	-	(3,012,608)
Profit/(Loss) for the period	-	1,621,043	-	-	1,621,043
Addition to Stated Capital (Equity)	41,359	-	-	-	41,359
Transfer to/ (from) Credit Risk Reserve	-	(556,154)	-	556,154	-
Transfer to Statutory Reserve	-	(810,521)	810,521	-	-
Redemption (Preference Shares)	(11,834)	-	-	-	(11,834)
Prior Year Adjustment	-	631,151	-	-	631,151
Balance as at 31 December	1,323,261	(3,890,319)	1,280,015	556,154	(730,889)

NB:

Adjustment represents unpassed 2022 Corporate Tax Liability of GH¢38,361.00, wrong classification of over provision for depreciation-GH¢3,956.42, over provision of impairment of GH¢663,718.92 and dividend payable of GH¢1,836.77 written off.

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

	Stated Capital	Retained Earnings	Statutory Reserve	Total
	GH¢	GH¢	GH¢	GH¢
Balance as at 1 January	1,275,495	(5,245,331)	-	(3,969,836)
Profit/(Loss) for the period	-	938,987	-	938,987
Addition to Stated Capital (Equity)	18,241	-	-	18,241
Transfer to Statutory Reserve	-	(469,494)	469,494	-
Balance as at 31 December	1,293,736	(4,775,838)	469,494	(3,012,608)