

## REPORT OF DIRECTORS

The Directors submit their report together with the audited financial statements of the company for the year ended 31 December 2022.

### **Statement of directors' responsibilities:**

The Companies Act, 2019 (Act 992) requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company as at the end of the financial year and the statement of income and expenditure, statement of changes in equity and statement of cash flows of the company for the year.

The Directors considered that in preparing the financial statements, they have used appropriate accounting policies, supported by reasonable and prudent judgments and estimates that are in line with International Financial Reporting Standards and complied with Companies Act, 2019 (Act 992). The Directors are responsible for ensuring that the company keeps accounting records, which disclose reasonable accuracy of the financial position of the company.

They are also responsible for taking such steps, which are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The Directors are responsible for ensuring that the company complies with the laws and regulations applicable to its activities and for establishing arrangements designed to prevent any non-compliance with laws and regulations and to detect any non-compliance that may occur.

### **Nature of business :**

The company is authorized to carry on the business of rural and community banking in Ghana.

### **Financial results :**

The financial results of the company are set out below:

	<b>2022 (GHC)</b>	<b>2021 (GHC)</b>
Profit/(Loss) for the year ended 31 December is	2,408,616	(2,147,246)
From which is (deducted)/added tax of	(64,212)	(205,421)
Giving a profit/ (loss) after tax for the year of	2,344,404	(2,352,667)
Retained earnings as at 31 December	(2,129,070)	(3,368,364)
Transfer to statutory reserve	1,172,202	588,661

In accordance with Section 34(1) (b) of the Banks and Specialized Deposit - Taking Institutions Act, 2016 (Act 930) an amount of GHC 1,172,202 was transferred to the statutory reserve

fund from profit for the year, leaving the cumulative balance on the statutory reserve fund at GHC 1,760,863 at the year end.

**Authorized and issued share capital :**

During the current financial year 91,450 shares were issued and paid for.

**Dividends :**

The Directors did not propose dividends to shareholders this year.

**Related companies :**

Dangme Rural Bank Limited has no related companies to disclose.

**Directors' capacity building:**

The Directors of Dangme Rural Bank Limited have some relevant experience in banking, finance and fund management. As part of discharging their duties, the Directors had training on Corporate Governance, the Labour Act, 2003 (Act 651), Credit and Risk Management, Interpretation of Financial Statements and Cashflow Analysis. The Bank ensures that only fit and proper persons are appointed to the board after obtaining the necessary approval from the regulator, Bank of Ghana.

**Changes in Directors :**

The names of the directors who served during the year are provided on page 1. One Director, Hon. Nii Dortey Abotsi III (Vice Chairman) retired and was replaced by Patience Odonkor, who was elected at the last AGM in December 2022. She is yet to be approved by BOG. No director had any interest at anytime during the year, in any contract of significance, other than a service contract with the Bank. All directors have shares in the Bank.

**Corporate social responsibility:**

The Bank undertook corporate social responsibility activities during the year under review including a donation of an air conditioner worth GHC 2,450 for Ashaiman drivers co-operative. The Bank also provided support towards the funeral of the late Tema Mantse -Nii Adjei Kraku I with GHC 5,000. An amount of GHC 6,816 was donated to the traditional council. Finally, GHC 1,050 was used in sponsoring the Ghana National Association of Garment Makers.

**Auditors :**

The auditor, R—Alliance Consults, have indicated their willingness, to continue in office pursuant to Section 139 (5) of the Companies Act, 2019 (Act 992).

**Audit Fees:**

The amount payable by way of audit fees is GHC 63,663 inclusive of the applicable VAT/NHIL/COVID Levy and GETFL.

**Going Concern:**

The Board confirms that it is satisfied that the Company has adequate resources to continue in business for the foreseeable future. For this reason, it continues to adopt the going concern basis when preparing the financial statements.

**Related Party Transactions:**

Information regarding key management and directors' interests in the Bank are disclosed in the notes to the financial statements.

**Certification of compliance with Risk Management Guidelines for RCBs 2021 :**

In compliance with the Risk Management Guidelines for RCBs 2021, the Board of Directors of Dangme Rural Bank Limited hereby declares that to the best of its knowledge and having made appropriate enquires in all material respects:

- I. The Bank has put in place systems for ensuring compliance with all prudential
- II. The system and resources that are in place for identifying, measuring, evaluating, controlling, mitigating, and reporting material risk, and the Risk Management Framework itself are appropriate to the Bank and are commensurate with the size, business mix and complexity of the Bank.
- III. The Risk and internal control systems in place are operating effectively and are adequate.
- IV. The Bank has a Risk Management Strategy that complies with the Bank of Ghana Risk Management Directive 2021, and the Bank has complied with the requirements describe in its Risk Management Strategy, and the Bank is satisfied with the effectiveness of its processes and management information systems.


**Acknowledgement :**

The Board of Directors hereby expresses its sincere appreciation for the support, loyalty and dedicated service of the staff, Management, and all stakeholders of the Company over the past year.

Finally, our sincere thanks to our cherished customers for the steadfast loyalty and confidence in our Bank and our business.

**By order of the Board**

Director:   
Nene Affum Kaafra III

Director:   
Ebenezer T. Addico

**Date: 27th APRIL 2023**