



MANYA KROBO RURAL BANK PLC

REPORT OF THE BOARD OF DIRECTORS

Directors' Report

In accordance with the requirements of section 136 of the Companies Act, 2019 (Act 992), we the Board of Directors of Manya Krobo Rural Bank Plc submit our report together with the audited financial statements of the Bank for the year ended 31 December 2024.

Principal activity

The Bank is licensed to carry out the business of rural banking in Ghana under the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). There were no change in the nature of the Bank's business during the year.

Financial results

The financial results of the Bank for the year ended 31 December 2024 are set out in the financial statements, highlights of which are as follows:

	2024	2023
Profit for the year	4,038,167	2,814,276
To which is added the balance brought forward on retained earnings	4,495,065	3,160,190
	8,533,232	5,974,466
Out of which is transferred:		
Statutory reserves	(1,009,542)	(703,569)
Regulatory credit risk reserve	95,313	153,984
Bonus shares	(1,316,554)	-
Dividend declared	(708,180)	(929,815)
Leaving a balance to be carried forward on retained earnings of	5,594,269	4,495,065

Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Events after reporting date

The Directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the Bank.

Directors' interest in contracts

To our knowledge, none of the Directors had any interest in contracts and proposed contracts with the Bank during the year under review, hence there were no entries recorded in the Interests Register as required by 194(6), 195(1)(a) and 196 of the Companies Act, 2019 (Act 992).

Conflict of interest

In accordance with its governance structure, the Bank has established appropriate procedures to address actual or potential conflict on account of any Director or Senior Management and these are regularly reviewed for compliance. Any identified conflict which has been taken through the full process of the Bank is recorded in a special conflict of interest register for purposes of disclosure. During the year, no such conflicts arose, and no such authorisation was sought.

Authorised and issued share capital

During the current financial year, the total number of ordinary shares issued was 1,993,077 (GHS425,087) (2023: Ordinary shares issued 321,830 (GHS63,452)). These are regularised at the Registrar of Companies and approved by Bank of Ghana.

Borrowing limitations

In terms of the Regulations of the Bank, the Directors may exercise all the powers of the bank to borrow money, as they consider appropriate.

Dividend

Dividend of GHS708,180 was declared and approval by Bank of Ghana for the year 2023.

Appointment, retirement and re-election of Board Members

There were no changes during the year.

Secretary

The bank's designated secretary is Ignatius Kutu Acheampong & Associates.

Capacity of directors

Relevant training and capacity building programmes are put in place to enable the Directors to discharge their duties. During the year the Directors undertook training as detailed in the Statement of Corporate Governance.

Independent Auditors and audit fees

In accordance with Section 139 (5) of the Companies Act, 2019 (Act 992) the auditors, Intellisys (Chartered Accountants), were the independent auditors for the year under review. The audit fee payable for the year ended 2024 is GHS70,000 (2023: GHS90,000) (exclusive of taxes).

Approval of financial statements

The annual financial statements as set out in this publication were approved by the Board of Directors and signed on their behalf by:

Mr. Patrick Amanor Buckor
Date: 28th April, 2025

Mr. Emmanuel Osei Ofosu
Date: 28th April, 2025

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF MANYA KROBO RURAL BANK PLC

Our Opinion

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board. It also complies with the requirements prescribed by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The summary financial statements

The summary financial statements derived from the audited financial statements for the year ended 31 December 2024 comprise:

- the summary statements of financial position as at 31 December 2024;
- the summary statements of profit or loss and other comprehensive income for the year then ended;
- the summary statements of cash flows for the year then ended;
- the summary statements of changes in equity for the year then ended, and
- the related notes to the summary financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards and the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-taking Institutions Act, 2016 (Act 930).

Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the full audited financial statements and the auditor's report thereon. The audited financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report. That report also include the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited financial statements of the current period.

Directors' responsibility for the summary financial statements

The Directors are responsible for the preparation of the summary financial statements on the basis described in the notes.

Auditor's responsibility


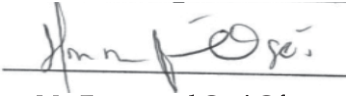
Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

The engagement partner on the audit resulting in this independent auditor's report is Eunice Korley (ICAG/P/1777).

Intellisys (ICAG/F/2025/078)
No. 15 Lardzeh Crescent
North Dzorwulu
P. O. Box KN 4169

30th April, 2025

MANYA KROBO RURAL BANK PLC			
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
FOR THE YEAR ENDED 31ST DECEMBER, 2024			
	Note	2024 GH¢	2023 GH¢
Interest income	6	46,494,465	32,971,520
Interest expense	7	(10,396,526)	(6,956,712)
Net interest income		36,097,939	26,014,808
Fees and commission income	8	5,113,160	2,744,308
Other operating income	9	128,168	368,387
Operating income		41,339,267	29,127,503
Net impairment loss on financial assets	10	(1,737,859)	(265,640)
Personnel expenses	11	(17,128,447)	(13,040,005)
Depreciation and amortization	12	(1,376,607)	(1,156,991)
Other operating expenses	13	(14,554,486)	(10,655,674)
Profit before income tax		6,541,868	4,009,193
Growth and sustainability levy	14 (c)	(327,093)	(100,230)
Income tax expense	14 (a+b)	(2,176,608)	(1,094,686)
Profit for the period		4,038,168	2,814,276
Other comprehensive income		-	-
Total comprehensive income for the year		4,038,168	2,814,276
Earnings per ordinary share			
Basic earnings per ordinary share (in pesewas)	15	0.11	0.08
Diluted earnings per ordinary share (in pesewas)	15	0.11	0.08

MANYA KROBO RURAL BANK PLC			
STATEMENT OF FINANCIAL POSITION			
AS AT 31ST DECEMBER, 2024			
	Note	2024 GH¢	2023 GH¢
Assets			
Cash and cash equivalents	16	30,713,096	16,125,138
Short-term investments	17	101,327,293	63,760,319
Equity investments	18	195,916	179,245
Investment securities	19	44,910,136	43,707,849
Loans and advances to customers	20	72,606,482	41,676,364
Other assets	21	3,117,268	1,950,566
Property, plant and equipment	22	8,538,971	6,522,372
Right-of-use assets	23	1,558,658	1,874,289
Total Assets		262,967,820	175,796,142
Liabilities			
Deposits from customers	24	227,027,321	150,654,502
Managed funds	25	5,406	36,604
Dividend payable	26	587,087	793,265
Borrowings	27	3,255,748	100,039
Current tax	28a	449,828	294,187
Growth and sustainability levy	28b	327,093	100,230
Deferred tax	29	560,116	539,284
Other liabilities	30	12,006,948	8,183,132
Total Liabilities		244,219,547	160,701,243
Equity			
Stated capital	31	5,461,401	5,036,314
Deposit for shares	32	1,326,530	111,677
Statutory reserve	33	5,729,099	4,719,557
Capital reserve		570,611	570,611
Regulatory credit risk reserve	34	66,362	161,675
Retained earnings		5,594,270	4,495,065
Total Equity		18,748,273	15,094,899
Total Liabilities & Equity		262,967,820	175,796,142
By order of the board:			
			
Mr. Patrick Amanor Buckor (Board Chairman)		Mr. Emmanuel Osei Ofosu (Board Member)	
28th April, 2025 Date		28th April, 2025 Date	

MANYA KROBO RURAL BANK PLC		
STATEMENT OF CASH FLOWS		
FOR THE YEAR ENDED 31ST DECEMBER, 2024		
	2024 GH¢	2023 GH¢
Cash flows from operations		
Profit before tax	6,541,868	4,009,193
Adjustments to reconcile profit		
Adjustments for increase in loans and advances	(30,930,118)	(11,616,586)
Adjustment for increase in other assets	(1,166,701)	(1,464,533)
Adjustment for increase in customer deposits	78,037,803	34,559,424
Adjustment for increase in other liabilities	32 2,446,324	3,300,172
Adjustment for depreciation and amortization expense	1,376,607	1,156,991
Adjustments for decrease in manged funds	(31,198)	(156,701)
Adjustments for impairment losses recognised in profit or loss	1,737,859	265,640
Bad debt write-off	132,140	955,973
Prior year adjustment	-	245,266
Tax adjustment	-	(4,763)
Total adjustments to reconcile profit	51,602,716	27,240,883
Net cash flows from operations	58,144,584	31,250,076
Dividend paid	(914,351)	(488,230)
Income taxes paid	(2,100,365)	(950,862)
	(3,014,716)	(1,439,092)
Net cash used in operating activities	55,129,868	29,810,984
Cash flows from investing activities		
Transfer from other assets to property, plant and equipment	(690,571)	-
Purchase of property, plant and equipment	(2,322,604)	(1,684,409)
Additions to Right-of-Use assets	(64,400)	(1,716,612)
Proceeds from sale of non-current assets	(14,350)	(1,770)
Net changes in equity investments	(16,671)	(57,540)
Capitalisation of DDEP bond coupons	(1,202,287)	(418,348)
Purchase of other financial assets	(41,026,676)	(23,126,760)
Net cash used in investing activities	(45,337,559)	(27,005,439)
Cash flows from financing activities		
Proceeds from issue of shares	425,087	63,452
Movement in borrowings	3,155,709	40,795
Change in deposit for shares	1,214,853	108,928
Net cash flows from financing activities	4,795,649	213,265
Net increase in cash and cash equivalents	14,587,958	3,018,809
Cash and cashequivalents at the end of the year	16,125,138	13,106,329
Cash and cashequivalents at the beginning of the year	30,713,096	16,125,138

MANYA KROBO RURAL BANK PLC							
STATEMENT OF CHANGES IN EQUITY							
FOR THE YEAR ENDED 31ST DECEMBER, 2024							
2024	STATED CAPITAL GH¢	STATUTORY RESERVE GH¢	CAPITAL RESERVE GH¢	DEPOSIT FOR SHARES GH¢	CREDIT RISK RESERVE GH¢	RETAINED EARNINGS GH¢	TOTAL GH¢
Balance at 1 January 2024	5,036,314	4,719,557	570,611	111,677	161,675	4,495,065	15,094,899
Total comprehensive income for the	-	-	-	-	-	4,038,168	4,038,168
Additional shares issued	425,087	-	-	-	-	-	425,087
Dividend declared	-	-	-	-	-	(708,180)	(708,180)
Deposits for shares	-	-	-	1,214,853	-	(1,316,554)	(101,701)
Regulatory credit risk reserve	-	-	-	-	(95,313)	95,313	-
Transfer to statutory reserve		1,009,542	-	-	-	(1,009,542)	-
Balance at 31 December 2024	5,461,401	5,729,099	570,611	1,326,530	66,362	5,594,270	18,748,273
2023							
Balance at 1 January 2023 as restated	4,972,862	4,015,988	570,611	2,749	315,659	3,405,456	13,283,325
Increase (decrease) due to corrections of	-	-	-	-	-	(245,266)	(245,266)
Balance at 1 January 2023 as restated	4,972,862	4,015,988	570,611	2,749	315,659	3,160,190	13,038,059
Total comprehensive income for the year	-	-	-	-	-	2,814,276	2,814,276
Additional shares issued	63,452	-	-	-	-	-	63,452
Dividend declared	-	-	-	-	-	(929,816)	(929,816)
Deposits for shares	-	-	-	108,928	-	-	108,928
Regulatory credit risk reserve	-	-	-	-	(153,984)	153,984	-
Transfer to statutory reserve	-	703,569	-	-	-	(703,569)	-
Balance at 31 December 2023	5,036,314	4,719,557	570,611	111,677	161,675	4,495,065	15,094,899