

32nd

ANNUAL
GENERAL

Meeting

NZEMA MANLE
RURAL BANK LTD.



**ANNUAL REPORT
2013**

NZEMA MANLE RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2013

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NZEMA MANLE RURAL BANK LTD
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the next Annual General Meeting of the Shareholders of the NZEMA MANLE RURAL BANK LIMITED will be held at the Bonzo Kaku Senior High School, Assembly Hall, Awiebo on Saturday, 20th September, 2014 at 10:00 am precisely.

AGENDA

1. To read the Notice Convening the Meeting.
2. To receive the Chairman's Report.
3. To receive and consider the accounts of the bank for the year ended 31st December, 2013 together with the reports of the Directors and the Auditors thereon.
4. To authorize the Directors to fix the Remuneration of the Auditors.
5. To elect Directors in place of those retiring. In accordance with the Regulations of the Bank, a prospective director should be a shareholder and must have at least 20,000 shares and academic/ professional qualification or business experience in the following fields; Banking, Accounting, Law and Economics, subject to favourable vetting report on the applicant by Bank of Ghana.
6. To fix the remuneration of Directors.
7. To pass a resolution to transfer GH¢ 181,223.00 from Income Surplus to Stated Capital.
8. Any other matters.

DATED THIS 29TH DAY OF
JULY, 2014
BY ORDER OF THE BOARD
THOMAS QUAYSON
SECRETARY

Every member is entitled to attend and vote at the meeting or to appoint a proxy to attend and vote instead. Such proxy need not be a member of the bank.

Copies of the Directors Report and the Accounts are available for collection at the Bank's Head Office and Branches.

AN ADVERTISEMENT/ ANNOUNCEMENT IN THE PRINT/ ELECTRONIC MEDIA SERVES AS NOTICE TO ALL SHAREHOLDERS TO ATTEND THE MEETING.

NZEMA MANLE RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2013

BASIC INFORMATION

DIRECTORS

CHAIRMAN:	EMMANUEL YANKSON KWOFIE
VICE CHAIRMAN:	NYANZU YELEBOE AKAINYAH
MEMBER:	MARTIN BOSSORBEDJIE YANKEY
MEMBER:	DANIEL BLAY AFFUL (RESIGNED ON 7th SEPTEMBER, 2013)
MEMBER:	JUSTICE HENRY ANTHONY KWOFIE
MEMBER:	WISDOM QUAIKU
MEMBER:	THOMAS KODJOE TANDOH
MEMBER:	CHARLES GODFRED ACKAH (Dr) (APPOINTED 1st FEBRUARY, 2013)

SECRETARY THOMAS QUAYSON

SUPERVISING MANAGER: THOMAS QUAYSON

AUDITORS: ASAMOA BONSU & CO.
 CHARTERED ACCOUNTANTS
 P. O. BOX KS-7909, KUMASI

CLEARING BANKS: ARB APEX BANK LTD
 TAKORADI
 WESTERN REGION

REGISTERED OFFICE: NZEMA MANLE RURAL BANK BUILDING
 AIYINASI OFFICE
 AIYINASI, ELLEMBELLE DISTRICT
 WESTERN REGION

HEAD OFFICE: THE BANK PREMISES
 Nr. CENTRAL MARKET,
 P. O. BOX 43,
 AIYINASI, WR

AGENCIES:	AWIEBO	ELLEMBELE
	AXIM	ELLEMBELE
	ASASETRE	ELLEMBELE
	AIYINASI	ELLEMBELE
	ELUBO	JOMORO
	JEMA	AOWIN-SUAMAN
	BOINSO	AOWIN-SUAMAN

SHAREHOLDINGS	<u>AUTHORISED</u>	<u>ISSUED</u>	(GH ¢)
Preference	125,000	125,000	12.50
Ordinary	500,000,000	3,624,455	276,117

NZEMA MANLE RURAL BANK LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2013

DIRECTORS' REPORT TO THE MEMBERS

The Directors present herewith the Audited Financial Statements of Nzema Manle Rural Bank Limited for the year ended 31st December, 2013 and report thereon as follows:-

a) The Board acknowledges its duty to:

- i) Maintain proper Books of Account and
- ii) Prepare Financial Statements which comply with the Companies' Code 1963 (Act 179) and the Banking Law 2004 (Act 673) as amended by Banking (Amendment) Act 738, 2007 which give a true and fair view of the state of affairs and the operational results for the year.

b) The Board confirms that the Financial Statements and Notes (1-32) are in agreement with the Books and Records for the year.

c) The Statement of Financial Position and this Report have been signed by two Directors indicating the Board's approval of such Statement of Financial Position and annexed Financial Statements.

	2013 (GH¢)	2012 (GH¢)
d) The balance brought forward on Income Surplus Account at the beginning of the year was	507,914	246,014
To which has been added Profit for the year after charging all expenses including Depreciation and Taxation of	544,981	440,035
	<u>1,052,894</u>	<u>686,048</u>
From which has been deducted the following Transfers		
Dividend	(61,174)	(48,126)
Statutory Reserve	(136,245)	(110,009)
Building Fund	-	(20,000)
Credit Risk Reserve	-	-
	<u>(197,419)</u>	<u>(178,135)</u>
Leaving a favourable balance on Income Surplus Account Carried Forward of	<u>855,475</u>	<u>507,914</u>

The Directors propose a Rights Issue of GH¢0.05 per share in respect of 2013 totalling GH¢181,223: (2012: Dividend declared of GH¢0.017 per share per share totalling GH¢61,174).

CHAIRMAN

EMMANUEL YANKSON KWOFIE

AIYINASI

28th March 2014

DIRECTOR

NYANZU YELEBOE AKAINYAH

NZEMA MANLE RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2013

AUDITORS' REPORT TO THE MEMBERS

We have audited the Financial Statements comprising of Statements of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows and the Statement of Changes in Equity on pages 6-9 and Notes 1-24 which include summary of significant accounting policies and explanatory notes as set out pages 10-23.

Respective responsibilities of Directors and Auditors

As described on page 3, the Directors are responsible for the preparation of Financial Statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Internationally accepted Auditing Standards. Those Standards require that we comply with ethical standards and plan to perform our audit to obtain reasonable assurance as to whether the Financial Statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgement, including an assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the Financial Statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the Financial Statements.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Financial Statements show a true and fair view of the Financial Position of Nzema Manle Rural Bank Limited as of 31st December, 2013, and of their Financial Performance and Cashflows for the year then ended are in accordance with International Financial Reporting Standards and Companies Code, 1963 (Act 179) and the Banking Act 2004 (Act 673) as amended.

Report on Other Legal and Regulatory Requirements

We are required by the Companies' Code to confirm and we confirm that

- 1 Proper books of account have been kept by the Company as appears from the examination of those books.
- 2 We have obtained all information and explanations which we considered necessary for the performance of the audit.

NZEMA MANLE RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2013

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The Statement of Financial Position and Income Statement are in agreement with the the books of account.

We also confirm that, in the case of the Banking Act, 2004, as amended

- i We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii In our opinion proper books of account have been kept by the Bank, so far as appears from our examination of those books, and
- iii. The Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flow and Income Surplus Accounts of the company are in agreement with the books of account.
- iv. The Bank's transactions are within its powers.
- v. The Bank has generally complied with the provisions of the Banking Act, 2004, (673) as amended.

Osei yaw Asamoah
 osei yaw asamoah (ICAG/F/1192)

asamoah bonsu & Co
 asamoah bonsu & Co. (ICAG/P/0086)
 chartered accountants
 P. O. Box AN-7751

ACCRA

MAREK 28
2014

NZEMA MANLE RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2013

STATEMENT OF COMPREHENSIVE INCOME

	<u>NOTES</u>	2013 (GH ¢)	2012 (GH ¢)
Interest Earnings	22	2,365,505	1,878,412
Interest and Other Expenses	23	(389,893)	(257,745)
Net Interest Earnings		1,975,612	1,620,667
Commission and Fees	24	509,416	463,101
Other Earnings	25	98,100	123,945
NET REVENUE		2,583,128	2,207,713
Operating Expenses	27	(1,910,949)	(1,577,355)
Profit Before Impairment Charges		672,178 (79,808)	630,358 (150,828)
Taxation	21	592,370 (47,390)	479,530 (39,496)
NET PROFIT BEFORE OTHER COMPREHENSIVE INCOME		544,981	440,035
ADD OTHER COMPREHENSIVE INCOME			
Fair Valuation of Shares in ARB Apex Bank		-	-
TOTAL COMPREHENSIVE INCOME		544,981	440,035

NZEMA MANLE RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
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STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>	<u>NOTES</u>	2013 (GH ¢)	2012 (GH ¢)
Cash Balance	29	1,047,666	982,936
Balance with other Banks	14	695,676	1,141,861
Investments in other Securities	7	4,890,191	3,951,063
Loans and Advances	8	4,322,100	4,177,245
Investment - Others	12	61,404	61,404
Taxation	21	12,683	-
Other Assets Account	15	652,289	224,345
		<u>11,682,010</u>	<u>10,538,854</u>
Properties, Plant & Equipment	5	297,372	207,480
Branch Development		53,389	73,617
		<u>350,761</u>	<u>281,097</u>
TOTAL ASSETS		<u>12,032,771</u>	<u>10,819,951</u>
<u>LIABILITIES & SHAREHOLDERS FUND</u>			
Customers' Accounts	16	9,192,847	8,511,621
Sundry Creditors/Accruals	17	510,976	607,031
Dividend		61,839	37,488
Taxation	21	-	179
		<u>9,765,661</u>	<u>9,156,319</u>
Medium Term Loan	18	645,482	566,285
LIABILITIES		<u>10,411,143</u>	<u>9,722,605</u>
Stated Capital	20	276,117	235,641
Revaluation Surplus	11	39,404	39,404
Credit Risk Reserve		35,688	35,689
Income Surplus		855,475	507,914
Statutory Reserve		394,944	258,699
Building Fund Reserve		20,000	20,000
SHAREHOLDERS FUND		<u>1,621,628</u>	<u>1,097,346</u>
TOTAL LIABILITIES AND SHAREHOLDERS FUND		<u>12,032,771</u>	<u>10,819,951</u>

These Financial Statements were approved at a meeting of the Board held on the date below.

CHAIRMAN
 EMMANUEL YANKSON KWOFIE

AIYINASI

DIRECTOR
 NYANZU YELEBOE AKAINYAH
 28 March, 2014

NZEMA MANLE RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
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STATEMENT OF CASH FLOWS

	2013 (GHC)	2012 (GHC)
Net Profit before Tax	592,370	479,530
Add back: Depreciation	51,661	72,401
	<u>644,031</u>	<u>551,932</u>
Net Operating Activities before Changes in Working Capital		
(Increase)/Decrease in Investment	(939,128)	(1,171,526)
Profit on Disposals	(12,260)	-
(Increase)/Decrease in Loan & Advances	(144,855)	(686,116)
(Increase)/Decrease in Other Assets	(427,944)	(81,297)
Increase/(Decrease) in Customers Accounts	681,225	1,788,608
Increase/(Decrease) in Deposit for Shares	-	(860)
Increase/(Decrease) in Creditors & Accruals	(96,055)	(147,825)
	<u>(939,017)</u>	<u>(299,016)</u>
Net Changes in Working Capital		
	(294,986)	252,915
Tax Paid	(60,251)	(53,720)
	<u>(355,237)</u>	<u>199,195</u>
	(36,823)	(30,612)
Dividend Paid	<u>(36,823)</u>	<u>(30,612)</u>
Investing Activities		
Investment in ARB Apex Bank Ltd.	(0)	-
Acquisition of Intangibles		
Purchases of Fixed Assets	(121,565)	(119,006)
	<u>(121,566)</u>	<u>(119,006)</u>
Financing Activities		
Medium Term Loans	79,197	32,240
Proceeds on Disposal	12,500	-
Issue of Ordinary Shares	40,476	38,875
	<u>132,173</u>	<u>71,115</u>
Net Increase in Cash and Cash Equivalent	(381,453)	129,318
	(381,453)	129,318
Net Increase in Cash and Cash Equivalent	2,124,796	1,995,478
Cash and Cash equivalent at beginning of year	<u>1,743,343</u>	<u>2,124,796</u>
	<u>1,743,343</u>	<u>2,124,796</u>
Closing Cash Balances		
Cash and Cash Equivalent at end of year	<u>1,743,343</u>	<u>2,124,796</u>

NZEMA MANLE RURAL BANK LIMITED
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STATEMENT OF CHANGES IN EQUITY

	Stated Capital (GH¢)	Income Surplus (GH¢)	Statutory Reserve (GH¢)	Bldg Fund Reserve	Capital Surplus (GH¢)	Credit Risk Reserve (GH¢)	Total Equity (GH¢)
<i>Bal 1-Jan-2013</i>	235,641	507,914	258,699	20,000	39,404	35,688	1,097,345
Total Comp. Inc.	-	544,981	-	-	-	-	544,981
	<u>235,641</u>	<u>1,052,894</u>	<u>258,699</u>	<u>20,000</u>	<u>39,404</u>	<u>35,688</u>	<u>1,642,326</u>
Transactions with Owners							
Proceeds from Share issues	40,476	-	-	-	-	-	40,476
Transfers to Stated Capital	-	-	-	-	-	-	-
	<u>40,476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,476</u>
Other Movements -Dividends/Reserves - Transfers (To)/From							
Stated Capital							
Dividends	-	(61,174)	-	-	-	-	(61,174)
Statutory	-	(136,245)	136,245	-	-	-	-
Building Fund	-	-	-	-	-	-	-
Credit Risk	-	-	-	-	-	-	-
<i>Total Transfers</i>	<u>40,476</u>	<u>(197,419)</u>	<u>136,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,698)</u>
<i>Bal 31-Dec-2013</i>	<u>276,117</u>	<u>855,475</u>	<u>394,944</u>	<u>20,000</u>	<u>39,404</u>	<u>35,688</u>	<u>1,621,628</u>
<i>Bal 1-Jan-2012</i>	196,766	246,014	148,690	-	39,404	35,688	666,562
Total Comp. Inc.	-	440,035	-	-	-	-	440,035
	<u>196,766</u>	<u>686,048</u>	<u>148,690</u>	<u>-</u>	<u>39,404</u>	<u>35,688</u>	<u>1,106,597</u>
Transactions with Owners							
Proceeds from Share issues	38,875	-	-	-	-	-	38,875
	<u>38,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,875</u>
Other Movements							
Stated Capital	-	-	-	-	-	-	-
Dividends	-	(48,126)	-	-	-	-	(48,126)
Statutory	-	(110,009)	110,009	20,000	-	-	20,000
Building Fund	-	(20,000)	-	-	-	-	(20,000)
Credit Risk	-	-	-	-	-	-	-
<i>Total Transfers</i>	<u>38,875</u>	<u>(178,135)</u>	<u>110,009</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>(9,251)</u>
<i>Bal 31-Dec-2012</i>	<u>235,641</u>	<u>507,914</u>	<u>258,699</u>	<u>20,000</u>	<u>39,404</u>	<u>35,688</u>	<u>1,097,345</u>

NZEMA MANLE RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2013

NOTES TO THE FINANCIAL STATEMENTS

1.0 CORPORATE INFORMATION

- 1.1** Nzema Manle Rural Bank Limited is a Limited Liability Company incorporated in Ghana under the Companies Code, 1963 (Act 179). The Bank is operating in the Western Region of Ghana with its registered office at Aiyinasi Office of the Bank, Ellembele, District, Western Region of Ghana.

The Bank is licensed to carry on the business of banking and to provide some limited ancillary services.

- 1.2 Compliance with International Financial Reporting Standards, (IFRS)**
The Bank has complied with International Financial Reporting Standards.

- 1.3** The comparative figures are for one whole year and to the nearest Ghana Cedi (Gh¢), which is the currency used.

2.0 ACCOUNTING POLICIES

The significant accounting policies adopted by the Bank and which have been applied in preparing these Financial Statements are stated below:

2.01 Basis of Accounting

These Financial Statements have been prepared under the historical cost convention but modified in appropriate areas by the adoption of Fair Value measurement basis in compliance with IFRS requirements, as for Investments and Financial Assets and Financial Liabilities measured at Fair Values.

2.02 Revenue Recognition

Revenue is recognised on accrual basis and to the extent of the economic benefits expected to accrue to the Bank and that the revenue can be reliably measured as provided hereunder.

2.021 Interest Income and Expense

Interest income and expense are recognised in the Income Statement for all interest bearing financial instruments including loans and advances as interest accrues using the effective interest rate method.

2.022 Non-Interest Income

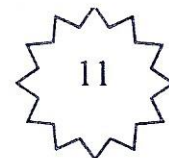
Commission and Fees are earned on accrual basis on services such as Funds Transfers on completion of the transaction.

2.03 Income Tax

Income Tax comprises Current Tax and Deferred Tax.

Current Tax relates to determination of expected payable tax from the Profits of the Financial Statements in relations to Tax obligations imposed from by legislation of Ghana.

NZEMA MANLE RURAL BANK LIMITED
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Deferred Income Tax relates to Tax Provision on all Temporary differences at the Financial Position date arising from Tax bases of assets and liabilities and their carrying amounts. Deferred Tax Assets are the recoverable taxes of future periods which include deductible Temporary differences. Deferred Tax Liabilities are the recognised payable Taxable Temporary differences on future taxable profits. Deferred taxes (Assets or Liabilities) are calculated using the enacted rate expected to be applicable in the year when the asset is realised or the liabilities settled.

Deferred Tax Assets and Liabilities are offset when they arise in the same tax reporting entities and relate to income taxes of the same taxation authority, and when a legal right to set-off exists.

The carrying amounts of Deferred Tax Assets or Liabilities are reviewed at the end of each reporting date and adjusted to reflect the new values through the Profit or Loss.

2.04 Financial Instruments Categorisation, Initial Recognition and Subsequent Measurement

2.041 Categorisation

The Bank classifies its Financial Assets into those measured at Fair Value through Profit or Loss and those measured at Amortised Cost; and Financial Assets measured at Fair Value through Other Comprehensive Income:

2.042 Date of Recognition

Purchases and Sales of Financial Assets are recognised on the Transaction date.

2.043 Initial Recognition of Financial Instruments

Financial instruments are initially recognised at their fair value plus, in the case of Financial Assets or Financial Liabilities not at Fair Value through Profit and Loss, transaction costs that are directly attributable to the acquisition or issue of the Financial Asset or Financial Liability.

2.044 Subsequent Measurement of Financial Instruments

(a) Financial Assets at Fair Value Through Profit or Loss

A Financial Asset at fair value through Profit or Loss is that which meets either of the following conditions.

Held for Trading

A Financial Asset is classified as Held for Trading if it is acquired principally for the purpose of selling in the near future, or is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

Designated at Fair Value through Profit or Loss

Upon initial recognition as Financial Asset, it is designated at fair value through Profit or Loss. Financial Assets at fair value through Profit or Loss are measured at fair value subsequent to initial recognition. Gains or losses upon subsequent measurement are treated in Profit or Loss.

All equity instruments are measured at fair value.

(b) Financial Assets Measured at Amortised Cost

A Financial Asset is measured at amortised cost if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- (ii) The contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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Term Loans to customers come under this category. They are initially recognised when cash is advanced to the borrowers at fair value, inclusive of transaction costs. Subsequent to initial recognition, Term Loans are measured at amortised cost less impairment losses.

(c) Financial Assets Measured at Fair Value Through Other Comprehensive Income

Securities including investments in money market and equity shares, other than those classified as trading securities, or at fair value through Profit or Loss, are classified and recognised in the Statement of Financial Position at their fair value. Other Financial Assets that are neither cash nor categorised under any other category also come under this classification.

Financial Assets measured at fair value through Other Comprehensive Income are measured at Fair Value with gains and losses arising from changes in Fair Value recognised directly in Other Comprehensive Income until the Financial Asset is either sold, becomes impaired, or matures, at which time the cumulative gain or loss previously recognised in equity is recognised in Profit or Loss.

Interest calculated using the effective interest method is recognised in the Statement of Comprehensive Income. Dividends on equity instruments are recognised in the Income Statement when the Bank's right to receive payment is established.

(d) Financial Liabilities

Financial Liabilities are classified as non-trading, held for trading or designated as at fair value through Profit and Loss. Non-trading liabilities are measured subsequent to initial recognition at Amortised Cost applying the effective interest method. Held for Trading liabilities or liabilities designated as at fair value through Profit or Loss, are measured at fair value. All Financial Liabilities shown in the Statement of Financial Position are non-trading liabilities.

2.045 Determination of Fair Value of Financial Instruments

i. Availability of Active Market

The fair value of a financial instrument traded in active markets such as the Ghana Stock Exchange (GSE) at the reporting date is based on its quoted market price without any deduction of transaction costs.

ii. Non-Availability of Active Market

Equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. However, Fair Values for such equity investments, are determined from the declaration of capital appreciations by the investee organisation of amounts so declared in the form additional shares in the equity holdings. Investments whose fair value can be reliably measured are measured professionally through the use of valuation techniques.

iii. Short-Term Receivables

The fair value of short term receivables approximate book value and are measured as such.

2.046 Offsetting of Financial Instruments

Financial Assets and Financial liabilities are offset when there is a legally enforceable right to do so with the net amount stated in the Statement of Financial Position. This happens when there is the intention to settle on net basis or realise the Financial Asset and redeem the Financial Liability.

2.047 Derecognition of Financial Assets and liabilities

A Financial Asset or a portion thereof, is derecognised when the Bank's rights to cash flows has expired or when the Bank has transferred its rights to cash flows relating to the Financial Assets, including the transfer of substantially all the risk and rewards associated with the Financial Assets or when control over the Financial Assets has passed.

A Financial Liability is derecognised when the obligation is discharged, cancelled or has expired.

NZEMA MANLE RURAL BANK LIMITED
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2.048 Impairment of Financial Assets

(a) Basis for measuring impairment of Financial Assets

At each reporting date the Bank assesses whether, as a result of one or more events occurring after initial recognition, there is objective evidence that a Financial Asset or group of Financial Assets has become impaired.

Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, or the fact that the debt is being restructured to reduce the burden on the borrower.

(b) Loans and Advances and amounts due from banks & other financial institutions

For loans and advances to customers and amounts due from banks and other financial institutions carried at amortised cost, the Bank first assesses individually whether objective evidence of impairment exists individually for Financial Assets that are individually significant, or collectively for Financial Assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed Financial Asset, whether significant or not, it includes the asset in a group of Financial Assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an Allowance Account and the amount of the loss is recognised in the Profit or Loss.

Loans together with the associated allowances are written off when there is no realistic prospect of future recovery and all collaterals have been utilised or have been transferred to the Bank and all the necessary procedures have been completed.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the Allowance Account. If a write-off is later recovered, the recovery is credited to the Profit or Loss and charged to the Allowance Account ('Credit Loss Expense').

The present value of the estimated future cash flows is determined using the Financial Asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

For the purposes of collective evaluation of impairment, Financial Assets are grouped on the basis of the Bank's internal credit grading system that considers credit risk characteristics, such as asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

(c) Other Financial Assets

The Bank assesses at each reporting date whether there is objective evidence that an investment or group of investments is impaired.

In the case of equity investments, objective evidence would include significant or prolonged decline in the fair value of the investment below its cost.

In the case of other debt instruments, impairment is assessed based on the same criteria as Financial Assets carried at amortised cost. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the Income Statement, the impairment loss is reversed through the Income Statement.

2.049 Derecognition of Financial Assets and Liabilities

A Financial Asset or a portion thereof, is derecognised when the Bank's rights to cash flows has expired or when the Bank has transferred its rights to cash flows relating to the Financial Assets, including the transfer of substantially all the risk and rewards associated with the Financial Assets or when control over the Financial Assets has passed.

A Financial Liability is derecognised when the obligation is discharged, cancelled or has expired.

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2.05 Regulatory Credit Risk Reserve

To cater for any difference between the Bank of Ghana's Credit Loss Provision requirements and Loans and Advances Impairments based on IFRS Principles, a charge or credit is made to Income Surplus in respect of the difference required to bring up the cumulative provision to the level required under the Bank of Ghana regulations. Under current regulations the Credit Risk Reserve does not qualify as Tier 1 Capital for the computation of Capital Adequacy.

2.06 Property, Plant and Equipment

The Bank recognises an item of Property, Plant and Equipment as an asset when it is probable that future economic benefits will flow to it and the amount meets the materiality threshold set by the Bank.

Property, Plant and Equipment are stated at Cost or revalued amount less Accumulated Depreciation and any impairment in value. Depreciation is provided on the depreciable amount of each component on a straight-line basis over the anticipated useful life of the asset which determined in percentages. The depreciable amount of each asset is the difference between the cost/revaluation and the residual value which is set to zero of the asset. No depreciation is provided on Land.

The residual value is the estimated amount, net of disposal costs, that the Bank would currently obtain from the disposal of an asset in similar age and condition as expected at the end of the useful life of the asset. In the last year or period of the charge of depreciation to Profit or Loss, the depreciation amount is reduced by GH¢1 so that the asset has GH¢1 value to give an indication of the existence of the item of Property, Plant and Equipment.

The current Annual Depreciation rates for each class of Property, Plant and Equipment are as follows:

Land & Building	5%	Furniture & Fittings	20%
Office Equipment	20%	Motor Vehicles	20%
Computer and Accessories	20%	Plant and Machinery	20%
Intangible Assets - Branch Development		20%	

Costs associated with routine servicing and maintenance of assets are expensed as incurred. Subsequent expenditure is only capitalised if it is probable that future economic benefits associated with the item will flow to the Bank.

The carrying values of property, plant and equipment are reviewed for indications of impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Income Statement in the year the item is derecognised.

Residual values, useful lives and methods of depreciation for Property, Plant and Equipment are reviewed and adjusted if appropriate, at each financial year end.

2.07 Intangible Assets - Computer Software

Cost incurred to acquire and bring to use specific computer software licenses are capitalised and amortised on the basis of the expected useful lives using the straight-line method. Maximum useful life is 5 years.

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2.08 Provisions

The Bank recognises provisions when it has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Bank expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Profit or Loss net of any reimbursement.

If the effect of the Time Value of money 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. Where discounting is used, the increase in the provision due to the passage of time is recognised as Borrowing Cost.

2.09 Foreign Currency

Transactions denominated in foreign currency are translated into cedis at the rates of exchange ruling on the dates of the transactions.

Assets and liabilities denominated in foreign currencies are translated into cedis at exchange rates ruling at the Statement of Financial Position date.

Any gains or losses resulting from foreign currency translation or exchange are dealt with through the Statement of Comprehensive Income for the year.

2.10 Cash & Cash Equivalents

For the purposes of the Statement of Cash Flows, Cash and Cash Equivalents include cash, balances with Bank of Ghana, amounts due from other banks and Financial Institutions and Short-Term Government Securities.

2.11 Borrowings

Borrowings are recognised initially at Fair Value, net of transaction costs incurred. Borrowings are subsequently stated at Amortised Cost. Any difference between the amount initially recognised (net of transaction costs) and the redemption value is recognised in the Profit or Loss over the period of the borrowings using the Effective Interest Rate method.

2.12 Impairment of Non-Financial Assets

The carrying amount of the Bank's Non-Financial Assets, other than Deferred Tax Assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated.

An Impairment Loss is recognised if the Carrying Amount of an asset exceeds its Recoverable Amount. The recoverable amount of an asset is the greater of its value in use and its Fair Value less costs to sell. Impairment Losses are recognised in the Profit or Loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An Impairment Loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no Impairment Loss had been recognised.

2.13 Employee Benefits

2.131 Short-Term Benefits

Short-Term Employee Benefits are amounts payable to employees that fall due wholly within twelve months after the end of the period in which the employee renders the related service.

The cost of Short-Term Employee Benefits is recognised as an expense in the period when the economic benefit is given, as an Employment Cost. Unpaid Short-Term Employee Benefits as at the end of the accounting period are recognised as an accrued expense and any Short-Term Benefit paid in advance are recognised as prepayment to the extent that it will lead to a future cash refund a reduction in future cash payment.

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Wages and Salaries payable to employees are recognised as an expense in the Profit or Loss at gross amount. The Bank's contribution to Social Security Fund is also charged as an expense.

2.132 Social Security and National Insurance Trust (SSNIT)

Under a National Deferred Benefit Pension Scheme, the Bank contributes 13% of employees' basic salary to SSNIT for employee pensions. The Bank's obligation is limited to the relevant contributions, which are settled on due dates. The pension liabilities and obligations, however, rest with SSNIT.

2.14 Events after the Reporting Date

Events subsequent to the reporting date are reflected only to the extent that they relate directly to the Financial Statements and the effect is material.

2.15 IAS 24 Related Party Disclosures (revised)

The revision to IAS 24 includes a clarification of the definition of a related party and the provision of a partial exemption for related party disclosures for government - related entities and between government related entities.

In terms of definition, the revision clarifies that joint ventures or associates of the same third party are related parties of each other. To this end, an associate includes its subsidiaries and a joint venture includes its subsidiaries.

The partial exemption applies to related party transactions and outstanding balances with a government which controls, jointly controls or significantly influences the reporting entity as well as to transactions or outstanding balances with another entity which is controlled, jointly controlled or significantly influenced by the same government. In such circumstance, the entity is exempt from the disclosure requirements of paragraph 18 of IAS 24 and is required only to disclose:

The name of the Government and nature of the relationship;

Information about the nature and amount of each individually significant transaction and a quantitative or qualitative indication of the extent of collectively significant transactions, in sufficient detail to enable users of the entity's financial statements to understand the effect.

It is unlikely that the amendments will have any material impact on the Bank's Financial Statements.

2.16 Significant Accounting Estimates, Assumptions & Judgments

In preparation of the Financial Statements, the Bank makes estimations and applies judgment that could affect the reported amount of assets and liabilities. Key areas in which judgment is applied include:

- | | |
|------------------------|----------------------------|
| 1) Staff Bonus | 2) Stock Obsolescence |
| 3) Staff Training, and | 4) Annual General Meeting. |

2.17 Fair Value of Unquoted Equity Investments

Equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. However, Fair Values for such equity investments, are determined from the declaration of capital appreciations by the investee organisation of amounts so declared in the form additional shares in the equity holdings. Investments whose fair value can be reliably measured are measured professionally through the use of valuation techniques.

2.18 Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and level of future taxable profits together with future tax planning strategies.

2.19 Impairment of Financial Assets

The Bank makes an allowance for unrecoverable Financial Assets when there is objective evidence that the carrying amount may not be recoverable. Significant management judgment is required to determine when objective evidence of impairment exists, and also in estimating future cash flows from the assets.

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2.20 Impairment of Non-Financial Assets (Including Property Plant & Equipment (PPE))

The Bank assesses at least at each financial year end whether there is any evidence that non Financial Assets (including PPE) may be impaired. Where indicators of impairment exist, an impairment test is performed. This requires an estimation of the 'value in use' of the asset or the cash-generating units to which the asset belongs. Estimating the value in use amount requires management to make an estimate of the expected future cash flows from the asset or the cash generating unit and also to select a suitable discount rate in order to calculate the present value of those cash flows.

2.21 Provision for Other Profit or Loss Items

The Bank has in line with IAS 37, Provisions, Contingent Liabilities and Contingent Assets the following estimates:

	<u>2013</u>	<u>2012</u>
Staff Bonus	26,583	-
Director/Staff Long Service Award	49,200	-
Provision for Scholarship Fund	5,000	-
Annual General Meeting	26,906	30,071
	<u>107,690</u>	<u>30,071</u>

3 RISK MANAGEMENT

The nature of the Bank's operations as a financial intermediary exposes it to various types of risks. These risks are Credit, Market, Liquidity and Operational.

3.1 Credit Risk

Credit Risk arises from the credit exposure to a borrower or a counter-party in that either the borrower or the counter-party is unable to redeem an obligation or the inability to perform such obligation is impaired resulting in Economic Loss to the Bank.

The Credit Risk in the Bank's operations arise from largely Loans and Advances to customers.

The Credit Risk is managed through the systems and controls established by the Credit Department that ensure that there is review of the status of the credit at every stage from application to completion of the repayment of the advance by the customer. There is the Credit Committee that reviews reports of the performance of the Loans and Overdrafts which takes appropriate actions for recovery. Credit facilities are also closely monitored to uncover early warning signals of non-performance. The maximum amount of Credit Risk emanating from these sources is as follows:

	<u>2013</u>	<u>2012</u>
	<u>GH¢</u>	<u>GH¢</u>
Loans and Advances to customers	4,787,728	4,559,938
	<u>4,787,728</u>	<u>4,559,938</u>

Collateral held as security against these risks consists mainly of cash.

The Loans and Advances portfolio is further analysed in terms of quality as follows:

(a) Neither past due nor impaired	3,695,165	3,070,383
(b) Past due but not impaired	891,003	1,268,993
(c) Impaired	201,560	220,561
Gross loans and advances	<u>4,787,728</u>	<u>4,559,938</u>

The Fair Value of Collateral Security held on
(b) and (c)

<u>289,564</u>	<u>271,151</u>
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Financial Assets Past Due But Not Impaired

These are analysed by age as follows:

No. Of Days Overdue	2013				2012	
	Measured at				Measured at	
	Amort. Cost GH¢	Fair Value GH¢	Total Amort. Cost GH¢	GH¢	Fair Value GH¢	Total GH¢
(0-90)	267,890	133,061	400,951	498,958	106,755	605,713
(91-180)	134,670	106,785	241,455	298,772	62,688	361,460
181-360	74,560	61,111	135,671	100,816	61,703	162,519
Over 360	62,450	50,476	112,926	102,728	36,573	139,302
Total	539,570	351,433	891,003	1,001,274	267,719	1,268,993

ANALYSIS BY CLASS OF FINANCIAL ASSETS INDIVIDUALLY DETERMINED TO BE IMPAIRED (GROSS VALUE)

No. Of Days Overdue	2013				2012	
	Measure at				Measure at	
	Amort. Cost GH¢	Fair Value GH¢	Total Amort. Cost GH¢	GH¢	Fair Value GH¢	Total GH¢
More Than 90	37,260	28,040	65,300	102,680	25,770	128,450
More Than 180	43,810	28,730	72,540	50,047	12,594	62,640
More Than 360	36,245	27,475	63,720	19,740	9,730	29,470
Total	117,315	84,245	201,560	172,467	48,094	220,561

3.11 Market Risk

Market Risk is the potential of losses arising from movements in market prices such as Interest Rates, Exchange Rates, and Equity and Commodity Prices. Currently, the Bank's activities expose it to Interest Rate risks with no exposure to exchange rate, equity or commodity price risks. The Interest Rate risk is inherent in the Bank's Financial Assets and Liabilities such as Loans, Customer Deposits and Borrowings.

The Board sub-committee on Finance and Audit is responsible for managing of the Bank's Interest Rate risk.

3.12 Liquidity Risk

Liquidity risk is the potential loss to the Bank arising from either its inability to meet its maturing Short-Term obligations as they fall due or to fund increases in assets without incurring unacceptable costs. The management of this risk enables the Bank to minimise the mismatch in the timing of cash flows relating to its Assets and Liabilities to ensure that it regularly maintains the Primary Reserve requirement of 9% of Total Deposits as required by Bank of Ghana.

The Treasury Committee and the Treasury Department of the Bank are responsible for managing the Bank's liquidity.

3.13 Operational Risk

Operational risk is the potential for loss from failed systems and processes, staff incompetence and misconduct and uncontrolled external events. These risks are monitored and controlled in the Bank through well designed operating manuals that reflect the main operating procedures, business continuity planning, reconciliations, internal audit and timely and reliable management reporting.

4 CAPITAL

4.1 The Objectives of Capital Management

The of Capital Management Objective of the Bank is to ensure that is one of financial to maintaining the financial net assets at the end if the financial year exceeds the financial amount of the net assets at the beginning of the year after deducting distributions to and adding contributions from the owners.

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This objective will be to ensure that, at any time, the Stated Capital requirement by Bank of Ghana could be met and also to comply with the Capital Adequacy Ratio Regulatory requirements of Bank of Ghana. This will be achieved by maintaining the appreciable level of profits to meet these expected Capital increases by Bank of Ghana.

4.2 Capital Description

The Bank's Capital is its Shareholders' funds comprising Stated Capital, Statutory Reserves and Income Surplus, which includes current and previous year's retained earnings. The current level of the Bank's capital complies with the existing minimum Stated Capital requirement of Bank of Ghana.

4.3 The Level of Capital Adequacy

	2013 GH¢	2012 GH¢
Paid Capital	276,117	235,641
Disclosed Reserves	1,354,915	861,717
Sub-Total	1,631,033	1,097,358
Investments in Unconsolidated Subsidiaries	-	-
Tier 1 Capital	1,631,033	1,097,358
Tier 2 Capital	61,404	61,404
Regulatory Capital	1,692,437	1,158,762
Required Regulatory Capital	(832,767)	(592,039)
Surplus Capital	859,670	566,723

The Bank's regulatory capital was above the required minimum throughout the period.

5 PROPERTIES, PLANT & EQUIPMENT

5.1 Cost

	<u>BALANCE</u> <u>1-Jan-13</u> (GH¢)	<u>ADDITIONS</u>	<u>DISPOSALS</u>	<u>BALANCE</u> <u>31-Dec-13</u> (GH¢)
Office Building	88,015	-	-	88,015
Office Equipment, Furniture & Fittings	172,073	38,472	800	209,744
Computers & Accessories	91,953	10,294	-	102,247
Office Furniture & Fittings	-	-	-	-
Agency Development	115,989	-	-	115,989
Agency Furniture & Fittings	-	-	-	-
Plant & Machinery	17,196	-	-	17,196
Motor Vehicles	114,812	72,800	20,060	167,552
	<u>600,037</u>	<u>121,565</u>	<u>20,860</u>	<u>700,743</u>

5.2 DEPRECIATION

	<u>BALANCE</u> <u>1-Jan-13</u>	<u>CHARGE</u> <u>FOR YEAR</u>	<u>DISPOSALS</u>	<u>BALANCE</u> <u>31-Dec-13</u>
Office Building	44,009	4,401	-	48,410
Office Equipment, Furniture & Fittings	117,106	5,745	560	122,291
Computer Accessories	62,150	12,910	-	75,060
Furniture & Fittings	-	-	-	-
Branch Development	42,372	20,228	-	62,600
Plant & Machinery	-	-	-	-
Agency Furniture & Fittings	-	-	-	-
Motor Vehicles	53,303	8,378	20,060	41,621
	<u>318,940</u>	<u>51,661</u>	<u>20,620</u>	<u>349,982</u>

5.3 NET BOOK VALUE

281,097

350,761

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6	INTANGIBLE	BALANCE	
		1-Jan-13	31-Dec-13
6.1	Cost	(GH ¢)	(GH ¢)
	Intangible - Balance as at 1st January 2013	73,617	76,697
	Additions	-	20,118
		73,617	96,815
	Amortisation	20,228	23,198
	Net Book Value	53,389	73,617
7	INVESTMENT	2013	2012
	INVESTMENT IN OTHER SECURITIES	(GH ¢)	(GH ¢)
	Apex Certificate of Deposit	-	-
	B O G 182 Day Treasury Bill	3,440,000	2,570,000
	Government of Ghana 2 Year Fixed Notes	160,000	160,000
	Security Discount House Gold Coast Securities Ltd.	1,450,000	1,350,000
		5,050,000	4,080,000
	Discounts on Treasury Bills	(159,809)	(128,937)
		4,890,191	3,951,063
8	LOANS AND ADVANCES		
	Loans	3,955,216	3,868,150
	Overdrafts	832,512	691,788
		4,787,728	4,559,938
8.1	Less Provision for Bad and Doubtful Debts	(462,501)	(382,693)
	Interest in Suspense	(3,127)	-
		4,322,100	4,177,245
9	RELATED PARTIES		
	Included in Loans and Advances are the following amounts due from Related Persons		
	Directors	11,330	-
	Key Management Personnel	80,920	15,408
		92,249	15,408
10	BAD DEBTS PROVISION		
	Opening Balance	382,693	231,865
	Charge for the year	79,808	150,828
		462,501	382,693
11	REVALUATION/CAPITAL SURPLUS		
	Opening Balance	39,404	39,404
	Additions	-	-
		39,404	39,404
	Deductions	-	-
	Balance at 31st December	39,404	39,404
12	INVESTMENT - OTHERS		
	Nzema Industrial Company Ltd.	-	-
	ARB Apex Bank	61,404	61,404

NZEMA MANLE RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
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13 CREDIT RISK RESERVE FUND ACCOUNT

Balance 1st January	11,608	11,608
Provision for the year	-	-
	11,608	11,608
Adjustments for Year	-	-
	11,608	11,608

14 BALANCE WITH OTHER BANKS

ARB Apex Clearing	255,130	795,814
ARB Apex (5%) Placement	440,547	346,047
	695,676	1,141,861

15 OTHER ASSETS

Agencies Remittance in Transit		
Other Assets/Prepayments	26	
	652,289	224,345
	652,289	224,345

16 CUSTOMERS' ACCOUNTS

	2013 (GH ₵)	2012 (GH ₵)
Savings	3,359,769	3,131,265
Current	2,442,887	2,823,568
Susu	1,599,387	1,247,751
Time Deposit	1,789,311	1,304,992
Managed Funds	1,492	4,045
	9,192,846	8,511,621

17 SUNDRY CREDITORS/ACCRUALS

Other Creditors (Office Account)	30	182,580	204,621
Preference Shares		13	13
Controller and Accountant General/Others	31	25,402	62,093
Accruals/End Service Benefits	32	231,022	198,726
Bills Payable		71,960	141,577
		510,976	607,031

18 MEDIUM TERM LOAN

Borrowings	645,482	566,285
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19 DIVIDEND

At the forthcoming Annual General Meeting the Directors recommend the of Rights Issue GH₵0.05 per share totalling GH₵181,223 in respect of 2013 (2012: Dividend declared was GH₵0.019 per share; Total GH₵61,174).

Balance Brought Forward	37,488	19,974
Approved In Financial Statements	61,174	48,126
	98,662	68,100
Payments	(36,823)	(30,612)
	61,839	37,488

NZEMA MANLE RURAL BANK LIMITED **FINANCIAL STATEMENTS FOR THE YEAR ENDED** **31ST DECEMBER, 2013**

20 STATED CAPITAL

The company is registered with 500,000,000 Ordinary Shares of no par value and 125,000 Preference Shares which have been issued paid as follows:

NO. OF SHARES	CONSIDERATION	2013		2012	
		Number	(GH ¢)	Number	(GH ¢)
Ordinary	Cash	2,293,140	91,120	1,904,391	52,245
Additions	Cash	404,758	40,476	388,749	38,875
		2,697,898	131,596	2,293,140	91,120
Ordinary	Income Surplus	926,557	144,521	926,557	144,521
Additions	Income Surplus	-	-	-	-
		926,557	144,521	926,557	144,521
		3,624,455	276,117	3,219,697	235,641
Preference	Cash	125,000	13	125,000	13
		3,749,455	276,129	3,344,697	235,653

21 TAXATION

BALANCE	CHARGED		BALANCE
1/1/2013	FOR YEAR	PAYMENTS	12/31/2013
(GH ¢)	(GH ¢)		(GH ¢)
Up to 2012	179	(21,251)	(21,072)
2013	-	(39,000)	8,390
	179	(60,251)	(12,683)

22 INTEREST EARNINGS

	2013	2012
	(GH ¢)	(GH ¢)
Interest on Loans	1,252,967	1,132,660
Interest on Overdrafts	160,340	199,494
Discount on Treasury Bills	952,197	546,258
	2,365,505	1,878,412

23 INTEREST & OTHER EXPENSES

Interest on Deposit Liabilities	308,081	167,332
Interest on Borrowings	81,812	90,413
	389,893	257,745

24 COMMISSIONS & FEES

Commitment Fees	256,539	243,681
Commission	252,877	193,355
Funds Transfer Commission	-	26,066
	509,416	463,101

25 OTHER REVENUE EARNINGS

Sundry Income	98,100	123,945
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26 OTHER ASSETS/PREPAYMENTS

Rent	36,773	19,583
Insurance	6,808	7,881
Migration Suspense a/co	59,754	-
Others	61,094	-

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Deposit for Land	-	500
Other Building for Sale	44,766	44,766
Inventory	10,801	8,428
Uncleared Effects	277	17,302
Interest Receivable on Loan	95,868	-
Agency Clearing	58,653	27,336
Interest Receivable on Investment	253,309	93,706
Office Account (DR)	24,186	4,843
	652,289	224,345
27 OPERATIONAL EXPENSES		
Salaries & Wages	662,826	471,475
Staff Benefits	307,837	300,805
Directors' Remuneration	21,986	13,800
Depreciation	51,661	72,401
Audit Fees (Inclusive of VAT and NHIL)	15,155	14,950
Subscription & Donations	57,813	23,847
Others	793,671	680,077
	1,910,949	1,577,355
28 RELATED PARTIES		
Included in Salaries and Wages, Staff Benefits are the following amounts in respect of Related Persons		
Directors	82,850	61,800
Key Management Personnel	-	22,633
	82,850	84,433
29 CASH AND BALANCES WITH THER BANKS		
Cash on Hand	1,047,666	982,936
30 Other Creditors (Office Account)		
Rural Financial Service (Generator Set Loan)	-	1,618
ARB/DANIDA COMM. Project	2,886	1,269
Computer Hardware Loan from ARB Apex	994	5,807
Western Union	10,000	10,000
Staff Leave Provision	-	67,940
Sundry Creditors	43,932	-
ARB Apex Vehicle Loan Facility	24,683	43,211
Office Accounts/Sundry Creditors	100,085	91,362
	182,580	221,206
31 CONTROLLER AND ACCOUNTANT GENERAL		
Controller and Accountant General	24,448	61,140
Unallocated Transfers	954	954
	25,402	62,093
32 ACCRUALS		
Audit Fees	24,951	14,950
AGM	26,270	30,000
Others/Police Guard	29,434	22,662
Long Service Award-Directors/Staff	-	48,000
Accrued Interest Not Paid	150,366	83,114
	231,022	198,726