

**NORTH WEST FARMERS ORGANISATION NETWORK OF
CREDIT HOUSES (NOWEFOCH)**

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**Auditors' Report on the Accounts & Financial Statements as at
December 31, 2023**

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1. COMPANY'S STRATEGIC INFORMATION

General Information

Country of Incorporation and domicile	Cameroon
Status of Incorporation	Limited Liability Company (Ltd)
Nature of business and principal activity	Produce & marketing Cooperative
General Manager	GILBERT AMAANUI
Registered Office	North west Region, Cameroon, Bamenda, P.O. Box , 842
842Bankers	<ul style="list-style-type: none">• AFRILAND FIRSTBANK CAMEROON,• BANQUE ATLANTIQUE CAMEROUN• UNION BANK OF CAMEROON(U.B.C.)
Auditors	Francis NFOBRA ASAH Certified National Accountant, CEMAC SEC N°238/ONECCA SEC N°138, MANBUZIE Consulting Ltd, Rue BoisBatî, Bonapriso Douala, Tel: +237 6 77 76 07 72 Douala - Cameroon.
Tax Identification Number (TIN)	M049800020815E

2. STATEMENT OF RESPONSIBILITY

General Manager's Responsibilities and Approval.

The General Manager is responsible for preparing the Financial Statements in accordance with the applicable laws and regulations. The OHADA Uniform Act requires the General Manager to prepare the Financial Statements each Financial Year. The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit and loss for the period. In preparing the financial statements, the General Manager is required to:

1. Select suitable accounting policies and then apply them consistently,
2. Make judgement and estimates that are reasonable and prudent,
3. Prepared the financial statements on a going concern basis, unless it is inappropriate to presume that the company with continue in business.

The General Manager is responsible for keeping accounting records that disclose with reasonable accuracy at any time the financial position of the company and to ensure that the financial statements comply with the OHADA Uniform Act.

She is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

.....
General Manager.

3. AUDITORS' REPORT

AUDITORS' GENERAL REPORT

The Board of Directors

Auditor's Mandate

Following our appointment by your company for the purpose of auditing the accounts of NORTH WEST FARMERS ORGANISATION NETWORK OF CREDIT HOUSES for the year ended December 31, 2023 and in accordance with Act N° 5-82-UDEAC-324 of December 18, 1982, and the provisions of the Uniform Act relating to commercial companies and economic interest groups, we have the honour to present to you our General Report on the financial statements of NORTH WEST FARMERS ORGANISATION NETWORK OF CREDIT HOUSES for the year ended December 31, 2023.

We have examined the financial statements attached to this report on pages 10 to 14 overleaf, together with the books of account and supporting documents from which they were prepared.

Respective responsibilities of Directors and Auditors

The Company's management is responsible for the preparation of the financial statements. Our responsibility is to express an opinion on the financial statements based on our audit and to report our opinion to you.

Key business indicators for the year

1. Trading deficit:	FCFA	1 583 343
2. Equity:	FCFA	75 248 300
3. Total Assets:	FCFA	279 679 221

Basis of opinion

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. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements and assessed whether the company's books of account have been properly kept. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the management in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

Additionally, we have verified other specific information, as required by the law and in conformity with the norms of the profession.

PRIOR YEAR (2022) AUDIT RESERVES:

1. The audit exercise for 2022 was done in the Head Office due to inaccessibility to the Credit Houses with figures provided by the accountants pending future verification.

Audit reserve maintained and modified.

2. We still observed a recorded doubtful loan amount of FCFA 83 706 813 due to the prevailing conditions in this zone and an outstanding amount of FCFA 7 473 713 in debit to be traced and regularised.

Audit Reserve modified.

3. NOWEFOCH maintains in her books of accounts as at December 31, 2022 an amount of FCFA 38 082 035 recorded under assets and FCFA 133 010 recorded under liabilities. A fundamental principle in accounting for combination and/or consolidation requires that, all inter branch transactions completely reconciles when the Financial Statements are drawn up for publication. These values are an indication that, the NOWEFOCH Inter union Accounts do not comply with the full reconciliation principle of inter union accounts, for which the audit is yet to receive amply explanation as regard the unreconciled transactions.

Audit Reserve maintained and modified.

CURRENT YEAR (2023) AUDIT RESERVES:

4. The audit exercise for 2023 was done in the Head Office and some few affiliates due to inaccessibility to the Credit Houses with figures provided by the accountants pending future verification.

5. We applaud the doubtful loan amount reduction from **FCFA 83 706 813** in 2022 to **FCFA 37 585 055** in 2023 due to the prevailing conditions in this zone. More follow up should be done to further bring down this amount.

6. The audit also observed a sundry debtor amount of **FCFA 14 882 315** since 2002 till date still to be regularised. Management should do all to regularise this account and other outstanding balances.

7. NOWEFOCH maintains in her books of accounts as at December 31, 2023 an amount of **FCFA 67 080 862** recorded under assets and FCFA 551 300 recorded under liabilities. A fundamental principle in accounting for combination and/or consolidation requires that, all inter branch transactions completely reconciles when the Financial Statements are drawn up for publication. These values are an indication that, the NOWEFOCH Inter union Accounts do not comply with the

full reconciliation principle of inter union accounts, for which the audit is yet to receive amply explanation as regard the unreconciled transactions.

Opinion

In our opinion, the financial statements referred to above present a true and fair view, in conformity with the generally accepted accounting principles, of the financial position of NORTH WEST FARMERS ORGANISATION NETWORK OF CREDIT HOUSES as at December 31, 2023 and the results of its operations for the year then ended.

MANBUZIE Consulting Ltd (MCL)

Chartered Accountants and Management Consultants.



Francis NFOBRA ASAH
Certified National Accountant,
CEMAC SEC N°238/ONECCA SEC N°138

4. FINANCIAL STATEMENTS

BALANCE SHEET AS AT DECEMBER 31, 2023

ASSETS	SCH NO	2023			2022
		GROSS FCFA	AMORT/PROV FCFA	NET FCFA	NET FCFA
FIXED ASSETS					
Capitalized costs		6,000,000	453,100	5,546,900	3,000,000
Intangible assets		-	-	-	-
Land		-	-	-	-
Other tangible assets		37,685,135	9,483,483	28,201,652	19,362,035
Fixed assets under construction, advanced payments		-	-	-	-
Deposits and guarantees		2,416,638	-	2,416,638	2,416,638
Equity securities and government papers		275,700	-	275,700	225,700
Sub - Total		46,377,473	9,936,583	36,440,890	25,004,373
CREDITS TO CUSTOMERS					
Healthy long-term credits		107,309,884	34,249,005	73,060,879	30,810,659
Healthy medium-term credits		-	-	-	-
Healthy short-term credits		582,926	-	582,926	585,676
Fertilizer Loan		-	-	-	-
Capitalized credits		-	-	-	-
Doubtful Loans		37,585,055	-	37,585,055	83,706,813
Sub - Total		145,477,865	34,249,005	111,228,860	115,103,148
GOODS INVENTORY AND OTHER SIMILAR OPERATIONS		2,401,011		2,401,011	2,554,461
THIRD-PARTY ACCOUNTS					
Customers		207,000	-	207,000	-
Staff		-	-	-	-
The State		-	-	-	-
Shareholders		-	-	-	-
Sundry debtors		14,882,315	-	14,882,315	14,882,315
Sundry outstanding claims		-	-	-	35,000
Sub - Total		15,089,315	-	15,089,315	14,917,315
CASH RECEIPTS					
Securities to be redeemed		-	-	-	-
Securities on receipt in arrears		-	-	-	-
Sub - Total		-	-	-	-
PREPAYMENTS					
Costs recorded in advance		60,000	-	60,000	-
Proceeds receivable		-	-	-	-
Other adjustment operations		67,476	-	67,476	9,283,925
Sub - Total		127,476	-	127,476	9,283,925
RECIPROCAL ACCOUNTS - DR					
Liaison headquarters and branches		-	-	-	-
Liaison apex organ and affiliated MFIs		67,080,862	-	67,080,862	38,082,035
Liaison between affiliated MFIs		-	-	-	-
Liaison between branches of network		-	-	-	-
Internal liaison		-	-	-	-
Sundry overdue operations network		-	-	-	-
Sub - Total		67,080,862	-	67,080,862	38,082,035
TREASURY ACCOUNTS - DR					
Treasury bonds		-	-	-	-
Money market		-	-	-	-
Overdue claims on correspondents		-	-	-	-
Cash and bank		47,310,807	-	47,310,807	44,833,542
Sub - Total		47,310,807	-	47,310,807	44,833,542
RESULT PENDING APPROVAL		-	-	-	-
DEFICIT OF EXPENSES OVER REVENUE		-	-	-	-
GRAND TOTAL		323,864,809	44,185,588	279,679,221	249,778,799

BALANCE SHEET AS AT DECEMBER 31, 2023			
		2023	2022
LIABILITIES	SCH NO	AMOUNT FCFA	AMOUNT FCFA
CAPITAL			
Partnership capital		79,506,031	40,346,072
Legal reserves		-	-
Compulsory regulatory reserves		27,599,895	27,599,895
General reserves		180,000	-
Carried forward profit / (Loss)		(30,454,283)	(26,607,279)
Profit / (Loss) for the year		(1,583,343)	(3,847,004)
Sub - Total		75,248,300	37,491,684
PROVISIONS FOR RISKS AND EXPENSES		-	-
LONG TERM AND MEDIUM TERM LOANS		15,327,271	45,894,623
CUSTOMER DEPOSITS			
Special regime deposits		-	155,864,859
Fixed term deposits		90,012,969	-
Demand deposits		82,371,782	-
Other customer accounts		275,000	8,184,411
Sub - Total		172,659,751	164,049,270
SHORT TERM DEBTS			
Refinancing		-	-
Sundry creditors		702,949	-
Sub - Total		702,949	-
CASH RECEIPT ACCOUNTS		-	-
ACCRUALS			
Expenses payable		54,000	400,000
Revenue recorded in advance		-	-
Other adjustment operations		15,135,650	1,810,212
Sub - Total		15,189,650	2,210,212
RECIPROCAL ACCOUNTS - CR			
Liaison apex organ and affiliated MFIs		551,300	133,010
Liaison between affiliated MFIs		-	-
Liaison between branches of network		-	-
Sub - Total		551,300	133,010
TREASURY ACCOUNTS - CR			
Treasury securities received		-	-
Money market		-	-
Sub - Total		-	-
PROFIT AWAITING APPROVAL		-	-
SURPLUS OF REVENUE OVER EXPENSES		-	-
GRAND TOTAL		279,679,221	249,778,799

The financial statements were approved by the Directors on...../...../2023 and signed on
behalf by:**Chairman Board**
..... **General Manager.**

PROFIT AND LOSS ACCOUNT AS AT DECEMBER 31, 2023				
REF	EXPENDITURE	SCH NO	2023 AMOUNT FCFA	2022 AMOUNT FCFA
XG01	Financial Operating Expenses			
XG02	Interest on treasury and inter-bank operations		-	-
XG03	Interest on customer demand deposits		1,437,626	1,144,859
XG04	Interest on customer fixed term deposits		-	720,600
XG05	Interest on borrowings		608,548	494,316
XG06	Commissions and costs on fund transfer operations		460,649	521,692
XG07	Other bank Commissions and expenses		255,999	371,494
	Sub - Total		2,762,822	3,252,961
XG08	Costs linked to incidental operations		-	165,550
XG09	Personnel expenses			
XG10	Personnel expenses		9,917,000	7,438,001
XG11	Fringe benefits		474,800	-
	Sub - Total		10,391,800	7,438,001
XG12	Other general operating expenses			
XG13	Office supplies		769,750	465,760
XG14	Water, electricity, gas and fuel		93,666	84,800
XG15	Rentals		1,050,500	911,500
XG16	Maintenance and repairs		293,000	585,700
XG18	Advertising, public relations, receptions		710,450	564,700
XG19	Transport and travelling		627,800	492,800
XG20	Telecommunications		157,000	114,150
XG21	Missions		-	251,800
XG23	Contributions to MFI professional association		185,000	-
XG24	Board Meetings, General Meetings and session allowances		103,500	1,453,000
XG25	Other costs consumed		827,628	1,089,190
	Sub - Total		4,818,294	6,013,400
XG26	Taxes and Dues		-	40,000
XG27	Amortizations and Provisions			
XG28	Depreciation expenses		1,170,383	644,519
	Sub - Total		1,170,383	644,519
XG31	Exceptional costs			
XG33	Other exceptional costs		1,896,000	-
	Sub - Total		1,896,000	-
XG34	Tax on profit		-	-
XG35	Profit for the year		-	-
	TOTAL EXPENDITURE		21,039,299	17,554,431

PROFIT AND LOSS ACCOUNT AS AT DECEMBER 31, 2023				
REF	INCOME	SCH NO	2023 AMOUNT FCFA	2022 AMOUNT FCFA
YG01	Operating revenue			
YG02	Revenue from treasury and inter-bank operations		67,048	6,850
YG03	Interest on LT customer credits		9,904,885	6,735,175
YG04	Interest on MT customer credits		-	-
YG05	Interest on ST customer credits		162,600	113,301
YG06	Interest on customer debtors accounts		-	-
YG07	Interest on loans		-	-
YG08	Commissions and charges collected on fund transfer operations		304,132	691,490
YG09	Other banking commissions and revenue		1,712,606	3,037,475
	Sub - Total		12,151,271	10,584,291
YG10	Proceeds from incidental operations		-	2,522,207
YG11	Other proceeds and subsidies			
YG12	Sundry proceeds		6,380,901	339,783
YG13	Operating subsidy		-	-
	Sub - Total		6,380,901	339,783
YG14	Exceptional proceeds			
YG15	Transfer of capital grant		-	-
YG16	Proceeds of assets disposed		-	-
YG17	Other exceptional proceeds		923,784	261,146
	Sub - Total		923,784	261,146
YG18	Transfers, Amortizations and Provisions		-	-
YG19	Transfers of amortizations		-	-
YG20	Transfers of reserves for customer claims		-	-
YG21	Other transfers of provisions		-	-
	Sub - Total		-	-
YG22	Loss for the year		1,583,343	3,847,004
	TOTAL PROCEEDS		21,039,299	17,554,431

5. ACTIVITIES, ACCOUNTING POLICY AND PRINCIPLES

**NORTH WEST FARMERS ORGANISATION CREDIT HOUSES
(NOWEFOCH)**

ACCOUNTING POLICIES

1.0 ACTIVITY:

1.1 NORTH WEST FARMERS ORGANISATION CREDIT HOUSES (NOWEFOCH) is a group of Micro Finance Establishments. Registration n°

1.2 There are MFI under Category 1 as prescribed by COBAC License
No.....

1.3 NORTH WEST FARMERS ORGANISATION NETWORK OF CREDIT HOUSES (NOWEFOCH) has been operating MFI activities with its members since inception without ceasing.

2.0 ACCOUNTING:

2.1 The following are the significant accounting policies adopted by the NORTH WEST FARMERS ORGANISATION CREDIT HOUSES (NOWEFOCH) in preparation of these financial statements.

2.2 Accounting Basis:

2.2. Historical Cost: The financial statements have been prepared on the historical cost basis. The year end results show historical surplus/ (deficit) and the accrual concept of accounting have been applied.

2.3 Fixed Assets/Depreciation Provision

2.3. The fixed assets have been shown in the books at the revalue amounts less
1 accumulated depreciation to date.

2.3. The straight line method of accounting for depreciation has been applied by taking
2 a percentage of the asset revalue cost at the end of the year. At the year end, this is accumulated and deducted from the original cost of the fixed asset in use.

2.3. Depending on the nature of the Fixed asset, the following official rates have been
3 applied in depreciating the fixed assets:

Nature Of Assets	Annual Rate of Depreciation %
Deferred start up charges	10
Land	0
Furniture & Equipment	10
Buiding Premises	5
Safe	25

3.0 Valuation of stock at year end:

3.1 All stocks are valued at cost.

4.0 Taxation

4.1 Taxation was not provided for at the higher of 1.1% on turnover and 38.5% of net profit

6. NOTES TO FINANCIAL STATEMENTS

NOTE 1 & 2: FIXED ASSETS AND DEPRECIATION SCHEDULE

		C	O	S	T		D E P R E C I A T I O N					
	At 1 January 2023 FCFA	Additions for the year FCFA	Transfers / adjustments FCFA	Disposals & Write offs FCFA	At 31 December 2023 FCFA	DEP RATE %	At 1 January 2023 FCFA	Charge for the year FCFA	Transfers / adjustments FCFA	Disposals & Write offs FCFA	At 31 December 2023 FCFA	Net Book Value FCFA
1 INTANGIBLE FIXED ASSETS												
Deferred start up charges	3,000,000	3,000,000	-	-	6,000,000	-	-	453,100	-	-	453,100	5,546,900
TOTAL INTANGIBLE FIXED ASSETS	3,000,000	3,000,000	-	-	6,000,000		-	453,100	-	-	453,100	5,546,900
2 TANGIBLE FIXED ASSETS												
Land	11,703,277	-	-	-	11,703,277	-	-	-	-	-	-	11,703,277
Furniture & Equipment	1,977,808	2,305,700	-	-	4,283,508	-	707,670	449,363	-	-	1,157,033	3,126,475
Computers	2,700,000	2,022,000	-	-	4,722,000	-	2,700,000	-			2,700,000	2,022,000
Building Premises	6,823,350	1,000,000	-	-	7,823,350	-	2,655,430	267,920.00	-	-	2,923,350	4,900,000
Safe	2,665,000	-	-	-	2,665,000	-	2,250,000	-	-	-	2,250,000	415,000
Vehicles and Motor Cycle	-	488,000	-	-	488,000	-	-	-	-	-	-	488,000
TOTAL TANGIBLE FIXED ASSET	25,869,435	5,815,700	-	-	31,685,135		8,313,100	717,283	-	-	9,030,383	22,654,752
TOTAL FIXED ASSETS	28,869,435	8,815,700	-	-	37,685,135		8,313,100	1,170,383	-	-	9,483,483	28,201,652

7. COBAC RATIOS

ANALYSIS OF COBAC RATIOS AND COMPLIANCE AS AT DECEMBER 31, 2023.					
	COBAC PRUDENTIAL NORMS CAT 1 & 2	Actual	Expected	Variance	REMARKS
1	2002/02 - Accessory transactions Authorised	30.33%	20.00%	-10.33%	BAD
2	2002/03 - Equity Fund on Total Asset	24.92%	10.00%	-14.92%	GOOD
	2002/03 - Net Equity Fund Amount	69,701,400			
3	2002/05 - Solidarity fund	34.71%	40.00%	5.29%	BAD
4	2002/06 - Compulsory Reserves - IE ACC	37.00%	15.00%	-22.00%	GOOD
5	2002/07 - Risk Coverage Ratio	47.91%	10.00%	-37.91%	GOOD
6	2002/08 - Risk Spread Ratio (Biggest Debtor)	4.45%	25.00%	20.55%	GOOD
7	2002/09 - Fixed Assets Coverage Ratio	150.29%	100.00%	-50.29%	GOOD
8	2002/09 - Borrowed Resources to Equity Ratio	21.99%	50.00%	28.01%	GOOD
9	2002/10 - Board & Staff Commitment	3.95%	30.00%	26.05%	GOOD
10	2002/11 - Share Per Member	1.51%	20.00%	18.49%	GOOD
11	2002/12 - Loan Coverage Ratio	159.58%	65.00%	-94.58%	GOOD
12	2002/13 - External funding coefficient	0	50.00%	50.00%	GOOD
13	2002/14 - Liquidity Ratio	802.79%	100.00%	-702.79%	GOOD
14	2002/16 - Shares taking by MFIs	1.72%	15.00%	13.28%	GOOD
15	R-2017/08 COBAC - Maximum loan granted to a member	66%	10%	-56%	BAD
16	R-2017/08 - COBAC Maximum loan to BOD/Committee/	500,000	50,000,000	49,500,000	GOOD

8. AUDITORS SPECIAL REPORT

The Board of Directors

Following our appointment by your company for the purpose of auditing the accounts of NORTH WEST FARMERS ORGANISATION NETWORK OF CREDIT HOUSES for the year ended December 31, 2023 and pursuant to the provisions of Act. N° 5-82-UDEAC-324 of December 18, 1982 and Article 440 of the Uniform Act relating to commercial companies and economic interest groups, we have the honour to present to you our Special Report on the agreements provided for under Article 438 of the said Uniform Act which are subject to authorization.

Article 438 requires that all agreements between the company and its directors, general manager or assistant general manager should be subject to prior authorisation of the Board of Directors. Article 439 however states that authorisation shall not be necessary where the agreements concern ordinary transactions concluded under normal conditions.

Under Article 440, the Director or Management concerned with the agreement is bound to inform the Board of Directors as soon as he becomes aware of an agreement subject to authorisation. The chairman of the Board of Directors has to inform the External Auditors of such agreements within one month of their being authorised.

We have not been informed of any agreement subject to authorisation entered into during the financial year ended December 31, 2023 by your company and any of its Directors and/or managers, or by your company and another enterprise of which any of the Directors and/or managers is owner, Partner in name, Manager or Director.

Manbuzie Consulting Ltd (MCL)



Francis NFOBRA ASAH
Certified National Accountant,
CEMAC SEC N°238/ONECCA SEC N°138