

**SINAPI ABA TRUST
FINANCIAL STATEMENTS**

YEAR ENDED 31 DECEMBER 2009

SINAPI ABA TRUST
FINANCIAL STATEMENTS
31 DECEMBER 2009

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**SINAPI ABA TRUST
FINANCIAL STATEMENTS
31 DECEMBER 2009**

GENERAL INFORMATION

DIRECTORS

Rev. Davis Freeman - Chairman
Anthony Gyasi Fosu - Executive Director
Professor Samuel Afrane (Resigned on March 2009)
John K. Koduah
Joseph Kobbina Hewton
Dorothy Danso (Mrs)
David Asante-Adjei (Resigned on November 2009)
Theodosia Jackson (Mrs)
Ernestina Fredua-Antoh (Mrs)
Kwadwo Konadu Asiamah
Mary Ansong (Mrs)
Adobea Addo (Miss)
Kwasi Attah-Antwi

REGISTERED OFFICE

House No. 22A
Ellis Avenue, Nhyiaeso
P. O. Box 4911
Kumasi, Ghana

SOLICITORS/COMPANY SECRETARY

John K. Koduah
Twere Nyame Chambers
P. O. Box 4591
Kumasi, Ghana

AUDITORS

Ernst & Young
Chartered Accountants
G15, White Avenue
Airport Residential Area
P. O. Box KA 16009, Airport
Accra, Ghana

BANKERS

Agricultural Development Bank Limited
Amantin & Kasei Community Bank Limited
United Bank for Africa (Ghana) Limited
Ghana Commercial Bank Limited
Ecobank Ghana Limited
SG-SSB Limited
CAL Bank Limited
ARB Apex Bank Limited

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF SINAPI ABA TRUST**

The Directors present their report together with the audited financial statements of Sinapi Aba Trust for the year ended 31 December 2009.

Principal activities

The Trust is engaged in the provision of credit to micro-enterprise owners to foster growth and development of micro and small businesses.

Associated companies

The Trust holds 344,050 shares representing 57.34% ownership in the Amantin & Kasei Community Bank Limited, a company incorporated in Ghana (2009: 57.34%). It also owns 34.8 % of the ordinary shares of Opportunity International Savings and Loans Limited, a company incorporated in Ghana (2009: 34.8%).


Results

The Trust made a profit of GH¢ 1,118,863 for the year, which when added to the surplus brought forward on the accumulated fund account of GH¢5,021,905 leaves a balance of GH¢ **6,133,768** to be carried forward on the accumulated fund account as of 31 December 2009.


Auditors

Our auditors, Ernst & Young having indicated their willingness, continue in office pursuant to Section 134 (5) of the Companies Code, 1963 (Act 179).

By order of the Board of Trustees:-



Director
Date: 26th May 2010



Director
Date: 20/5/10

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SINAPI ABA TRUST

Report on the financial statements

We have audited the accompanying financial statements of Sinapi Aba Trust, which comprise the balance sheet as of 31 December 2009, and the statement of income, and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

Directors are responsible for the preparation and fair presentation of these financial statements in accordance with Ghana Accounting Standards and Companies Code, 1963 (Act 179). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sinapi Aba Trust as of 31 December 2009, and of its financial performance and its cashflows for the year then ended in accordance with Ghana Accounting Standards the Companies Code, 1963 (Act 179).

An auditor of a Microfinance Institution may express a conclusion as to whether the financial statements comply with the Consultative Group to Assist the Poorest (CGAP) Disclosure Guidelines for Financial Reporting by Microfinance Institutions. These guidelines are voluntary norms recommended by a consultative group of international donors. Thus, an institution's failure to comply with the CGAP guidelines would not necessarily imply that the institution or its financial statements are in violation of any legal or other authoritative accounting or reporting standard.

We conclude that the financial statements herein with accompanying notes comply with the CGAP guidelines in all material respects.

Report on other legal and regulatory requirements

The Ghana Companies Code, 1963 (Act 179) requires that in carrying out our audit we consider and report on the following matters. We confirm that;

- 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 company so far as appears from our examination of those books; and
- iii) The balance sheet and the profit and loss account of the company are in agreement with the books of account.

A large, stylized handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young
Chartered Accountants
Accra

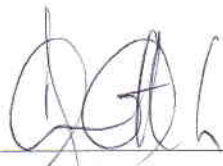
Date:

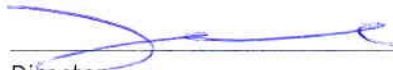
22 May 2010

BALANCE SHEET
AS AT 31 DECEMBER 2009

	Notes	2009 GH¢	2008 GH¢
ASSETS EMPLOYED			
Non-current assets			
Property, plant and equipment	3	2,495,846	2,181,325
Investments	4	1,395,453	1,273,387
		<u>3,891,299</u>	<u>3,454,712</u>
Current assets			
Loans and advances	6	21,440,709	15,579,967
Accounts receivable and prepayments	7	2,371,901	1,524,668
Short-term investments	4	177,571	148,434
Bank balances and cash	8	4,953,716	4,296,092
		<u>28,943,897</u>	<u>21,549,161</u>
Current liabilities			
Accounts payable and accruals	9	6,574,899	3,304,986
Taxation	5	75,793	297,485
National stabilisation levy	5	18,118	-
Short-term loans	10	13,933,104	11,997,946
		<u>20,601,914</u>	<u>15,600,417</u>
Net current assets		<u>8,341,983</u>	<u>5,948,744</u>
		<u>12,233,282</u>	<u>9,403,456</u>
FUNDS EMPLOYED			
Accumulated fund		6,133,768	5,021,905
Revaluation surplus		346,385	346,385
Donated equity	11	4,229,123	2,847,139
Managed funds	12	1,524,006	1,188,027
		<u>12,233,282</u>	<u>9,403,456</u>

Signed on behalf of the Board:


 Director
 Date: 26th May 2010


 Director
 Date: 22/5/10

The notes 1 to 18 form an integral part of these financial statements.

**STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009**

	<i>Notes</i>	2009 GH¢	2008 GH¢
Income			
Interest on loans		10,828,324	8,279,403
Processing fees		1,980,665	1,353,197
Training, application and default fees		434,337	213,979
Other income	13	<u>198,494</u>	<u>100,370</u>
		<u>13,441,820</u>	<u>9,946,949</u>
Expenditure			
Interest on debt		3,144,656	1,613,423
Operational expenses	19	8,549,602	6,458,384
Depreciation		463,412	267,715
Auditor's remuneration		<u>27,914</u>	<u>14,000</u>
		<u>12,185,584</u>	<u>8,353,522</u>
Net operating profit		1,256,236	1,593,427
Finance costs		(39,136)	(35,930)
Share of profit of an associate	4	<u>122,066</u>	<u>70,307</u>
Profit before taxation		1,339,166	1,627,804
Income tax expense	5	(159,185)	(390,877)
National Stabilisation Levy	5	<u>(68,118)</u>	<u>-</u>
Profit for the year		<u>1,111,863</u>	<u>1,236,927</u>
ACCUMULATED FUND FOR THE YEAR ENDED 31 DECEMBER 2009			
		2009 GH¢	2008 GH¢
Balance as of 1 January		5,021,905	3,784,978
Profit for the year		<u>1,111,863</u>	<u>1,236,927</u>
Balance as of 31 December		<u>6,133,768</u>	<u>5,021,905</u>

The notes 1 to 18 form an integral part of these financial statements.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2009**

	<i>Notes</i>	2009 GH¢	2008 GH¢
OPERATING ACTIVITIES			
Profit before tax		1,339,166	1,627,804
Adjustments for:			
Share of net profit of associate		(122,066)	(70,307)
Provision for bad and doubtful debts		-	485,179
Depreciation	3	463,412	267,715
Loss / (profit) on disposal of property, plant and equipment		<u>(12,468)</u>	<u>-</u>
Operating results before working capital changes		1,668,044	2,310,391
Increase in loans and advances		(5,860,741)	(3,047,119)
Increase in accounts receivable and prepayments		(847,233)	(662,677)
Increase/ (decrease) in accounts payable and accruals		3,269,913	(852,380)
Increase in short term loans		<u>1,935,158</u>	<u>5,562,931</u>
Net cash used in operations		165,141	3,311,146
National stabilisation levy paid	5	(50,000)	-
Taxation paid	5	<u>(380,877)</u>	<u>(380,000)</u>
Net cash used in operating activities		<u>(265,736)</u>	<u>2,931,146</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(777,965)	(1,398,036)
Purchase of short term investments		(29,137)	44,708
Proceeds from sale of property, plant and equipment		<u>12,500</u>	<u>-</u>
Net cash used in investing activities		<u>(794,602)</u>	<u>(1,353,328)</u>
FINANCING ACTIVITIES			
Receipt of donated equity		1,381,984	990,384
Receipt/ Payment of managed funds		<u>335,978</u>	<u>(162,862)</u>
Net cash from financing activities		<u>1,717,962</u>	<u>827,522</u>
INCREASE IN CASH AND CASH EQUIVALENTS		657,624	2,405,340
Cash and cash equivalents at 1 January		<u>4,296,092</u>	<u>1,890,752</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	14	<u>4,953,716</u>	<u>4,296,092</u>

The notes 1 to 18 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

1. ACTIVITIES

Sinapi Aba Trust (SAT) is an autonomous private not-for-profit organisation registered on 30 May 1994 under the Companies Code, 1963 (Act 179) as a company Limited by Guarantee. SAT provides credit to micro-enterprise owners to foster the growth and development of micro and small businesses in Ghana. The goal is to support this sector of the economy by providing opportunities for enterprise and income generation to the underprivileged in the Ghanaian society.

The Trust has invested in the shares of Amantin & Kasei Community Bank Limited and Opportunity International Savings and Loans Limited respectively. As of 31 December 2009, it owned 57.7% of the shares of Amantin & Kasei Community Bank Limited (2008: 57.7%) and 34.8% of the shares of Opportunity International Savings and Loans Limited (2008: 34.8%).

The Trust employed 280 employees as of 31 December 2009 (2008: 215).

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with the Ghana Accounting Standards issued by the Ghana National Accounting Standards Board (GNASB), the Companies Code, 1963 (Act 179) and other applicable requirements of Ghanaian law.

The significant accounting policies adopted by the company and consistently applied in the preparation of the financial statements are: -

Accounting convention

The financial statements are prepared under the historical cost convention.

Revenue recognition

Revenue comprises program revenue and other revenue.

Program Revenue refers to revenue generated by the Trust in carrying out its objective. This consists mainly of interest on loans, processing fees, training, application and default fees.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation

Depreciation is provided to write off fixed assets on a straight-line basis at the following annual rates:

	%
Motor vehicles	25
Furniture and fixtures	20
Equipment	20
Buildings	5
Networking software	25
Computers	25

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All translation differences are taken to the statement of income.

Loans and advances and accounts receivable

Loans and advances and accounts receivable are stated net of provision for amounts estimated to be non-collectable. An estimate for doubtful accounts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Investment

Investment in shares is accounted for by the equity method, which is the cost of such investment adjusted to recognise the company's share of the earnings or losses of the investee subsequent to the date of investment.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, bank overdrafts, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash on hand and deposits in banks, net of outstanding bank overdrafts and short term highly liquid investments readily convertible to known amounts of cash.

Short term loans

Short-term loans are carried on the balance sheet at its principal amount. Interest is charged as an expense as it accrues, with unpaid amounts included in "accounts payable and accruals".

Provisions

Provisions are recognised when the company has an obligation arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

Taxation

Taxation is provided for in accordance with Ghanaian fiscal regulations.

Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the year. Actual results could differ from those estimates.

Equity

Grant revenue refers to grants received from donors the use of which is usually targeted towards three main areas, i.e. loan funds, fixed assets and operations. This is recognised directly as equity in line with CGAP requirement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2009

3. PROPERTY, PLANT AND EQUIPMENT

Cost	Motor Vehicles GH¢	Furniture and fixtures GH¢	Equipment GH¢	Buildings GH¢	Networking software GH¢	Computers GH¢	Total GH¢
As of 1 January	601,448	145,804	575,489	1,271,517	215,368	93,895	2,903,521
Additions	288,060	35,651	177,226	5,300	128,338	143,390	777,965
Disposals	(37,580)	-	-	-	-	-	(37,580)
As of 31 December	<u>851,928</u>	<u>181,455</u>	<u>752,715</u>	<u>1,276,817</u>	<u>343,706</u>	<u>237,285</u>	<u>3,643,906</u>
Depreciation							
As of 1 January	274,014	49,618	247,235	77,146	47,670	26,513	722,196
Charge for the year	154,291	31,438	127,113	63,554	49,767	37,249	463,412
Disposals	(37,548)	-	-	-	-	-	(37,548)
As of 31 December	<u>390,757</u>	<u>81,056</u>	<u>374,348</u>	<u>140,700</u>	<u>97,437</u>	<u>63,762</u>	<u>1,148,060</u>
Net book value							
As of 31 December 2009	<u>461,171</u>	<u>100,399</u>	<u>378,367</u>	<u>1,136,117</u>	<u>246,269</u>	<u>173,523</u>	<u>2,495,846</u>
As of 31 December 2008	<u>327,434</u>	<u>96,186</u>	<u>328,254</u>	<u>1,194,371</u>	<u>167,698</u>	<u>67,382</u>	<u>2,181,325</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

4. INVESTMENTS

	2009 GH¢	2008 GH¢
a) Long-term investments		
Investment in Amantin & Kasei Community Bank Limited (344,050 ordinary shares representing 57.7% in the issued shares at GH¢.20 per share):		
Value of investment	322,642	252,335
Share of associate's profit	<u>122,066</u>	<u>70,307</u>
Value of investment as of 31 December	<u>444,708</u>	<u>322,642</u>
Investment in Opportunity International Savings and Loans Limited (225,000 ordinary shares representing 34.8% in the issued shares at GH¢0.10 per share):		
Value of investment as of 1 January	950,745	950,745
Additions for the year	<u>-</u>	<u>-</u>
Value of investment as of 31 December	<u>950,745</u>	<u>950,745</u>
Total value of long term investments	<u>1,395,453</u>	<u>1,273,387</u>
b) Short-term investments	GH¢	GH¢
New Generation Investment	<u>177,571</u>	<u>148,434</u>

5. TAXATION

Year of assessment	Balance as of 1 January GH¢	Charge for year GH¢	Payments GH¢	Balance as of 31 December GH¢
2008	297,485		(160,877)	136,608
2009	<u>-</u>	<u>159,185</u>	<u>(220,000)</u>	<u>(60,815)</u>
	<u>297,485</u>	<u>159,185</u>	<u>(380,877)</u>	<u>75,793</u>
National Stabilisation Levy				
2009	<u>-</u>	<u>68,118</u>	<u>(50,000)</u>	<u>18,118</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

6. LOANS AND ADVANCES

	2009 GH¢	2008 GH¢
Loans and advances	22,080,271	16,726,745
Less: Provision for bad and doubtful debts	(536,983)	(485,179)
Loan drawdown	<u>(102,579)</u>	<u>(661,599)</u>
	<u>21,440,709</u>	<u>15,579,967</u>

7. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2009 GH¢	2008 GH¢
Prepayments	312,477	262,292
Staff receivables	948,320	571,606
Other receivables	<u>1,111,104</u>	<u>690,770</u>
	2,371,901	1,524,668

8. BANK BALANCES AND CASH

	2009 GH¢	2008 GH¢
Cash at bank	4,439,871	3,949,556
Cash on hand	<u>513,845</u>	<u>346,536</u>
	4,953,716	4,296,092

9. ACCOUNTS PAYABLE AND ACCRUALS

	2009 GH¢	2008 GH¢
Sundry creditors	1,507,519	1,193,279
Compulsory savings	2,976,659	1,341,272
Progressive savings	1,702,364	615,437
Client welfare scheme	308,668	137,127
Accrued expenses	<u>79,689</u>	<u>17,871</u>
	<u>6,574,899</u>	<u>3,304,986</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

10. SHORT TERM LOANS

	2009 GH¢	2008 GH¢
Ecobank Project Loan	3,000,000	-
Ecobank Staff Loans	48,454	148,454
Cal Bank Auto Loan	103,003	255,899
Incofin Loan	428,430	956,000
MicroVest Loan	714,050	1,493,750
Development World Market Loan	2,856,200	2,390,000
SG-SSB	2,500,000	2,500,000
Other loans (OI UK, Kolibra Capital and Triodos-Deon)	1,282,967	1,253,843
Cal Bank Project Loan	3,000,000	3,000,000
	<u>13,933,104</u>	<u>11,997,946</u>

Ecobank Project Loan

This is a GH¢3,000,000 medium term facility made up of GH¢1,000,000 revolving short term loan and GH¢2,000,000 medium term loan both to be used as working capital support for on-lending to micro enterprises. The revolving short term loan is payable within a maximum period of six (6) months from date of disbursement but shall not exceed the approval tenor of the facility whiles bullet repayment within six months after date of drawing. The interest of the revolving short term loan shall be at the bank's base rate currently 29.5% per annum minus 3% per annum. The GH¢2,000,000 facility shall expire thirty six (36) months from the date of drawing. The repayment shall be in three (3) equal yearly instalments commencing at the end of the thirteenth month following that of drawing. Interest is however payable quarterly in arrears. The facility shall attract an interest of 29% per annum minus 3% per annum.

CAL Bank project loan

The loan has been drawn down under a GH¢3 million one year facility agreement. The facility shall mature on 30 November 2011 and the applicable interest rate is the bank's base rate minus 1 % margin.

MicroVest Loan

A total of US\$1,500,000.00 (MicroVest LLP: US\$1,000,000.00 and Calvert Social Investment Foundation: US\$ 500,000.00) is drawn at an interest rate of 9.75% per annum after all tax deductions, accruing on the loan outstanding balance with the first payment date being 30 September 2007 and subsequently on a quarterly basis. The loan is for a 24 months period payable in quarterly equal instalments commencing 30 September 2008. There is a negative pledge on the loan. This implies that as long as any obligation of the Borrower hereunder is outstanding, the Borrower shall not incur, assume or suffer to exist any lien or encumbrance on its portfolio in whole or parts, in favour to any foreign lender, whether existing or future.

Incofin Loan

A total of US\$1,000,000.00 facility for a term of 18 months at an interest rate of 9.75% per annum was contracted from Rural Impulse Fund. This loan is on a negative pledge.

Development World Market Loan

A US\$2,000,000.00 facility for a term of 48 months with an interest rate of 9.5% per annum is granted by Development World Market Asset Management which will be drawn down in three tranches. The borrower shall provide the Lender for the repayment of the Loan (Instalment, interest or penalty interest) on the first on the first demand of the Lender.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

SG-SSB Loan

This is a GH¢ 2,500,000.00 medium term facility and it is exclusively for the purpose of providing funds for on-lending to customers. The facility shall expire thirty-six months (36) from the date of initial drawdown. The repayment shall be in two (2) monthly principal instalments of GH¢1,250,000.00 eighteen and thirty-six months after disbursement. Interest is however payable quarterly after disbursement. The interest rate shall be the banks base rate currently 24.25% per annum; this is however subject to change at the discretion of the bank. The security/collateral is apportion of the institution's book worth GH¢3 million and Joint and Several Guarantee of the board of directors.

OI UK Loan

This represents a £30,000.00 interest free term loan facility from OI, UK. The loan is for a 12 months period payable in full.

Kolibra Capital Loan

A US\$ 500,000.00 facility for term of 3 years with an interest rate of 6.0% per annum is granted by Kolibra Capital of Norway. The loan has grace period of two years. The purpose of the loan is the funding of micro-businesses.

Triodos-Deon Loan

This represents the first tranche of a GH¢ 1,000,000.00 loan from Stichting Triodos-Doen of the Netherlands. The period of the loan is 2 years from the date the loan is drawn. The loan is renewable for another two years at the discretion of the Lender. The interest rate is the BOG prime rate plus a margin of 4% with minimum of 15%. The interest is charged semi-annually and payable in Euro. No securities are required for this loan. Half of the amount have been received.

11. DONATED EQUITY

	2009	2008
	GH¢	GH¢
OI, USA	1,259,594	1,218,418
OI, Australia	260,987	260,987
OI, Canada	19,529	19,529
OI, UK	646,073	357,700
OI, Germany	1,494,457	898,983
Other donors	102,846	91,522
IDP Foundation	<u>445,637</u>	<u>-</u>
	4,229,123	2,847,139

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

12. MANAGED FUNDS

	2009	2008
	GH¢	GH¢
Emergency Social Relief Programme Loan	325,000	325,000
Kumasi Metropolitan Authority	100,000	100,000
Venture Capital Trust Fund	-	400,000
KIVA Micro Funds	1,024,006	231,277
Community based Rural Enterprise Development	-	66,750
Youth Apprenticeship Funds	<u>75,000</u>	<u>65,000</u>
	<u>1,524,006</u>	<u>1,188,027</u>

Emergency Social Relief Programme Loan

This represents loan grants earmarked by the Government of Ghana through the Agricultural Development Bank in October 2003 to be disbursed to the farmers and traders involved in agricultural produce in the Ashanti Region. There is no formal agreement on the loan. Sinapi Aba Trust has however provided for interest of 10% per annum.

Kumasi Metropolitan Authority

The facility provided by the Kumasi Metropolitan Authority (KMA) is considered as managed funds. The loan fund is provided by KMA without any direct interest charges to the Trust. The facility is a revolving microfinance scheme for beneficiaries.

Venture Capital Trust Fund

This represents a loan facility of GH¢800,000.00 provided by the lender and a matching fund of GH¢200,000.00 provided by the Borrower. This facility is for the procurement of capital items and on-lending to sorghum farmers for the cultivation of Sorghum for Guinness Ghana Limited in the 2007/2008 crop season. The on-lending tranche and interest was repaid at the end of 30 October 2008 and capital items tranche and interest was repaid on 30 October 2009.

Youth Apprenticeship Fund

This represents assistance received from three district assemblies to assist SAT on this programme. These district assemblies include Ejura - Sekyedumase, Adansi West and Asunafo North.

13. OTHER INCOME

	2009	2008
	GH¢	GH¢
Profit on disposal of motor vehicle	12,468	-
Interest on treasury bills	-	7,208
Interest on long term investments	-	12,497
Interest on current accounts	18,678	6,212
Sale of passbooks	16,603	9,965
Loan write off recovered	-	40
Consultancy fees	18,687	37,932
Other income	114,886	26,516
Interest on Call Account	<u>17,172</u>	<u>-</u>
	<u>198,494</u>	<u>100,370</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

14. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR

	Balance as of 31/12/09 GH¢	Balance as of 31/12/08 GH¢	Net change GH¢
Cash and bank balances	4,953,716	4,296,092	657,624
Bank overdrafts	-	-	-
	<u>4,953,716</u>	<u>4,296,092</u>	<u>657,624</u>

15. CAPITAL COMMITMENTS

There were no capital commitments as of 31 December 2009 (2008: Nil).

16. CONTINGENT LIABILITIES

There were no contingent liabilities as of 31 December 2009 (2008: Nil).

17. RELATED PARTY TRANSACTIONS

Related party	Nature of transaction	Amount GH¢
Amantin & Kasei Community Bank Limited	This represents the share of the associate's profit of which Sinapi Abi Trust has a 57.7% shareholding (2009:57.7%).	<u>122,066</u>

18. OFF BALANCE SHEET TRANSACTIONS

There were no off balance sheet transactions as of 31 December 2009 (2008: Nil).

SUPPLEMENTARY FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2009

OPERATIONAL EXPENSES

	2009	2008
	GH¢	GH¢
Staff costs	4,061,205	2,992,788
Printing and stationery	143,471	103,013
Staff training and development	133,639	103,413
Group accident policy	6,984	5,447
Board meeting expenses	50,916	52,140
Local travel costs	311,927	239,471
Overseas travel expenses	61,872	68,833
Repairs and maintenance	378,879	371,228
Fuel and lubricants costs	126,012	116,539
Advertising costs	32,762	53,364
Insurance costs	28,468	21,188
Business promotion expenses	91,455	48,625
Cleaning and sanitation	28,214	13,168
Legal expenses	27,268	11,743
Publication and subscription	17,623	19,760
Electricity and water	98,383	87,557
Postage and telecommunication	177,116	101,124
Bank charges	269,064	222,725
Rent and rates	149,663	98,270
Loan written off	793,798	-
Exchange loss	794,763	1,038,445
Security expenses	38,839	23,652
Shortage and pilferage	1,982	50
Internet access	14,636	7,020
Software maintenance expenses	50,433	52,447
Client transformation	32,684	41,637
HIV/AIDS education	7,309	6,041
Youth apprenticeship expenses	79,383	75,220
Provision for bad and doubtful debts	51,805	122,855
Retreat expenses	51,809	32,390
Stamp duty	1,008	-
Board overseas travel costs	49,620	51,359
Recruitment and relocation costs	16,876	16,900
Performance incentive	42,510	29,299
Employer's interest on staff loans	-	64,974
Office refreshments	28,328	11,825
Casual labour	290,031	139,157
Office supplies	-	1,547
Consultancy	3,317	1,970
Donations	5,550	11,200
	<u>8,549,602</u>	<u>6,458,384</u>

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