

Initiative Development Ghana**Report and financial statements 2007**

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Initiative Development Ghana

Report and financial statements 2007

Executive council, officials and registered office

Executive council members

Irene Parry-Hanson
John Osei-Frimpong
Philip Odei-Asare
Marylin A. Annan (Mrs.)
Abraham Nyarko
Franck Renaudin

Registered office:

P. O. Box GP 19382
Accra
Ghana

Auditors:

Deloitte & Touche
4 Liberation Road
P. O. Box GP 453
Accra

Bankers:

Standard Chartered Bank (Ghana) Limited
SG-SSB Bank Limited

Initiative Development Ghana

Report of the Executive council

The Executive council has the pleasure in presenting the financial statements on the operations of the organisation for the year ended 31st December, 2007.

1. The balance sheet has been signed by two members indicating the Executive council approval of such Balance Sheet and attached financial statements on pages 6 to 13.

	GH¢
2. The balance brought forward on income surplus account at 1 January, 2007 was	(560,191)
Revenue grant transferred from accumulated fund	515,607
Difference in opening income surplus	46,378
Movement on the revenue grant	(35,395)
To which must be added the surplus for the year after charging all expenses and depreciation of	69,644

Leaving a balance to be carried forward on Income Surplus Account of	36,043
	=====

3. There has been no change in the nature of the business of the Organisation during the year.
5. In accordance with Section 134(5) of the Companies Code, 1963, the auditors, Messrs. Deloitte & Touche, continue in office as auditors of the organisation.

On behalf of the Council

Member

Member

Initiative Development Ghana

Statement of Executive council' responsibilities

The Executive council is responsible for preparing financial statements for each financial period to give a true and fair view of the state of affairs of the organisation at the end of the financial year and of the income and expenditure of the organisation for that period. In preparing those financial statements, the Executive council is required to:

Select suitable accounting policies and then apply them consistently

Make judgments and estimates that are reasonable and prudent

State whether the applicable accounting standards have been followed

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the organisation will continue in business

The Executive council is responsible for ensuring that the organisation keeps accounting records which disclose with reasonable accuracy the financial position of the organisation and which enable them to ensure that the financial statements comply with International Accounting Standards. They are responsible for taking such steps as are reasonably open to them to safeguard the assets of the organisation, and to prevent and detect fraud and other irregularities.

The above statement, should be read in conjunction with the statement of the auditors' responsibilities on page 5.

Independent auditors' report

To the members of Initiative Development Ghana

We have audited the accompanying financial statements of Initiative Development Ghana for the year ended 31 December, 2007, which comprise the income and expenditure account, the balance sheet, the cash flow statement, and the related notes 1 to 13. These financial statements have been prepared under the accounting policies set out therein.

Executive Council' responsibility for the financial statements

The Executive Council is responsible for the preparation and fair presentation of these financial statements in accordance with the Companies Code 1963, (Act 179). These responsibilities include: 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 as to whether the financial statements are free from material misstatement.

Basis of opinion

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 management, as well as evaluating the overall presentation of the financial statements.

However, the evidence available to us was limited because we were unable to obtain some documents and explanations that we considered necessary for the purposes of our audit.

Opinion

Except for any adjustments in the financial statements that might have been found to be necessary had we been able to obtain sufficient evidence concerning Income Surplus, in our opinion, the Organisation has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Companies Code 1963, (Act 179). The financial statements give a true and fair view of the financial position of the Organisation as at 31 December 2007, and of its financial performance and cash flow for the year then ended, and are drawn up in accordance with the Ghana National Accounting Standards issued by the Institute of Chartered Accountants, Ghana and relevant International Financial Reporting Standards.

Independent auditors' report

To the members of Initiative Development Ghana

Report on other legal and regulatory requirements

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

- i. we were unable to obtain some 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 accounts have been kept by the company, so far as appears from our examination of those books; and
- iii. the balance sheet and income and expenditure account of the organisation are in agreement with the books of accounts.

Chartered Accountants
Accra, Ghana

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Initiative Development Ghana

Income and expenditure account

For the year ended 31 December 2007

	Note	2007 GH¢	2006 GH¢
Interest income		215,734	158,829
Commissions and fees		33,939	24,606
Other operating income	2	4,498	1,288
Operating income		254,171	184,723
Provision for loan losses		(18,566)	-
Operating expenses	3	(351,281)	(310,679)
Impairment losses and write-offs		-	(42,281)
Other income		377	-
Operating deficit		(115,299)	(168,237)
Capital grant drawdown		12,623	13,355
Running expenses grant		172,320	-
Net surplus/(deficit) for the year transferred to income surplus		69,644	(154,882)

Income surplus account

For the year ended 31 December 2007

	2007 GH¢	2006 GH¢
At 1 January	(560,191)	(405,309)
Revenue grant transferred from accumulated fund	515,607	-
Difference in opening income surplus	46,378	-
Movement on the revenue grant	(35,395)	-
Transfer from income and expenditure account	69,644	(154,882)
At 31 December	36,043	(560,191)

Initiative Development Ghana

Balance sheet

As at 31 December 2007

Assets	Note	2007 GH¢	2006 GH¢
Non-current assets			
Property, plant & equipment	4	21,382	25,601
		-----	-----
		21,382	25,601
Current assets			
Bank and cash balances		113,591	96,921
Receivables	5	342,195	223,811
Other assets	6	15,871	86,457
		-----	-----
		471,657	407,189
Total assets		-----	-----
		493,039	432,790
Accumulated fund and liabilities			
Accumulated fund			
Grant fund		81,000	81,000
Capital grant		66,987	62,545
Capital grant recovery		(45,605)	(36,944)
Revenue grant		-	515,607
Income surplus account		36,043	(560,191)
		-----	-----
Total accumulated fund		138,425	62,017
Liabilities			
Current liabilities			
Partners' savings	7	259,459	226,515
Deferred grant		79,299	91,696
Other liabilities		15,856	52,562
		-----	-----
Total liabilities		354,614	370,773
Total equity & liabilities		-----	-----
		493,039	432,790
		=====	=====

Member

Member

Initiative Development Ghana

Cash flow statement

For the year ended 31 December 2007

	2007	2006
	GH¢	GH¢
Operating activities:		
Surplus/(deficit) per accounts	69,644	(154,882)
Adjustment for:		
Depreciation of property, plant & equipment	12,623	13,354
	-----	-----
Operating cashflow before movement in working capital	82,267	(141,528)
Increase in receivables and prepayments	(47,798)	(65,467)
Increase/(Decrease) in payables and accruals	(16,159)	61,778
	-----	-----
	18,310	(145,217)
	-----	-----
Cash generated from operations	18,310	(145,217)
	-----	-----
Investing activities:		
Purchase of property, plant & equipment	(4,880)	(11,334)
Reclassification of property, plant & equipment	(3,524)	-
	-----	-----
Cash used in investing activities	(8,404)	(11,334)
	-----	-----
Financing activities:		
(Decrease) in capital grant	(4,219)	(2,021)
Increase / (Decrease) revenue grant	(35,395)	140,587
Difference in opening accumulated fund	46,378	-
	-----	-----
Net cash generated from financing activities	6,764	138,566
	-----	-----
Increase/(Decrease) in cash and cash equivalents	16,670	(17,985)
Cash and cash equivalents at 1 January	96,921	114,906
	-----	-----
Cash and cash equivalents at 31 December	113,591	96,921
	=====	=====

Initiative Development Ghana

Notes to the financial statements

For the year ended 31 December 2007

1. Accounting policies

The significant accounting policies adopted by the organisation and which have been used in preparing these financial statements are as follows:-

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention.

(b) Property, plant and equipment

Depreciation of property, plant and equipment is provided on a straight line basis at rates calculated to write off the cost of each property, plant and equipment over its estimated useful life.

The principal annual rates used for this purpose are:

Building	10%
Motor vehicle	14 $\frac{1}{3}$ %
Computers and equipments	33 $\frac{1}{3}$ %
Office furniture and equipment	20%

(c) Foreign currency transactions

Foreign currency transactions are translated into Ghana cedis at the exchange rate applicable at the time of the transaction.

All account balances denominated in foreign currency at the balance sheet date are converted into Ghana cedis using the year end exchange rate.

Initiative Development Ghana

Notes to the financial statements

For the year ended 31 December 2007 (continued)

2. Other income	2007 GH¢	2006 GH¢
Exchange gain	-	123
Interest on staff loans	1,508	161
Recovery of loans written off	2,921	661
Penalty income	69	148
Investment income	-	195
	----- 4,498	----- 1,288
	=====	=====

3. Administrative and general expenses	2007 GH¢	2006 GH¢
Partners training expenses	419	5,357
Provision for fraud	2,631	-
Other operating charges	2,560	-
Personnel expenses	236,202	223,327
Office administration and marketing	24,302	28,003
Rental expenses	14,897	17,502
Utilities & supplies	13,831	-
Repairs and maintenance	3,889	-
Communications	7,133	-
Travel and transport	11,480	10,010
Insurance	665	-
Computerisation expenses	536	-
Advertising	407	-
Software license fee	1,158	-
Membership fee	450	-
Depreciation	12,623	13,355
Financial charges	709	1,807
Meeting and conferences	352	-
Audit fees	1,653	1,000
Professional/legal fees	15,384	10,318
	----- 351,281	----- 310,679
	=====	=====

Initiative Development Ghana

Notes to the financial statements

For the year ended 31 December 2007 (continued)

4. Property, plant & equipment	1/01/07	Additions	Reclassi	31/12/07
	GH¢	GH¢	fication* GH¢	GH¢
Cost				
Leasehold land & building	8,035	-	(1,000)	7,035
Motor vehicle	18,724	3,440	-	22,164
Computers & equipments	16,428	-	(465)	15,963
Office furniture & equipment	19,358	1,440	(5)	20,793
	62,545	4,880	(1,470)	65,955
Accumulated depreciation				
	At	Charge for	Reclassi	At
	1/01/07	the year	fication* GH¢	31/12/07
	GH¢	GH¢		GH¢
Leasehold land & building	6,548	1,407	(2,328)	5,627
Motor vehicle	9,739	3,697	(1,544)	11,892
Computers & equipments	10,591	4,105	(1,067)	13,629
Office furniture & equipment	10,066	3,414	(55)	13,425
	36,944	12,623	(4,994)	44,573
Net book value				
	At 31 December 2007			21,382
	At 31 December 2006			25,601

*The reclassification costs represent transactions that were wrongly treated as property, plant and equipment instead of rent (GH¢1,000) and repairs and maintenance (GH¢470)

The reclassified depreciation represents overdepreciation in prior year now corrected.

5. Amount due from partners	2007	2006
	GH¢	GH¢
Individual loans	354,762	223,462
Solidarity group loans	46,403	49,995
Provisions	(58,970)	(49,646)
	342,195	223,811

Initiative Development Ghana

Notes to the financial statements

For the year ended 31 December 2007 (continued)

6. Other assets	2007	2006
	GH¢	GH¢
Rent prepaid	8,461	16,234
Other prepaid expenses	-	1,070
Salary advances	100	8,310
Staff loans	915	11,033
Stationery	-	2,350
Other receivables	4,159	2,876
Shortage receivable	2,236	-
Transfer peachtree -LPF	-	44,584
	15,871	86,457
	=====	=====
	2007	2006
7. Partners' savings	GH¢	GH¢
Savings passbooks	191,409	181,078
Savings in progress	68,050	45,437
	259,459	226,515
	=====	=====