

Initiative Development Ghana

Report and financial statements 2008

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Initiative Development Ghana

Report and financial statements 2008

Executive council, officials and registered office

Executive council members

John Osei-Frimpong
Philip Odei-Asare
Marylin A. Annan (Mrs.)
Abraham Nyako Jnr
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, 2008.

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 7 to 13.

	GH¢
2. The balance brought forward on income surplus account at 1 January, 2008 was	36,043
Revenue grant transferred from accumulated fund	-
Difference in opening income surplus	-
Movement on the revenue grant	-
To which must be added the surplus for the year after charging all expenses and depreciation of	-

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's 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, as at 31 December, 2008, set out on pages 7 to 13, which have been prepared on the basis of the significant accounting policies on page 10 and other explanatory notes on pages 11 to 13.

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.

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.

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 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 2008, 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 have obtain 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 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 2008

	Note	2008 GH¢	2007 GH¢
Interest income		306,394	215,734
Commissions and fees		40,584	33,939
Other operating income	2	4,062	4,875
Operating income		351,040	254,548
Provision for loan losses		(55,082)	(18,566)
Operating expenses	3	(367,204)	(351,281)
Operating deficit		(71,246)	(115,299)
Capital grant drawdown		11,197	12,623
Running expenses grant		60,049	172,320
Net surplus for the year transferred to income surplus		-	69,644

Income surplus account

For the year ended 31 December 2008

	2008 GH¢	2007 GH¢
At 1 January	36,043	(560,191)
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
At 31 December	36,043	36,043

Initiative Development Ghana

Balance sheet

As at 31 December 2008

	Note	2008 GH¢	2007 GH¢
Assets			
Non-current assets			
Property, plant & equipment	4	19,566	21,382
		-----	-----
		19,566	21,382
		-----	-----
Current assets			
Bank and cash balances		124,695	113,591
Receivables	5	363,794	342,195
Other assets	6	41,275	15,871
		-----	-----
		529,764	471,657
		-----	-----
Total assets		549,330	493,039
		=====	=====
Accumulated fund and liabilities			
Accumulated fund			
Grant fund		94,642	81,000
Capital grant		76,369	66,987
Capital grant recovery		(56,804)	(45,605)
Revenue grant		-	-
Income surplus account		36,043	36,043
		-----	-----
Total accumulated fund		150,250	138,425
		-----	-----
Liabilities			
Current liabilities			
Partners' savings	7	275,178	259,459
Deferred grant		36,709	79,299
Other liabilities		31,057	15,856
Short term loan		56,136	-
		-----	-----
Total liabilities		399,080	354,614
		-----	-----
Total equity & liabilities		549,330	493,039
		=====	=====

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Member

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Member

Initiative Development Ghana

Cash flow statement

For the year ended 31 December 2008

	2008	2007
	GH¢	GH¢
Operating activities:		
Surplus per accounts	-	69,644
Adjustment for:		
Depreciation of property, plant & equipment	11,197	12,623
	-----	-----
Operating cashflow before movement in working capital	11,197	82,267
Increase in receivables and prepayments	(47,003)	(47,798)
Increase/(decrease) in payables and accruals	44,467	(16,159)
	-----	-----
Cash generated from operations	8,661	18,310
	-----	-----
Investing activities:		
Purchase of property, plant & equipment	(9,382)	(4,880)
Reclassification of property, plant & equipment	-	(3,524)
	-----	-----
Cash used in investing activities	(9,382)	(8,404)
	-----	-----
Financing activities:		
(Decrease) in capital grant	(1,817)	(4,219)
Decrease revenue grant	-	(35,395)
Difference in opening accumulated fund	-	46,378
Increase grant fund	13,642	-
	-----	-----
Net cash generated from financing activities	11,825	6,764
	-----	-----
Increase in cash and cash equivalents	11,104	16,670
Cash and cash equivalents at 1 January	113,591	96,921
	-----	-----
Cash and cash equivalents at 31 December	124,695	113,591
	=====	=====

Initiative Development Ghana

Notes to the financial statements

For the year ended 31 December 2008

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 ¹ / ₃ %
Computers and equipments	33 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 2008 (continued)

2. Other operating income	2008 GH¢	2007 GH¢
Exchange gain	443	-
Interest on staff loans	793	1,508
Recovery of loans written off	1,659	2,921
Penalty income	36	69
Insurance claim received	1,131	377
	-----	-----
	4,062	4,875
	=====	=====

3. Operating expenses	2008 GH¢	2007 GH¢
Partners training expenses	1,241	419
Provision for fraud	-	2,631
Other operating charges	1,947	2,560
Personnel expenses	245,320	236,202
Office administration and marketing	53,368	24,302
Rental expenses	14,123	14,897
Utilities and supplies	2,980	13,831
Repairs and maintenance	1,874	3,889
Communications	4,871	7,133
Travel and transport	15,149	11,480
Insurance	612	665
Computerisation expenses	-	536
Advertising	-	407
Software license fee	1,619	1,158
Membership fee	200	450
Depreciation	11,197	12,623
Financial charges	4,416	709
Meeting and conferences	1,525	352
Audit fees	4,252	1,653
Professional/legal fees	2,510	15,384
	-----	-----
	367,204	351,281
	=====	=====

Initiative Development Ghana

Notes to the financial statements

For the year ended 31 December 2008 (continued)

4. Property, plant & equipment	At	Additions	Disposal	At
	1 Jan.			31 Dec.
	GH¢	GH¢	GH¢	GH¢
Cost				
Leasehold land & building	7,035	-	-	7,035
Motor vehicle	22,164	850	-	23,014
Computers & equipments	15,963	5,105	-	21,068
Office furniture & equipment	20,793	1,430	-	22,223
Software development	-	1,997	-	1,997
	65,955	9,382	-	75,337

Accumulated depreciation	At	Charge for the year	Disposal	At
	1 Jan.			31 Dec.
	GH¢	GH¢	GH¢	GH¢
Leasehold land & building	5,627	1,407	-	7,034
Motor vehicle	11,892	3,944	-	15,836
Computers & equipments	13,629	2,984	-	16,613
Office furniture & equipment	13,425	2,661	-	16,086
Software development	-	202	-	202
	44,573	11,198	-	55,771

Net book value

At 31 December 2008	19,566
At 31 December 2007	21,382

5. Amount due from partners	2008	2007
	GH¢	GH¢
Individual loans	317,755	354,762
Solidarity groups loans	7,147	46,403
Onipa Nua loans	133,392	-
Provisions	(94,500)	(58,970)
	363,794	342,195

Initiative Development Ghana

Notes to the financial statements

For the year ended 31 December 2008 (continued)

6. Other assets	2008	2007
	GH¢	GH¢
Rent prepaid	27,551	8,461
Salary advances	-	100
Staff loans	9,563	915
Other receivables	319	4,159
Shortage receivable	2,671	2,236
Inventory	1,171	-
	41,275	15,871
	=====	=====

7. Partners' savings	2008	2007
	GH¢	GH¢
Savings passbooks	214,201	191,409
Savings in progress	56,959	68,050
Voluntary savings	4,018	-
	275,178	259,459
	=====	=====