

**HYDRO EMPLOYEES CO-OPERATIVE
CREDIT UNION LIMITED**



**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

FOR THE PERIOD ENDED 30TH JUNE, 2013

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MISSION STATEMENT

Hydro Credit Union is committed to helping members to attain a lifetime financial freedom through the provision of a unique blend of savings and loans at competitive rates as well as financial advisory services for the purpose of raising their standard of living whilst ensuring the long term sustainability of the credit union.

VALUE STATEMENT

- Integrity
- Members First
- Teamwork

CREDIT UNION SONG

It's a small word after all
It's a small world after all
It's a small world after all
It's a small, small world

It's a small world

It's a small world after all
It's a world of laughter
It's a world of tears and cheers
It's a credit union world

It's a small world

It's a small world after all
It's a small world after all
It's a small world after all
It's a small, small world

AGENDA

1. Arrival and registration
2. Call meeting to order
3. Opening prayer
4. Credit union song
5. Introduction of dignitaries
6. Confirmation of the previous minutes
7. Matters Arising
8. Presentation of Reports
 - ***Board of Directors***
 - ***Loan Committee***
 - ***Supervisory Committee***
9. Presentation of Auditors Accounts – 2012 / 2013
10. Share dividend
11. Chairman's Closing Remarks
12. Closing Prayer
13. Refreshment

**HYDRO EMPLOYEES COOPERATIVE CREDIT UNION MINUTES
OF ANNUAL GENERAL MEETING HELD ON SATURDAY,
16TH MARCH, 2013 AT THE VRA COMPLEX SCHOOL CANTEEN**

AGENDA

- (a) Reading of the previous minutes
- (b) Audit report (2011/2012)
- (c) Share Dividend
- (d) AOB

OPENING

The meeting started at 10.30am with an opening prayer by Mr. Edward Zentey, the Assistant Secretary to the Board of Directors (BOD) followed by the singing of the Credit Union National Anthem conducted by Mr. Macdonald Bruce, staff of the Union.

Mr. Walter Kyei was called upon to introduce the invited guests namely, Mr. Emmanuel Darko, The general Manager of CUA, Mr. Akey-Bekoe, Eastern Regional Manager of CUA, Mr. Kumi, Asuogyaman District Cooperative Officer and CUA Audit team and members of all Committees for the Hydro Credit Union.

We were also privilege to have in our mist the Swaziland national Credit Union Association Chairman by name Dr. Hlongwane.

The chairman used the opportunity to welcome members and expressed his gratitude to members for sacrificing their time especially in a weekend like this when various social activities are scheduled to make time to attend the Annual General Meeting. He prayed that the gathering will yield its objectives in the interest of the Hydro Credit Union and its cherished members.

READING AND ADOPTION OF PREVIOUS MINUTES

The BOD Secretary read the minutes of the previous meeting to members present. After review of the minutes for comments, omissions and additions, Mr. Zentey moved for the acceptance of the minutes and was seconded by Mrs. Jesse Obeng.

MATTERS ARISING

Proposed Visitors Centre

The BOD Assistant Secretary, Mr. Edward Zentey commented on the project by recalling an accident involving two vehicles near the Ghana Commercial Bank building where visitors had gathered to prepare for the dam site visit. He continued that it was by divine intervention that the vehicle did not run into gathering. He therefore advised management to revisit the proposed visitors' complex with the Akosombo Management Committee to get the necessary clearance to start the project.

Opening of branch Offices

The chairman reiterated management decision on discouraging the opening of branches at the various work areas but rather strengthening the operations of the work area representatives to effectively provide the necessary financial services to the members outside Akosombo. He added that management is ready to provide the representatives with needed assistance to perform efficiently.

In support to the chairman's submission, credit union's representatives from Kumasi, Tamale and Techiman who were present confirmed that, so far they are not facing any problem in terms of the service they render to members in their locations. It was Tamale representative who proposed to management to consider appointing union representatives for Bolga and Bawku since the union numbers population is increasing in those location.

Presentation of Committees Report

For time constraints, it was agreed that the BOD chairman present the BOD annual Report. In concluding the chairman stated that in the light of the unfavourable economic and highly competitive financial environment that is a key challenge to our existence, the BOD is optimistic and confident that with the quality of staff and the support of members, management can respond appropriately to any threat and will continue to offer a superior level of financial service to our members whiles maintaining a financially sound business operations.

MAIN BUSINESS

Key Note Address by the General Manager of CUA

The General Manager used the occasion to commend the Union for our impressive performance in this financial year. He added that looking at the standards the union made 13% reserve higher than the minimum requirement of 10% on net loans to members, the union made 64.6% as against required maximum of 70%. On members' savings, we made 81%.

He mentioned that the country can boast of over 500 credit unions nationwide but noted that looking at the pace of the performance; he will not be surprise if the union move closer to the 1st and 2nd position in the coming year or two.

He also used the occasion to educate members on the essence of securing your future through savings and urged members to follow the principles of life in the bible concerning personal financial management. He added that many lives have been a tragedy because basic principle of living within ones means is not followed. He therefore advised members to assess their current expenditure pattern to build a successful financial foundation.

Key Note Address by the Chairman of ACCOSCA

The ACCOSCA chairman was full of praise for the way and manner the general meeting is organized in democratic and transparent manner through the provision of printed financial statement and open discussions on management performance.

He added that he is going to send the success story of the Union to Swaziland.

Address from the CUA Regional Chapter manager,

Mr. Akey-Bekoe, Eastern Regional Manager of CUA also used the occasion to congratulate the Hydro Credit Union for organizing the most important activity in the Credit Union operations. He added that Hydro Credit Union is one of our key contributors in the Chapters in terms of statutory dues and project contribution. He commended the union for supporting the chapters building project and pray that the Union grows from strength to strength so that as the saying goes, Oliver Twist will still come for more.

He however, commented that the eastern regional chapter administration is having several challenges in terms of society's compliance to directives from CUA. He cited one example of non-submission of monthly financial statement to the chapter which Hydro Credit is also among those societies who are not complying. He therefore appealed to management to ensure that this information is available.

Auditors Report

The chairman then gave Mr. Kwame Owusu Agyeman the opportunity to present the 2011/2012 Audit report to members.

Mr. Kwame Owusu Agyeman commended the BOD, Staff and the Union members for the consistent improvement in performance in the 2011/2012 financial year.

He expressed satisfaction to the high degree of compliance to the Cooperative Society's decree of 1968(NLCD). Furthermore, the Accounts reflected the true state of affairs as at 30th June 2012.

Income and expenditure Account for the period ending 30th June 2012

According to the report, **the financial income** of the union grew from GH¢1,051,040.95 in 2011 to GH¢1,766,504.01 in 2012.

The **total operating expenses** (interest on member savings, provision for loan losses, personnel, occupancy, organizational, security and administration) rose from GH¢644,674.63 in 2011 to GH¢1,053,008.47 in 2012.

The **net surplus** for the financial year rose to GH¢713,495.54 as against GH¢406,366.32 in 2011, an increase of 75.57%.

On Net Appropriation Accounts, the union earned GH¢359,517.80 for operating reserve as against GH¢232,585.49 in 2011, an increase of 154.57% after allocation of 25% Statutory Reserve and 18% dividend on shares.

The highlight on the Income and Expenditure Accounts of the financial statement reflects a remarkable performance of the union as against the expected CUA standards. He also commended the union for moving beyond CUA standard of attaining a minimum of 6% of net operating margin to 7.1%. This is because, under CUA standards, a credit union is said to be strongly viable when its **net operating margin** is 6% or more of its total average assets.

Balance sheet for the period ending 30th June 2012

On the financial highlights of the balance sheet, Mr. Kwame Owusu Agyeman alerted that management should strive hard to ensure that net loans to members should be within the CUA standard of 70% maximum of total assets. He however praised the union for raising its liquid investment to 21.4% above the CUA standard of 18% minimum of total assets in Liquid Investment.

Acceptance of the Audited Accounts.

The chairman requested for any member to volunteer to move for the acceptance of the 2011/2012 Audit Accounts of the Hydro Cooperative Credit Union in the absence of corrections and omissions. Mr. Timothy Gaisie moved for the acceptance and was seconded by a member.

Discussions on the Audited Accounts

A member, Mr. Emmanuel Batawa alerted the chairman and the Auditors on a typographical error on the figures stated on the 2011 balance sheet under Liabilities on page 25.

Declaration of Share Dividend

The chairman on behalf of the management of the Credit union stated that based on the financial performance of the union in 2011/2012 financial statement, management has decided to pay a dividend of 18% on members shares.

Health Talk by CUA Health Worker

As part of the CUA in supporting the good health of union members in Ghana, we were privileged to have Mama Kate, CUA Health education officer to talk on health issues ranging from lifestyle, High Blood pressure, diabetes, sexual activities etc. She therefore advised members who are 40 years and above to monitor their health status frequently to prevent any of the deadly illnesses that are common in recent times.

ANY OTHER MATTERS

Appreciation from a member

A member used the occasion to tell members about how the credit union has sustained him financially ever since he joined the happy family. Recent one he can share with members is when he sought for financial assistance as the last resort to bury his late mother. He therefore thanked the office and management for making life easier for members like him.

Inclusion of local language in Annual General meeting discussions

A member suggested that now that the common bond is opened for non VRA staff to join the union, he is therefore appealing to management to consider the inclusion of largely spoken local languages i.e. Twi and Ewe, so that those who do not speak the English language could understand the deliberations and make contributions during discussions.

Difficulty in accessing ones Savings whiles servicing loan

A member complained that he does not understand why the office does not allow members to access their accumulated savings whiles servicing their loans and rather use their savings as collateral for the loans contracted. He justified his point by saying that the money belongs to him so if applies for a loan of GH¢6,000.00 and has GH¢2,000.00 in his savings accounts, then he should pay interest on the GH¢4000.00 instead not the GH¢6,000.00.

The Manager responded that the arrangement is the best that you can get in that it is members money we trade with and to sustain our operations this is the best to go. Besides, the GH¢2000.00 the person claimed it is idling is rather attracting 8% per annum.

Closing Remarks

The chairman thanked invited guest for gracing the occasion with the inspirational words. He assured members that management is still aiming high to bring the union to a level where we can effectively compete with commercial banks. Our other primary aim is to invest in capital intensive projects that will yield profit in both the medium and long term especially the proposed visitor's complex.

He concluded that in all these achievements, credit should be given to our creator who has given us the strength and knowledge to manage the Hydro Credit Union to this stage. He thanked the BOD and other Committee members & staff for their hard work and the CUA office staff for the consultancy services they render to societies especially the Hydro Credit Union. Mr. Markin gave the closing prayer and the meeting was officially closed at 3.15pm.



.....
Samuel Anyang
(Secretary)



.....
Henry Tetteh Ahorlu
(Chairman)

**ANNUAL REPORT OF THE BOARD OF DIRECTORS OF HYDRO
EMPLOYEES CO- OPERATIVE CREDIT UNION LTD FOR 2012/2013
FINANCIAL YEAR.**

1.0 INTRODUCTION

On behalf of the Board of Directors, this report is submitted to summarize our Credit Union's operations and financial results for the period July 2012- June 2013.

Our primary responsibility as the Board of Directors is to provide overall leadership and governance of the Credit Union and also to ensure Hydro Credit Union executes the best possible service to our members.

2.0 ADMINISTRATION

2.1 Board of Directors

Mr. Henry Tetteh Ahorlu	Chairman
Mr. Ebo- Amoah	Vice Chairman
Mr. Phinehas Afriyie	Treasurer
Mr. Ralph Punamane	Asst. Treasurer
Mr. Samuel Anyang	Secretary
Mr. Edward Zentey	Asst. Secretary
Mr. Emmanuel Markin	Member
Mr. Ken Sackeyfio	Ex- officio/ Advisor

Loans Committee

Mr. Anthony Nyame	Chairman
Mr. Walter Kyei	Secretary
Mr. Emmanuel Adu	Member

Supervisory Committee

Mr. Emmanuel Adu-Brobby	Chairman
Mr. Johnson Odjao	Secretary
Mr. Patrick Senyo Addipah	Member

2.2 Staffing

Mr. Joseph Garti

Miss. Rita Agbaglo

Mr. Edward Arjarquah

Mr. Macdonald Bruce

Mr. Ebenezer Akuffo

Mr. Selorm Dewornu

3.0 MEMBERSHIP

The total membership as at the beginning of the year was **4,223** which are made of **3,170 male**, **1,028 female** and **25 groups**. During the year, **492 new members** were admitted and **110 members withdrawn** their membership. This brought the total membership to **4,605** as at June 30, 2013.

4.1 SHARES

Our members' equity was just over GH¢ 800,000.00 at the end of 2012/2013, an increase of GH¢ 224,000.00 from 2011/2012 year end total.

4.2 SAVINGS

Member's total savings as at July 2012 stood at **GHS 9,803,141.83 at 80.97%** of our total assets and at the end of the financial year, total savings was **GHS 13,029,332.49** representing **76.80.2%** of our total assets as to compare to 80% of the industry standard. The fall in the percentage is as a result of high savings withdrawals by members during the year.

4.3 LOANS

It was another year of continued growth as our portfolio expanded. Net loans to members at the beginning of the year under review stood at **GHS 7,815,399.64** and at the end of the year, net loans to members were **GHS 10,009,514.14** representing 59% of our total assets.

4.4 NET SURPLUS

Net surplus increased significantly for the period ending June 2013. The Union has recorded a historic increase of 105% (GH¢1,468,265.06) of its net surplus as against 75.5 % (GH¢ 713,466.54) of 2011/2012

4.5 TOTAL ASSETS

Total Assets also increased from GH¢ 12,107,165.48 to GH¢16,966,154.43 representing an increase of 40%.

CONCLUSION

As we look to 2013/2014, we will continue to develop products and services that benefits members first before our bottom line.

On behalf of the BOD, we are honoured to serve you and look forward to guiding you and Hydro Credit Union in 2013/2014.

Thank you for your membership and more importantly your trust in Hydro Credit Union.

HYDRO CO-OPERATIVE CREDIT UNION SUPERVISORY COMMITTEE'S REPORT FOR THE PERIOD 2012/2013 FINANCIAL YEAR

MEMBERS

Mr. M. K. Adu-Brobby	Chairman
Mr. Johnson Odjao	Secretary
Mr. Patrick Addipah	Member

We have examined the Accounting records of the Hydro Co-operative Credit Union for the 2012/2013 financial year and these are:

- a) Reviewing the loan application forms to ensure that they were accurately completed by the respective applicants and that they were duly approved before payments were effected.
- b) Ensuring that there were daily lodgements of cash takings into the various Bank Accounts.
- c) Reviewing the Bank Reconciliation Statements on monthly basis.
- d) Periodic cash count of office cash, Petty Cash and Lipo-Lipo.
- e) Checking individual ledgers of members to ensure that loans granted to members were being repaid as agreed upon

OBSERVATIONS/FINDINGS

- I) The Credit Union's operations complied with the rules, bye-laws and sound business practices for the period under review.
- II) All financial transactions were accurately recorded.
- III) All payment vouchers were approved before payment.

IV) The internal controls are adequate and effectively protect the Credit Union against any losses, errors or fraud.

V) Proper books of accounts are being used and are constantly maintained, i.e. receipts, payment vouchers, individual ledgers etc.

CONCLUSION

We had access to the books of accounts and vouchers of the Credit Union as well as supporting documents. We also received all the necessary information and explanations for the purpose of our audit and we are indeed grateful to Manager and Staff of the Credit Union for their immense assistance.

M. K. Adu-Brobbey
Chairman
Supervisory Committee

Johnson Odjao
Secretary
Supervisory Committee

HYDRO CREDIT UNION, AKOSOMBO LOANS COMMITTEE REPORT FOR 2012/2013 FINANCIAL YEAR

During the period of July to June, 2012/ 2013, the loans Committee met once every week on Tuesdays to review and approve loan applications submitted by members.

The Committee met on any other day to attend to emergency financial needs of members.

In approving loans to members, the Committee took into consideration the three C's of CUA that is the character of the borrower, capacity to repay and collateral of borrowers. Besides this, the committee by VRA's policy on loan services looked at the non-statutory deductions on the borrower's pay slip, which must not exceed 50% of the borrower's net salary.

The committee offered financial counselling to members when the need aroused.

Records were taken for the number of female and the male applicants whose loans were approved for payment based on purposes such as housing, medicals, school fees, funerals, business, and others.

The total amount of loans granted for the period under review, was Eight Million, Nine Hundred and Ninety-Five thousand, Four Hundred and Ninety-Two Ghana Cedis only (**GH¢8,995,492.00**).

Attached are the detailed summary of Loan Highlights for July to June 2012/13 and Analysis for July to June, 2011/12 and 2012/13 financial years respectively.

LOANS ANALYSIS REPORT COMPARISON

PERIOD	AMOUNT	APPLICANT	AMOUNT	APPLICANT
JULY	783,333.00	120	417,750.00	75
AUGUST	850,550.00	139	481,580.00	103
SEPTEMBER	781,820.00	139	751,900.00	102
OCTOBER	801,300.00	110	575,000.00	103
NOVEMBER	836,900.00	124	973,900.00	145
DECEMBER	553,900.00	73	431,830.00	68
JANUARY	483,400.00	61	463,250.00	71
FEBRUARY	658,700.00	87	521,621.00	86
MARCH	938,400.00	98	681,950.00	104
APRIL	862,900.00	129	654,000.00	118
MAY	753,800.00	97	730,300.00	138
JUNE	690,489.00	94	611,810.00	108
TOTAL	8,995,492.00	1268	7,294,570.00	1221
AVERAGE	749624	106	607908	102

			PURPOSE ANALYSIS REPORT					
	2012 /2013		MALE		FEMALE		GROUPS	
PURPOSE	Amount	Applicant	Amount	Applicant	Amount	Applicant	Amount	Applicant
Hosing	3,185,875.00	505	2,990,000.00	446	195,875.00	59	51,000.00	2
School Fees	2,823,547.00	405	2,317,482.00	355	506,065.00	50		
Transport	1,015,200.00	124	827,900.00	87	187,300.00	37		
Business	800,520.00	96	651,000.00	76	98,520.00	18		
Rent	485,235.00	57	390,185.00	41	95,050.00	16		
Medicals	231,875.00	26	163,875.00	20	68,000.00	6		
Funeral	299,155.00	29	210,065.00	18	89,090.00	11		
Others	154,085.00	22	122,000.00	12	32,085.00	10		
Total	8,995,492.00	1264	7,672,507.00	1055	1,271,985.00	207	51,000.00	2
Average	749624	105	639376	88	10599	17	4250	0

CHALLENGES

- The Committee encountered some challenges during the period under review and these include
- Failure of some applicants to provide supporting documents in request for emergency loans.
- Failure of applicants that pledged the repayment of loans against VRA's payment of provident fund to staff, leading to loan delinquency.

RECOMMENDATIONS

The committee recommends that

- Loan defaulters should have their monthly loan deductions increased.
- Loan applicants within the common bond membership; come with their guarantors to the loans desk for counselling on the role of guarantors in case of loan default.

Submitted by:

Walter Kyei
(Loans Committee Secretary)

FINANCIAL HIGHLIGHTS 1 AS AT 30TH JUNE 2013

OPERATING STATEMENT

IN % ON AVERAGE ASSETS, BASE: GH¢14,538,233.89

PARTICULARS	ACTUAL AMOUNT(GH¢)	%	STANDARD AMOUNT	%		REMARKS
<u>INTEREST EARNINGS</u>						
Interest On Loans	2,316,556.23	15.9	2,907,646.78	20		
Interest On Financial Invest.	547,800.43	3.8	290,764.68	2		
Interest On Other Invest.	40,039.26	0.3	145,382.34	1		
TOTAL FINANCIAL INCOME	2,904,395.92	20.0	3,343,793.79	23	min.	Unfavourable
<u>LESS COST OF FUNDS</u>						
Interest On Members Savings	782,962.84	5.4	726,911.69	5		
Interest On Fixed Deposit	51,964.21	0.4	290,764.68	2		
TOTAL COST OF FUNDS	834,927.05	5.7	1,017,676.37	7	max.	favourable
GROSS FINANCIAL MARGIN	2,069,468.87	14.2	2,326,117.42	16	min.	Unfavourable
Less Increase In Provision for Loan Losses	137,549.54	0.9	581,529.36	4	max.	favourable
NET FINANCIAL MARGIN	1,931,919.33	13.3	1,744,588.07	12		
Add Non - Financial Income	28,341.62	0.2	145,382.34	1	min.	Unfavourable
GROSS MARGIN	1,960,260.95	13.5	1,889,970.41	13	min.	favourable
<u>LESS OPERATING EXPENSES</u>						
Personnel	125,613.83	0.9	363,455.85	2.5		
Occupancy	19,311.02	0.1	145,382.34	1		
Organizational	136,882.38	0.9	145,382.34	1		
Security	107,625.18	0.7	145,382.34	1		
Administration	105,782.73	0.7	218,073.51	1.5		
TOTAL OPERATION EXPENSES	495,215.14	3.4	1,017,676.37	7	max.	favourable
NET OPERATING MARGIN	1,465,045.81	10.1	872,294.03	6	min.	favourable

Result:

Favourable = 5

Unfavourable = 3

FINANCIAL HIGHLIGHTS II AS AT 30TH JUNE 2013

OPERATING STATEMENT

IN % ON AVERAGE ASSETS, BASE: GH¢16,969,273.30

PARTICULARS	ACTUAL AMOUNT(GH¢)	%	STANDARD AMOUNT	%		REMARKS
ASSETS						
LIQUID FUNDS	499,305.73	2.9	339,385.47	2	max.	Unfavourable
LIQUID INVESTMENTS	4,359,971.16	25.7	3,054,469.19	18	min.	Favourable
OTHER INVESTMENTS	693,884.29	4.1	848,463.67	5	min.	Unfavourable
NET LOANS TO MEMBERS	10,023,674.72	59.1	11,878,491.31	70	max.	Favourable
OTHER CURRENT ASSETS	1,173,945.38	6.9	-	0	max.	Unfavourable
NON CURRENT ASSETS	218,492.02	1.3	848,463.67	5	max.	Favourable
TOTAL	16,969,273.30	100.00	16,969,273.30	100		
LIABILITIES						
CURRENT LIABILITIES	187,713.53	1.1	-	0	max.	Unfavourable
EXTERNAL LOANS	-	0.0	848,463.67	5	max.	Favourable
MEMBERS SAVINGS	13,017,519.03	76.7	13,575,418.64	80	min.	UnFavourable
MEMBERS SHARES	803,666.58	4.7	848,463.67	5	min.	Unfavourable
RESERVES	2,960,374.16	17.4	1,696,927.33	10	min.	Favourable
TOTAL	16,969,273.30	100.0	16,969,273.30	100		

Result:

Favourable = 5

Unfavourable = 6

HYDRO EMPLOYEES CO- OPERATIVE CREDIT UNION LTD.
REPORT OF THE AUDITORS TO THE MEMBERS FOR THE
YEAR ENDED 30th JUNE 2013

We have audited the Financial Statements of **Hydro Employees Co-operative Credit Union Limited** which has been prepared under historical cost convention. We have obtained all the information and explanations we required.

These Financial Statements are the responsibility of the Credit Union's Management Committee. Our responsibility is to express an independent opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted standards. These standards require that we plan and perform our audit to obtain a reasonable assurance whether the financial statements are free of material misstatements. An audit includes examining on, a test basis evidence supporting the amounts and disclosures in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, proper books have been kept and the financial statements which are in agreement therewith, comply with the requirements of the Co-operatives Societies Decree of 1968 (NLCD 252) and give a true and fair view of the state of affairs of the society as at 30th June, 2013 and of the results of its business for the period then ended



.....
TWUMHENE COLLINS
CUA LTD.



.....
ABIGAIL APPAH
CUALTD.



.....
SAMUEL KUMI
DOC

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2013

	NOTES	2013 GH ¢	2012 GH ¢
INCOME			
41 Interest on Loans	2	2,316,556.23	1,458,298.43
42 Interest on Liquid Investment	3	547,800.43	265,789.95
45 Other Financial Income	4	40,039.26	11,933.45
		<hr/>	<hr/>
		2,904,395.92	1,736,021.83
46 Non Financial Income	5	28,341.62	30,482.18
TOTAL INCOME		2,923,737.54	1,766,504.01
<u>LESS EXPENDITURE</u>			
51 Cost of Funds	6	834,927.05	597,676.96
52 Personnel Cost	7	125,613.83	119,342.57
53 Occupancy	8	19,311.02	10,625.78
54 Organizational	9	136,882.38	126,772.12
55 Security	10	107,625.18	70,621.71
56 Administration	11	105,782.73	109,770.26
57 Provision for Loan Losses and Write Off	12/24	137,549.54	18,199.07
		<hr/>	<hr/>
TOTAL OPERATING EXPENSES		1,467,691.73	1,053,008.47
Surplus		1,465,045.81	713,495.54
SURPLUS APPROPRIATION		1,465,045.81	713,495.54
Net Surplus c/f			
25% Statutory Reserve		366,261.45	178,373.88
Education Reserve		-	71,349.55
Loan Protection Fund		132,518.56	-
Proposed Dividend		152,696.65	104,254.31
Operating Reserve		813,569.15	359,517.80
		<hr/>	<hr/>
		1,465,045.81	713,495.54
		=====	=====

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH JUNE 2013

	NOTES	2013 GH ¢	2012 GH ¢
ASSETS			
11 Liquid Funds	13	499,305.73	901,295.48
12 Liquid Investments	14	4,359,971.16	2,587,409.82
13 Other Assets	15	693,884.29	291,939.05
14 /24 Net Loans to Members	16/25	10,023,674.72	7,815,399.64
15 Other Assets	17	1,173,945.38	277,909.62
16/25 Net Fixed Assets	21	218,492.02	233,240.87
TOTAL ASSETS		16,969,273.30	12,107,194.48
LIABILITIES			
21 Current Liabilities			
22 Members Savings	18	187,713.53	135,336.94
23 External Loans	19	13,017,519.03	9,803,141.83
	20	-	-
CAPITAL		13,205,232.56	9,938,478.77
31 Members Share			
32 Reserve (incl. Net Surplus)	21	803,666.58	579,190.60
	23	2,960,374.16	1,589,525.11
TOTAL LIABILITIES AND CAPITAL		3,764,040.74	2,168,715.71
		16,969,273.30	12,107,194.48

Approved by Management Board on 24th January, 2014

The above statement together with the attached certified schedules giving full details of all assets are to our best knowledge and belief correct.




HENRY AHORLU



AFRIYE K. PHINEHAS

Approved by Department of Co-operatives:



5/2/2014
Regional Co-op. Director
KOFORIDUA-E/R
ELIZABETH CHEME

NOTES TO THE FINANCIAL STATEMENTS**1. ACCOUNTING POLICIES**

The Significant accounting policies adopted by the union and used in the preparation of the Financial Statements are as follows:

a) Basis of Accounting

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

b) Expenses

Expenses are recognised when incurred, without regard to receipt or payment of cash.

d) Provision for Loan Losses

Provision on Loan is determined base on the age of loans. An increase provision for loans losses is treated as an expense in income statement, however a reduction is not considered as income due to the adoption of the prudence concept.

e) INTEREST ON MEMBERS' SAVINGS

Interest on Members' Savings is paid on yearly balance. (Auditor should change this if policy is different)

f) DEPRECIATION

Depreciation is charge on a straight line basis

Premises	2%
Office Equipment	25%
Furniture & Fittings	20%
Equipment and Vehicles	20%
Computer and IT Equipment	33.33%
Software	33.33%

	2013 GH¢	2012 GH¢
2. Interest on Loans		
Interest on Normal Loans	2,316,556.23	1,458,298.43
Interest on Other Loans	-	-
	<u>2,316,556.23</u>	<u>1,458,298.43</u>
3. Interest on Liquid Investments		
Interest on fixed deposits-ADB	157.85	271.13
Interest on fixed deposit-SIC-FSL	456,409.85	192,612.68
Interest on fixed deposits-GCB	7,468.41	37,138.04
Interest on ZenithCall A/C	15,957.65	11.87
Interest on Savings A/C-GCB	7,060.43	7,828.66
Interest on CUA CFF Savings	60,746.24	27,927.57
	<u>547,800.43</u>	<u>265,789.95</u>
4. Other financial Income		
Interest on Statutory Reserve Deposit	39,895.26	11,837.45
Dividend on CUA Shares	144.00	96.00
	<u>40,039.26</u>	<u>11,933.45</u>
5. Non Financial Income		
Entrance Fee	2,505.00	3,035.00
Interest on Micro Savings Boxes	2,187.00	1,158.00
Rental Income	-	10,096.80
Other Income	23,649.62	16,192.38
	<u>28341.62</u>	<u>30,482.18</u>
6. Cost of Funds		
	782,373.85	566,639.05
Interest on Member Savings	588.99	-
Interest on Chid Savings	51,964.21	31,037.91
Interest on Fixed Deposits	<u>834,927.05</u>	<u>597,676.96</u>

	2013 GH¢	2012 GH¢
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Interest on Fixed Deposits	<u>834,927.05</u>	<u>597,676.96</u>

	2013 GH ¢	2012 GH ¢
7. Personnel Cost		
Staff Salaries	79,617.10	75,408.36
SSNIT contribution, part of CU	10,350.16	9,852.75
Staff Bonus	6,571.38	5,373.20
Dressing Allowance	2,400.00	2,000.00
Cashiers Allowance	570.00	630.00
Staff Allowance / Overtime	1,332.47	18,952.38
Medical Expenses	16,493.41	1,000.45
Housing Allowance	-	459.30
C-CUPP, part of CU	3,981.03	3,789.45
Other Personnel Cost	4,298.28	1,876.68
	<u>125,613.83</u>	<u>119,342.57</u>
8. Occupancy		
Office Utilities/Rent	2,027.00	909.00
Rent & Utilities	4,015.82	3,246.78
Repairs and Maintenance	13,268.20	6,470.00
	<u>19,311.02</u>	<u>10,625.78</u>
9. Organizational Cost		
CUA Dues	10,747.50	41,261.79
Chapter Dues	22,614.50	11,160.00
Meeting Cost	1,786.00	1,541.20
Publicity and Promotions	800.00	2,350.00
Education & Training	64,856.38	45,983.38
Entertainment & Protocol	12,475.00	-
Committee Allowance	10,410.00	13,738.75
Hotel Accom. & Protocol	-	8,407.00
Donation	373.00	-
Annual General Meeting	12,820.00	2,330.00
	<u>136,882.38</u>	<u>126,772.12</u>

	2013 GH ¢	2012 GH ¢
10. Security		
Risk Management Premium	79,650.00	48,670.00
CUA Stabilization Fund	18,326.18	14,704.71
Business Licence Fee	10.00	10.00
Audit Fees	5,070.00	4,650.00
Audit expenses	4,569.00	2,587.00
	107,625.18	70,621.71
11. Administration		
Traveling and Transport	1,808.65	1,971.00
Bank Charges	29,373.41	25,364.47
Cleaning Cost	3,000.00	2,200.00
Fuel Cost	3,673.00	2,626.10
Office Expenses	4,926.80	4,574.55
Vehicle Running Cost	4,633.72	4,816.73
Cusoft Maintenance	2,000.00	1,550.00
Printing and Stationery	18,918.30	24,502.30
Insurance-Vehicle	-	1,372.86
Bad Debt	13,000.00	13,426.89
Depreciation on Fixed Assets	24,448.85	27,365.36
	105,782.73	109,770.26
12. Provision for Loan Losses		
<i>Please see also note 23. Accumulated Provision For Loan Losses</i>		
Increase in Provision for Loan Losses	137,549.54	18,199.07
Bad Loan Written Off	-	-
	137,549.54	18,199.07
13. Liquid Funds		
Cash on Hand	-	1,471.10
Petty Cash	44.50	12.80
Office Safe	67,519.87	20,708.42
Subtotal Cash Balance	67,564.37	22,192.32
GCB Current A/C	124,966.47	835,945.42
Zenith Current A/C	28,962.00	25,971.87
Zenith Bank Call A/C	238,096.45	-
Anum Rural Bank Current A/C	13,784.90	10,677.00
ADB Current A/C (Juapong)	25,931.54	6,508.87
Subtotal Bank Balance	431,741.36	879,103.16
	499,305.73	901,295.48

	2013 GH ¢	2012 GH ¢
14. Liquid Investments		
Fixed Deposit-GCB Akosombo	100,000.00	100,000.00
Treasury Bill - GCB Akosombo	567,150.00	-
Fixed Deposit-ADB Juapong	22,000.00	22,000.00
Bank Saving-GCB Akosombo	160,805.54	105,589.55
Fixed Deposit-SIC Finance Service	2,149,022.53	1,692,612.68
E-Cash	3,000.00	10,000.00
Fixed Deposit-Stepwise Group Limited	200,000.00	-
Central Finance Facility (CFF) Saving	1,157,993.09	657,207.59
	4,359,971.16	2,587,409.82
15. Other Investments		
CUA House Bond	99.00	99.00
CUA Stationery Reserves Deposit	662,585.29	270,640.05
CUA Shares	1,200.00	1,200.00
CUA Kasoa Training Centre Shares	30,000.00	20,000.00
Databank Investment (Mfund)	-	-
	693,884.29	291,939.05
16. Net Loans To Members		
LOAN TO MEMBERS - FIXED RATE	10,069,675.43	7,751,213.60
LOANS TO MEMBERS - SHORT TERM	197,037.83	171,109.00
Subtotal: Total Loan Balance	10,266,713.26	7,922,322.60
less: set aside	66,563.54	1,433.96
less: accum. Provision For Loan Losses	176,475.00	105,489.00
	10,023,674.72	7,815,399.64
17. Other Assets		
Sundry Debtor	-	13,000.00
CUA Cloth	12,754.00	14,521.00
Staff Salary Advance	6,281.38	5,439.34
Staff Loan	55,568.59	69,035.06
Accounts Receivables - GRIDCo	231,807.03	-
Accounts Receivables - VRA	867,534.38	175,914.22
	1,173,945.38	277,909.62

	2013 GH¢	2012 GH¢
18. CURRENT LIABILITIES		
Audit Fees Payable	5,070.00	4,650.00
Stabilization Fund payable	18,326.18	14,704.71
Dividend On Members' Share payable	152,696.65	104,254.31
Loan Protection Plain (LPP)	11,620.70	11,727.92
Other Accounts (payable)	-	-
	187,713.53	135,336.94
	=====	=====
19. MEMBERS SAVINGS		
Regular Savings	12,217,451.19	9,346,088.99
Child Savings	18,867.45	-
Withdrawal Savings	31,433.40	15,894.72
	-----	-----
Subtotal: Total Regular Savings	12,267,752.04	9,361,983.71
Other Savings - Dormant Savings	6,218.68	4,485.84
Other Savings - Fixed Deposits	743,548.31	436,672.28
	-----	-----
Subtotal: Total Regular Savings	749,766.99	441,158.12
	-----	-----
	13,017,519.03	9,803,141.83
	=====	=====
20. MEMBERS SHARES		
Members Shares - Female	-	-
Members Shares - Male	-	-
Members Shares - Group	803,666.58	579,190.60
	-----	-----
	803,666.58	579,190.60
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS**22. Non Current Asset Schedule**

Non Current Assets	Cost	Disposal	Additions	Balance
Land & Premises	219,575.83		-	219,575.83
Office Equipment	26,471.10		9,000.00	35,471.10
Furniture & Fittings	16,292.00		200.00	16,492.00
Computer and IT Equipment	25,437.12		500	25,937.12
Vehicles	47,447.00		0.00	47,447.00
Development Cost	10,469.00			10,469.80
Software	7,946.20		0.00	7,946.20
Total Gross N. C. Assets	353,639.05	0.00	9,700.00	363,339.05
Depreciation	Balance b/f	Disposal	Charge for the year	Balance
Land & Premises	41,900.93		4,391.52	46,292.45
Office Equipment	13,911.29		8,867.77	22,779.06
Furniture & Fittings	15,782.58		3,298.40	19,080.98
Computer and IT Equipment	25,437.12		500.00	25,937.12
Vehicles	18,978.80		4,744.70	23,723.50
Software	4,387.46		2,646.46	7,033.92
Total Depreciation	120,398.18	0.00	24,448.85	144,847.03
Net Non Current Assets	233,240.87	0.00	-14,748.85	218,492.02

23. Reserves

	Balance b/f	Adjustments	Appropriation	Balance
Statutory Reserve	662,585.29	0.00	366,261.45	1,028,846.74
Loan Protect Fund	357,857.72		132,518.56	490,376.28
Education Reserve	72,619.56		0.00	72,619.56
Insurance Reserve	12,719.38			12,719.38
Operating Reserve	483,743.16	58,499.89	813,569.15	1,355,812.20
Total Reserve	1,589,525.11	58,499.89	1,312,349.16	2,960,374.16

24. Accumulated Provision For Loan Losses

Balance b/f	105,489.00
Less Set Aside (see below)	-66,563.54
Subtotal	38,925.46
Bad Loans Written Off	0.00
Increase In Provision	137,549.54
Accumulated Provision For Loan Losses	176,475.00

*Will be transferred to note 12. Provision for
Loan Losses and Write Off*

Ageing Report	No. of loans	Loan Balance	%	Required Provision
current	1751	9,883,670.14	1%	
1-3months	14	148,818.96	10%	98,837.00
4-6months	14	144,862.21	30%	14,882.00
7-9months	1	8,753.10	60%	43,459.00
10-12months	2	14,045.31	100%	5,252.00
Accumulated Provision				14,045.00
				176,475.00
Over 12month	12	66,563.54		
Total Loan Balance	1794	10,266,713.26	set aside	66,563.54

[illegible]