



LA COMMUNITY BANK LIMITED

REPORT & FINANCIAL STATEMENTS

2009

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2009**

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NOTICE OF MEETING

Notice is hereby given that the **Twenty-Second** Annual General Meeting of **LA COMMUNITY BANK LIMITED** will be held at the **EBENEZER PRESBYTERIAN CHURCH HALL, OSU, ACCRA** on **FRIDAY 25TH JUNE 2010** at **10.30 a.m.** for the following purposes.

AGENDA

1. To receive and consider the Financial Statements for the year ended 31st December 2009 together with the Report of the Directors and Auditors thereon.
2. To declare dividend for the year ended 31st December 2009.
3. To re-elect Directors.
4. To approve the remuneration of Directors.
5. To authorize the Directors to determine the remuneration of the Auditors.

Dated this 27th Day of April 2010.



L.S.N. AKUETTEH
SECRETARY

NOTE : A member of the Company entitled to attend and vote is entitled to appoint a proxy. A proxy need not be a member of the company.

DIRECTORS, OFFICIALS AND REGISTERED OFFICE

BOARD OF DIRECTORS:	MR. K.B. ASANTE	CHAIRMAN
	MRS. HELEN KOSHIE LOKKO	VICE CHAIRPERSON
	MR. PETER T. KPOBI	MEMBER
	MR. AMARKAI AMARTEIFIO	MEMBER
	DR. NII KWAKU SOWA	MEMBER
	MISS MABEL KISSIEDU	MEMBER
	MR BENJAMIN OBODAI	MEMBER
	MR. A.N.N PAPPOE	MEMBER/GENERAL MANAGER
	MRS. FLORENCE SAI	MEMBER
	MR. B.A. GOGO	MEMBER
MR L.S. N. AKUETTEH	SECRETARY	

**SECRETARY &
REGISTERED OFFICE:** MR L.S. N. AKUETTEH
HOUSE No. G 224/LAMI JWAHE
P.O. BOX LA 499
LA - ACCRA

AUDITORS: KWESIE & PARTNERS
CHARTERED ACCOUNTANTS
EMMANEST HOUSE
WEIJA BARRIER
POST OFFICE BOX GP 603
ACCRA.

REGISTRARS: MERCHANT BANK (GHANA) LTD
57 EXAMINATION LOOP
NORTH RIDGE
P.O.BOX 401
ACCRA

SOLICITORS: NSIAH AKUETTEH & Co.
ESSIE LODGE
KOJO THOMPSON RD. ADABRAKA
P.O BOX LA 329
LA - ACCRA

FINANCIAL HIGHLIGHTS

	<u>2009 (GH¢)</u>	<u>2008 (GH¢)</u>	<u>PERCENTAGE CHANGE (%)</u>
INVESTMENTS	5,071,901	4,131,115	22.77
LOANS & ADVANCES	3,662,802	3,581,840	2.26
TOTAL ASSETS	13,495,395	10,351,891	30.37
TOTAL DEPOSITS	10,014,049	7,703,243	30.00
PROFIT BEFORE TAX	495,048	415,454	19.16
PROFIT AFTER TAX	455,389	381,798	19.28
SHAREHOLDERS' FUND	2,556,336	2,306,290	10.85

CHAIRMAN'S STATEMENTINTRODUCTION

Distinguished Ladies and Gentlemen, on behalf of my fellow Board Members, I warmly welcome you to the 22nd Annual General Meeting of your Bank – La Community Bank Limited. My main task this morning is to present to you, the 2009 Annual Report and Financial Statements. The nation has continued to enjoy political stability with a smooth take-over of government from one political party to another in January 2009.

On the economic front, inflation dropped to 15.97% at the end of December, 2009 with a generally noted stable currency. Based on the generally healthy financial indicators, the Bank of Ghana reduced the Prime Rate to 18% with the view to providing the needed monetary policy support to the financial system. This resulted in the interest rates of Treasury Bills and other financial instruments on the money market sliding downwards.

OPERATING PERFORMANCE

High cost of repairs and maintenance of equipment, high utility tariffs and expenditure incurred across the branch network took its toll on the Bank's total expenditure. Operating expenses stood at GH¢1,446,676, a 37% increase over the previous year's figure of GH¢1,055,773.

On the positive side, the intensification of the Bank's business development and marketing strategy in respect of deposit mobilization produced favourable results. Also, prudent investment and sound management practices resulted in a Net Operating Profit before Tax of GH¢495,048 as against GH¢415,454 in 2008; reflecting an increase of 19%.

BALANCE SHEET

Total Assets grew by 30% from GH¢10,351,891 in 2008 to GH¢13,495,395 in 2009. Total Deposits also increased from GH¢7,703,243 in 2008 to GH¢10,014,049 in 2009 reflecting an increase of 30%. This had a ripple effect on our total investment portfolio which grew by 23% from GH¢4,131,115 in 2008 to GH¢5,071,901 in 2009.

Net loans and advances grew by a marginal rate of 2.26% from GH¢3,581,840 in 2008 to GH¢3,662,802 in 2009. This was the result of the Bank resorting to credit tightening strategy which was influenced by the generally poor economic condition and relatively high default rate.

Provision for Bad and Doubtful Debt increased from GH¢102,218 in 2008 to GH¢309,277 in 2009, indicating a rise of GH¢207,059. The high provision was necessitated, to a large extent, by delayed payment to major customers who had executed government contracts and were yet to be paid. We shall make an all-out effort on loan recovery to reduce our Bad Debt position in the current year.

APPROPRIATION

The Net Profit after deducting Tax liability of GH¢39,659 was GH¢455,389 which became available for appropriation. Out of this amount, GH¢227,695 has been transferred to the Statutory Reserve Fund leaving a balance of GH¢227,694. GH¢189,163 of the remaining balance has been proposed as Dividend.

Ladies and Gentlemen, your Bank is alive to its social responsibilities. This year as in the past few years, we have appropriated an amount of GH¢33,000 to various projects in La; GH¢15,000 has been allocated to the La Township Development Fund and GH¢18,000 to the La Educational Fund. This year, we have granted scholarships to twelve (12) students, bringing the total number

of beneficiaries to fifty-three (53) students. Thus, the policy to make your Bank have significant impact on the social and economic life of the people of La is being pursued with zeal.

DIVIDEND

The Directors of your Bank have proposed a Dividend of GH¢0.013 per share for the 2009 Financial Year, a 30% increase over the previous year. In the course of this meeting, a resolution would be tabled for your approval to empower the Directors to pay the proposed Dividend.

OUTLOOK FOR 2010

The year 2010 will still be challenging, considering the fact that the global economy has not fully recovered from the credit crunch and recession of 2008 and 2009. Additionally, there are domestic pressures which will impact on the economy financially.

We shall however adhere to the Strategic Plan of the Bank to maximize profits by increasing Income Earning Assets and Fee-Based Income realistically and vigorously mobilize Deposits for Investment.

Our three-branch-network; La, Madina and Teshie-Nungua will continue to provide first-class service to our customers and bring banking services to the doorstep of many who do not save. We plan to do this through our flagship product the "Susu" savings. This will be intensively marketed to raise the needed deposits.

The good news for shareholders is that the fortunes of our Madina Agency have been turned around and is now making modest profit. We shall continue to control cost at all our branches.

As shareholders are no doubt aware, the expansion of the Bank depends upon the performance of the existing Agencies. With the fortunes of our Madina Agency now changing for the better, there is the need to consolidate it. In that regard, it is not likely that we shall open any new Agency in 2010. Increase in branch network means increase in the Bank business which requires increase in Paid-Up-Capital. The Board of Directors is therefore inviting shareholders to buy more shares, which are still on sale. The aim is to reach the target of GH¢1.5 million as soon as possible.

STAFF

Our staff have performed creditably well over the period. The Board appreciates their contribution and would like to thank them for their hard work and commitment. Staff training continues to be vigorously pursued.

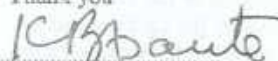
I wish to inform you that Mr. Nii Anum Kwao Odotei has been engaged as the Head of Banking for the Bank and has oversight responsibility over the activities of our three outlets.

CONCLUSION

On behalf of the Board, I would like to extend our utmost appreciation to you, our shareholders, for your invaluable contribution towards the growth of the Bank. I also wish to thank Management and Staff for their commendable performance.

May I also express my profound appreciation for the guidance of the Board of Directors and for the strong support it gave Management in running the Bank. Finally, I wish to thank our valued customers for their confidence in the Bank and their contributions to the progress of La Community Bank.

Thank you



CHAIRMAN

**FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2009**

REPORT OF THE DIRECTORS

The Directors have the pleasure in submitting their Twentieth Annual Report to the Members together with the Financial Statements of the Bank for the year ended 31st December, 2009 and report thereon as follows:

- 1 The Balance Sheet has been signed by two Directors indicating the Board's approval of the Balance Sheet together with the attached Financial Statements and related notes set out on pages 9 to 16.

	2009	2008
	Ghc	Ghc
2 The Net Profit before tax for the year was	495,048	415,454
Less Taxation of		
Leaving a Net Profit after tax of	<u>(39,659)</u>	<u>(33,656)</u>
Out of which the following appropriations are made:	455,389	381,798
Transfer to Statutory Reserve	(227,695)	(191,022)
Proposed Dividend of Gh c0.013 per share	(189,163)	(145,245)
Transfer to La Township Dev. Fund	(15,000)	(10,000)
Transfer to La Education Fund	<u>(18,000)</u>	<u>(15,000)</u>
Leaving a balance of	5,531	20,531
Which when added to the balance on Income Surplus Account at 1st January of	<u>195,442</u>	<u>174,911</u>
Gives a balance of	<u>200,973</u>	<u>195,442</u>

On the Income Surplus Account at 31st December which has been carried forward.

- 3 In accordance with Section 134 (5) of the Companies Code 1963, the Auditors **KWESIE AND PARTNERS** will continue in office
- 4 A Resolution to authorise the Directors to fix the remuneration of the Auditors would be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

ICBante
.....
DIRECTOR

DATED 25.03.2010

[Signature]
.....
DIRECTOR

**FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2009**

AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying Financial Statement of La Community Bank Limited which comprise the Balance Sheet as of 31st December 2009 and the Profit and Loss 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:

The Directors are responsible for the preparation and fair presentation of these Financial Statements in accordance with Ghana National Accounting Standards and in the manner required by the Companies Code 1963 (Act 179) and the Banking Act 2004 (Act 673) as amended by the Banking Act 2007 (Act 738). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatements 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 independent 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the accounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatements of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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 audit opinion.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of La Community Bank Limited as of 31st December 2009, and of its financial performance and its cash flows for the year then ended in accordance with Ghana National Accounting Standards and comply with the Companies Code 1963 (Act 179) and the Banking Act of 2004 (Act 673) as amended by the Banking Act, 2007 (Act 738).



**FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2009**

Report on Other Legal and Regulatory Requirements

We performed our Audit in accordance with the requirements of the Ghana Companies Code, 1963 (Act 179) to confirm that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (ii) In our opinion proper books of accounts have been kept by the Bank, so far as appears from our examination of those books, and
- (iii) The Balance Sheet and Profit and Loss account of the Bank are in agreement with the books of accounts.

The Banking Act 2004 (Act 673) section 78(2) requires that we state certain matters in our report. We hereby state that:

- (i) The Financial Statements give a true and fair view of the state of affairs of the Bank and its results for the period under review.
- (ii) We were able to obtain all the information and explanations required for the efficient performance of our duties as auditors.
- (iii) The Bank's transactions were within its powers, and
- (iv) The Bank has complied with the provisions of the Banking Act 2004 (Act 673) as amended by Banking Act, 2007 (Act 738).


KWESI AND PARTNERS
(CHARTERED ACCOUNTANTS)

DATED 19.03. 2010

**INCOME STATEMENT FOR THE
YEAR ENDED 31ST DECEMBER, 2009**

	NOTE	2009 Ghc	2008 Ghc
INTEREST INCOME	2a	2,272,191	1,469,971
INTEREST EXPENSE	2b	<u>(284,232)</u>	<u>(133,876)</u>
NET INTEREST INCOME		1,987,959	1,336,095
COMMISSION AND FEES		<u>263,042</u>	<u>237,350</u>
OPERATING INCOME		2,251,001	1,573,445
CHARGE FOR BAD & DOUBTFUL DEBTS		(309,277)	(102,218)
OPERATING EXPENSES		<u>(1,446,676)</u>	<u>(1,055,773)</u>
NET OPERATING PROFIT BEFORE TAX		495,048	415,454
TAXATION		<u>(39,659)</u>	<u>(33,656)</u>
NET PROFIT AFTER TAX TRANSFERRED TO INCOME SURPLUS ACCOUNT		<u>455,389</u>	<u>381,798</u>

**INCOME SURPLUS ACCOUNT FOR THE YEAR
ENDED 31ST DECEMBER, 2009.**

BALANCE, 1ST JANUARY	<u>195,442</u>	<u>174,911</u>
	195,442	174,911
Net Profit from Profit & Loss Account	455,389	381,798
Transfer to Statutory Reserve	(227,695)	(191,022)
Proposed Dividend of Gh ₵0.013 per share	(189,163)	(145,245)
Transfer to La Township Dev. Fund	(15,000)	(10,000)
Transfer to La Education Fund	<u>(18,000)</u>	<u>(15,000)</u>
Balance at 31st December	<u>200,973</u>	<u>195,442</u>

The notes set out on pages 13 to 19 form an integral part of these Financial Statements



BALANCE SHEET
AS AT 31ST DECEMBER, 2009

ASSETS	NOTE	2009 Ghc	2008 Ghc
Cash and Short-Term Funds	3	2,216,112	1,359,875
Investments	4	5,071,901	4,131,115
Loans and Advances Less Prov. For Bad and Doubtful Debts	5	3,662,802	3,581,840
Taxation	7	-	3,776
Other Assets		<u>1,373,777</u>	<u>498,861</u>
		12,324,592	9,575,467
PROPERTY, PLANT AND EQUIPMENT	6	<u>1,170,803</u>	<u>776,424</u>
TOTAL ASSETS		<u>13,495,395</u>	<u>10,351,891</u>
SHAREHOLDERS' EQUITY			
Stated Capital	8	1,165,502	1,162,852
Capital Surplus	9	215,691	215,691
Income Surplus Account		200,973	195,442
Statutory Reserve	10	<u>927,639</u>	<u>699,944</u>
TOTAL SHAREHOLDERS' EQUITY		<u>2,509,805</u>	<u>2,273,929</u>
LIABILITIES			
Balance with other Banks		16,284	-
Taxation	7	6,051	-
Deposits and Current Accounts	11	10,014,049	7,703,243
Creditors and Accruals		902,675	342,358
La Township Dev Fund	12	16,395	10,789
La Educational Fund	13	<u>30,136</u>	<u>21,572</u>
TOTAL LIABILITIES		<u>10,985,590</u>	<u>8,077,962</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		<u>13,495,395</u>	<u>10,351,891</u>

ICB Saute
 DIRECTOR

DATED 25.03.2010

[Signature]
 DIRECTOR

The notes set out on pages 13 to 19 form an integral part of these Financial Statements

**CASH FLOW STATEMENT FOR THE YEAR
ENDED 31ST DECEMBER, 2009**

	NOTE	2009 Ghc	2008 Ghc
Net Cash Inflow from Operating Activities	14	2,524,934	813,982
INVESTING ACTIVITIES			
Fixed Assets Purchased		(630,931)	(202,798)
Investments		(940,786)	287,194
Loans & Advances		(80,962)	(1,079,095)
Proposed Dividend		(189,163)	(145,245)
Work in Progress Transferred to Fixed Asset		140,041	-
FINANCING ACTIVITIES			
Overdrawn Account		16,284	-
Share Capital		2,650	2,460
La Township Dev. Fund		5,606	1,974
La Educational Fund		<u>8,564</u>	<u>3,825</u>
Net Increase in Cash Position at 31st December		<u>856,237</u>	<u>(317,703)</u>
ANALYSIS OF NET INCREASE IN CASH POSITION AT 31ST DECEMBER			
Cash and Short Term Funds 1st January		1,359,875	1,677,578
Net Increase in Cash Position		<u>856,237</u>	<u>(317,703)</u>
Cash and Short Term Funds 31st December		<u>2,216,112</u>	<u>1,359,875</u>

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

NOTE 1 ACCOUNTING POLICIES

(a) Basis of Accounting

These accounts have been prepared on the historical cost basis of Accounting as modified by revaluation of Capital Work In Progress with respect to Land and Building in Year 2005

(b) Depreciation

The basis of depreciation charge has been designed to write off the cost of the assets over their estimated useful lives on a straight line basis as follows:

Office Building (Annex)	5.00%
Motor Vehicles	25.00%
Office Equipment	35.00%
Other Equipment	25.00%
Furniture & Fittings	20.00%
Computers	33.30%
Air Condition Equip.	12.50%
Plants & Equip.	10.00%

(c) Securities

Investment in securities redeemable at fixed dates are stated in the Accounts at cost

(d) Advances

Advances are stated in the Balance Sheet at the amount of the principal and interest outstanding less provision for bad and doubtful debts and amounts held in interest suspense.

(e) Interest Income

The recognition of interest ceases when payment of interest or principal is in doubt and this is determined by the Bank. Interest income is taken into profit when the outstanding arrears of interest and principal are received.

(f) Provision for Bad and Doubtful Debts

Provision for Bad and Doubtful Debts relates to those loans that have been individually reviewed and specifically indentified as bad or doubtful. Provision made during the year are charged as separate amount in the Profit and Loss Account. These provisions are made in accordance with Bank of Ghana guidelines.

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

	2009 Ghc	2008 Ghc
NOTE 2: INTEREST		
(a) INTEREST INCOME		
Investments	1,257,167	664,201
Advances: Loans	437,563	269,352
Overdraft	439,491	405,058
Lacocredit	99,743	80,121
Bad Debts recovered	<u>38,227</u>	<u>51,239</u>
	<u>2,272,191</u>	<u>1,469,971</u>
(b) INTEREST EXPENSE		
Savings Accounts	135,195	103,888
Current Accounts	2,252	1,859
Time Deposits	115,475	2258
Lacosave	<u>31,310</u>	<u>25,871</u>
	<u>284,232</u>	<u>133,876</u>

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

NOTE 3: CASH AND SHORT-TERM FUNDS	2009 Ghc	2008 Ghc
This is made as follows:		
Cash in Hand	259,234	276,366
Balance with Other Banks	<u>1,956,878</u>	<u>1,083,509</u>
	<u>2,216,112</u>	<u>1,359,875</u>

NOTE 4: INVESTMENTS

This is made up as follows:

2 Years Treasury Notes	470,000	1,590,000
Other Investments	19,633	31,079
1Year Treasury Notes	657,857	1,834,257
182 days Treasury Bills	3,850,000	600,000
90/91 days Treasury Bills	35,349	58,972
Treasury Bills Takenover	33,263	-
Customers' Discounted Treasury Bills	3,799	14,807
Investment in ARB APEX Bank Ltd	<u>2,000</u>	<u>2,000</u>
	<u>5,071,901</u>	<u>4,131,115</u>

The La Development Fund Investment represents a 91days Treasury Bill held by the Bank on behalf of the Fund.

NOTE 5: LOANS AND ADVANCES

This is made up as follows:

Lacocredits	448,513	411,678
Loans	1,694,344	1,698,424
Overdrafts	656,828	1,371,499
Classified Debts	<u>2,372,426</u>	<u>751,255</u>
	<u>5,172,111</u>	<u>4,232,856</u>
Less:		
Provision for Bad and Doubtful Debts	(584,375)	(275,098)
Interest on Bad and Doubtful Debts	<u>(924,934)</u>	<u>(375,918)</u>
	<u>3,662,802</u>	<u>3,581,840</u>

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

NOTE 6: PROPERTY, PLANT AND EQUIPMENT

	BALANCE 1/1/09	TRANSFER	ADDITIONS DURING THE YEAR	BALANCE 31/12/09
	Ghc	Ghc	Ghc	Ghc
COSTS				
Land	12,150	-	-	12,150
Teshie office WIP	122,041	122,041	-	0
Office Building (Annex)	2,815	-	-	2,815
Land & Building WIP	438,850	-	342,396	781,246
Land & Building WIP(Madina)	18,000	18,000	-	0
Office Premises (Madina)	58,494	-	-	58,494
Computers	168,827	-	37,079	205,906
Motor Vehicle	59,906	-	43,499	103,405
Office Equipment	53,219	-	7,140	60,359
Other Equipment	22,434	-	19,234	41,668
Furniture & Fittings	20,396	-	28,210	48,606
Air Condition Equipment	44,018	-	9,700	53,718
Plants and Machinery	46,460	-	66,625	113,085
Teshie, Office Premises	-	-	<u>77,048</u>	<u>77,048</u>
	<u>1,067,810</u>	<u>140,041</u>	<u>630,931</u>	<u>1,558,500</u>
DEPRECIATION				
	BALANCE 1/1/09	DISPOSAL	CHARGE FOR THE YEAR	BALANCE 31/12/09
	Ghc	Ghc	Ghc	Ghc
Office Building (Annex)	1,508	-	141	1,649
Office Premises (Madina)	4,387	-	2,925	7,312
Office Premises (Teshie)	-	-	2,889	2,889
Computers	128,002	-	31,607	159,609
Motor Vehicles	41,159	-	16,512	57,671
Office Equipment	39,185	-	16,579	55,764
Other Equipment	13,044	-	4,938	17,982
Furniture & Fittings	11,163	-	6,754	17,917
Air Condition Equipment	32,050	-	8,158	40,208
Plants and Machinery	<u>20,688</u>	-	<u>6,008</u>	<u>26,696</u>
	<u>291,186</u>	-	<u>96,511</u>	<u>387,697</u>
NET BOOK VALUES	31/12/09			<u>1,170,803</u>
NET BOOK VALUES	31/12/08			<u>776,424</u>

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

	2009	2008
	Ghc	Ghc
NOTE 7: TAXATION		
Balance, 1st January	3,776	(6,658)
Deposits during the Year	<u>29,832</u>	<u>44,090</u>
	33,608	37,432
Charged to Profit Account	<u>(39,659)</u>	<u>(33,656)</u>
Balance, 31st December	<u>(6,051)</u>	<u>3,776</u>

NOTE 8: STATED CAPITAL

The Bank is registered with an Authorised Share Capital of 25, 000,000 shares of no par value made up as follows:

3,750,000	Founders Shares of no par value
<u>21,250,000</u>	Ordinary Shares of no par value
<u>25,000,000</u>	Shares of no par value

The Issued Capital is held as follows:-

FOUNDERS SHARES

<u>2,332,780</u>	Shares of no par value -1st Jan	<u>173,145</u>	<u>173,145</u>
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ORDINARY SHARES

12,191,719	Shares of no par value - 1st Jan	989,707	987,247
<u>26,500</u>	Additions during the year	<u>2,650</u>	<u>2,460</u>
<u>12,218,219</u>		<u>992,357</u>	<u>989,707</u>
<u>14,550,999</u>		<u>1,185,502</u>	<u>1,162,852</u>

There is no share in Treasury and no call or instalment unpaid on any share.

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

NOTE 9 : CAPITAL SURPLUS

There was revaluation of office buildings in Year 2005 which resulted in a Capital Surplus of ₵215,691

NOTE10: STATUTORY RESERVE FUND

	2009 Ghc	2008 Ghc
Balance, 1st January	699,944	508,922
Transferred from Income Surplus Accounts	<u>227,695</u>	<u>191,022</u>
Balance, 31st December	<u>927,639</u>	<u>699,944</u>

NOTE11: DEPOSITS AND CURRENT ACCOUNTS

This is made up as follows:

Savings Accounts	5,346,357	4,222,990
Lacosave Accounts	1,657,081	1,235,068
Current Accounts	2,152,762	1,904,655
Time Deposits	<u>857,849</u>	<u>340,530</u>
	<u>10,014,049</u>	<u>7,703,243</u>

NOTE12: LA TOWNSHIP DEVELOPMENT FUND

This is an amount set aside from Profit after tax towards the setting up of a Fund to provide development support for the La Township.

	2009 Ghc	2008 Ghc
The position is as follows:-		
Balance, 1st January	10,789	8,815
Transferred from Profit & Loss Account	15,000	10,000
Interest on Investment	-	<u>1,187</u>
	<u>25,789</u>	20,002
Investment -91 days T/Bill	(9,394)	44,230
Disbursements	-	<u>(53,443)</u>
Balance 31st December	<u>16,395</u>	<u>10,789</u>

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

NOTE 13: LA EDUCATIONAL FUND

This is an amount set aside from Profit after tax towards the setting up of a Fund for the award of scholarships to needy but brilliant children of citizens of La.

The position is as follows:-

Balance, 1st January	21,572	17,746
Amount transferred from Profit & Loss Account	18,000	15,000
Interest on Investment	541	538
	40,113	33,284
Scholarship Disbursements during the year	(9,977)	(11,712)
Balance, 31st December	<u>30,136</u>	<u>21,572</u>

NOTE 14: RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW
FROM OPERATING ACTIVITIES

Net Profit before Appropriations	455,389	381,798
Disposal of Assets	-	312
Transfers to Development and Educational Funds	(33,000)	(25,000)
Depreciation	96,511	58,233
Deposit & Current Accounts	2,310,806	490,644
Other Assets	(874,916)	(86,308)
Creditors and Accruals	560,317	4,737
Taxation	9,827	(10,434)
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>2,524,934</u>	<u>813,982</u>

PROXY FORM

Annual General Meeting to be held at 10:30 am on 25th June 2010 at the Ebenezer Presbyterian Church Hall, Osu, Accra.

I/We (BLOCK CAPITALS)

.....

Being a member/members of LA COMMUNITY BANK LIMITED hereby appoint

.....

or failing him the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the company to be held on Friday 25th June 2010 at the Ebenezer Presbyterian Church Hall, Osu, Accra.

Signature

Date this day of2010

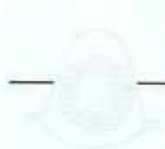
I/We direct that my/our vote(s) be cast on the specified resolutions indicated by "X" appropriate space

Resolution	For	Against
1. Receiving the Accounts		
2. Declaring a Dividend		
Re-electing Directors:		
3. Mr. Amarkai Amarteifio		
4. Mr. Peter Kpobi		
5. Mr. Benjamin A. Gogo		
6. Approve the Remuneration of Directors.		
7. Authorize the Directors to fix the Auditors Remuneration		

THIS PROXY FORM SHOULD NOT BE SENT TO THE SECRETARY IF THE MEMBER WILL BE ATTENDING THE MEETING.

NOTE:

1. A member (shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote by proxy. The above Proxy Form has been prepared to enable you exercise your vote if you cannot personally attend.
2. Provision has been made on the form for the Chairman of the meeting to act as your Proxy but, if you wish you may insert in the blank space "the name of any person whether a Member of the Company or not, who will attend the Meeting and vote on your behalf instead of the Chairman of the Meeting.
3. In the case of joint holders, each holder should sign.
4. If executed by a corporation, the Proxy Form should bear its Common Seal or be signed on its behalf by a Director.
5. Please sign the above Proxy Form and post it so as to reach the address shown overleaf not later than 48 hours before the appointed time of the Meeting.
6. The Proxy must produce the Admission Card sent with the notice of the Meeting to obtain entrance to the Meeting.



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REPORT AND FINANCIAL STATEMENT 2009