



LA COMMUNITY BANK LIMITED

**REPORT & FINANCIAL
STATEMENTS
2011**



LA COMMUNITY BANK LTD.

Be Part of Our

LAGO Save (Susu Scheme)

• **It Qualifies you for a Loan Facility.**

OTHER PRODUCTS AND SERVICES WE OFFER ARE:

- Current Account
- Savings Account
- Fixed Deposit Account
- Investments in Government Securities And Other Instruments On The Money Market.
- Loans and Advances
- E-Zwich
- Issue of payment order
- Standing Order Services
- Safe Custody Items
- Apex Link Domestic Transfers
- Western Union Money Transfers
- Payment of Electricity Company of Ghana Bills.
- Financial support for Small / Medium Scale Enterprises.
- Support for Cottage Industries and all income generating activities towards the reduction of poverty.
- Innovative Lending Schemes through groups, Associations.
- Women and Development Projects for poverty reduction, and other social and Development funds for vulnerable groups.
- No time wasting Current/ Savings Account Services.
- Loans to Workers to:
Purchase Domestic Appliances
Pay School fees, medical bills
Undertake house renovations,
Purchase furniture, Vehicles etc.



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LA COMMUNITY BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2011

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NOTICE OF MEETING

Notice is hereby given that the **Twenty-Fourth** Annual General Meeting of **LA COMMUNITY BANK LIMITED** will be held at the **PRESBYTERIAN CHURCH HALL, OSU** on **FRIDAY 29TH JUNE 2012** at **10:30 a.m.** for the following purposes.

AGENDA

1. To receive and consider the Financial Statements for the year ended 31st December 2011 together with the Report of the Directors and Auditors thereon.
2. To declare dividend for the year ended 31st December 2011.
3. To re-elect Directors.
4. ✓ To pass a special resolution authorizing Directors to issue Bonus Shares to the value of two hundred and fifty thousand Ghana cedis {GH¢250,000} only to existing shareholders.
5. To appoint AT & Ernest Dawlah as the Bank's External Auditors.
6. To authorize the Directors to determine the remuneration of the Auditors.

Dated this 8th day of May, 2012.



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:	DR. 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.NAKUETTEH
HOUSE No. G 224/LAMI JWAHE
P. O. BOX LA499
LA - ACCRA

AUDITORS: KWESIE & PARTNERS
CHARTERED ACCOUNTANTS
EMMANEST HOUSE,
WEIJABARRIER
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>2011 {GH¢}</u>	<u>2010 {GH¢}</u>	<u>PERCENTAGE CHANGE {%}</u>
INVESTMENTS	8,988,727	7,771,932	15.65
LOANS & ADVANCES	3,704,720	3,691,025	0.37
TOTAL ASSETS	18,962,610	17,111,623	10.81
TOTAL DEPOSITS	14,177,901	12,461,182	13.77
SHAREHOLDERS' FUND	3,000,278	2,743,550	9.36
PROFIT BEFORE TAX	805,094	628,797	28.03
PROFIT AFTER TAX	742,298	579,847	28.01
DIVIDEND	464,320	364,801	27.28
LA TOWNSHIP DEV. FUND	30,000	25,000	20.00
LA EDUCATIONAL FUND	30,000	25,000	20.00



CHAIRMAN'S STATEMENT

Introduction

Distinguished Ladies and Gentlemen, may I as Chairman warmly welcome you all on behalf of the Board of Directors to the 24th Annual General Meeting of your Bank – La Community Bank. It is our privilege to present to you the Annual Report and Financial Statements for the year ended 31st December 2011.

The nation has continued to enjoy political stability which has impacted positively on the Financial Sector. On the economic front inflation remained in single digit at 8.58% at the end of December, 2011, whilst the Cedi depreciated marginally against the major foreign currencies. Based on the generally healthy financial indicators, the Bank of Ghana reduced its Policy Rate from 13.5% in January to 12.5% by December 2011. Consequently, interest rates on Treasury Bills and other financial instruments on the money market went down during the year.

Operating Performance

High cost of repairs and maintenance of equipment, high utility tariffs and expenditure which occurred across our branch network took their toll on the bank's expenditure. Operating expenses rose to GH¢1.90 million representing an 18% increase over the previous year's figure of GH¢1.64 million.

On the positive side, the intensification of the Bank's business development in respect of deposit mobilisation produced favourable results. Also, prudent investment and sound management practices led to a recorded operating profit before tax of GH¢805,094 as against GH¢628,797, in 2010 reflecting an increase of 28%.

Balance Sheet

Total Assets grew by 11% from GH¢17.1 million to GH¢19.0 million in 2011. Total Deposits also increased from GH¢12.46 million to GH¢14.18 million in 2011 reflecting an increase of 14%. This had a ripple effect on our total investment portfolio which grew by 16% from GH¢7.77 million in 2010 to GH¢8.99 million in 2011.

Net loans and advances grew by a marginal 0.37% from GH¢3.69 million to GH¢3.70 million. This was the result of the Bank resorting to a credit tightening strategy which was influenced by a relatively high default rate. The Bank is using all the available legal means to retrieve all the outstanding debts. We assure you, our esteem shareholders that we will bring the defaulters to book. We intend to publish the names of the defaulters in the national dailies.

Notwithstanding the unhealthy default rate, we shall continue to identify and give assistance to well deserving customers at a lower risk but with higher earnings for the bank.

Appropriation

The Net Profit after deducting tax liability of GH¢62,796 was GH¢742,298 which became available for appropriation. Out of this amount, GH¢185,575 has been transferred to the



Statutory Reserve Fund leaving a balance of GH¢556,723.
GH¢464,320 of the remaining balance has been proposed as Dividend payment.

Ladies and Gentlemen, your Bank is committed to its Corporate Social Responsibilities towards its local communities and the environment. In this respect, we have appropriated an amount of GH¢60,000 to various projects in La as follows: GH¢30,000 has been allocated to the La Township Development Fund and another GH¢30,000 to the La Educational Fund. This year, we have granted scholarships to 13 students in secondary and tertiary institutions bringing the total number of beneficiaries to 88. Thus, the policy to make your bank have significant impact on the social and economic life of the people in the areas in which we operate is being pursued vigorously.

Bonus Shares

The directors propose that GH¢250,000 be issued as Bonus Shares to existing shareholders. This will bring your Bank's stated capital to a little above GH¢1.5 million

Dividend

The Directors of your bank have proposed a Dividend of Gh¢0.03 per share for 2011, representing a 20% 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 2012

Dear Shareholders, as you are all aware, we shall be going to the polls to elect a new government in November, 2012. It is our prayer that the elections come off smoothly without any problems. We expect the year 2012 to be challenging. We shall however stay focused and adhere to the strategic plan of the bank to maximise profit by increasing income earning assets and fee-based income realistically, and also vigorously mobilize deposits for the extension of credit and investment.

Our three-branch network; La, Madina and Teshie/Nungua will continue to provide first class service to our customers, whom we regard as the centre of everything we do, and bring banking service to even those who do not save with us. The Lacosave / Susu Micro Finance product which brings in additional deposits went through restructuring in 2011 to make it more profitable. This will be vigorously marketed to raise the needed deposits for investment and lending.

The Madina Agency which became profitable in the early part of 2010 has continued to do well. We have now turned our attention and energy to the Teshie/Nungua Agency and this is yielding results with a noted decline in their losses, and it is our expectation that the branch will become profitable by the fourth quarter of 2012.

During the year the Bank was compelled by our regulator the ARB Apex Bank to abandon our own computerised system and join a national network they have provided. The new system is facing serious teething problems and causing long queues in our banking halls. We together with other Rural and Community Banks have brought this to the attention of the ARB Apex Bank and we hope the challenges would be resolved soon.



Ladies and Gentlemen, I believe as shareholders, it is your wish that the bank grows from strength to strength and expands to bring banking facilities to the doorstep of the rural folks in La and its environs. We assure you that this is our aim.

Staff

The bank continued the development of its human resource through skill acquisition, personal development, and external and internal training programmes. This helped our staff to perform creditably well over the period. The Board appreciates their contribution and would like to thank them for their dedication and commitment to duty.

I wish to inform you that Mr. Samuel Addo Nyanyofio has been appointed Head of Banking for the Bank and has oversight responsibility for activities of our three outlets. Mr. Emmanuel Plange has also been appointed Credits and Business Development Manager and will be responsible for credits/advances across the branch network as well as product / business development and growth of the Bank. These two long serving officers were appointed after a competitive selection procedure involving competition from candidates outside the Bank. We congratulate them and wish them well.

Conclusion

Now it is my pleasant duty to offer thanks on behalf of the Board. I wish to express my sincere gratitude to my colleagues on the Board for their continued strong support and guidance it gave to Management in running the Bank.

I also wish to thank Management and Staff for their dedicated service, support and remarkable performance.

To you our Shareholders, we say thank you for the opportunity you gave us to steer the affairs of 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.

I thank you for the courtesy of your attention.



CHAIRMAN



**LA COMMUNITY BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2011**

REPORT OF THE DIRECTORS

The Directors have the pleasure in submitting their 24th Annual Report to the members together with the Financial Statements of the Bank for the year ended 31st December, 2011 and report thereon as follows:

1. The Financial Position has been signed by two Directors indicating the Board's approval of the Financial Position together with the attached Financial Statements and related notes set out on pages 14 to 21.

	2011 GH¢	2010 GH¢
2. The Net Profit before tax for the year was	805,094	628,797
Less Taxation of	<u>(62,796)</u>	<u>(48,950)</u>
Leaving a Net Profit tax of	742,298	579,847
Out of which the following appropriations are made:		
Transfer to Statutory Reserve	(185,575)	(144,962)
Proposed Dividend of (GH¢0.030 per share)	(464,320)	(364,801)
Transfer to La Township Dev. Fund	(30,000)	(25,000)
Transfer to La Educational Fund	<u>(30,000)</u>	<u>(25,000)</u>
Leaving a balance of	32,403	20,084
Which when added to the balance on Income Surplus Account at 1 st January of	<u>221,057</u>	<u>200,973</u>
Gives a balance of	253,460	221,057

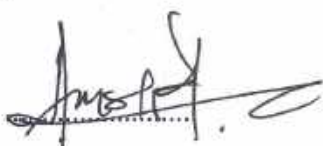
On the Income Surplus Account at 31st December which has been carried forward.

3. A Resolution to authorize the Directors to fix the remuneration of the Auditors would be proposed at the Annual General Meeting

BY ORDER OF THE BOARD


.....
DIRECTOR

DATED 8 - 5 - 2012


.....
DIRECTOR
DATED 8 - 5 - 2012



AUDITORS' REPORT

Report on the Financial Statements

We have audited the Financial Statements of La Community Bank Limited which comprises the Statement of Financial Position at 31st December 2011, the Statements of Comprehensive Income, changes in equity and cash flows for the year then ended and notes to the Financial Statements, which include a summary of significant accounting policies.

Directors' Responsibilities for the Financial Statements:

The Directors are responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Code 1963 (Act 179) and the Banking Act 2004 (Act 673) as amended and for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

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 of 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 2011, 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).



**LA COMMUNITY BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2011**

Report on other Legal and Regulatory Requirements

We performed our Audit in accordance with the requirements of the Ghana Companies Code, (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 Financial Position 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 it's results for the period under review.
- ii. We were able to obtain all the information and explanation required for the efficient performance of our duties as auditors.
- iii. In our opinion 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 the Banking Act, 2007 (Act 738)

**KWESIE AND PARTNERS
(CHARTERED ACCOUNTANTS)
P. O. BOX 603
WEIJA BARRIER ACCRA.....
KWESIE AND PARTNERS
(CHARTERED ACCOUNTANTS)**

DATED 8 - 05 - 2012.



LA COMMUNITY BANK LIMITED
INCOME STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2011

	NOTE	2011 GH¢	2010 GH¢
INTEREST INCOME	2a	2,779,861	2,580,516
INTEREST EXPENSE	2b	(258,076)	(458,997)
NET INTEREST INCOME		2,521,785	2,121,519
COMMISSION AND FEES		353,482	367,868
OPERATING INCOME		2,875,267	2,489,387
OTHER INCOME		3,125	24,590
		2,878,392	2,513,977
PERSONNEL EXPENSES	3	(1,164,156)	(948,110)
OTHER OPERATING EXPENSES	4	(646,118)	(596,154)
DEPRECIATION AND AMORTIZATION EXP	5	(90,731)	(90,916)
IMPAIRMENT CHARGES		(171,112)	(250,000)
LOSS ON DISPOSAL		(1,181)	-
NET OPERATING PROFIT BEFORE TAX		805,094	628,797
TAXATION		(62,796)	(48,950)
NET PROFIT AFTER TAX TRANSFERRED TO INCOME SURPLUS ACCOUNT		742,298	579,847
INCOME SURPLUS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2011			
BALANCE, 1 ST JANUARY		221,057	200,973
		221,057	200,973
Net Profit from Profit & Loss Account		742,298	579,847
Transfer to Statutory Reserve		(185,575)	(144,962)
Proposed Dividend		(464,320)	(364,801)
Transfer to La Township Dev. Fund		(30,000)	(25,000)
Transfer to La Educational Fund		(30,000)	(25,000)
Balance at 31 st December		253,460	221,057

The notes set out on pages 14 to 21 form an integral part of these Financial Statements



**LA COMMUNITY BANK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2011**

ASSETS	NOTE	2011 GH¢	2010 GH¢
Cash and Short-Term Funds	6	2,956,389	2,463,298
Investments	7	8,988,727	7,771,932
Loans and Advances to customers	8	3,704,720	3,691,025
Taxation	9	10,461	23,257
Other Assets		<u>1,946,541</u>	<u>1,849,211</u>
		17,606,838	15,798,723
 PROPERTY, PLANT AND EQUIPMENT	 10	 <u>1,355,772</u>	 <u>1,312,880</u>
 TOTAL ASSETS		 <u>18,962,610</u>	 <u>17,111,603</u>
 LIABILITIES			
Balance with other Banks		735,388	561,510
Deposits and Current Accounts from Customers	11	14,177,901	12,461,182
Other Liabilities	12	953,505	1,345,361
La Township Dev. Fund	13	58,887	27,821
La Educational Fund	14	<u>36,651</u>	<u>34,123</u>
 TOTAL LIABILITIES		 <u>15,962,332</u>	 <u>14,429,997</u>
 EQUITY			
Stated Capital	15	1,258,137	1,172,257
Capital Surplus	16	230,505	215,691
Income Surplus Account		253,460	221,057
Statutory Reserve	17	<u>1,258,176</u>	<u>1,072,601</u>
		<u>3,000,278</u>	<u>2,681,606</u>
 TOTAL EQUITY AND LIABILITIES		 <u>18,962,610</u>	 <u>17,111,603</u>

K. B. Baute
.....
DIRECTOR

DATED 8-05-2012

[Signature]
.....
DIRECTOR

DATED 8-05-012

The notes set out on pages 14 to 21 form an integral part of these Financial Statements



LA COMMUNITY BANK LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED
31ST DECEMBER, 2011

	2011 GH¢	2012 GH¢
Net profit before Tax	805,094	628,797
Depreciation and amortization expenses	90,731	90,916
Profit on disposal of property and equipment	-	37,820
Changes in:		
Loans and advances	(13,695)	(28,223)
Other assets	(97,310)	(475,434)
Customer deposits	1,716,719	2,447,133
Other liabilities	(628,792)	(153,917)
Income tax paid	(50,000)	(29,328)
Dividend paid	<u>(240,056)</u>	<u>(148,285)</u>
Net cash flow from operating activities	<u>1,582,691</u>	<u>2,666,049</u>
 CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property & equipment	(131,563)	(270,813)
Acquisition of intangible assets	<u>(1,216,795)</u>	<u>(2,700,031)</u>
Net cash flow used in investing activities	<u>(1,348,358)</u>	<u>(2,970,844)</u>
 FINANCIAL ACTIVITIES		
Proceeds from borrowing	173,878	545,226
Proceeds from issue of ordinary shares	85,880	6,755
Net Cash flow from financial activities	<u>259,758</u>	<u>551,981</u>
Net increase in cash and cash equivalent	493,091	247,186
Cash and cash equivalent:		
Balance at beginning	<u>2,463,298</u>	<u>2,216,112</u>
Cash and cash equivalent at period end	<u>2,956,389</u>	<u>2,463,298</u>



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 Equipment	12.50%
Plants & Equipment	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 financial position 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) Impairment Charges on Credit Facilities

Impairment charges on credit facilities relates to those loans that have been individually reviewed and specifically identified as bad or doubtful. Provisions 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.



LA COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2011

	2011 GH¢	2010 GH¢
NOTE 2: INTEREST		
(a) INTEREST INCOME		
Investments	1,230,188	1,449,432
Advances: Loans	876,898	522,901
Overdraft	657,577	388,728
Bad Debts recovered	<u>15,198</u>	<u>169,455</u>
	<u>2,779,861</u>	<u>2,530,516</u>
(b) INTEREST EXPENSE		
Savings Accounts	252,206	210,346
Time Deposits	<u>5,870</u>	<u>248,651</u>
	<u>258,076</u>	<u>458,997</u>



LA COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2011

	2011 GH¢	2010 GH¢
NOTE 3:		
PERSONNEL EXPENSES		
Salaries and allowances	700,285	574,687
Overtime claims	21,140	7,184
Medical expenses	25,579	27,240
Social security fund	72,568	59,126
Bonus awards	67,084	55,078
Staff training	12,334	12,973
Others	<u>265,166</u>	<u>211,822</u>
	<u>1,164,156</u>	<u>948,110</u>

NOTE 4:

OTHER OPERATING EXPENSES		
Cleaning and sanitation	26,949	24,634
Shortage in tills	140	813
Specie movement	3,635	3,300
Office expenses-(Others)	11,461	21,166
Lease charge on equipment	7,941	6,363
Rent, Rates and Taxes	37,517	39,800
Electricity and Water	101,271	83,158
Insurance	27,070	24,883
Annual General Meeting Expenses	11,690	13,415
Audit Fees	8,700	7,500
Bank Charges	759	905
Board Meeting Expenses	7,556	3,323
Directors' Fees	39,460	20,820
Directors' sitting allowance	43,620	67,623
Donations	9,100	4,300
Entertainment	22,281	17,132
Legal charges	4,600	1,000
Motor Vehicle Expenses	31,329	23,145
Police Guard Expenses	37,932	31,608
Telephones and Postage	24,998	40,637
Internet	1,040	1,500
Registrar's Fees	9,787	6,972
Commission on Bad Debt Recovery	11,469	8,628
Repairs and Maintenance- Equipment	69,492	66,395
Stationary	44,876	34,931
Travelling and Transport	18,141	17,033
Advertisement	4,646	4,914
Subscriptions	14,742	12,951
Board Secretarial Expenses	4,140	7,305
Professional Fees	<u>9,776</u>	<u>-</u>
	<u>646,118</u>	<u>596,154</u>



LA COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2011

NOTE 5:

DEPRECIATION AND AMORTIZATION EXPENSES	2011	2010
	GH¢	GH¢
Depreciation		
Equipment	31,365	29,860
Furniture & Fittings	12,929	8,277
Computer	24,901	27,491
Land& Building Madina	2,925	2,925
Land & Building Annex	141	141
Land & Building Teshie	3,852	3,852
Vehicle	<u>14,618</u>	<u>18,370</u>
	<u>90,731</u>	<u>90,916</u>

NOTE 6:

CASH AND SHORT – TERM FUNDS

This is made up as follows

Cash in Hand	329,637	609,573
Balance with other banks	<u>2,626,752</u>	<u>1,853,725</u>
	<u>2,956,389</u>	<u>2,463,298</u>

NOTE 7:

INVESTMENTS

Other Investments	1,909,758	13,460
1 Year Treasury Notes	6,700,000	63,444
182 days Treasury Bills	-	7,650,000
Treasury Bills taken over	171,720	13,963
Customers' Discounted Treasury Bills	165,845	4,475
Investments in ARB APEX Bank Ltd	<u>41,404</u>	<u>26,590</u>
	<u>8,988,727</u>	<u>7,771,932</u>



LA COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2011

NOTE 8:

LOAN AND ADVANCES

	2011 GH¢	2010 GH¢
This is made up as follows:		
Loans	1,567,182	2,315,602
Overdrafts	1,620,918	561,161
Classified Debts	<u>3,819,956</u>	<u>3,275,763</u>
	7,008,056	6,152,526
Less		
Impairment charges	(1,004,495)	(834,375)
Interest on impairment charges	<u>(2,298,841)</u>	<u>(1,627,126)</u>
	<u>3,704,720</u>	<u>3,691,025</u>

NOTE 9:

TAXATION

Balance 1 st January	23,257	(6,051)
Deposits during the year	<u>50,000</u>	<u>78,258</u>
	73,257	72,207
Charged to profit and Loss Account	<u>(62,796)</u>	<u>(48,950)</u>
Balance, 31st December	<u>10,461</u>	<u>23,257</u>



LA COMMUNITY BANK LIMITED
 NOTES TO THE FINANCIAL STATEMENTS FOR THE
 YEAR ENDED 31ST DECEMBER, 2011

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	BALANCE 1/1/11	DISPOSAL DURING THE YEAR	ADDITIONS DURING THE YEAR	BALANCE 31/12/11
	GH¢	GH¢	GH¢	GH¢
COSTS				
Land	12,150	-	-	12,150
Office Building (Annex)	2,815	-	-	2,815
Land & Building WIP	958,610	-	3,253	961,863
Office Premises (Madina)	58,494	-	-	58,494
Computers	211,155	-	34,453	245,608
Motor Vehicle	89,729	-	-	89,729
Office Equipment	60,649	-	5,400	66,049
Other Equipment	44,124	-	10,637	54,761
Furniture & Fittings	48,606	-	48,318	96,924
Air-Condition Equipment	53,718	(5,487)	32,755	80,986
Plants and Machinery	145,249	-	-	145,249
Teshie, Office Premises	77,048	-	-	77,048
	<u>1,762,347</u>	<u>(5,487)</u>	<u>134,816</u>	<u>1,891,676</u>

DEPRECIATION	BALANCE 1/1/11	DISPOSAL DURING THE YEAR	CHARGE FOR THE YEAR	BALANCE 31/12/11
	GH¢	GH¢	GH¢	GH¢
Office Building (Annex)	1,790	-	141	1,931
Office Premises (Madina)	10,237	-	2,924	13,161
Office Premises (Teshie)	6,741	-	3,852	10,593
Computers	187,100	-	24,901	212,001
Motor Vehicles	62,365	-	14,619	76,983
Office Equipment	64,882	-	3,286	68,168
Other Equipment	23,823	-	7,964	31,787
Furniture & Fittings	26,194	-	12,929	39,123
Air-Condition Equipment	47,234	(4,288)	6,628	49,574
Plants and Machinery	19,096	-	13,487	32,583
	<u>449,462</u>	<u>(4,288)</u>	<u>90,731</u>	<u>535,904</u>

NET BOOK VALUES 31/12/11

1,355,772

NET BOOK VALUES 31/12/10

1,312,880



LA COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER, 2011

NOTE 11:

DEPOSITS AND CURRENT ACCOUNTS	2011 GH¢	2012 GH¢
This is made up as follows:		
Savings Accounts	10,129,503	9,806,003
Current Accounts	<u>4,048,398</u>	<u>2,655,179</u>
	<u>14,177,901</u>	<u>12,461,182</u>

NOTE 12: OTHER LIABILITIES

This is made up as follows		
Office Account	176,905	180,219
Bill Payable	62,978	106,361
Dividend Warrant	240,056	148,285
5% Withholding Tax	546	-
Audit Fees	8,700	7,500
Proposed Dividend	464,320	364,801
Head Office Account	-	528,299
Unearned Interest	-	9,896
	<u>953,505</u>	<u>1,345,361</u>

NOTE 13: 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.

The position is as follows:-

Balance, 1 st January	41,395	16,395
Transferred from Profit & Loss Account	<u>30,000</u>	<u>25,000</u>
	71,395	41,395
Disbursements	<u>(12,508)</u>	<u>(13,574)</u>
Balance 31st December	<u>58,887</u>	<u>27,821</u>

NOTE 14: 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:	2011 GH¢	2010 GH¢
Balance, 1 st January	34,123	30,136
Amount transferred from Profit & Loss Account	<u>30,000</u>	<u>25,000</u>
	64,123	55,136
Scholarships disbursements during the year	<u>(27,472)</u>	<u>(21,013)</u>
Balance, 31 st December	<u>36,651</u>	<u>34,123</u>



LA COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31ST DECEMBER, 2011

NOTE 15: STATED CAPITAL

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

<u>Number</u>	
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:-		2011	2010
		GH¢	GH¢
FOUNDERS SHARES			
<u>2,332,780</u>	Shares of no par value-1 st Jan	<u>173,145</u>	<u>173,145</u>
ORDINARY SHARES			
12,285,769	Shares of no par value -1 st Jan	999,112	992,357
<u>858,800</u>	Additions during the year	<u>85,880</u>	<u>6,755</u>
<u>13,144,569</u>		<u>1,084,992</u>	<u>999,112</u>
<u>15,477,349</u>		<u>1,258,137</u>	<u>1,172,257</u>

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

NOTE 16: CAPITAL SURPLUS		2011	2010
This is made up as follows:-		GH¢	GH¢
Revaluation office building-2005		215,691	215,691
Bonus shares received		<u>14,814</u>	-
		<u>230,505</u>	<u>215,691</u>

NOTE 17: STATUTORY RESERVE FUND

Balance ,1 st January	1,072,601	927,639
Transferred from Income Surplus	<u>185,575</u>	<u>144,962</u>
Balance 31 st December	<u>1,258,176</u>	<u>1,072,601</u>



**LA COMMUNITY BANK LIMITED
COMPUTATION OF TAX PAYABLE
YEAR OF ASSESSMENT-2011**

	2011 GH¢
Net Profit per the Accounts	805,094
Add	
Depreciation	90,731
Stamp duty on Shares	-
Donations	<u>9,100</u>
Adjusted Net Profit	904,925
Less;	
Capital Allowances (Scheduled attached)	<u>(119,981)</u>
Chargeable income	<u>784,944</u>
Tax at 8%	<u>62,796</u>



LA COMMUNITY BANK LIMITED
COMPUTATION OF CAPITAL ALLOWANCES
YEAR OF ASSESSMENT: 2011

ASSETS	POOL 1				Totals
	Class 5 Office Building	Computers	Motor Vehicle	Plant Machinery Equipments & Fittings	
Annual Allowance Rates	10%	40%	30%	20%	
Written Down Values b/f	Gh¢ 261,104	Gh¢ 28,561	Gh¢ 29,542	Gh¢ 205,758	Gh¢
Disposal	-	-	-	(5,487)	
Additions	<u>3,253</u>	<u>34,453</u>	<u>-</u>	<u>97,110</u>	
	264,357	63,014	29,542	297,381	
Written Down Allowance	<u>(26,436)</u>	<u>(25,206)</u>	<u>(8,863)</u>	<u>(59,476)</u>	(119,981)
Written Down Values c/f	<u>237,921</u>	<u>37,808</u>	<u>20,679</u>	<u>237,905</u>	
TOTAL CAPITAL ALLOWANCES					<u>(119,981)</u>



PROXY FORM

Annual General Meeting to be held at **10:30am** on **29th June 2012** at the 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 on my/our behalf at the Annual General Meeting of the Company to be held on **Friday 29th June 2012** at the **Presbyterian Church Hall, Osu, Accra.**

Signature

Date this day of 2012

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. Miss Mabel Kissiedu		
4. Mr. Benjamin Obodai		
5. Mr. Augustus Pappoe		
6. Issuance of Bonus Shares		
7. Appointment of External Auditors		
8. Authorizing 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 the 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 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.





LA COMMUNITY BANK LTD.

**No Matter
your Profession**

We Care For You from the

Beginning

**START BANKING WITH US
NOW!**



Tel: 0302-772298/ 0302-760081/0302-760082/0302-763921

E-mail: labank87@yahoo.co.uk

**REPORT & FINANCIAL
STATEMENTS
2011**