



LA COMMUNITY BANK LIMITED

REPORT & FINANCIAL
STATEMENTS
2012



LA COMMUNITY BANK LTD.

Be Part of Our

LACO 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
- Efi ne Fie
- 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 for School fees, medical bills
Undertake house renovations,
Purchase furniture etc.

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

E-mail: labank87@yahoo.co.uk



**LA COMMUNITY BANK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2012**

Contents	Page
Notice of Meeting	2
Officials and Registered Office	3
Financial Highlights	4
Chairmans' Statement	5 - 7
Directors' Report	8
Auditors' Report	9 - 10
Income Statement	11
Income Surplus Account	12
Statement of Financial Position	13
Statement of Cash Flow	14
Notes Forming Part of the Financial Statements and Schedules	15 - 23
Proxy Form	24



NOTICE OF MEETING

Notice is hereby given that the **Twenty-Fifth** Annual General Meeting of **LA COMMUNITY BANK LIMITED** will be held at **the PRESBYTERIAN CHURCH HALL, OSU** on **FRIDAY 28TH JUNE 2013** at **10:30 a.m.** for the following purposes.

AGENDA

1. To receive and consider the Financial Statements for the year ended 31st December 2012 together with the Report of the Directors and Auditors thereon.
2. To declare dividend for the year ended 31st December 2012.
3. To re-elect Directors.
4. To authorize the Directors to determine the remuneration of the Auditors.
5. To approve Directors Fees.

Dated this 9th Day of May, 2013.

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.



LA COMMUNITY BANK LIMITED OFFICIALS AND REGISTERED OFFICE

Board Members:	Dr. K. B. Asante	(Chairman)
	Mrs. Helen Koshie Lokko	(Vice Chairperson)
	Mr. A. N. N. Pappoe	(Member/General Manager)
	Mr. Peter T. Kpobi	(Member)
	Mr. Amarkai Amarteifio	(Member)
	Dr. Nii Kwaku Sowa	(Member)
	Miss Mabel Kissiedu	(Member)
	Mr. Benjamin Obodai	(Member)
	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. G224/Lami Jwahe
Post Office Box LA 499
La - Accra

Auditors

At - Ernest Dawlah
Chartered Accountants & Management Consultants
Third Floor Diamond House, Kinbu Road, Accra
Post Office Box 3934, Accra - Ghana

Registrars

Merchant Bank (Ghana) Limited
57 Examination Loop
North Ridge
P.O. Box 401
Accra

Solicitors

Nsiah Akuetteh & Co.
Essie Lodge
Kojo Thompson Road, Adabraka
P. O. Box LA 329
La - Accra



LA COMMUNITY BANK LIMITED FINANCIAL HIGHLIGHTS

	2012 GH¢	2011 GH¢	Percentage Change (%)
Investments	12,825,272	8,988,727	43
Loans & Advances	4,278,377	3,704,720	15
Total Assets	21,651,913	18,962,610	14
Total Deposits	17,400,846	14,177,901	23
Shareholders' Funds	3,032,633	3,000,278	1
Profit before Tax	936,549	805,094	16
Profit after Tax	858,679	742,298	16
Dividend	475,192	464,320	2
La Township Development Fund	35,000	30,000	17
La Educational Fund	35,000	30,000	17
Number of Agencies	3	3	



CHAIRMAN'S STATEMENT

Introduction

Distinguished Ladies and Gentlemen, may I on behalf of the Board of Directors welcome all of you to the 25th Annual General Meeting and to present to you the Financial Statements for the year ended 31st December, 2012.

The nation has continued to enjoy political stability with a peaceful general election being held in December, 2012.

On the economic front, while inflation remained in the single-digit with a year-end rate of 8.8%, there were other shocks the country had to contend with during the year under review. The Cedi suffered massive depreciations which threatened the macro stability the country had enjoyed over the past couple of years. Timely interventions by the Bank of Ghana including changing some of the rules governing foreign exchange operations in the country helped to stem the depreciation of the currency. The other major shocks which affected business operations in the country were crises in the supply of both electricity and water. Also, 2012 being an election year with its attendant pressures on government fiscal operations, has left a legacy of non-performing assets with the banks. It is our hope that the government's fiscal position will be put on the right path as quickly as possible to save banks from incurring huge losses.

Operating Performance

In spite of the shocks which hit the economy alluded to earlier, the Bank performed creditably. We increased all our revenue lines and generally managed to contain our costs. We were also able to robustly intensify our deposit mobilisation drive, which was channelled into prudent investments leading to operating profit before tax of GH¢936,549 as against GH¢805,094 in 2011, reflecting an increase of 16%.

High cost of repairs and maintenance of equipment, and high utility tariffs increased the Bank's expenditure. Additionally, high cost of fuel incurred in powering the Bank's generators necessitated by frequent power outages took their toll on expenditure.

Consequently, despite efforts to keep expenditure down, operating expenses rose to GH¢2.3 million, representing a 21% increase over the previous year's figure of GH¢1.9million.

At our last meeting, your Board informed you that bonus shares amounting to GH¢250,000 would be issued to existing shareholders. Unfortunately, this could not materialise, as it turned out that the profit declared for 2011 had been overstated by GH¢317,370 due to a system error, which occurred as a result of the migration onto the e-Merge T24 software, rolled out for all Rural and Community Banks by ARB Apex Bank. Regrettably, the error could not be spotted in the 2011 accounting year.

The overstated figure of GH¢317,370 has been adjusted for in the 2012 accounts.

Balance Sheet

The total assets of the bank grew by 14% from GH¢19 million in 2011 to GH¢22 million in 2012. Total Deposits also increased from GH¢14 million to GH¢17 million in 2012 which represents an increase of 23%. This had a ripple effect on our total investment portfolio which recorded a growth of 43%.

Net Loans and Advances recorded in 2012 was GH¢4.3 million compared to GH¢3.7 million in 2011, an increase of 15.5%. The high default rate by borrowers still persists. We assure you, our esteemed shareholders, that the Bank is using all available means including legal measures to retrieve all the outstanding debts.



While still exercising caution, the Bank will continue to identify and give assistance to credit-worthy customers to maintain our core business, and promote business and economic development.

Appropriation

The Net Profit after deducting tax liability of GH¢77,870 was GH¢858,679, which became available for appropriation. Out of this amount, GH¢214,670 has been transferred to the Statutory Reserve Fund, leaving a balance of GH¢644,009. GH¢475,192 of this balance has been proposed as dividend payment.

Ladies and Gentlemen, your Bank has demonstrated over the years that it is not only a successful financial institution but also a socially responsible corporate citizen towards its local communities and the environment. In this regard, in addition to the numerous donations made in the course of the year towards various worthy courses, we have continued with our standing arrangement to provide assistance to specific projects in La as follows:

GH¢35,000.00 has been allocated to the La Township Development Fund and another GH¢35,000.00 to the La Educational Fund this year. We have granted scholarships to 12 students in secondary and tertiary institutions in the country bringing the total number of beneficiaries to 100. Thus, the policy to ensure that your Bank impacts significantly on the social and economic life of the people in the areas in which it operates is being vigorously pursued.

Dividend

As already stated, the Board of Directors has proposed a Dividend of GH¢0.03 per share amounting to GH¢475,192 for the financial year ended 31st December, 2012. 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 2013

Dear Shareholders, as you are all aware, the banking industry is one of increasing competition by way of market expansion, product innovation, and enhanced customer service. Your Bank, being a licensed Community Bank, is faced with the task of competing with the big players in the industry i.e. the Universal Banks, because of its location in the nation's capital. We welcome this challenge. 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 and also actively mobilizing deposits for the extension of credit and investment.

It is gratifying to mention that our three {3} operating sites; Head Office Branch at La, and the Agencies at Madina and Teshie-Nungua are now all profitable. The branches will continue to offer good service to our customers.

In the coming year, our vision to open an Agency in the western part of Accra will be pursued to consolidate our expansion programme.

We shall continue to bring banking to the doorstep of our customers as well as the unbanked persons within our catchment areas through our micro-finance or "susu" product. Distinguished Ladies and Gentlemen, we assure you of our commitment to ensure that a great percentage of the people in our community receive useful banking service from La Community Bank.

Staff

The Bank will continue to provide the right training to staff so that they can improve their performance. Training programmes will be both internal and external and support will be given to personal development.

I wish to inform you that Miss Belinda Dzokoto has been engaged as the Human Resource Manager, to



help shape and improve upon the human capital and resource issues of your Bank. We congratulate and welcome her to the La Community Bank family.

Conclusion

Distinguished ladies and gentlemen, our Bank is twenty-five (25) years old and I believe shareholders will agree with me that it is by the grace of the Almighty that our Bank has reached this far. Let us therefore first give thanks to the Almighty God who has sustained the Bank all these years.

Let us also pause to examine whether we have fully discharged the role expected of us during the past 25 years. We have certainly brought the banking culture to the marginalised of society in La. But 25 years is a long time and we must admit that what we have done is not enough. We can justifiably be pleased with what we have done. But we should endeavour to do better in the years ahead.

Rural and community banks are expected to promote investment in appropriate business and projects from the savings they mobilise. They are thus expected to promote economic and social development. We have to be bold and frank to admit that the improvement on economic activity in La over the past 25 years leaves much to be desired. Your bank will therefore increase its efforts to promote appropriate enterprises in La and its environs while supporting existing progressive ones. In this regard we appeal to our customers who come for financial assistance from the Bank, to use such loans for the reasons they were intended and endeavour to pay their debts.

To you our esteemed Shareholders, we say thank you for the faith and confidence reposed in the Directors to steer the affairs of the Bank. To our Regulators, the Bank of Ghana and the ARB Apex Bank, we say a big thank you for your direction and guidance over our operations.

I also express my sincere thanks to Management and Staff for their contribution and achievements in 2012.

I congratulate my colleagues on the Board for their devotion, commitment to the Bank and the guidance they gave to Management in running the Bank.

Two Directors wish to retire after this Annual General Meeting. They are Mr. Peter Kpobi and Mrs Florence Aleeno Sai.

Mr. Kpobi has been a Director of the Bank for 25 years, and his contribution to the growth of the bank has been immense. Illness has forced him to relinquish his directorship. Mrs. Florence Sai joined the Board in 1999. Her dynamism and devotion invigorated the work of the Board. She continued to work despite an unfortunate affliction but has now decided to bow out.

I am sure I speak for all of you when I say thank you to the two Directors and wish them well-earned rest.

Finally, I wish to thank our cherished customers for their confidence in the Bank and their contribution to the progress of La Community Bank.

I thank you all for the courtesy of your attention.

CHAIRMAN



LA COMMUNITY BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2012

REPORT OF THE DIRECTORS

The Directors have the pleasure in submitting their 25th Annual Report to the Members together with the Financial Statements of the Bank for the year ended 31st December, 2012 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 11 to 23.

	2012	2011
	GH¢	GH¢
2. The Net Profit before tax for the year was	936,549	805,094
Less Taxation of	<u>(77,870)</u>	<u>(62,796)</u>
Leaves a Net Profit after Tax of	858,679	742,298
Out of which the following appropriations are made:		
Transfer to Statutory Reserve	(214,670)	(185,575)
Proposed Dividend of (GH¢0.030 per share)	(475,192)	(464,320)
Transfer to La Township Dev. Fund	(35,000)	(30,000)
Transfer to La Educational Fund	<u>(35,000)</u>	<u>(30,000)</u>
Leaves a balance of	98,817	32,403
Which when added to the balance on Income Surplus Account at 1 st January of	<u>253,460</u>	<u>221,057</u>
Leaves a balance of	352,277	253,460
Deducting Prior Year Adjustment of	<u>(317,370)</u>	<u>0</u>
Leaves a balance of	34,907	253,460

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: 9 - 05 - 2013

Director

Dated: 9 - 05 - 2013



At - Ernest Dawlah
(Formerly Arthur, Tawiah & Partners)
Chartered Accountants & Management Consultants

First Floor Diamond House, Kinbu Road Accra.
P. O. Box 3934, Accra-Ghana * Tel: +233 21 667650 * Fax: +233 21 673900
e-mail: at-ernestdawlah@africaonline.com.gh

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LA COMMUNITY BANK LIMITED

Report on the Financial Statements

We have audited the accompanying Financial Statements of La Community Bank Limited, which comprise the Statement of Financial Position as of 31st December 2012, the Income Statement, Statement of Cash Flows 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 International Financial Standards and the Companies Code, 1963 (Act 179). This responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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 the Company as of 31st December 2012, and of its financial performance and its cash flows for the year then ended in accordance with Ghana National Accounting Standards and Ghana Companies Code, 1963 (Act 179).

Report on Other Legal and Regulatory Requirements

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

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion proper books of account have been kept by the Bank and its agencies, so far as appears from our examination of those books; and
- c. The Statement of Financial Position and Income Statement of the Bank are in agreement with the books of account.

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

- a. The accounts give a true and fair view of the state of affairs of the Bank and its results for the period under review;
- b. We were able to obtain all information and explanations required for the efficient performance of our duties as auditors;
- c. The Bank's transactions are within its powers; and
- d. The Bank has generally complied with the provisions in the Banking Act 2004 (Act 673) and the Banking (Amendment) Act 2007(Act 738).

Partner Signing: D. D. Dawlah
ICAG/P/1016
At - Ernest Dawlah
Chartered Accountants &
Management Consultants
Accra

Dated:
9 - 05 - 2013



LA COMMUNITY BANK LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2012

		2012 GH¢	2011 GH¢
	Notes		
Interest Income	2a	3,399,960	2,779,861
Interest Expense	2b	<u>(321,025)</u>	<u>(258,076)</u>
Net Interest Income		3,078,935	2,521,785
Commission and Fee Income		<u>361,435</u>	<u>353,482</u>
Total Income		3,440,370	2,875,267
Personnel Expenses	3	(1,353,918)	(1,164,156)
Other Operating Expenses	4	(804,712)	(646,118)
Depreciation and Amortization	5	(139,086)	(90,731)
Impairment Loss on Loans & Advances		(206,740)	(171,112)
Loss on Disposal		<u>-</u>	<u>(1,181)</u>
Net Operating Profit		935,914	801,969
Other Income		<u>635</u>	<u>3,125</u>
Net Profit before Taxation		936,549	805,094
Taxation		<u>(77,870)</u>	<u>(62,796)</u>
Net Profit after Tax transferred to Income Surplus Account		<u>858,679</u>	<u>742,298</u>

Notes 1 - 18 form an integral part of these financial statements and should therefore be read in conjunction therewith



**LA COMMUNITY BANK LIMITED
INCOME SURPLUS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2012**

		2012 GH¢	2011 GH¢
	<u>Notes</u>		
Balance at 1 st January		253,460	221,057
Prior Year Adjustment	6	(317,370)	-
Net Profit for the year		858,679	742,298
Transferred to Statutory Reserve		(214,670)	(185,575)
Proposed Dividend		(475,192)	(464,320)
Transfer to La Township Dev. Fund		(35,000)	(30,000)
Transfer to La Educational Fund		<u>(35,000)</u>	<u>(30,000)</u>
Balance at 31st December		<u>34,907</u>	<u>253,460</u>

Notes 1 - 18 form an integral part of these financial statements and should therefore be read in conjunction therewith



LA COMMUNITY BANK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2012

		2012 GH¢	2011 GH¢
	Notes		
Assets			
Cash and Short-Term Funds	7	2,807,746	2,956,389
Investments	8	12,825,272	8,988,727
Loans and Advances	9	4,278,377	3,704,720
Taxation	10	-	10,461
Other Assets		481,508	1,946,541
Property, Plant & Equipment	11	<u>1,259,010</u>	<u>1,355,772</u>
Total Assets		<u>21,651,913</u>	<u>18,962,610</u>
Liabilities			
Balance with other Banks		-	735,388
Deposits & Current Accounts	12	17,400,846	14,177,901
Other Liabilities	13	1,058,716	953,505
La Township Dev. Fund	14	95,533	58,887
La Educational Fund	15	36,776	36,651
Taxation	10	<u>27,409</u>	<u>-</u>
Total Liabilities		<u>18,619,280</u>	<u>15,962,332</u>
Shareholders' Equity			
Stated Capital	16	1,294,375	1,258,137
Capital Surplus	17	230,505	230,505
Income Surplus Account		34,907	253,460
Statutory Reserve	18	<u>1,472,846</u>	<u>1,258,176</u>
Total Shareholders' Equity		<u>3,032,633</u>	<u>3,000,278</u>
Total Liabilities and Shareholders' Equity		<u>21,651,913</u>	<u>18,962,610</u>

Director

Dated: 9-05-2013

Director

Dated: 9-05-2013

Notes 1 – 18 form an integral part of these Financial Statements and should therefore be read in conjunction therewith.



LA COMMUNITY BANK LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2012

	2012	2011
	GH¢	GH¢
Operating Activities		
Net Profit Before Taxation	936,549	805,094
Adjustments For:		
Prior Year	(317,370)	-
Depreciation and Amortization Expenses	139,086	90,731
Disposal of Asset	<u>-</u>	<u>(1,000)</u>
Operating Profit before working Capital charges	758,265	894,825
Changes in Loans and advances	(573,657)	(13,695)
Changes in Other assets	1,465,033	(97,310)
Changes in Customer deposits	3,222,945	1,716,719
Changes in Other Liabilities	<u>(62,073)</u>	<u>(628,792)</u>
Cash Generated From Operations	4,810,513	1,871,747
Income Tax paid	<u>(40,000)</u>	<u>(50,000)</u>
Net Cash Flow from Operating Activities	<u>4,770,513</u>	<u>1,821,747</u>
Investing Activities		
Acquisition of Property & Equipment	(42,324)	(131,563)
Acquisition of intangible assets	<u>(3,836,545)</u>	<u>(1,216,795)</u>
Net Cash Used in Investing activities	<u>(3,878,869)</u>	<u>(1,348,358)</u>
Financing Activities		
Borrowings	(735,388)	173,878
Dividend Paid	(341,137)	(240,056)
Proceeds from Ordinary Shares Issued	<u>36,238</u>	<u>85,880</u>
Net Cash Used in Financing Activities	<u>(1,040,287)</u>	<u>19,702</u>
Net (Decrease) /Increase in Cash & Cash		
Equivalents	<u>(148,643)</u>	<u>493,091</u>
Cash and Cash equivalents at 1st January	<u>2,956,389</u>	<u>2,463,298</u>
Cash and Cash Equivalent at 31st December	<u>2,807,746</u>	<u>2,956,389</u>



LA COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2012

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	5%
Motor Vehicle	25%
Office Equipment	35%
Other Equipment	25%
Furniture & Fittings	20%
Computers	33.33%
Air-Condition Equipment	12.5%
Plants & Equipment	10%

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 in 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 relate 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 2012

	2012	2011
	GH¢	GH¢
2. Interest		
a. Interest Income	<u>3,399,960</u>	<u>2,779,861</u>
Investments	2,000,854	1,230,188
Advances: Loans	641,251	876,898
Overdrafts	690,643	657,577
Bad Debts Recovered	67,212	15,198
b. Interest Expense	<u>321,025</u>	<u>258,076</u>
Savings Accounts	321,025	252,206
Time Deposits	-	5,870
3. Personnel Expenses		
Salaries and Allowances	851,148	700,285
Overtime Claims	38,920	21,140
Medical Expenses	25,656	25,579
Social Security Fund	77,292	72,568
Bonus Awards	88,943	67,084
Staff Training	13,723	12,334
Others	<u>258,236</u>	<u>265,166</u>
	<u>1,353,918</u>	<u>1,164,156</u>



LA COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2012

	2012 GH¢	2011 GH¢
4. Other Operating Expenses		
Cleaning and Sanitation	27,389	26,949
Shortage in Tills	11	140
Specie Movement	3,930	3,635
Office Expenses-(Others)	8,668	11,461
Lease Charge on Equipment	9,007	7,941
Rent, Rates and Taxes	40,670	37,517
Electricity and Water	135,311	101,271
Insurance	38,301	27,070
Annual General Meeting Expenses	19,072	11,690
Audit Fees	10,000	8,700
Bank Charges	12,470	759
Board Meeting Expenses	3,698	7,556
Directors' Retirement Benefits	31,900	22,000
Directors' Fees	16,800	17,460
Directors' Sitting Allowance	79,080	43,620
Donations	7,000	9,100
Entertainment	22,763	22,281
Legal Charges	6,491	4,600
Motor Vehicle Expenses	32,347	31,329
Police Guard Expenses	42,646	37,932
Telephones and Postage	29,860	24,998
Newspapers and Publications	12,186	9,592
Internet	3,140	1,040
Registrar's Fees	7,615	9,787
Commission on Bad Debt Recovery	6,602	11,469
Repairs and Maintenance	79,934	69,492
Stationery	35,509	44,876
Travelling and Transport	36,296	18,141
Susu Collectors Commission	27,135	-
Advertisement	1,584	4,646
Subscription	7,850	5,150
Anniversary Expenses	3,500	-
Board Secretarial Expenses	3,105	4,140
Professional Fees	2,842	9,776
	<u>804,712</u>	<u>646,118</u>



LA COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2012

	2012	2011
	GH¢	GH¢
5. Depreciation And Amortization Expenses		
Depreciation		
Equipment	36,760	31,365
Furniture & Fittings	17,111	12,929
Computers	17,242	24,901
Land & Building - La	49,386	-
Land & Building - Madina	2,924	2,925
Land & Building - Annex	141	141
Land & Building - Teshie	4,647	3,852
Motor Vehicles	<u>10,875</u>	<u>14,618</u>
	<u>139,086</u>	<u>90,731</u>
6. Prior Year Adjustments	<u>317,370</u>	<u>-</u>
<p>This represents excess Interest Income recorded in the previous year as a result of an error which occurred during the migration of the accounts from the Bank's own software to e - Merge software provided by ARB Apex Bank.</p>		
7. Cash And Short – Term Funds		
Cash in Hand	348,214	329,637
Balance With Other Banks	<u>2,459,532</u>	<u>2,626,752</u>
	<u>2,807,746</u>	<u>2,956,389</u>
8. Investments		
182 Day Fixed Deposit	12,500,000	6,700,000
Treasury Bills taken over	229,933	171,720
Customers' Discounted Treasury Bills	53,935	165,845
Investment in ARB APEX Bank Ltd	41,404	41,404
Other Investments	-	<u>1,909,758</u>
	<u>12,825,272</u>	<u>8,988,727</u>



LA COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2012

	2012 GH¢	2011 GH¢
9. Loans & Advances		
Loans	1,983,907	1,567,182
Overdrafts	4,040,795	1,620,918
Classified Debts	<u>2,448,089</u>	<u>3,819,956</u>
	8,472,791	7,008,056
Less		
Impairment charges	(1,174,003)	(1,004,495)
Interest on impairment charges	<u>(3,020,411)</u>	<u>(2,298,841)</u>
	<u>4,278,377</u>	<u>3,704,720</u>

10 Taxation				
Year of Assessment	Balance C/Forward GH¢	Charge for the year GH¢	Payments GH¢	Balance C/Forward GH¢
2011	(10,461)	-	-	(10,461)
2012	-	<u>77,870</u>	<u>(40,000)</u>	<u>37,870</u>
	<u>(10,461)</u>	<u>77,870</u>	<u>(40,000)</u>	<u>27,409</u>

11. Property, Plant & Equipment

	Land & Building GH¢	Furniture Fittings & Equipment GH¢	Computer & DP Equipment GH¢	Motor Vehicle GH¢	Total GH¢
Cost					
Balance at 01.01.12	1,112,370	443,969	245,608	89,729	1,891,676
Additions	<u>21,538</u>	<u>17,396</u>	<u>3,390</u>	-	<u>42,324</u>
Balance at 31.12.12	<u>1,133,908</u>	<u>461,365</u>	<u>248,998</u>	<u>89,729</u>	<u>1,934,000</u>
Depreciation					
Balance at 01.01.12	25,685	221,235	212,001	76,983	535,904
Charge for The year	<u>56,304</u>	<u>54,666</u>	<u>17,241</u>	<u>10,875</u>	<u>139,086</u>
Balance at 31.12.12	<u>81,989</u>	<u>275,902</u>	<u>229,242</u>	<u>87,858</u>	<u>674,990</u>
Carrying Amount					
Balance at 31.12.12	<u>1,051,919</u>	<u>185,463</u>	<u>19,756</u>	<u>1,871</u>	<u>1,259,010</u>
Balance at 31.12.11	<u>1,086,685</u>	<u>225,734</u>	<u>33,607</u>	<u>12,746</u>	<u>1,355,772</u>



LA COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2012

	2012	2011
	GH¢	GH¢
12. Deposit And Current Accounts		
Savings Accounts	12,607,689	10,129,503
Current Accounts	<u>4,793,157</u>	<u>4,048,398</u>
	<u>17,400,846</u>	<u>14,177,901</u>
13. Other Liabilities		
Office Accounts	135,414	176,905
Bill Payable	69,346	62,978
Dividend Warrant	363,239	240,056
5% Withholding Tax	-	546
Audit Fees	10,000	8,700
Proposed Dividend	475,192	464,320
Accrued Utilities	<u>5,525</u>	<u>-</u>
	<u>1,058,716</u>	<u>953,505</u>
14. La Township Development Fund		
<p>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.</p>		
<p>The position is as follows:</p>		
Balance as at 1 st January	58,887	41,395
Transferred from Profit & Loss Account	<u>35,000</u>	<u>30,000</u>
	93,887	71,395
Net Cash Flows	<u>1,646</u>	<u>(12,508)</u>
Balance as at 1st December	<u>95,533</u>	<u>58,887</u>



LA COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2012

	2012 GH¢	2011 GH¢
15. La Educational Fund		
This is an amount set aside from profit after tax towards the setting up of a fund to provide scholarship to needy but brilliant children of citizens of La.		
The position is as follows:		
Balance as at 1 st January	36,651	34,123
Transferred from Profit & Loss Account	<u>35,000</u>	<u>30,000</u>
	71,651	64,123
Scholarships Disbursed During The Year	<u>(34,875)</u>	<u>(27,472)</u>
Balance as at 31st December	<u>36,776</u>	<u>36,651</u>

16. Stated Capital

Authorised

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

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

Stated Capital is made up as follows:-

Issued and Fully Paid	GH¢	GH¢
Founders Shares		
2,332,780 Shares of no par value as at 1 st January	<u>173,145</u>	<u>173,145</u>
Ordinary Shares of No Par Value		
13,144,569 Balance as at 1 st January	1,084,992	999,112
<u>362,384</u> Additions during the year	<u>36,238</u>	<u>85,880</u>
<u>13,506,953</u>	<u>1,121,230</u>	<u>1,084,992</u>
<u>15,839,733</u> Balance as at 31st December	<u>1,294,375</u>	<u>1,258,137</u>

There is no share in treasury and no calls or installment unpaid on any share.



LA COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2012

	2012 GH¢	2011 GH¢
17. Capital Surplus		
Revaluation office building - 2005	230,505	215,691
Bonus shares received	<u> -</u>	<u>14,814</u>
Balance as at 31st December	<u>230,505</u>	<u>230,505</u>

18. Statutory Reserve Fund

This is the amount set aside from annual profit as a non-distributable reserve in accordance with regulatory requirements. The transfer to Statutory Reserve Fund is in compliance with section 29 of the banking Act, 2004 (Act 673) as amended by the Banking Act, 2007 (Act 738).

The position is as follows:

Balance as at 1 st January	1,258,176	1,072,601
Transferred from Income Surplus	<u>214,670</u>	<u>185,575</u>
Balance as at 31st December	<u>1,472,846</u>	<u>1,258,176</u>



**LA COMMUNITY BANK LIMITED
COMPUTATION OF TAX PAYABLE
YEAR OF ASSESSMENT - 2012**

	2012
	GH¢
Profit for the year	936,549
Less: Other Income	<u>635</u>
	935,914
Add Back:	
Depreciation	<u>139,086</u>
Adjusted Profit	1,075,000
Deduct: Capital Allowances	<u>(102,259)</u>
	972,741
Add: Other Income	<u>635</u>
Chargeable Income	973,376
Tax thereon at 8%	<u>77,870</u>

CAPITAL ALLOWANCE COMPUTATION – 2012

	POOL 1	POOL 2	POOL 4	CLASS 5	CLASS 5	CLASS 5	TOTAL
	40%	30%	20%	10%	10%	10%	
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Residue B/Forward	37,808	20,679	237,905	234,994	2,928	-	
Additions	<u>3,390</u>	<u>-</u>	<u>17,043</u>	<u>-</u>	<u>-</u>	<u>21,538</u>	
Capital	41,198	20,679	254,948	234,994	2,928	21,538	
Allowance	<u>16,479</u>	<u>6,204</u>	<u>50,990</u>	<u>26,110</u>	<u>325</u>	<u>2,154</u>	<u>102,259</u>
Residue							
C/ Forward	<u>24,719</u>	<u>14,475</u>	<u>203,950</u>	<u>208,884</u>	<u>2,603</u>	<u>19,384</u>	



**LA COMMUNITY BANK LIMITED
(INCORPORATED IN GHANA)**

PROXY FORM

Annual General Meeting to be held at **10:30 am** on **28th June 2013** 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 and on my/our behalf at the Annual General Meeting of the company to be held on **Friday 28th June 2013** at the **Presbyterian Church Hall, Osu, Accra.**

Signature

Date this day of2013

I/We direct that my/ our vote(s) be cast the specified resolutions indicated by "X" appropriate space		
Resolution	For	Against
1 Receiving Accounts		
2. Declaring a Dividend		
Re-electing Directors:		
3. Mr. Amarkai Amarteifio		
4. Mr. Benjamin Gogo		
5. Authorizing the Directors to fix the Auditors Remuneration		
6. Approval of Directors Fees		

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.



LA COMMUNITY BANK LTD.

**We are always Available
to help you
Grow**

**Start and
Continue
Banking
With US**

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

E-mail: labank87@yahoo.co.uk

