

**BANQUE SAHELO-SAHARIENNE  
POUR L'INVESTISSEMENT ET LE COMMERCE  
(GHANA) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2007**

**Banque Sahelo-Saharienne Pour L'Investissement et Le Commerce (Ghana) Limited**

*Annual Report*

*For the year ended 31 December 2007*

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**Banque Sahelo-Saharienne Pour L'Investissement et Le Commerce (Ghana) Limited**

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*For the year ended 31 December 2007*

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**CORPORATE INFORMATION**

**Directors:**

Diop Adama	(Resigned 20 February 2007)
Suleiman Elkushli	(Resigned 20 February 2007)
Yousef S. Ahmed Turkman	(Resigned 20 February 2007) (Re-appointed 9 April 2008)
Guima K.H. Mohamed	(Resigned 20 February 2007)
Ramadan Ali Tekar	(Resigned 20 February 2007)
Ibrahim M.O. Mok Hassan	(Resigned 20 February 2007)
Mohammed Ahmed Bushra Badawi	(Chairman) (Appointed 27 February 2007) (Resigned 16 July 2008)
Ahmed O. Tarhouny	(Chairman) (Appointed 16 July 2008)
Hadi Ali Idris	(Managing Director) (Appointed 27 February 2007)
Dr. Kofi Koduah Sarpong	(Appointed 10 January 2008)
Abduarahman A. Emhamed Balaou	(Appointed 18 March 2008)
Ahmed Younes Sebai	(Appointed 27 February 2007)
Mohammed Manna Aboushwashi	(Appointed 27 February 2007) (Resigned 16 July 2008)
Ahmed Abdussalam El Shaukri	(Appointed 27 February 2007)
Mohamed Lamin Mokhtar	(Appointed 27 February 2007) (Resigned 11 March 2007)

**Company secretary:**

Ben Danquah  
P.O. Box CT 1732 Cantonments  
Accra

**Registered office:**

Glico House  
47 Kwame Nkurumah Avenue, Adabraka  
P.O. Box CT 1732 Cantonments  
Accra

**Auditor:**

PricewaterhouseCoopers  
Chartered Accountants  
No.12 Airport City  
Una Home, 3rd Floor  
PMB CT 42, Cantonments  
Accra

**Correspondent banks:**

Standard Chartered Bank Ghana Limited  
Barclays Bank Ghana Limited  
Bank of Ghana

## **Banque Sahelo-Saharienne Pour L'Investissement et Le Commerce (Ghana) Limited**

*Annual Report*

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### **DIRECTORS' REPORT**

The directors submit their report together with the audited financial statements for the year ended 31 December 2007, which disclose the state of affairs of the Company.

#### **Statement of directors' responsibilities**

The directors are responsible for the preparation of financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the profit or loss and cash flows for that year. In preparing these financial statements, the directors have selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable and prudent and followed Ghana Accounting Standards, the requirements of the Companies Code, 1963 (Act 179).

The directors are responsible for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company. The directors are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Principal activities**

The principal activities which the company is authorised to undertake are:

- a) To carry on the business of banking in accordance with the provisions of the Banking Act, 2004 (Act 673) and any statutory modifications or re-enactment thereof for the time being in force.
- b) To provide micro-financing.
- c) To provide investment and financial services

#### **Results**

The results for the year are set out on page 6. The net profit for the year of GH¢772,129 has been transferred to the income surplus account.

#### **Dividend**

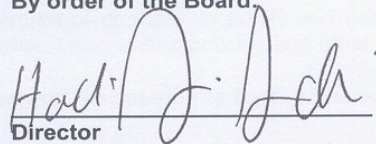
The directors do not recommend the payment of a dividend.


#### **Holding company**

The company is a wholly owned subsidiary of Banque Sahelo-Saharienne Pour L'Investissement et Le Commerce Tripoli (Libya), a company incorporated in the Great Socialist People's Libyan Arab Jamahiriya.

#### **Auditor**

The Bank's auditor, PricewaterhouseCoopers, will continue in office in accordance with the provisions of Section 134 (5) of the Companies Code 1963 (Act 179).

By order of the Board:  
  
Director

  
Director

**Date: 9<sup>th</sup> April 2009**

**REPORT OF THE INDEPENDENT AUDITOR  
TO THE MEMBERS OF BANQUE SAHELO-SAHARIENNE POUR L'INVESTISSEMENT ET LE  
COMMERCE (GHANA) LIMITED**

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Banque Sahelo-Saharienne Pour L'Investissement et Le Commerce (Ghana) Limited set out on pages 5 to 12. These financial statements comprise the balance sheet as at 31 December 2007, the profit and loss account, statement of changes in equity 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 Accounting Standards and with the requirements of 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 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 our audit to obtain reasonable assurance that 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by 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 at 31 December 2007 and of its financial performance and its cash flows for the year then ended in accordance with Ghana Accounting Standards and the Companies Code, 1963 (Act 179).

**Banque Sahelo-Saharienne Pour L'Investissement et Le Commerce (Ghana) Limited**

*Annual Report*

*For the year ended 31 December 2007*

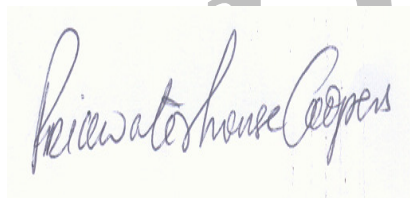
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**REPORT OF THE INDEPENDENT AUDITOR  
TO THE MEMBERS OF BANQUE SAHELO-SAHARIENNE POUR L'INVESTISSEMENT ET LE  
COMMERCE GHANA) LIMITED (continued)**

**REPORT ON OTHER LEGAL REQUIREMENTS**

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

- i) 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;
- ii) in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and
- iii) the Company's balance sheet and profit and loss account are in agreement with the books of account.



A handwritten signature in blue ink, appearing to read 'Kweku Agyemang', is written over a light yellow rectangular background. A large, semi-transparent watermark with the word 'draft' is visible across the center of the page.

**Chartered Accountants**

**Accra**

**Date: 10<sup>th</sup> April 2009**

**Banque Sahelo-Saharienne Pour L'Investissement et Le Commerce (Ghana) Limited***Financial Statements**For the year ended 31 December 2007*

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**PROFIT AND LOSS ACCOUNT****(All amounts are expressed in Ghana cedis unless otherwise stated)**

	Note	2007 GH¢	2006 GH¢
Interest income	3	772,129	-
Interest expenses		<u>-</u>	<u>-</u>
<b>Net interest income</b>		<b>772,129</b>	<b>-</b>
Operating expenses		<u>-</u>	<u>-</u>
<b>Profit before income tax</b>		<b>772,129</b>	<b>-</b>
Income tax expense	4	<u>-</u>	<u>-</u>
<b>Profit for the year</b>		<b><u>772,129</u></b>	<b><u>-</u></b>

**Banque Sahelo-Saharienne Pour L'Investissement et Le Commerce (Ghana) Limited**

*Financial Statements*

*For the year ended 31 December 2007*

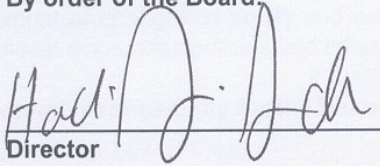
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**BALANCE SHEET**

**(All amounts are expressed in Ghana cedis unless otherwise stated)**

	Note	2007 GH¢	2006 GH¢
<b>Assets</b>			
Cash and balances with Bank of Ghana	5	4,088	-
Due from other banks and financial institutions	6	9,320,911	-
Property and equipment	7	204,168	-
Accounts receivable	8	-	300,000
Other assets	9	<u>950,309</u>	<u>108,557</u>
<b>Total assets</b>		<b><u>10,479,476</u></b>	<b><u>408,557</u></b>
<b>Liabilities</b>			
Other liabilities	10	<u>409,847</u>	<u>108,557</u>
<b>Total liabilities</b>		<b><u>409,847</u></b>	<b><u>108,557</u></b>
<b>Equity</b>			
Stated capital	11	9,297,500	300,000
Income surplus account	12	<u>772,129</u>	<u>-</u>
<b>Total equity attributable to equity holders of the Bank</b>		<b><u>10,069,629</u></b>	<b><u>300,000</u></b>
<b>Total liabilities and equity</b>		<b><u>10,479,476</u></b>	<b><u>408,557</u></b>

The financial statements on pages 5 to 12 were approved for issue by the Board of Directors on 9<sup>th</sup> April 2009 and signed on its behalf by:

By order of the Board:  
  
Director

  
Director



**Banque Sahelo-Saharienne Pour L'Investissement et Le Commerce (Ghana) Limited***Financial Statements**For the year ended 31 December 2007*

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**CASH FLOW STATEMENT****(All amounts are expressed in Ghana cedis unless otherwise stated)**

	Note	2007 GH¢	2006 GH¢
<b>Cash flows from operating activities</b>			
Net profit before tax		772,129	-
Adjustments for changes in operating assets and liabilities			
Change in other assets	9	(841,752)	(108,557)
Change in other liabilities	10	<u>301,290</u>	<u>108,557</u>
		231,667	-
Income tax paid	4	<u>-</u>	<u>-</u>
<b>Net cash used in operating activities</b>		<b><u>231,667</u></b>	<b><u>-</u></b>
<b>Cash flow from investing activities</b>			
Purchase of property and equipment	7	<u>(204,168)</u>	<u>-</u>
<b>Net cash used in investing activities</b>		<b><u>(204,168)</u></b>	<b><u>-</u></b>
<b>Cash flow from financing activities</b>			
Proceeds from issue of shares	11	<u>9,297,500</u>	<u>-</u>
<b>Net cash from financing activities</b>		<b><u>9,297,500</u></b>	<b><u>-</u></b>
<b>Net increase in cash and equivalents</b>	16	<b>9,324,999</b>	-
Cash and cash equivalents at 1 January		<u>-</u>	<u>-</u>
<b>Cash and equivalents at 31 December</b>	16	<b><u>9,324,999</u></b>	<b><u>-</u></b>

**Banque Sahelo-Saharienne Pour L'Investissement et Le Commerce (Ghana) Limited**

*Financial Statements*

*For the year ended 31 December 2007*

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**NOTES (continued)**

**(All amounts are expressed in Ghana cedis unless otherwise stated)**

**1. Reporting entity**

Banque Sahelo Saharienne pour l'Investissement et le Commerce (Ghana) Limited [BSIC Ghana Limited] is a Company incorporated in Ghana.

The Company is a subsidiary of Banque Sahelo-Saharienne Pour L'Investissement et le Commerce, Tripoli (Libya) [BSIC Libya], a company incorporated in the Great Socialist People's Libyan Arab Jamahiriya, which exercises control over the Company. Control exists because BSIC Libya has the power to govern the financial and operating policies of the Company so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

The address and registered office of the Company is :

BSIC (Ghana) Limited  
Glico House  
47 Kwame Nkrumah Avenue, Adabraka  
P.O. Box CT 1732 Cantonments  
Accra

**2. Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

**(a) Basis of preparation**

These financial statements have been prepared under the historical cost convention and in accordance with Ghana Accounting Standards.

**(b) Foreign currency transactions**

Transactions denominated in foreign currencies are translated into cedis at the exchange rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into cedis at the rates ruling at the balance sheet date. The differences resulting from the translation are dealt with in the profit and loss account for the year in which they arise.

**(c) Pre-operational expenses**

Pre-operational expenses represent all setting up costs incurred directly by the holding company as well as costs incurred locally by the Company. These are deferred and amortised over a period of five years from commencement of operations.

**(d) Cash and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held on call with banks, and investments in money market instruments, net of bank overdrafts. In the balance sheet, bank overdrafts are included in current liabilities.

**(e) Stated capital**

Ordinary shares are classified as equity.

**Banque Sahelo-Saharienne Pour L'Investissement et Le Commerce (Ghana) Limited***Financial Statements**For the year ended 31 December 2007*

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**NOTES (continued)****(All amounts are expressed in Ghana cedis unless otherwise stated)****(f) Property and equipment**

Land and buildings comprise mainly branches and offices. All property and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of these assets.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to other operating expenses during the period in which they are incurred.

Land and buildings are not depreciated. Depreciation on other assets is calculated on the straight line basis to write down their cost to their residual values over their estimated useful lives, as follows:

Leasehold improvements	Life of the lease up to 50 years
Furniture and equipment	5 years
Motor vehicles	4 years
Computer equipment	4 years

Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining operating profit.

**(g) Accounting for leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. All other leases are classified as finance leases. To date, all leases entered into by the Bank are operating leases. Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

	<b>2007</b>	2006
	<b>GH¢</b>	GH¢
<b>3. Interest income</b>		
Interest from placements with local banks	<u><b>772,129</b></u>	-

**4. Income tax expense**

In accordance with article (4) of the agreement between the Government of the Republic of Ghana and Banque Sahelo-Saharienne Pour L'Investissement et Le Commerce Tripoli (Libya) signed on 14 December 2006, Banque Sahelo-Saharienne Pour L'Investissement et Le Commerce (Ghana) Limited is exempted from all taxes. As a result, the company has not made any provision for corporate income tax.

<b>5 Cash and balances with Bank of Ghana</b>	<b>2007</b>	2006
	<b>GH¢</b>	GH¢
Cash in hand	<b>2,641</b>	-
Balances with Bank of Ghana	<u><b>1,447</b></u>	-
	<u><b>4,088</b></u>	-

**Banque Sahelo-Saharienne Pour L'Investissement et Le Commerce (Ghana) Limited**

*Financial Statements*

*For the year ended 31 December 2007*

**NOTES (continued)**

**(All amounts are expressed in Ghana cedis unless otherwise stated)**

	<b>2007</b>	2006				
	<b>GH¢</b>	GH¢				
<b>6. Due from other banks and financial institutions</b>						
Due from other local banks	<b>324,935</b>	-				
Placements with local banks	<b><u>8,995,976</u></b>	<u>-</u>				
	<b><u>9,320,911</u></b>	<u>-</u>				
<b>7. Property and equipment</b>						
	<b>Leasehold improve- ments</b>	<b>Furniture and equip- ment</b>	<b>Computers</b>	<b>Motor vehicles</b>	<b>Capital work-in- progress</b>	<b>Total</b>
<b>Cost</b>						
At 1 January 2007	-	-	-	-	-	-
Additions	-	33,562	6,743	33,353	130,510	<b>204,168</b>
Transfers	<u>110,267</u>	<u>20,243</u>	<u>-</u>	<u>-</u>	<u>(130,510)</u>	<u>-</u>
<b>At 31 December 2007</b>	<b><u>110,267</u></b>	<b><u>53,805</u></b>	<b><u>6,743</u></b>	<b><u>33,353</u></b>	<b><u>-</u></b>	<b><u>204,168</u></b>
<b>Accumulated depreciation</b>						
At 1 January 2007	-	-	-	-	-	-
Charge for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>At 31 December 2007</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Net book value</b>						
<b>At 31 December 2007</b>	<b><u>110,267</u></b>	<b><u>53,805</u></b>	<b><u>6,743</u></b>	<b><u>33,353</u></b>	<b><u>-</u></b>	<b><u>204,168</u></b>
<b>8. Accounts receivable</b>						
Receivable from parent					<b>2007</b>	2006
					<b>GH¢</b>	GH¢
					<u>-</u>	<u>300,000</u>
<b>9. Other assets</b>						
Interest receivable					<b>12,761</b>	-
Pre-operational expenses					<b>593,668</b>	108,557
Prepayments					<b><u>343,880</u></b>	<u>-</u>
					<b><u>950,309</u></b>	<u>108,557</u>

Pre-operational expenses relate to transport and travel expenses, staff costs, communication costs, rental charges, professional service fees and other expenses incurred prior to commencement of operations. Included in pre-operational expenses is the audit fee of **GH¢ 7,199** (2006: GH¢ 3,236).

**Banque Sahelo-Saharienne Pour L'Investissement et Le Commerce (Ghana) Limited***Financial Statements**For the year ended 31 December 2007***NOTES (continued)****(All amounts are expressed in Ghana cedis unless otherwise stated)**

10. <b>Other liabilities</b>			<b>2007</b>	2006
			<b>GH¢</b>	GH¢
Other accounts payable			<b>18,262</b>	6,447
Due to parent company			<b><u>391,585</u></b>	<u>102,110</u>
			<b><u>409,847</u></b>	<u>108,557</u>
11. <b>Stated capital</b>			<b>2007</b>	2006
			<b>GH¢</b>	GH¢
	<b>No. of</b>	<b>2007</b>		
	<b>Shares</b>	<b>Proceeds</b>	<b>No. of</b>	<b>Proceeds</b>
			<b>Shares</b>	
<b>Authorised</b>				
Ordinary shares of no par value	<b><u>500,000,000</u></b>		<b><u>500,000,000</u></b>	
<b>Issued</b>				
For cash consideration	<b><u>3,000</u></b>	<b><u>9,297,500</u></b>	<b><u>3,000</u></b>	<u>-</u>
There is no unpaid liability on any shares. There are no treasury shares held. There are no calls or instalments unpaid.				
12. <b>Income surplus account</b>			<b>2007</b>	2006
			<b>GH¢</b>	GH¢
At 1 January			-	-
Profit for the year			<b><u>772,129</u></b>	<u>-</u>
At 31 December			<b><u>772,129</u></b>	<u>-</u>
13. <b>Operating lease commitments</b>			<b>2007</b>	2007
			<b>GH¢</b>	GH¢
Not later than one year			<b>160,809</b>	-
Later than 1 year and not later than 5 years			<b><u>155,071</u></b>	<u>-</u>
			<b><u>315,880</u></b>	<u>-</u>
14. <b>Capital commitments</b>				
Purchase of property and equipment			<b><u>640,000</u></b>	<u>-</u>
15. <b>Contingent liabilities</b>				

There were no contingent liabilities as at 31 December 2007 (2006: nil).

**Banque Sahelo-Saharienne Pour L'Investissement et Le Commerce (Ghana) Limited***Financial Statements**For the year ended 31 December 2007*

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**NOTES (continued)****(All amounts are expressed in Ghana cedis unless otherwise stated)**

16. <b>Analysis of cash and cash equivalents as shown in the cash flow statement</b>	<b>2007</b>	2006
	<b>GH¢</b>	GH¢
Cash and balances with Bank of Ghana (Note 5)	<b>4,088</b>	-
Due from other banks and financial institutions (Note 6)	<b><u>9,320,911</u></b>	<u>-</u>
	<b><u>9,324,999</u></b>	<u>-</u>

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than 60 days maturity from the date of acquisition including: cash and balances with Bank of Ghana and amounts due from other banks and financial institutions.

**17. Related party transactions**

The Bank is controlled by Banque Sahelo Saharienne pour l'Investissement et le Commerce (BSIC) Tripoli, (Libya).

In the normal course of business, current accounts are operated and transactions carried out with the parent Bank and the Affiliates. The relevant balances with related parties are shown below:

**Amounts due to holding company:**

	<b>2007</b>	2006
	<b>GH¢</b>	GH¢
BSIC Libya	<b><u>391,585</u></b>	<u>102,110</u>

The amount due to the holding company relates to pre-operational expenses incurred by the holding company on behalf of the Company.

**18. Comparatives**

During 2007, the Bank of Ghana redenominated the country's currency by setting ten thousand cedis; ¢10,000 (old currency) to one Ghana cedi; GH¢1.00 (new currency). The comparative figures have therefore been converted to Ghana cedis.

Where necessary, comparatives have been restated to conform to changes in presentation in the current year.