

AFRICAN CASHEW ALLIANCE

**FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2010**

**TRUST ASSOCIATES
(CHARTERED ACCOUNTANTS)
BOX MB 102
MINISTRIES-ACCRA**

AFRICAN CASHEW ALLIANCE
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2010

INDEX

CONTENTS	PAGES
Corporate Information	3
Statement of Directors Responsibilities	4
Report of the Directors	5
Report of the Auditors	6
Statement of Financial Position	7
Statement of Activities	8
Statement of Cash Flow	9
Statement of Functional Expenses	10
Notes forming part of the Financial Statements	11 -13

AFRICAN CASHEW ALLIANCE
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2010

CORPORATE INFORMATION

**EXECUTIVE COMMITTEE
(DIRECTORS)**

Cherif Hibrahima
Adjibade Abou-Bakar
Idrissa Kilangi
Luis Antonio Lobao Soeiro
Ram Mohan
Parthiban Theodore
Kees Blokland

SPENDING OFFICER

Christian Dahm

REGISTERED OFFICE

West Africa Trade Hub
C/O West Africa Trade Hub
P O Box 1630
Accra, Ghana

AUDITORS

Trust Associates
Chartered Accountants
P. O. Box MB102
Ministries-Accra

SECRETARIAT

African Cashew Alliance
32 Nortei Ababio Street
Airport Residential Area
Accra, Ghana

BANKERS

Merchant Bank Ghana Ltd.
Ecobank Ghana Ltd.
Fimbank, Malta

AFRICAN CASHEW ALLIANCE
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Ghana Companies Code, 1963 (Act 179) requires the Directors to prepare financial statements for each financial year, which gives a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for that year.

In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Code, 1963 (ACT 179). They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and irregularities.

The above statement which should be read in conjunction with the statement of the Auditors' responsibilities set out on page 6 is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and Auditors in relation to the financial statements.

AFRICAN CASHEW ALLIANCE
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2010

REPORT OF THE DIRECTORS TO THE MEMBERS OF
AFRICAN CASHEW ALLIANCE (ACA)

The Directors present their report and the financial statement of ACA for the year ended 31 December 2010.

Financial Statements

The results for the period are as set out in the attached financial statements.

The Directors consider the state of ACA's affairs to be satisfactory.

Nature of Business


The ACA's object is to increase the competitiveness of the African cashew sector through four pillars:

- Develop and advocate country-specific cashew policy agendas
- Facilitate exchange of information, best practices, benchmarks on cashew processing, production innovations, post-harvest handling and local trade facilitation
- Develop and implement interventions in support of the competitiveness of the African cashew industry
- Promote the African cashew industry to national and international markets



Signed by

Name:
(Director)

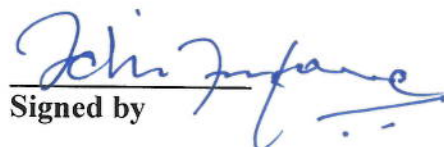


Witnessed by

Name:
(Advisory Board Member)

Accra

17th June, 2011



Signed by

Name:
(Director) / DR. M. KILIANI

AFRICAN CASHEW ALLIANCE
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2010

REPORT OF THE INDEPENDENT AUDITORS

TO THE MEMBERS OF AFRICAN CASHEW ALLIANCE (ACA)

We have audited the accompanying statements of financial position of African Cashew Alliance as of 31 December 2010, and the related statements of activities, functional expenses and cash flows for the period then ended.

Respective Responsibilities of Directors and Auditors

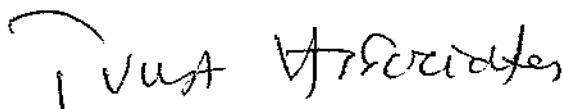
These financial statements are the responsibility of the Directors of African Cashew Alliance. Our responsibility is to express an opinion on these financial statements based on our audit.

Basis of Opinion

We conducted our audit in accordance with Ghana Auditing Standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, proper books have been kept and the financial statements which are in agreement therewith present fairly in all material respects, a true and fair view of the financial position of African Cashew Alliance as of 31 December 2010, and the changes in net assets and its cash flows for the year then ended, in conformity with Ghana Accounting Standards and comply with the Companies Code, 1963 (Act 179).



Chartered Accountants
Accra


17th June, 2011

AFRICAN CASHEW ALLIANCE
STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2010

	Notes	2010 US\$	2009 US\$
Assets			
Cash and Cash Equivalent	7	77,715	244,582
Accounts Receivables	5	64,036	29,232
		-----	-----
Total Assets		141,751	273,814
		=====	=====
Liabilities			
Accounts Payable	6	16,823	10,559
Net Assets			
Unrestricted Net Assets		77,203	181,585
Restricted Net Assets		47,725	81,670
		-----	-----
		124,928	263,255
		-----	-----
Total Liabilities and Net Assets		141,751	273,814
		=====	=====



Director



Director

The accompanying notes are an integral part of these financial statements

AFRICAN CASHEW ALLIANCE**STATEMENT OF ACTIVITIES
YEAR ENDED 31 DECEMBER 2010**

	2010 Unrestricted US\$	2010 Temporarily Restricted US\$	TOTAL US\$	2009 TOTAL US\$
Support, Revenue and Gains				
Membership dues	31,299	-	31,299	106,021
USAID	-	125,000	125,000	19,975
ACI	-	448,000	448,000	259,546
Private sponsorships	87,577	-	87,577	75,743
Exchange gain	-	-	-	7,466
	-----	-----	-----	-----
Total Support, Revenue and Gains	118,876	573,000	691,876	468,751
	-----	-----	-----	-----
Expenses				
Activities				
Consulting, Technical Assistance and Training	1,990	26,899	28,888	-
Information Dissemination & Communication	-	41,439	41,439	-
Conferences	141,169	93,695	234,864	23,872
National Meetings	9,797	32,001	41,798	19,020
	-----	-----	-----	-----
Total Programme Services	152,955	194,034	346,989	42,892
	-----	-----	-----	-----
Support Services				
Secretariat Team Compensation	36,339	270,598	306,937	114,300
Administrative Support	33,963	142,314	176,277	66,514
	-----	-----	-----	-----
Total Support Services	70,302	412,912	483,214	180,814
	-----	-----	-----	-----
Total Expenses	223,258	606,945	830,203	223,706
	-----	-----	-----	-----
Change in Net Assets	(104,382)	(33,945)	(138,327)	245,045
Net Assets at 1 Jan	181,585	81,670	263,255	18,210
	-----	-----	-----	-----
Net Assets at 31 December	77,203	47,725	124,928	263,255
	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements

AFRICAN CASHEW ALLIANCE
STATEMENT OF CASH FLOWS
YEAR ENDED 31 DECEMBER 2010

	2010	2009
	US\$	US\$
Change in Net Assets	(138,327)	245,045
Adjustment to reconcile change in net assets to net cash from operating activities		
Depreciation		
Change in Accounts Receivable	(34,804)	(29,232)
Change in Accounts Payable	6,264	6,559
	-----	-----
Net Cash from Operating Activities	(166,867)	222,372
Cash and Cash Equivalent at 1 January	244,582	22,210
	-----	-----
Cash and Cash Equivalent at 31 December	<u>77,715</u>	<u>244,582</u>

The accompanying notes are an integral part of these financial statements

AFRICAN CASHEW ALLIANCE**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED 31 DECEMBER 2010**

	2010 USAID US\$	2010 ACI US\$	2010 Private US\$	2010 Total US\$	2009 US\$
Personnel	57,817	145,219	26,427	229,463	18,372
Fringe benefits	19,720	47,841	9,912	77,473	95,927
Travel	40,279	114,665	54,218	209,162	42,253
Consultants	-	41,439	-	41,439	-
Supplies	1,305	17,509	1,675	20,489	4,750
Contracted services	15,034	88,583	131,026	234,643	62,199
Equipment	2,381	15,153	-	17,534	205
	-----	-----	-----	-----	-----
	136,536	470,409	223,258	830,203	223,706
	=====	=====	=====	=====	=====

Travel includes Conventions & conferences US\$136,074 (2009: US\$22,767) and National meetings US\$41,798 (2009: US\$ 18,806).

Contracted services include notional charges for space rental and property and equipment usage amounting to US\$28,060 (2009: US\$ 19,376)

The accompanying notes are an integral part of these financial statements

1. Nature of Organisation

African Cashew Alliance (ACA) is a company limited by guarantee under the Ghana Companies Code, 1963 (Act 179) and obtained its Certificate of Incorporation on 7 June 2007. ACA, an NGO is established to increase the competitiveness of the African cashew sector.

2. Basis of Accounting

The financial statements comply with Ghana Accounting Standards for the accrual basis of accounting. The measurement base applied is the historical cost convention.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

3. Summary of Significant Accounting Policies

In the accompanying financial statements, ACA has combined its financial resources into two (2) classes of net assets: unrestricted and temporarily restricted. Accordingly ACA's net assets are classified and reported as follows:

Unrestricted net assets represent amounts available to be used in accordance with the terms and conditions of the funding rules.

Temporarily restricted net assets comprise resources that are restricted by donors for specific purposes or time periods.

Revenue Recognition

a. Membership dues

Membership dues are recognized when no significant uncertainty exists as to their collectability.

b. Contributions

Revenue consists substantially of amounts received from USAID, GTZ and private sector organization and the fair value of unconditional promises to give to the organization.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in bank accounts. Management believe the organization is not exposed to any significant credit risk on cash and cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Post Balance Sheet Events

Events subsequent to the balance sheet date are reflected only to the extent that they relate directly to the financial statements and the effects are material.

Vehicle, Office Space and Equipment use

ACA is allocated vehicle, office space and equipment without any charges from African Cashew Initiative, which is the umbrella organization through which GTZ funds ACA. To reflect full disclosure of its operations, notional costs for the usage of vehicle, office space and equipment have been included in the financials. These are captured under other sponsorship.

Foreign Currencies

Transactions in foreign currencies are recorded at the rate ruling at the beginning of the month of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the Statement of Activities.

4. Contributions Receivable

Contributions receivable represents unconditional promises by donors to give cash and other non-cash assets to ACA.

5. Accounts Receivables

	2010	2009
	US\$	US\$
Advances to staff	64,036	29,232
	<u> </u>	<u> </u>

AFRICAN CASHEW ALLIANCE
NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 31 DECEMBER 2010

6. Accounts Payables

	2010	2009
	US\$	US\$
Accrued expense	12,000	8,000
Sundry creditors	4,823	2,558
	-----	-----
	<u>16,823</u>	<u>10,558</u>

7. Cash and cash equivalent

	2010	2009
	US\$	US\$
Bank and cash	77,715	244,582
	=====	=====

8. Related Party Transaction

There were no related party transactions during 2010 financial year (2009: nil).

9. Commitments and Contingencies

There were no known significant commitments and contingencies at the year end (2009: nil).