Shelter Afrique

(THE COMPANY FOR HABITAT & HOUSING IN AFRICA)

FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2010

SHELTER AFRIQUE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2010

	Notes	ACTUAL 30/6/2010	PERIOD BUDGET 2010	PERIOD VARIANCE 2010	REVISED ANNUAL BUDGET 2010	ACTUAL 30/06/2009
INCOME						
Interest and similar Income	1	4,278,621	5,190,000	(911,379)	10,380,000	2,794,980
Interest Expense and similar charges	2	(1,513,034)	(1,974,000)	460,966	(3,948,000)	(498,974)
Net Interest Income		**2,765,587**	**3,216,000**	**(450,413)**	**6,432,000**	**2,296,006**
Fees and commissions income	3	666,854	1,050,000	(383,146)	2,100,000	521,794
Other Income	4	91,096	77,500	13,596	155,000	51,162
Operating Expenses	5	(1,885,967)	(2,414,508)	528,541	(4,600,000)	(1,325,462)
Provision for credit risk		-	-	-	-	-
Foreign Exchange gain/(loss)	6	(1,264,585)	-	(1,264,585)	-	(320,828)
PROFIT/(LOSS) FOR THE YEAR		**372,985**	**1,928,992**	**(1,556,007)**	**4,087,000**	**1,222,673**

NOTES		ACTUAL 30/6/2010	PERIOD BUDGET 2010	PERIOD VARIANCE 2010	REVISED ANNUAL BUDGET 2010	ACTUAL 30/06/2009
1	**Interest and Similar Income**					
	Interest on Project Loans	3,786,742	4,850,000	(1,063,258)	9,700,000	2,621,488
	Interest on placements	491,880	340,000	151,880	680,000	173,492
		4,278,621	**5,190,000**	**(911,379)**	**10,380,000**	**2,794,980**
2	**Interest Expense and Similar Charges**					
	Interest on funds from financial institutions	1,498,599	1,954,000	455,401	3,908,000	497,069
	Bank charges	14,435	20,000	5,565	40,000	1,905
		1,513,034	**1,974,000**	**460,966**	**3,948,000**	**498,974**
3	**Fees and commission income**					
	Penalty fees	54,648	-	54,648	-	87,985
	Commitment fees	109,227	325,000	(215,773)	650,000	37,044
	Front end fees	194,847	295,000	(100,153)	590,000	199,973
	Appraisal fees	198,016	230,000	(31,984)	460,000	164,674
	Management fees	99,420	200,000	(100,580)	400,000	53,927
	Termination & Cancellation fees	35,861	-	-	-	-
	Waiver fees	5,000	-	5,000	-	5,000
	Less Project insurance fees	(30,165)	-	(30,165)	-	(1,375)
		666,854	**1,050,000**	**(419,008)**	**2,100,000**	**521,794**
4	**Other Income**					
	Rent Income	58,330	65,000	(6,670)	130,000	40,846
	Gain on disposal of equipment	17,140	-	17,140	-	27
	Miscellaneous income	13,686	12,500	1,186	25,000	8,350
	Deffered income for HQ amortised	1,940	-	1,940	-	1,940
		91,096	**77,500**	**13,596**	**155,000**	**51,162**
5(a)	**Operating Expenses**					
	Staff Costs	1,134,931	1,475,483	340,552	2,788,200	676,972
	Auditors' remuneration	12,500	12,500	0	25,000	12,500
	Directors' costs	142,229	176,250	34,021	352,500	182,064
	General administration	503,419	598,275	94,856	1,130,300	379,389
	Administrative expenses	**1,793,079**	**2,262,508**	**469,429**	**4,296,000**	**1,250,925**
	Depreciation & Amortisation	92,888	152,000	59,112	304,000	74,537
	Total operating expenses	**1,885,967**	**2,414,508**	**528,541**	**4,600,000**	**1,325,462**
5(6)	**Staff costs**					
	Salaries and wages	983,237	1,216,833	233,597	2,270,900	607,166
	Terminal benefits	112,422	193,950	81,528	387,900	53,448
	Leave pay	26,066	45,600	19,534	91,200	10,302
	Staff welfare	1,967	4,050	2,083	8,100	2,191
	Other costs	11,240	15,050	3,810	30,100	3,864
		1,134,931	**1,475,483**	**340,552**	**2,788,200**	**676,972**

STATEMENT OF CASHFLOW

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2010

	30.06.2010	31.12.2009
	US$	US$
Cash flows from operating activities		
Profit for the year	372,985	429,469
Adjustments for:		
Interest income on placements with financial institutions	(491,880)	
Interest expense on funds from financial institutions	1,498,599	1,899,317
Amortisation of deferred income	(1,940)	(3,880)
Gain on sale or disposal of equipment	(17,140)	885
Depreciation of property and equipment	86,339	144,590
Amortisation of prepaid operating lease	1,940	3,880
Amortisation of intangible assets	4,609	10,439
Net foreign exchange loss - bank borrowings and debt securities	1,264,585	619,550
Cash flows from operating profits before changes in operating assets and liabilities	**2,718,098**	**3,104,250**
–Net (increase)/ decrease in loans and advances to customers	(3,861,693)	(17,764,650)
–Net (increase)/ decrease in investment securities HTM	(1,534,653)	1,250,983
–Net(increase)/ decrease in other receivables	(134,972)	(324,356)
–Net increase/(decrease) in other liabilities	50,811	126,108
Net cash (used in)/generated from operating activities	**(5,480,508)**	**(16,711,915)**
	(2,762,409)	**(13,607,665)**
Cash flows from investing activities		
Purchase of property and equipment	(80,224)	(179,086)
Purchase of intangible assets	(0)	(134,437)
Proceeds from sale of equipment	53,528	518
Sale/(purchase) of investment securities	(646,809)	-
Interest received on placements	491,880	-
Net cash generated from investing activities	**(181,625)**	**(313,005)**
Cash flows from financing activities		
Proceeds from borrowed funds	10,000,000	3,285,224
Repayments of borrowed funds	(1,129,553)	(5,086,044)
Proceeds from debt securities	-	26,230,972
Repayments of debt securities	(4,592,608)	(5,595,975)
Proceeds from capital subscriptions	303,970	8,192,265
Reclassification of overpayment on subscriptions to liabilities	-	-
Dividends paid	(3,837)	(563,303)
Interest paid on bank borrowings	(1,263,673)	(1,712,220)
Net cash (used in)/generated from financing activities	**3,314,299**	**24,750,919**
Net (decrease)/increase in cash and cash equivalents	**370,264**	**10,830,249**
Cash and cash equivalents at beginning of year	**28,834,496**	18,004,247
Cash and cash equivalents at end of June 10	**29,204,760**	**28,834,496**

Analysis of cash and cash equivalents

Bank and cash balances	7,843,180	9,007,569
Bank deposits	21,361,580	19,826,927
	29,204,760	**28,834,496**

SHELTER AFRIQUE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Notes	30/6/2010 US$	31.12.2009 US$
ASSETS			
Bank and Cash Balances		7,843,180	9,007,569
Short term investments	7	21,361,580	19,826,927
Investments held to maturity	8	4,981,481	4,334,672
Project Loans	9	74,491,643	70,629,950
Other Receivables	10	1,057,021	922,049
Property and equipment	11(a)	3,825,203	3,831,360
Prepaid Operating lease	11(b)	141,601	143,541
Intangible assets	12	411,133	415,742
Total Assets		**114,112,842**	**109,111,810**
LIABILITIES			
Bank Borrowings	13	3,331,342	4,460,895
Loans (Line of Credit)	13(a)	10,000,000	-
Debt Securities in issue	14	28,706,470	33,299,078
Other liabilities	15	760,574	709,763
Dividends payable	16	1,060,254	1,064,091
Deffered Income	17	141,601	143,541
Total Liabilities		**44,000,241**	**39,677,368**
SHAREHOLDERS' FUNDS			
Share Capital	18	46,532,000	46,306,000
Share Premium		2,821,131	2,743,161
Revenue Reserves		19,036,796	18,662,607
Revaluation Surplus		1,722,674	1,722,674
Total Shareholders' funds		**70,112,601**	**69,434,442**
Total Liabilities and Shareholders funds		**114,112,842**	**109,111,810**

SHELTER AFRIQUE
NOTES TO THE STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2010

NOTES TO THE STATEMENT OF FINANCIAL POSITION

7 Short Term Investments

	US$
Deposits held in local(Kenya) Financial Institutions	6,903,221
Deposits held in foreign(Outside Kenya) Financial Institutions	14,308,507
Interest receivable on Deposits	149,851
	21,361,580

8 Investments Securities

Held to Maturity

	At Cost US$	Market Value US$
Corporate Bonds	4,913,447	4,221,530
Interest Receivable	68,034	
	4,981,481	**4,221,530**

9 Loans and Advances to Customers

Analysis of Loans and Advances

	US$
Balance as at 1 January	69,550,232
Disbursed during the year	12,998,929
Repayments during the year	(5,809,199)
Adjustments on currency loans Revaluation	(4,212,354)
Adjustments on Interest Capitalisation	-
Principal Loans	72,527,607
Interest and fees Receivable	5,143,798
Gross Loans	77,671,404
Provision for credit Risk	(3,179,761)
Net Loans	74,491,643

10 Other Receivables

	US$	
Staff Housing Loans	113,351	
Other Debtors and prepayments	970,149	
	1,083,500	
Less: Provision for Doubtful amounts	(26,478)	
	1,057,021	-

SHELTER AFRIQUE
NOTES TO THE STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2010

Notes

11(a) Property and Equipment

	Freehold Land & Buildings US$	Office Equipment, Furniture & Fittings US$	Computers US$	Motor Vehicles US$	Residential Equipment, Furniture, Fixtures & Fittings US$	Total US$
Cost or Valuation:-						
At 1 January 2009	3,670,540	366,470	199,000	45,227	54,641	4,335,878
Additions	(0)	88,568	15,434	66,034	33,812	203,847
Disposals	-	(17,975)	(33,231)	-	(5,616)	(56,822)
Revaluation Increase	-	-	-	-	-	-
	3,670,540	437,063	181,203	111,261	82,837	4,482,903
At 1 January 2010	3,670,540	437,063	181,203	111,261	82,837	4,482,904
Additions	(0)	43,202	30,543	0	6,479	80,224
Disposals	-	(17,234)	-	(33,394)	(2,900)	(53,528)
Revaluation Increase	-	-	-	-	-	-
	3,670,540	463,031	211,746	77,867	86,416	4,509,600
Comprising						
At Cost	2,427,380	463,031	211,746	77,867	86,416	3,266,441
At Valuation	1,243,159	-	-	-	-	1,243,159
	3,670,539	463,031	211,746	77,867	86,416	4,509,600

SHELTER AFRIQUE
NOTES TO THE STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2010

11(a) Property and Equipment (Continued)

	Freehold Land & Buildings US$	Office Equipment, Furniture & Fittings US$	Computers US$	Motor Vehicles US$	Residential Equipment, Furniture, Fixtures & Fittings US$	Total US$
Depreciation						
At 1 January 2009	93,305	286,646	116,285	45,227	20,247	561,710
Charge for the Year	93,305	16,049	27,427	1,376	6,433	144,590
Disposals	-	(18,786)	(33,296)	-	(2,676)	(54,758)
Reversal on Revaluation	-	-	-	-	-	-
	186,610	283,909	110,416	46,603	24,004	651,542
At 1 January 2010	186,610	283,909	110,416	46,603	24,004	651,542
Charge for the Year	46,653	13,818	12,803	8,254	4,810	86,339
Disposals	-	(17,234)	-	(33,394)	(2,855)	(53,483)
Reversal on Revaluation	-	-	-	-	-	-
AS AT 30 JUNE 2010	233,263	280,493	123,219	21,463	25,959	684,398
Net Book Value						
AS AT 30 JUNE 2010	3,437,277	182,538	88,527	56,404	60,457	3,825,203
At 31 December 2009	3,483,930	152,896	70,787	64,659	58,833	3,831,105

SHELTER AFRIQUE
NOTES TO THE STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2010

11(b) Prepaid Operating Lease

Cost:

	US$
At beginning and end of period	200,000
Amortisation	
At beginning of the period	56,459
Charge for the period	1,940
At end of the period	58,399
Net book value at period end	141,601

12 Intangible Assets

Cost:

	US$
At 1 January	453,461
Additions	0
Disposals	-
AS AT 30 JUNE 2010	453,461
Amortisation:	
At 1 January	37,719
Amortised During the period	4,609
Disposals	-
AS AT 30 JUNE 2010	42,328
Net Book Value	
AS AT 30 JUNE 2010	411,133

13 Bank Borrowings

	US$
Eur Loan from Merrill lynch Bank	1,811,666
Eur Call advance from Merrill lynch Bank	1,477,741
Interest payable on the Loans	41,935
	3,331,342
Analysis of Bank borrowings by maturity:	
Maturing:	
Within one Year	3,331,342
One to Three Years	-
Three to Five Years	-
	3,331,342

13 (a) Loans

ADB Line of Credit	10,000,000
	10,000,000

SHELTER AFRIQUE
NOTES TO THE STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2010

14 Medium Term Notes

	US$
CFA Loan - 2003 - 2010 (3.5 b)	0
CFA Loan - 2008 - 2014 (2.79 b)	5,200,205
CFA Loan - 2009 - 2015 (6 b)	11,172,144
Kenya Shilling Bond	12,207,031
Interest Payable on Bonds	624,129
Less; Deferred charges	(497,039)
	28,706,470

15 Payables

	US$
Accruals	130,813
Leave Pay	120,663
Terminal Benefits	(59)
Rent Deposits	35,879
Deferred Rental Income	(0)
Termination fee payable	377,630
Overpaid share subscriptions	-
	664,925

16 Dividends

	US$
At 1 January 2010	1,064,091
Dividend declared	
Dividend Paid	(3,837)
AS AT 30 JUNE 2010	1,060,254

17 Deferred Income

At 1 January	147,421
Amortisation for the year	(1,940)
AS AT 30 JUNE 2010	145,481

SHELTER AFRIQUE
NOTES TO THE STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2010

18 **Share Capital**

	US$
Authorised Share Capital	**300,000,000**
Called up Capital	**100,000,000**
Paid Capital	
Class A: Ordinary Shares	33,436,000
Class B: ordinary Shares	13,096,000
Total Paid up	**46,532,000**

Movement for paid up share capital is summarized as follows;

	No. of Shares	Ordinary Shares US$	Share Premium US$	Total US$
At 1 January 2009	40,229	40,229,000	626,937	40,855,937
Paid up in the Year	6,077	6,077,000	2,114,902	8,191,902
Reclassification in overpayment on subscr	-		1,321	1,321
At 31 December 2009	**46,306**	**46,306,000**	**2,743,160**	**49,049,160**
At 1 January 2010	46,306	46,306,000	2,743,160	49,049,160
Paid up in the Year	226	226,000	77,280	303,280
Reclassification in overpayment on subscr	-		-	-
AS AT 30 JUNE 2010	**46,532**	**46,532,000**	**2,820,440**	**49,352,440**