

**SOUTH PACIFIC BUSINESS DEVELOPMENT FOUNDATION**  
**FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 31 DECEMBER 2001**

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**FINANCIAL STATEMENTS**  
**FOR YEAR ENDED 31 DECEMBER 2001**

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**SOUTH PACIFIC BUSINESS DEVELOPMENT FOUNDATION**  
**BALANCE SHEET AS AT**  
**31 DECEMBER 2001**

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<b>ACCUMULATED FUNDS</b>	<b>Notes</b>	<b>2001 NZD (\$)</b>
Net loss from operations:		
1999		(38,058)
2000		(418,831)
2001		(353,420)
		<u>(810,309)</u>
Represented by:		
<b>CURRENT ASSETS</b>		
Cash on hand and at bank	2	42,871
Loans receivable	3	222,939
Other receivables	4	108,154
		<u>373,965</u>
<b>CURRENT LIABILITIES</b>		
Other creditors and accruals	5	15,132
<b>Working Capital</b>		358,833
<b>FIXED ASSETS</b>		
	6	72,122
<b>TERM LIABILITIES/QUASI: EQUITY</b>		
Soft Loans/Quasi Equity	7	1,241,265
		<u>(810,309)</u>

The above balance sheet is to be read in conjunction with the notes to accounts on pages 5 to 8.

**SOUTH PACIFIC BUSINESS DEVELOPMENT FOUNDATION  
STATEMENT OF INCOME AND EXPENDITURE  
FOR YEAR ENDING 31 DECEMBER 2001**

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	Notes	2001 NZD
<b>INCOME</b>		
Interest from loans		162,586
Interest on bank accounts		3,180
Miscellaneous income		1,186
Gain on foreign exchange		-
		<u>166,953</u>
<b>EXPENDITURE</b>		
Bank charges		1,150
Collections		5,239
Communications		12,637
Depreciation	6	52,852
Doubtful debts		24,045
Insurance		3,177
Interest		79,376
Loss on assets		9,112
Office expense		4,215
Office rental		13,436
Other expenses		37,923
Printing and stationeries		10,642
Professional services		4,435
Public relations		12,254
Repairs and maintenance		20,611
Salaries and wages		109,457
Taxes and fees		776
Transportation		19,991
Travel		11,114
Loss on foreign exchange		21,720
		<u>454,163</u>
Excess of expenditures over income		(287,210)
Non-recurring item	8	<u>(66,210)</u>
<b>Transfer to Accumulated Funds</b>		<b><u>(353,420)</u></b>

The above statement of income and expenditure is to be read in conjunction with the notes to accounts on pages 5 to 8.

**SOUTH PACIFIC BUSINESS DEVELOPMENT FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**31 DECEMBER 2001**

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	<b>NZD</b>
	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash was provided from:	
Customers	510,249
Interest	119,537
Receipts from Suppliers and Employees	1,186
Cash was applied to:	
Loans disbursement	(420,567)
Payments to suppliers and employees	(267,910)
Foreign Exchange Loss/Others	(13,223)
<b>Net cash flows from operating activities</b>	<u>(70,729)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of fixed assets	(60,100)
	<u>(60,100)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Soft Loans/Quasi Equity Infusion	158,594
Interest paid on loans	(77,962)
<b>Net cash flows from financing activities</b>	<u>80,632</u>
NET INCREASE/ (DECREASE) IN CASH	(50,197)
OPENING CASH BALANCE	<u>93,069</u>
CLOSING CASH BALANCE	<u><u>42,872</u></u>

**SOUTH PACIFIC BUSINESS DEVELOPMENT FOUNDATION  
NOTES TO ACCOUNTS  
FOR YEAR ENDING 31 DECEMBER 2001**

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**1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) **Basis of accounting**

These accounts are prepared in accordance with the historical cost convention. Accrual accounting is used to match expenses with revenue and generally accepted accounting principles have been applied.

(b) **Depreciation**

Depreciation is calculated so as to write off the net cost of each fixed asset during its expected useful life. The principal rates and methods used are as follows:

Office equipment	5 years	Straight line
Computers	5 years	Straight line
Furniture and fittings	5 years	Straight line
Leasehold improvements	4 years	Straight line
Used Motor vehicles	2-3 years	Straight line

(c) **Foreign currency**

All amounts are expressed in New Zealand dollars. Transactions in local currencies have been converted to New Zealand dollars at the average exchange rate for the quarter in which they occurred. Assets and liabilities in local currencies at balance date have been converted at rates ruling at that date, except for Financial Exchange differences are taken to the statement of income and expenditure.

(d) **Income tax**

SPBD is registered as a charitable organisation under the Charitable Trust Act 1965. Charitable organisations are not liable for income tax, according to the Income Tax Act 1974.

(e) **Comparative figures**

This is the second year since South Pacific Business Development (SPBD) commenced its operations.

**SOUTH PACIFIC BUSINESS DEVELOPMENT FOUNDATION  
NOTES TO ACCOUNTS  
FOR YEAR ENDING 31 DECEMBER 2001**

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**2 CASH AND BANK BALANCES**

ANZ Access account  
ANZ Cheque account  
BNZ  
Grameen Trust account (ANZ)  
Cash on hand  
Term Deposit - ANZ  
Petty Cash Imprest

**3 LOANS RECEIVABLE**

Total disbursement  
Less: Repayments  
Less: Reserve for doubtful debts  
Less: Reserve for Non-recurring item

**4 OTHER RECEIVABLES**

Due from employees  
Prepaid insurance  
Others  
Interest due  
Loans to individuals  
Less: Reserve for doubtful debts  
Less: Reserve for Non-recurring item

**5 OTHER CREDITORS AND ACCRUALS**

Interest Payable - Donors  
Accrued Expenses

**6 FIXED ASSETS**

<b>2000</b>	<b>Cost</b>	<b>Accumul. Deprec.</b>	<b>Depreciation Charge</b>
Office equipment	6,305	1,801	1,094
Computers	29,380	7,388	4,351
Furniture and fittings	11,317	3,442	2,052
Leasehold improvements	11,194	4,189	1,396
Motor vehicles	101,389	70,643	43,959
	<u>159,585</u>	<u>87,462</u>	<u>52,852</u>

**SOUTH PACIFIC BUSINESS DEVELOPMENT FOUNDATION  
NOTES TO ACCOUNTS  
FOR YEAR ENDING 31 DECEMBER 2001**

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**7 SOFT LOANS/QUASI EQUITY**

Grameen Loan  
PlaNet Finance  
SPBD-USA  
Scott Gilmore  
Gregory Casagrande  
**Total**

**Grameen Loan**

A total loan of USD \$15,000 from the Grameen Trust. The loan is to be paid off 2 years beginning September 2003. The interest rate is 2% per annum on the balance of the loan at the end of December every year.

**PlaNet Finance**

SPBD has received a loan of EURO \$10,000.00 in 2001 from the PlaNET Finance. The repayments will be started on 1 September 2002, with the interest rate of 6%

**SPBD-USA**

SPBD has received a loan of USD \$50,000 in 2001 from SPBD-USA, of which USD \$10,000 has been allocated for Technology and Good Governance Account in the agreement. The loan is to be paid off within 3 years beginning 30 March 2003. The interest rate is 1% per annum on the balance of the loan at the end of December every year.

**Scott Gilmore**

SPBD has received a loan of NZD \$2,000 from Scott Gilmore in 2001. The interest rate is 0% per annum.

**Gregory F. Casagrande**

This is a loan from Gregory F. Casagrande, the Founder and President of SPBD. The loan will be repaid at a future date when SPBD's financial status is stable. In the mean time, interest has been paid at the rate of 7% on total loans given to SPBD during each quarter. The interest rate on the loan was adjusted down to 2.0%, effective 01/01/02.



**SOUTH PACIFIC BUSINESS DEVELOPMENT FOUNDATION  
NOTES TO ACCOUNTS  
FOR YEAR ENDING 31 DECEMBER 2001**

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**8 EXTRAORDINARY ITEM**

This relates to a non-recurring provision for possible loan losses which have been by management as not being recoverable due to theft committed by a former SPB who has since been fired and is now facing criminal charges.

**9 GENERAL**

SPBD is a micro finance organisation founded by Greg Casagrande, which was registered on 18 January 2000 as a charitable trust in Samoa. SPBD is a Gramee replication and as such provides training, unsecured lending and motivation to pr women for the purpose of starting small businesses. These small business help S members significantly improve the lives of their families. SPBD also provides u housing improvement and childhood education loans to members with successful

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**Page 6****2001**

\$

14,072

1,545

5,417

5,594

2,347

13,334

562

42,872

1,378,965

(889,567)

(36,447)

(230,012)222,939

10,061

1,338

42,001

67,245

11,912

(9,157)

(15,246)108,154

1,325

13,80715,132**Net Book****Value**

4,504

21,993

7,875

7,005

30,74672,122

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<b>2001</b>
\$
33,958
20,458
114,850
2,000
1,070,000
<b>1,241,265</b>

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