

The Eastern African Fine Coffees Association  
(A Company Limited by Guarantee)  
Annual Report  
and  
Financial Statements  
Year Ended 30 September 2010

**CONFIDENTIAL**  
DATE..... SIGN.....

The Eastern African Fine Coffees Association  
(A Company Limited by Guarantee)  
Annual Report and Financial Statements  
30 September 2010

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The Eastern African Fine Coffees Association  
(A Company Limited by Guarantee)  
Company Information  
30 September 2010

**Directors**

The directors who held office during the year and up to the date of this report were:

<b>Name</b>	<b>Position</b>	<b>Appointment date</b>
Leslie D. Omari	Chairman	Re- appointed in February 2009
Harrison B. Kalua	Vice Chairman	Appointed in February 2009
Etienne Delbar	Hon. Treasurer	Appointed in February 2009
Ishak K. Lukenge	Member	Appointed in February 2009
Francois Nkuruziza	Member	Re-appointed in February 2009
Benny Zimba	Member	Appointed in February 2009
Lionel H. E. de Roland-Phillips	Member	Re-appointed in February 2009
John Rebero	Member	Appointed in February 2009
Tewodros M. Yilma	Member	Appointed in February 2009
Steve Walls	Ex-officio	Re-appointed in February 2009
Caleb Dengu	Ex-officio	Appointed in February 2009
Philip Gitau	Executive Director	Resigned 31 March 2010
	Secretary	
Hailu Gebre Hiwot	Member	Re- appointed in February 2009
Tewodros Yilma	Member	Appointed on 1 <sup>st</sup> June 2010

**Secretary**

Samuel Kamau  
Ag. Executive Director  
Eastern African Fine Coffees Association (EAFCA)  
P. O. Box 27405  
Kampala

**Principal place of business and registered office**

Plot 958 Muyenga Hill  
P. O. Box 27405  
Kampala

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The Eastern African Fine Coffees Association  
(A Company Limited by Guarantee)  
Company Information (Continued)  
30 September 2010

**Bankers**

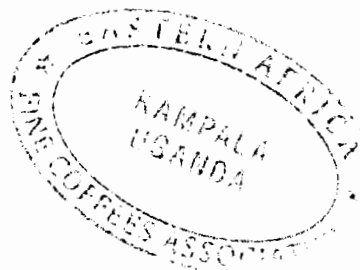
Citibank Uganda Limited  
Ternan Avenue  
P. O. Box 7505  
Kampala

**Solicitors**

Bitaguma Deo  
West End & Co. Advocates  
Plot 30 Kampala Road  
Greenland Towers 2nd Floor  
P. O. Box 6497  
Kampala

**Auditors**

Ernst & Young  
Ernst & Young House  
18 Clement Hill Road  
Shimoni Office Village  
P. O. Box 7215  
Kampala



The Eastern African Fine Coffees Association  
(A Company Limited By Guarantee)  
Report of the Directors  
30 September 2010

The directors present their report together with the audited financial statements for the year ended 30 September 2010, which disclose the state of affairs of The Eastern African Fine Coffees Association ('the company' or 'EAFCA').

**1. Principal Activity**

The company continues to support the development of a strategy to improve and promote high quality coffee production, processing and marketing in the Eastern African region.

**2. Results**

The results for the year are set out on page 7.

**3. Accumulated Reserves**

The accumulated reserves for the company are set out on page 9.

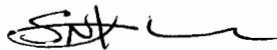
**4. Directors**

The directors who held office during the year and up to the date of this report are set out on page 1. The directors were in office for the entire year unless otherwise indicated.

**5. Auditors**

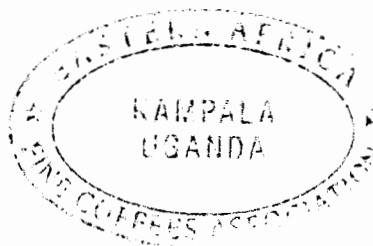
Ernst & Young have expressed their willingness to continue in office in accordance with Section 159(2) of the Ugandan Companies Act (Cap 110).

By order of the Board,



Secretary

16/2 | 2011



The Eastern African Fine Coffees Association  
(A Company Limited by Guarantee)  
Statement of Directors' Responsibilities  
30 September 2010

The Ugandan Companies Act (Cap 110) requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its operating results for that year. It also requires the directors to ensure the company keeps proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company. They are also responsible for safeguarding the assets of the company.

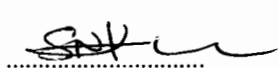
The directors are ultimately responsible for the internal control of the company. The directors delegate responsibility for internal control to management. Standards and systems of internal control are designed and implemented by management to provide reasonable assurance as to the integrity and reliability of the financial statements and to adequately safeguard, verify and maintain accountability of the company's assets. Appropriate accounting policies supported by reasonable and prudent judgments and estimates, are applied on a consistent and using the going concern basis. These systems and controls include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties.

The directors accept responsibility for the year's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Ugandan Companies Act (Cap 110). The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

The directors have adopted the going concern basis in preparing the financial statements on the assumption that they will continue obtaining financial support from the donors and members of the entity.

The financial statements were approved on .....16/2/.....2011 by the Board of Directors and signed on its behalf by:

  
.....  
Director

  
.....  
Director



**REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBERS OF  
THE EASTERN AFRICAN FINE COFFEES ASSOCIATION**

We have audited the accompanying financial statements of East African Fine Coffees Association, set out on pages 7 to 18 which comprise the statement of financial position as at 30 September 2010, and the statement of comprehensive income, statement of changes in equity and 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 Reporting Standards and the requirements of the Ugandan Companies Act (Cap 110). 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.

**Auditors' 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 auditors' 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 for 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 management, as well as evaluating the overall presentation of the financial statements.

Except as discussed below, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**(a) Suspense account**

Included in the statement of comprehensive income is an amount on suspense account of US\$ 298,137. The amount is a result of adjustments made to clear balances that could not be reconciled by management. We were unable to satisfy ourselves as to the correctness of the amount reported on the suspense account.

**REPORT OF THE INDEPENDENT AUDITORS (CONTINUED)**

**(b) Accruals and other payables**

There were no effective internal control systems in the first half of the year to 31 March 2010 to ensure that liabilities are correctly and completely recorded. We were therefore unable to satisfy ourselves as to the completeness of the company's liabilities.

**Opinion**

In our opinion, except for such adjustments, if any, that might have been determined to be necessary had we obtained the information in paragraphs (a) and (b) above, the accompanying financial statements give a true and fair view of the state of the financial affairs of the company as at 30 September 2010, and of its deficit and cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Ugandan Companies Act (Cap 110).

**Emphases of matter**

Without further qualifying our opinion, we draw your attention to:

- Note 1 to the financial statements which indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements have been prepared on a going concern basis on the assumption that adequate funds shall be generated and expenditure controlled so that the company reverts to profitability and also pays its liabilities as and when they fall due.
- Note 8 to the financial statements that indicates that the company has made significant judgments and estimates relating to income tax.
- Our factual findings report dated 31 January 2011 which indicates that there were significant internal control weaknesses during the period to 31 March 2010. As a result of the internal control weaknesses, the company may not have obtained value for money for some of the expenditure incurred during the period.

**Report on Other Legal Requirements**

As required by the Ugandan Companies Act (Cap 110) we report to you, based on our audit that except as discussed in paragraphs (a) and (b):

- 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 statement of financial position and statement of comprehensive income are in agreement with the books of account.

  
KAMPALA

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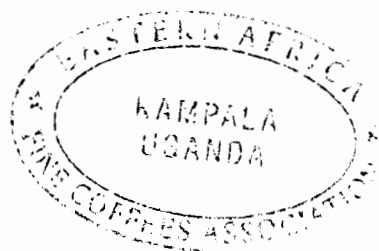
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The Eastern African Fine Coffees Association  
(A Company Limited by Guarantee)  
Statement of comprehensive income  
For the year ended 30 September 2010


	Note	2010 US\$	2009 US\$
<b>Income</b>			
Grants	3	290,967	377,313
Conference income		557,805	548,227
Membership fees		19,638	31,634
Suspense account		298,137	-
Other income		<u>50,104</u>	<u>32,123</u>
		<u>1,216,651</u>	<u>989,297</u>
<b>Expenses</b>			
<b>Administrative costs</b>			
Direct costs	4	159,913	141,014
Staff expenses		199,813	174,704
Other employment costs	5	100,941	45,564
Other administrative costs	6	<u>109,089</u>	<u>124,319</u>
		<u>569,756</u>	<u>485,601</u>
<b>Programs/ Activities</b>			
Programme activities, marketing & promotion		614,985	470,791
Policy change & implementation		<u>78,884</u>	<u>19,243</u>
		<u>693,869</u>	<u>490,034</u>
<b>Total expenses</b>		<u>1,263,625</u>	<u>975,635</u>
<b>(Deficit)/Surplus for the year</b>	7	<u>(46,974)</u>	<u>13,662</u>
<b>Tax</b>	8	-	-
<b>(Deficit)/Surplus for the year</b>		<u>(46,974)</u>	<u>13,662</u>
Other comprehensive income, net of tax		-	-
<b>Total comprehensive (deficit)/surplus for the year</b>		<u>(46,974)</u>	<u>13,662</u>

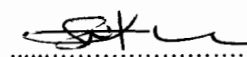


The Eastern African Fine Coffees Association  
 (A Company Limited by Guarantee)  
 Statement of Financial Position  
 As at 30 September 2010

	Note	2010 US\$	2009 US\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	9	<u>16,820</u>	<u>22,824</u>
<b>Current assets</b>			
Prepayments and other receivables	10	3,543	16,416
Cash and bank balances	11	<u>3,346</u>	<u>62,234</u>
		<u>6,889</u>	<u>78,650</u>
<b>TOTAL ASSETS</b>		<u>23,709</u>	<u>101,474</u>
<b>RESERVES AND LIABILITIES</b>			
<b>Reserves</b>			
Accumulated deficit		<u>(148,243)</u>	<u>(101,269)</u>
<b>Current liabilities</b>			
Staff gratuity	12	29,069	25,721
Accruals and other payables	13	<u>142,883</u>	<u>177,022</u>
		<u>171,952</u>	<u>202,743</u>
<b>TOTAL RESERVES AND LIABILITIES</b>		<u>23,709</u>	<u>101,474</u>

These financial statements were approved by the Board of Directors on  
 ..... 16/12 ..... 2011 and were signed on its behalf by: -

 Director

 Director



The Eastern African Fine Coffees Association  
 (A Company Limited by Guarantee)  
 Statement of Changes in Equity  
 For the year ended 30 September 2010

	<i>Accumulated Deficit US\$</i>	<i>Total Reserves US\$</i>
At 1 October 2008	(114,931)	(114,931)
Surplus for the year	<u>13,662</u>	<u>13,662</u>
At 30 September 2009	<u>(101,269)</u>	<u>(101,269)</u>
At 1 October 2009	(101,269)	(101,269)
Deficit for the year	<u>(46,974)</u>	<u>(46,974)</u>
At 30 September 2010	<u>(148,243)</u>	<u>(148,243)</u>



The Eastern African Fine Coffees Association  
(A Company Limited by Guarantee)  
Statement of Cash Flows  
For the year ended 30 September 2010

	Note	2010 US\$	2009 US\$
<b>OPERATING ACTIVITIES</b>			
(Deficit)/ Surplus for the year		(46,974)	13,662
<b>Adjustments for:</b>			
Depreciation & amortization		10,061	8,137
<b>Changes in working capital</b>			
Decrease in prepayments and other receivables		12,873	2,981
Increase in staff gratuity		3,348	24,681
Decrease in deferred Income		-	(14,344)
(Decrease)/increase in accruals and other payables		<u>(34,139)</u>	<u>29,992</u>
<b>Net cash (used in) /from operating activities</b>		<u>(54,831)</u>	<u>65,109</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment		<u>(4,057)</u>	<u>(18,234)</u>
<b>Net cash used in investing activities</b>		<u>(4,057)</u>	<u>(18,234)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(58,888)</u>	<u>46,875</u>
Cash and cash equivalents at 1 October		<u>62,234</u>	<u>15,359</u>
Cash and cash equivalents at 30 September	11	<u>3,346</u>	<u>62,234</u>



**The Eastern African Fine Coffees Association**  
**(A Company Limited by Guarantee)**  
**Notes to the Financial Statements**

**1. Going Concern**

During the year, the company made a deficit of USD46, 974 and as at 30 September 2010, the company's current liabilities exceed its current assets by USD 165,063(2009: USD 124,093) and the company had an accumulated deficit of USD 148,243 (2009: USD 101,269). This condition indicates the existence of a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern. The directors have instituted measures that will ensure that adequate funds are generated and expenditure controlled so that the company reverts to profitability and also pays its liabilities as and when they fall due. These measures include increasing funding through submitting of proposals to potential donors and containment of expenditure through tightening of internal controls and restructuring of the organisation structure and operations.

The financial statements have therefore been prepared on a going concern basis.

**2. Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below:

**a) Basis of accounting**

The financial statements have been prepared on a historical cost basis of accounting and are presented in United States Dollars (US\$) as stipulated in the Association's Articles and Memorandum of Association.

**b) Statement of compliance**

The financial statements of the company have been prepared in accordance with International Financial Reporting Standards (IFRS).

**c) Changes in accounting standards**

The accounting policies adopted are consistent with those used in the previous financial year except as indicated below.

**- IAS 1 Revised Presentation of Financial Statements**

This standard requires an entity to present all owner changes in equity and all non-owner changes to be presented in either one statement of comprehensive income or in two separate statements of income and comprehensive income. The revised standard also requires that the income tax effect of each component of comprehensive income be disclosed. In addition, it requires entities to present a comparative statement of financial position as at the beginning of the earliest comparative period when the entity has applied an accounting policy retrospectively, makes a retrospective restatement, or reclassifies items in the financial statements.

**2. Summary of significant accounting policies (continued)**



(c) Changes in accounting standards (continued)

The company has elected to present comprehensive income in one statement of income and comprehensive income. The company has not provided a restated comparative set of financial position for the earliest comparative period as it has not made a retrospective restatement.

The adoption of the standard did not have any impact on the financial performance of the company. It did, however, give rise to changes in the presentation of the financial statements.

The other new standards, amendments and interpretations applicable for annual periods beginning on or after 1 January 2009 were not relevant to the company's operations.

Standards, interpretations and amendments to published standards that are not yet effective

The following new standards, amendments to standards and interpretations have been issued but are not yet effective. They will be effective for the accounting periods beginning on or after 1 January 2010:

- IFRS 2 Group Cash-settled share-based payment Arrangements (Amended)
- IFRS 3 Business Combinations (Revised)
- IAS 27 Consolidated and Separate Financial Statements (Amendments)
- IFRIC 17 Distributions on Non-Cash Assets to Owners
- Improvements to International Financial Reporting Standards (Issued 2008)
- Improvements to International Financial Reporting Standards (Issued 2009)
- IFRS 9 Financial Instruments
- IAS 24 Related Party Disclosures (Revised)
- IAS 32 Classification of Rights Issues (Amendment)
- IFRIC 14 Prepayments of Minimum Funding Requirement (Amendment)
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

The company has not early adopted any of them. The directors have assessed the relevance of the new standards, interpretations and amendments to existing standards with respect to the company's operations and concluded that they will not have an impact on the company's financial statements.



The Eastern African Fine Coffees Association  
(A Company Limited by Guarantee)  
Notes to the Financial Statements (Continued)

2. Summary of significant accounting policies (continued)

d) Income recognition

Grant income is recognized when there is reasonable assurance that the company will comply with the conditions attaching to the grant and that the grant will be received.

Membership income is recognised when there is reasonable certainty of the member paying up.

e) Grants

Grants relating to more than one year are recognised as deferred income and released to the statement of comprehensive income over the period to which they relate.

f) Property and equipment and depreciation

Property and equipment are stated at cost less accumulated depreciation and impairment. Depreciation is calculated using the straight line basis, at annual rates estimated to write off carrying values of the assets over their expected useful lives.

The annual depreciation rates in use are:

Computers and office equipment	33 $\frac{1}{3}$ %
Furniture and fixtures	12 $\frac{1}{2}$ %
Plant and machinery	20%
Motor vehicles	25%

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

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 or loss.

g) Intangible assets

Intangible assets acquired separately are measured initially at cost less accumulated amortisation. The amortisation expense is taken to the statement of comprehensive income through the direct costs expense item. Amortisation is calculated on a straight line basis at an annual rate of 25%.

h) Foreign currency transactions

Uganda shillings and other currency transactions during the year are converted into United States Dollars at rates ruling at the transaction dates. Monetary assets and liabilities at the reporting date, which are expressed in Uganda shillings and other currencies, are translated into United States Dollars at rates ruling at that date. The resulting differences from conversion and translation are dealt with in the statement of comprehensive income in the year in which they arise.



The Eastern African Fine Coffees Association  
(A Company Limited by Guarantee)  
Notes to the Financial Statements (Continued)

2. Summary of significant accounting policies (continued)

i) Retirement benefits costs

The company contributes to the statutory National Social Security Fund (NSSF). This is a defined contribution scheme registered under the National Social Security Act, 1985. The company's obligations under the scheme are limited to specific contributions legislated from time to time and are currently 10% of the employees' gross salary. The company's contributions are charged to the statement of comprehensive income in the period to which they relate.

**Staff gratuity**

The company established a staff gratuity scheme to which the company and employees' contributions are 15% and 5% of the employees' monthly gross pay, respectively. This scheme was terminated effective 1 April 2010.

j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.





The Eastern African Fine Coffees Association  
(A Company Limited by Guarantee)  
Notes to the Financial Statements (Continued)

3. Grants

	2010	2009
	US\$	US\$
CFC	100,000	-
USAID-COMPETE Program	190,967	-
USAID Grant/RATES	-	250,000
SIDA	-	55,472
4C Association	-	52,899
Other donors	-	18,942
	<u>290,967</u>	<u>377,313</u>

- (i) *CFC*: This was provided to EAFCA for the project 'Building capacity in coffee certification and verification for specialty coffee farmers in Eastern Africa' for the period 1 October 2009 to 30 October 2010.
- (ii) *USAID-COMPETE Program*: This was provided to enable EAFCA focus on the newly established 'Enhancing the Competitiveness of Fine African Coffees (ECOFAC) Program'.
- (iii) *USAID Grant/RATES*: This was provided for the purposes of 'Support to the coordination and implementation of activities aimed at enhancing the Market linkages and business relationships between producers and traders in Africa and the rest of the world'. It was provided under pre-agreed budget fixed amounts on an advance basis.
- (iv) *SIDA*: This was provided for the purpose of 'Promoting market access for East African coffee exports in the Swedish market'. This project is conducted within the framework of the Trade Promotion Program of the Swedish Chambers, co-funded by Swedish International Development Co-operation Agency (SIDA).

4. Direct costs	2010	2009
	US\$	US\$
Operating costs	12,383	7,128
Communication	36,772	26,506
Occupancy	31,166	31,014
Vehicle expenses	5,060	7,127
Supplies	9,582	29,004
Bank charges	15,484	9,635
Auditing and consultancy expenses	23,661	9,440
Other professional fees	15,744	13,023
Depreciation	10,061	8,137
	<u>159,913</u>	<u>141,014</u>



The Eastern African Fine Coffees Association  
(A Company Limited by Guarantee)  
Notes to the Financial Statements (Continued)

5. Other employment costs	2010	2009
	US\$	US\$
Leave allowance	1,252	6,616
Medical allowance	7,649	5,089
Staff gratuity	28,178	19,463
Statutory obligations	<u>63,862</u>	<u>14,397</u>
	<u>100,941</u>	<u>45,565</u>
 6. Other administrative costs		
Regional operating costs	14,726	23,284
International travel expenses	66,844	71,105
Accrued expenses and provisions	24,183	12,908
Foreign exchange losses	<u>3,336</u>	<u>17,022</u>
	<u>109,089</u>	<u>124,319</u>

7. (Deficit)/ Surplus for the year

The (deficit)/surplus for the year has been arrived at after charging the following items:

	2010	2009
	US\$	US\$
Depreciation	10,061	8,137
Auditor's remuneration	9,000	8,000
Foreign exchange loss	<u>3,336</u>	<u>17,022</u>

8. Tax

According to the Income Tax Act, Cap 340, under section 2(bb) and Practice Note Number URA/IT/PN 3/06, The East African Fine Coffees could qualify as an exempt organization for tax purposes. However, the Act requires that the company should apply and obtain a tax exemption certificate from Uganda Revenue Authority (URA). The company has not yet obtained the tax exemption certificate from URA and no corporation tax charge and liability has been included in the financial statements. Management is confident that the company will obtain the tax exemption certificate from URA and no liability will accrue to the company. Management has also made an estimate of potential tax liabilities due to URA and has concluded that the entity has accumulated tax losses and therefore no liability is likely to accrue to the company.



The Eastern African Fine Coffees Association  
(A Company Limited by Guarantee)  
Notes to the Financial Statements (Continued)

9. Property and equipment

	Computers & Equipment US\$	Furniture & Fittings US\$	Machinery US\$	Motor Vehicles US\$	Total US\$
<b>COST</b>					
At 1 October 2008	39,217	13,722	18,574	28,515	100,028
Additions	4,069	-	-	14,165	18,234
<b>At 30 September 2009</b>	<b>43,286</b>	<b>13,722</b>	<b>18,574</b>	<b>42,680</b>	<b>118,262</b>
Additions	4,057	-	-	-	4,057
<b>At 30 September 2010</b>	<b>47,343</b>	<b>13,722</b>	<b>18,574</b>	<b>42,680</b>	<b>122,319</b>
<b>DEPRECIATION</b>					
At 1 October 2008	36,245	10,217	12,324	28,515	87,301
Charge for the year	2,263	1,328	1,505	3,041	8,137
<b>At 30 September 2009</b>	<b>38,508</b>	<b>11,545</b>	<b>13,829</b>	<b>31,556</b>	<b>95,438</b>
Charge for the year	4,187	1,328	1,505	3,041	10,061
<b>At 30 September 2010</b>	<b>42,695</b>	<b>12,873</b>	<b>15,334</b>	<b>35,597</b>	<b>105,499</b>
<b>Net Carrying Amount</b>					
<b>At 30 September 2010</b>	<b>4,648</b>	<b>849</b>	<b>3,240</b>	<b>8,083</b>	<b>16,820</b>
<b>At 30 September 2009</b>	<b>4,778</b>	<b>2,177</b>	<b>4,745</b>	<b>11,124</b>	<b>22,824</b>

	2010 US\$	2009 US\$
10. Prepayments and other receivables		
Prepayments	-	5,508
Accounts receivable and staff advances	3,543	10,908
	<u>3,543</u>	<u>16,416</u>
11. Cash and bank balances		
Cash at Bank	3,331	58,623
Cash at Hand	15	3,611
	<u>3,346</u>	<u>62,234</u>

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts with less than 90 days maturity.

	2010 US\$	2009 US\$
Cash and bank balances as above	<u>3,346</u>	<u>62,234</u>



The Eastern African Fine Coffees Association  
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Notes to the Financial Statements (Continued)

12. Staff gratuity

The staff company's policy until 31 March 2010 was to pay gratuity to staff as disclosed in note 2 (i). The gratuity policy was terminated effective 1 April 2010. The amount presented in the statement of financial position represents the gratuity outstanding as at the reporting date.

13. Accruals and other payables	2010	2009
	US\$	US\$
Member creditors	16,036	48,960
WWC conference creditors	-	2,429
Accruals	<u>126,847</u>	<u>125,633</u>
	<u>142,883</u>	<u>177,022</u>
 14. Deferred income		
At 01 October	-	14,344
Received during the year	290,967	333,873
Released to the statement of comprehensive income	<u>(290,967)</u>	<u>(348,217)</u>
At 31 September	<u>-</u>	<u>-</u>

15. Contingent liabilities

The company had no contingent liabilities in respect of bank and other guarantees and other matters arising in the ordinary course of business from which it is anticipated that any material liabilities will arise.

16. Events after the reporting date

There were no events after the reporting date affecting the financial statements of the company as at 30 September 2010 (2009: Nil).

17. Employees

The average number of employees for the company during the year was 6 (2009: 9).

18. Incorporation

The company is incorporated in Uganda under the Companies Act (Cap 110).

