

DATABANK MFUND PLC

***UNAUDITED HALF-YEAR REPORT AND FINANCIAL STATEMENTS
30 JUNE 2024***

DATABANK MFUND PLC
REPORT AND FINANCIAL STATEMENTS

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DATABANK MFUND PLC
CORPORATE INFORMATION

BOARD OF DIRECTORS

Kojo Addae-Mensah	<i>Executive Director</i>
Stephen Adei	<i>Non-Executive Director</i>
Daniel Seddoh	<i>Non-Executive Director</i>
Alexander Williams	<i>Non-Executive Director</i>

SECRETARY

Accra Nominees Limited
2nd Floor, Cedar House
13 Samora Machel Road
Asylum Down
P. O. Box GP 242
Accra

REGISTERED OFFICE

61 Barnes Avenue, Adabraka
Private Mail Bag
Ministries Post Office
Accra

CUSTODIAN

Guaranty Trust Bank (Ghana) Limited
25A Castle Road, Ambassadorial Area, Ridge
PMB CT 416, Cantonments
Accra, Ghana

FUND MANAGER

Databank Asset Management Services Limited
61 Barnes Avenue, Adabraka
Private Mail Bag
Ministries Post Office
Accra

AUDITORS

John Kay & Co.
7th Floor
Trust Towers
Farrar Avenue,
Adabraka, Accra

BANKERS

Absa Bank Ghana Limited
Access Bank (Ghana) Plc
Fidelity Bank Ghana Limited
GCB Bank Plc
Ghana International Bank Limited
Guaranty Trust Bank (Ghana) Limited
Standard Chartered Bank Ghana Plc
United Bank for Africa (Ghana) Limited
Zenith Bank Ghana Limited

DATABANK MFUND PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES AND APPROVAL

The Directors are required in terms of the Companies Act, 2019 (Act 992) to maintain adequate accounting records and are responsible for the content and integrity of the half-year financial statements and related financial information included in this report. It is their responsibility to ensure that the half-year financial statements fairly present the state of affairs of the Fund as at the end of the period and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards.

The half-year financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Fund and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Fund and all employees are required to maintain the highest ethical standards in ensuring the Fund's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management is on identifying, assessing, managing and monitoring all known forms of risk across the Fund. While operating risk cannot be fully eliminated, the Fund endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion that, based on the information and explanations given by Management, the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the half-year financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Fund's cash flows forecast for the half-year to 30 June 2024 and, in light of this review and the current financial position, they are satisfied that the Fund has access to adequate resources to continue in operational existence for the foreseeable future.

The half-year report and financial statements set out on pages 3 to 35, which have been prepared on the going concern basis, were approved by the Board of Directors on and were signed on their behalf by:

.....
STEPHEN ADEI
NON-EXECUTIVE DIRECTOR

..... **2024**

.....
KOJO ADDAE-MENSAH
DIRECTOR

..... **2024**

DATABANK MFUND PLC
REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their report and the unaudited financial statements of Databank MFund Plc for the period ended 30 June 2024.

1. Incorporation

The Fund was incorporated on 23rd April 2002 under the then Companies Code, 1963 (Act 179), now Companies Act, 2019 (Act 992). The Fund is domiciled in Ghana where it is licensed by the Securities and Exchange Commission, Ghana as a Mutual Fund. The address of the registered office is set out on page 2.

2. Nature of Business

The principal activity of the Fund is to invest the monies of its members for their mutual benefit and to hold and arrange for the management of securities and other assets acquired with such monies in accordance with the provisions of the Companies Act, 2019 (Act 992), Securities Industry Act, 2016 (Act 929), and the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695)

There has been no material changes to the nature of the Fund's business from the prior period.

3. Review of Financial Results and Activities

The half-year report and financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2019 (Act 992), Securities Industry Act, 2016 (Act 929), and the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695). The accounting policies have been applied consistently compared to the prior period.

The Fund recorded total distributable shareholders' earnings for the period ended 30 June 2024 of GH¢ 57,063,452. This represents a decrease of 55% from the prior period of GH¢126,837,887.

The Fund's total income decreased by 70% from GH¢220,344,403 in the prior period to GH¢67,037,246 for the period ended 30 June 2024.

The Fund's cash flows from operating activities decreased by 75% from GH¢ 22,925,450 in the prior period to GH¢ 8,690,071 for the period ended 30 June 2024.

4. Events After the Reporting Period

Events subsequent to the Statement of Financial Position date are reflected in the financial statements only to the extent that they relate to the period under review and the effect is material. There were no subsequent events at the reporting date, 30 June 2024.

5. Going Concern

The Directors believe that the Fund has adequate financial resources to continue in operation for the foreseeable future and accordingly the half-year financial statements have been prepared on a going concern basis. The Directors have satisfied themselves that the Fund is in a sound financial position and that revenue from the assets under management would be enough to meet its foreseeable cash requirements. The Directors are not aware of any new material changes that may adversely impact the Fund. The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Fund.

DATABANK MFUND PLC
REPORT OF THE DIRECTORS

6. Litigation Statement

The Fund is not currently involved in any claims or lawsuits, which individually or in the aggregate are expected to have a material adverse effect on the business or its assets.

7. Secretary

The Fund's Secretary is Accra Nominees Limited with business address: 2nd Floor, Cedar House, No. 13 Samora Machel Road, Asylum Down.

8. Statement of Disclosure to the Fund's Auditors

With respect to each person who is a Director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the Fund's Auditors are unaware; and
- the person has taken all the steps that he/she ought to have taken as a Director to be aware of any relevant audit information and to establish that the Fund's Auditors are aware of that information.

9. Corporate Social Responsibility

The Fund did not undertake any corporate social responsibility within the period.

10. Audit Fees

Included in the general and administration expenses for the period is Auditors' remuneration of GH¢30,000 (2023: GH¢60,950) and is inclusive of VAT, NHIL and GETFund Levy.

11. Capacity of Directors

The Fund ensures that only fit and proper persons are appointed to the Board after obtaining the necessary approval from the regulator, Securities and Exchange Commission (SEC). Relevant training and capacity building programs, facilitated by a SEC-approved training institution was undertaken during the period.

12. Net Assets Under Management

The Fund is managed by Databank Asset Management Services Limited (DAMSEL). Net Assets Under Management (AUM) as at 30 June 2024 stood at GH¢756,853,204 representing a 25% decrease compared to prior period of GH¢1,1,007,320,219.

13. Acknowledgements

Thanks, and appreciation are extended to all of our Shareholders, Directors and staff for their continued support of the Fund.

DATABANK MFUND PLC
REPORT OF THE DIRECTORS

14. Approval

The half-year report and financial statements set out on pages 3 to 35, which have been prepared on the going concern basis, were approved by the Board of Directors on, and were signed on its behalf by:

.....
STEPHEN ADEI
NON-EXECUTIVE DIRECTOR

.....
KOJO ADDAE-MENSAH
DIRECTOR

..... **2024**

..... **2024**

DATABANK MFUND PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 30 JUNE 2024

	Note	2024 GH¢	2023 GH¢
INVESTMENT INCOME			
Interest Income calculated using the effective interest method	5	67,172,362	68,157,062
Loss on Sale of Investments		(255,116)	(4,951,042)
Impairment Write-back	7b.	120,000	157,138,383
		-----	-----
TOTAL INCOME		67,037,246	220,344,403
		-----	-----
EXPENSES			
Investment Management Fees		(4,818,971)	(5,660,560)
Custody Fees		(193,237)	(440,998)
General and Administrative Expenses	6	(247,904)	(278,996)
Impairment Charge	7a.	(120,000)	(168,000)
Loan Interest	8	(8,078,338)	-
		-----	-----
TOTAL EXPENSES		(13,458,450)	(6,548,554)
		-----	-----
Distributable Shareholders' Profit for the Period		53,578,796	213,795,849
		=====	=====
Other Comprehensive Gain	9	3,484,656	(86,957,962)
		-----	-----
Total Distributed Profit for the Period		57,063,452	126,837,887
		=====	=====

The notes on pages 11 to 35 form an integral part of these financial statements.

DATABANK MFUND PLC
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	2024 GH¢	2023 GH¢
ASSETS			
Cash and Cash Equivalents	10	185,257,289	49,225,308
Financial Assets at FVOCI	11	727,947,983	960,817,162
		-----	-----
Total Assets		913,205,272	1,010,042,470
		=====	=====
SHAREHOLDERS' EQUITY			
Shareholders' Principal	13b	54,349,674	174,637,710
Distributable Shareholders' Earnings		1,022,766,027	919,640,471
Other Comprehensive Loss		(320,262,497)	(86,957,962)
		-----	-----
TOTAL SHAREHOLDERS' EQUITY		756,853,204	1,007,320,219
		-----	-----
LIABILITIES			
Trade and Other Payables	14	8,883,900	2,722,251
Loan Facility	15	147,468,168	-
		-----	-----
TOTAL LIABILITIES		156,352,068	2,722,251
		-----	-----
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		913,205,272	1,010,042,470
		=====	=====

The financial statements of Databank MFUND PLC were approved by the Board of Directors on 2024 and signed on their behalf by:

.....
STEPHEN ADEI
NON-EXECUTIVE DIRECTOR

.....
KOJO ADDAE-MENSAH
DIRECTOR

The notes on pages 11 to 35 form an integral part of these financial statements.

DATABANK MFUND PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 30 JUNE 2024

2024

	Shareholders' Principal GH¢	Distributable Shareholders' Earnings GH¢	Other Distributable Earnings GH¢	Total GH¢
Opening Balance as at 1 st January	132,301,550	969,187,231	(323,747,153)	777,741,628
Proceeds from Issue of Shares	74,265,510	-	-	74,265,510
Distributed Shareholders' Earnings for the Period	-	53,578,796	-	53,578,796
Fair Value Gain	-	-	3,484,656	3,484,656
Shares Redeemed	(152,217,386)	-	-	(152,217,386)
	----- 54,349,674 =====	----- 1,022,766,027 =====	----- (320,262,497) =====	----- 756,853,204 =====

2023

	Shareholders' Principal GH¢	Distributable Shareholders' Earnings GH¢	Other Distributable Earnings GH¢	Total GH¢
Opening Balance as at 1 st January	260,271,648	705,844,622	-	966,116,270
Proceeds from Issue of Shares	32,171,217	-	-	32,171,217
Distributed Shareholders' Earnings for the Period	-	213,795,849	-	213,795,849
Fair Value Loss	-	-	(86,957,962)	(86,957,962)
Shares Redeemed	(117,805,155)	-	-	(117,805,155)
	----- 174,637,710 =====	----- 919,640,471 =====	----- (86,957,962) =====	----- 1,007,320,219 =====

DATABANK MFUND PLC
STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 30 JUNE 2024

	Note	2024	2023
	GH¢	GH¢	
Cash Flows from Operating Activities			
Distributable Shareholders' Earnings for the Period		53,578,796	213,795,849
<i>Adjustments for:</i>			
Interest income		(37,366,274)	(33,979,731)
Amortisation gain		(439,185)	(346,430)
Impairment writeback on financial instruments		-	(156,970,383)
		-----	-----
		15,773,337	22,499,305
<i>Changes in:</i>			
Trade and Other Payables	14	(7,083,266)	(179,976)
Account and other receivables		-	606,121
		-----	-----
Net Cash Flows from Operating Activities		8,690,071	22,925,450
Cash Flows from Investing Activities			
Purchase of Financial Assets at Amortized Cost		(1,062,985,608)	(30,558,000)
Proceeds from disposal of Financial Assets at Amortized Cost		1,114,897,519	120,703,230
		-----	-----
Net Cash from/(Used) in Investing Activities		51,911,911	90,145,230
Cash Flows from Financing Activities			
Proceeds from issue of redeemable shares		74,265,510	32,171,217
Payments on redemption of redeemable shares		(152,217,386)	(117,805,155)
Loan Facility		147,468,168	-
		-----	-----
Net Cash Generated from Financing Activities		69,516,292	(85,633,938)
Net Increase/(Decrease) in Cash and Cash Equivalents		130,118,274	27,436,741
Cash and Cash Equivalents at the Beginning of the Period		55,139,015	21,788,567
		-----	-----
Cash and Cash Equivalents at the End of the Period	10	185,257,289	49,225,308
		=====	=====
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Cash at Bank and Call Accounts		82,362,367	26,436,741
Short Term Certificates of Deposit		102,894,922	21,788,567
		-----	-----
		185,257,289	49,225,308
		=====	=====

The notes on pages 11 to 35 form an integral part of these financial statements.

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2024

GENERAL INFORMATION

Databank Mfund Plc is a public limited company incorporated in Ghana. The address of its registered office and principal place of business is 61 Barnes Avenue, Adabraka, Private Mail Bag, Ministries Post Office, Accra.

1.1. Description of the Fund

Databank MFund started operations on 23 April 2002 as an authorized mutual fund to provide high current income with the maintenance of liquidity and preservation of capital. The Fund's investments include: treasury securities, commercial papers, bankers' acceptances, certificates of deposit and similar fixed income securities.

The principal activity of the Fund is to invest the monies of its members for their mutual benefit and to hold and arrange for the management of fixed income securities acquired with such monies.

The investment activities of the Fund are managed by Databank Asset Management Services Limited (the Fund Manager). The Custodian of the Fund is Guaranty Trust Bank (Ghana) Limited.

In the interest of prudence and efficient management of the Fund, the Manager maintains prudent levels of liquidity.

The Manager is responsible for the management of the Fund's portfolio and constantly reviews the holdings of the Fund in the light of its research analysis and other relevant services. The Fund pays the Manager a management fee of 1.25% per annum for services provided to the Fund. The fee is based on the Fund's daily AUM.

The shares of the Fund are redeemable at the holder's option. The shares are not listed on the Ghana Stock Exchange.

1. BASIS OF PREPARATION

2.1.1 Statement of Compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). and in a manner required by the Companies Act, 2019 (Act 992) and the Securities Industry Act 2016 (Act 929).

2.1.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The Financial Statements are presented in Ghana Cedi (GH¢), which is the Fund's functional currency. All amounts have been rounded to the nearest Ghana cedi, unless otherwise indicated.

The Fund presents its Statement of Financial Position in order of liquidity.

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2024

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the Financial Statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2024

3.2 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured, as and when the Fund satisfies a performance obligation.

Under IFRS 15, the revenue recognition process involves:

1. Identification of the contract with the customer,
2. Identification of performance obligation in the contract,
3. Determination of the transaction price,
4. Allocation of the transaction price to the performance obligation in the contract,
5. Recognition of the revenue when (or as) the entity satisfies a performance obligation

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment exclusive of taxes or duty.

3.2.1 Interest Revenue and Expense

Interest revenue and expense are recognized in the Statement of Comprehensive Income for all interest-bearing financial instruments using the effective interest rate method.

3.2.2 Fees and Commissions

Fees and commissions are recognized on an accrual basis. Fees and commission expenses are included in general and administrative expenses.

3.2.3 Net Gains or Loss on Financial Assets and Liabilities at fair value through profit or loss

This item includes changes in the fair value of financial assets and liabilities held for trading or designated upon recognition as at fair value through profit or loss and excludes interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised in the reporting period.

Realised gains and losses on disposals of financial instruments classified as at fair value through profit or loss are calculated using the first-in, first-out (FIFO) method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

3.3 Foreign Currencies

In preparing the financial statements of the Fund, transactions in currencies other than the Fund's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2024

3.4 Financial Instruments-Initial Recognition and Subsequent Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.4.1 Financial Assets

3.4.1.1 Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, financial assets at amortized cost and financial assets at fair value through other comprehensive income. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

3.4.1.2 Classification and Measurement

For purposes of classification and measurement, financial assets are classified into three categories:

- Financial Assets at Amortized Cost
- Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)
- Financial Assets at Fair Value through Profit or Loss

Financial Assets at Amortized Cost

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as financial assets at amortized cost when the Fund has the positive intention and ability to hold to collect contractual cash flows. After initial measurement, financial assets are measured at amortized cost using the Effective Interest Rate (EIR), less impairment.

The Fund classifies its financial assets at amortized cost only if both of the following criteria are met:

- The asset is held within the business model whose objective is to collect the contractual cash flows, and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of profit or loss. The losses arising from impairment are recognized in the statement of profit or loss.

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

Financial Assets at Fair Value through Other Comprehensive Income include debt securities. Debt securities classified as financial assets at FVOCI are those that are neither classified as financial assets at amortized cost nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held and be sold in response to needs for liquidity or in response to changes in the market conditions.

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2024

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) (cont'd)

After initial measurement, financial assets at FVOCI are subsequently measured at fair value with unrealised gains or losses recognized in OCI and recognized in the financial assets at FVOCI reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the financial assets at FVOCI reserve to the statement of profit or loss in finance costs. Interest earned whilst holding financial assets at FVOCI is reported as interest income using the EIR method.

The Fund evaluates whether the ability and intention to sell its financial assets at FVOCI in the near term is still appropriate. When, in rare circumstances, the Fund is unable to trade these financial assets due to inactive markets, the Fund may elect to reclassify these financial assets if the Management has the ability and intention to hold the assets for foreseeable future or until maturity.

For a financial asset reclassified from the financial assets at FVOCI category, the fair value carrying amount at the date of reclassification becomes its new amortized cost and any previous gain or loss on the asset that has been recognized in equity is amortized to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortized cost and the maturity amount is also amortized over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss and other comprehensive income.

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) comprise:

- Debt securities where the contractual cash flows are solely principal and interest and the objective of the Fund's business model is achieved both by collecting contractual cash flows and selling the financial assets.

Financial Assets at Fair Value through Profit or Loss

Any financial assets that are not Financial Assets at Amortized Cost or Financial Assets at FVOCI are measured at fair value through profit or loss. As such, fair value through profit or loss represents a 'residual' category.

Financial assets at fair value through profit or loss include financial assets at amortized cost and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as financial asset at amortized cost if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

Financial Assets that qualify to be classified as Financial Assets at Fair Value through Profit or Loss (FVPL) are debt investments that do not qualify for measurement at either amortized cost or FVOCI.

The Fund has not designated any financial assets at fair value through profit or loss.

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2024

3.4.1.3 Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Fund's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - i. the Fund has transferred substantially all the risks and rewards of the asset, or
 - ii. the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognize the transferred asset to the extent of the Fund's continuing involvement. In that case, the Fund also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

3.4.1.4 Impairment of Financial Assets

The Fund recognises expected credit losses on all financial assets at amortized cost or at fair value through other comprehensive income (other than equity instruments).

The Fund measures loss allowance at amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

The Fund assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Fund considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Fund in full, without recourse by the Fund to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Fund considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'.

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2024

3.4.1.4 Impairment of Financial Assets(cont'd)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Fund is exposed to the credit risk.

Measurement of ECL

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive in respect of not-credit impaired financial assets and as the difference between the gross carrying amount and the present value of estimated future cash flows for credit impaired financial assets).

ECLs are discounted at the effective interest rate of the financial assets.

Credit-impaired financial assets

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit-impaired (referred to as 'Stage 3 financial assets'). A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Fund determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

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3.4.1.4 Impairment of Financial Assets(cont'd)

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of comprehensive income. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Fund's procedures for recovery of amounts due.

3.4.2 Financial Liabilities

3.4.2.1 Initial Recognition and Measurement

All financial liabilities are recognized initially at fair value and, in the case of payables, net of directly attributable transaction costs. The financial liabilities of the Fund include trade and other payables.

3.4.2.2 Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

A financial liability is initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. Financial liabilities measured at amortised cost include trade payables.

3.4.2.3 Derecognition of Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss and other comprehensive income.

3.5 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the Statement of Financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.6 Shareholders' Equity

Shares in the Fund are owned by members of the Fund.

- The value of the shares (owned by members of the Fund) is represented by the Shareholders' principal and interest earned. Shares entitle the holder to a *pro rata* share of the Fund's net assets in the event of a shareholder liquidating his or her investment.
- The shares of the Fund are not listed on the Ghana Stock Exchange. Applicants may set up a new account with the Fund to buy shares of the Fund. When applicants buy Fund shares, the shares are purchased at the last published price.
- A Shareholder wishing to redeem his or her investment with the Fund can do so by submitting a request for redemption to the Fund. Redemptions are priced at the last published price.

DATABANK MFUND PLC
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3.7 Dividend Policy

The Fund does not pay dividend.

3.8 Cash and Cash Equivalents

Cash and Cash Equivalents in the Statement of Financial Position comprise cash at banks and on hand and short-term investments with a maturity of three months or less.

3.9 Changes in significant accounting policies

A number of new standards are effective from 1 January 2022, but they do not have a material effect on the Fund's financial statements.

The Fund has consistently applied the accounting policies to all periods presented in these financial statements.

3.9.1 Standards and interpretations issued but not yet effective.

A number of new standards and amendments to standards are effective for half-year periods beginning after 1 January 2022 and earlier application is permitted. The Fund has not early adopted the new and amended standards in preparing these financial statements.

The following new and amended standards are not expected to have a significant impact on the Fund's financial statements.

a. Definition of accounting estimates (Amendments to IAS 8)

Distinguishing between accounting policies and accounting estimates is important because changes in accounting policies are generally applied retrospectively, while changes in accounting estimates are applied prospectively.

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates.
- Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- The International Accounting Standards Board clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
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Standards and interpretations issued but not yet effective (Cont'd)

- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The effects of changes in inputs and/or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first half-year reporting period in which the Fund applies the amendments.

The Fund is yet to determine the impact of this standard on its financial statements.

b. Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Making information in financial statements more relevant and less cluttered has been one of the key focus areas for the International Accounting Standards Board (the Board).

The Board has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed;
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements;
- accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
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Standards and interpretations issued but not yet effective (Cont'd)

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material.

The amendments are effective from 1 January 2023 but may be applied earlier.

The Fund is yet to determine the impact of this standard on its financial statements.

c. Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendment to IAS 12)

The amendment clarifies that the initial recognition exemption does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning obligations. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

The Fund is yet to determine the impact of this standard on its financial statements.

The amendments are effective from 1 January 2023 but may be applied earlier.

d. Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. After reconsidering certain aspects of the 2020 amendments, the IASB reconfirmed that only covenant with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Additional disclosure is also required for non-current liabilities subject to future covenants. The amendments also clarify how an entity classifies a liability that can be settled in its own shares. The Fund is yet to assess the impact of this standard.

The amendments apply retrospectively for half-year reporting periods beginning on or after 1 January 2024, with early application permitted.

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2024

Standards and interpretations issued but not yet effective (Cont'd)

e. Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (Amendments to IAS 1)

Distinguishing between accounting policies and accounting estimates is important because changes in accounting policies are generally applied retrospectively, while changes in accounting estimates are applied prospectively.

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates.
- Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- The Board clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period’s profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The effects of changes in inputs and/or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first half-year reporting period in which the company applies the amendments.

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
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Standards and interpretations issued but not yet effective (Cont'd)

f. Lease Liability in a Sale and Leasebacks (Amendments to IFRS 16)

The amendments confirm the following.

- On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction.
- After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains.

A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for half-year reporting periods beginning on or after 1 January 2024, with earlier application permitted.

Under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16. This means that it will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments.

3.10 Critical Accounting Judgement, Estimates and Assumptions

The preparation of the Fund's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3.11 Judgments

In the process of applying the Fund's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements.

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2024

3.11.1 Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

3.11.2 Fair Value of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility.

Changes in assumptions about these factors could affect the reported fair value of financial instruments in the statement of financial position and the level where the instruments are disclosed in the fair value hierarchy. The models are tested for validity by calibrating to prices from any observable current market transactions in the same instrument (without modification or repackaging) when available. To assess the significance of a particular input to the entire measurement, the Fund performs sensitivity analysis or stress testing techniques.

4. CAPITAL MANAGEMENT

The capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the purchase or redemption of the shares beyond those included in the Fund's Scheme Particulars.

The Fund's objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in its prospectus;
- To achieve consistent returns while safeguarding capital by investing in a diversified portfolio;
- To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise;
- To maintain sufficient size to make the operation of the Fund cost-efficient.

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
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5. INTEREST INCOME CALCULATED USING THE EFFECTIVE INTEREST METHOD

	2024	2023
	GH¢	GH¢
Interest on Government Securities	50,991,235	67,185,858
Interest on Non-Bank Fixed Deposits	4,747,255	-
Interest on Bank Fixed Deposits	11,132,257	829,961
Interest on Call Accounts	301,615	141,243
	-----	-----
	<u>67,172,362</u>	<u>68,157,062</u>
	=====	=====

6. GENERAL AND ADMINISTRATIVE EXPENSES

	2024	2023
	GH¢	GH¢
Marketing, Promotion & Advertisement	39,761	66,175
Directors' Emoluments	44,760	16,456
Board Expenses	140	3,000
Directors' Liability Insurance	16,500	16,500
Audit Fee	30,000	60,950
Storage & Warehousing Expense	36,023	25,697
Printing & Publications	12,594	8,227
Half-year Statutory Fee	250	250
Bank Charges	66,373	81,741
AGM	1,503	-
	-----	-----
	<u>247,904</u>	<u>278,996</u>
	=====	=====

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2024

7. IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS

The impairment shown in the Statement of Comprehensive Income relates to a provision made for impairment in accordance with IFRS and the Fund's Policy on provisioning.

		2024	2023
		GH¢	GH¢
Impairment Allowance at 1 January		-	156,032,941
Impairment Allowance at 30 June	7a	(120,000)	(156,200,941)
		-----	-----
Impairment Charge		(120,000)	(168,000)
		=====	=====

7b. IMPAIRMENT WRITE-BACK

Stage 1 Impairment		346,000	126,797
Stage 3 Impairment		(226,000)	157,011,586
		-----	-----
Impairment Allowance at 30 June	7b	120,000	157,138,383
		=====	=====

8. LOAN INTEREST: This is interest so far incurred on the GH¢147,468,168 loan facility from the Ghana Financial Stability Fund

9. FAIR VALUE LOSS ON INVESTMENT

Market Value of Government Securities		690,581,709	924,512,731
Cost of Investment		(1,010,844,206)	(1,011,470,693)
		-----	-----
Loss on Investment		(320,262,497)	(86,957,962)
Opening Balance		323,747,153	-
		-----	-----
Gain for the period		3,484,656	(86,957,962)
		=====	=====

10. CASH AND CASH EQUIVALENTS

		2024	2023
		GH¢	GH¢
Cash at Bank		82,362,367	25,893,308
Short Term Certificates of Deposit		102,894,922	23,332,000
		-----	-----
		185,257,289	49,225,308
		=====	=====

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2024

11. FINANCIAL ASSETS AT FVOCI

	2024	2023
	GH¢	GH¢
Investment in Government Securities	1,010,844,206	1,011,470,693
Accrued Interest	37,366,274	36,304,431
Revaluation Loss	(320,262,497)	(86,957,962)
	-----	-----
	727,947,983	960,817,162
	=====	=====

12 PORTFOLIO SUMMARY

	2024	2023
	GH¢	GH¢
Government Securities	727,947,983	924,512,731
	=====	=====

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
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13. SHAREHOLDERS' EQUITY

A reconciliation of the number of shares outstanding at the beginning and at the end of each of the reporting period is provided below.

Number of shares issued and redeemed during the period is disclosed below;

13a. Number of Shares in Issue

	2024	2023
	Number of Shares	Number of Shares
Opening Balance	467,285,658	521,269,247
Issues during the Period	46,801,206	28,642,046
Redemptions during the Period	(74,202,607)	(65,235,946)
	-----	-----
Closing Balance	439,884,257	484,675,347
	=====	=====

13b. Shareholders' Principal

	2024	2023
	GH¢	GH¢
New Issues	74,265,510	32,171,217
Redemptions/Reversals	(152,217,386)	(117,805,155)
	-----	-----
Net Proceeds from Capital Transactions	(77,951,876)	(85,633,938)
Beginning of Period	132,301,550	260,271,648
	-----	-----
End of Period	54,349,674	174,637,710
	=====	=====

14. TRADE AND OTHER PAYABLES

	2024	2023
	GH¢	GH¢
Management Fees	1,792,096	1,567,486
Custody Fees	269,250	897,207
Front Load Commissions	38,338	38,338
Audit Fees	30,000	158,470
Withholding Tax	50,708	38,844
Accruals and other payables	99,852	21,906
Loan Interest	6,603,656	-
	-----	-----
	8,883,900	2,722,251
	=====	=====

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2024

15. Loan Facility: Loan facility secured for liquidity support from the Ghana Financial Stability Fund

16. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICY

The Fund's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement, management and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund is exposed to market risk (which includes interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

16.1 Risk Management Structure

The Fund Manager is responsible for identifying and controlling risks. The Board of Directors supervises the Fund Manager and is ultimately responsible for the overall risk management of the Fund.

16.2 Risk Measurement and Reporting System

The risks of the Fund are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses that are an estimate of the ultimate actual loss.

Limits reflect the business strategy including the risk that the Fund is willing to accept and the market environment of the Fund. In addition, the Fund monitors and measures the overall risk in relation to the aggregate risk exposure across all risk types and activities.

16.3 Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates. The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The primary investment objective of the Fund is to seek growth and create value for shareholders by investing in government bills and bonds, or treasury backed securities. The Fund's market risk is managed on a daily basis by the Fund Manager in accordance with the policies and procedures in place. The Fund diversifies its portfolio with the approval of its Board of Directors.

16.3.1 Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. Exposure to interest rate risk can result from a variety of factors, including:

- differences between the timing of market interest rate changes and the timing of cash flows (repricing risk);
- changes in the shape of market interest rate curves producing different effects on yields on similar instruments with different maturities (yield curve risk); and
- changes in the level of market interest rates producing different effects on rates received or paid on instruments with similar repricing characteristics (basis risk).

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
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Exposure to interest rate risk

The Fund does not account for any fixed rate financial instruments at fair value through profit or loss therefore a change in interest rates at the reporting date would not affect profit or loss. No interest rate sensitivity analysis has thus been disclosed.

The Fund did not have variable-rate financial instruments and interest-bearing liabilities in 2024 (2023: GH¢ Nil).

16.3.2 Currency risk

The Fund's currency risk is managed on a daily basis by the investment manager in accordance with the policies and procedures in place. At 30 June 2024, all assets and liabilities of the Fund were denominated in the presentation and functional currency therefore there is no currency mismatch.

16.3.3 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities with financial instruments, either internally within the Fund or externally at the Fund's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour.

Substantially all of the assets of the Fund are held by Guaranty Trust Bank (Ghana) Limited. The bankruptcy or insolvency of the Fund's Custodian may cause the Fund's rights with respect to the securities held by the Custodian to be limited. The Investment Manager monitors the credit ratings and capital adequacy of its Custodian on a regular basis.

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
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16.4 Liquidity Risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its shares earlier than expected. The Fund is exposed to cash redemptions of its shares on a regular basis. Shares are redeemable at the holder's option based on the Fund's Net Asset Value (NAV) per share at the time of redemption, calculated in accordance with the Fund's scheme particulars.

The Fund manages its obligation to redeem the shares when required to do so and its overall liquidity risk by:

- Requiring a 1-day notice period before redemptions

The Fund's policy is to satisfy redemption requests by the following means (in decreasing order of priority):

- Withdrawal of cash deposits
- Disposal of highly liquid assets (i.e., short-term, low-risk debt investments)
- Disposal of other assets

The Fund invests primarily in marketable securities and other financial instruments which, under normal market conditions, are readily convertible to cash. In addition, the Fund's policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.

16.5 Credit Risk

16.5.1 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation. The Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within financing relationships, derivatives and other transactions. It is the Fund's policy to enter into financial instruments with reputable counterparties.

The Fund Manager's policy is to closely monitor the creditworthiness of the Fund's counterparties (e.g. third-party borrowers, brokers, custodian and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

The carrying value of interest-bearing investments, money market funds and similar Securities, loan to related party, trade and other receivables and cash and cash equivalents, as disclosed in the statement of financial position represents the maximum credit exposure, hence, no separate disclosure is provided.

Accounting policy for Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised and ECL are measured as follows:

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
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Accounting policy for Restructured financial assets (Cont'd)

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

16.7 Fair Value of Financial Instruments

Fair value of Financial Instruments carried at Financial Assets Through Other Comprehensive Income

As detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recognized in the financial statements with the exception of government securities approximate their fair values.

Financial Assets	Carrying Amounts 2024 GH¢	Fair Value 2024 GH¢	Carrying Amounts 2023 GH¢	Fair Value 2023 GH¢
Cash and Cash Equivalents	185,257,289	185,257,289	49,225,308	49,225,308
Financial Assets at FVOCI	727,947,983	727,947,983	960,817,162	960,817,162
	-----	-----	-----	-----
Total Financial Assets	913,205,272	913,205,272	1,010,042,470	1,010,042,470
	-----	-----	-----	-----
Financial Liabilities				
Trade and Other Payables	156,352,068	156,352,068	2,722,251	2,722,251
	=====	=====	=====	=====

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2024

17. CONTINGENCIES AND COMMITMENTS

17.1 Legal Proceedings and Regulations

The Fund operates in the financial services industry and is subject to legal proceedings in the normal course of business. There are no contingencies associated with the Fund's compliance or lack of compliance with regulations.

17.2 Capital Commitments

The Fund has no capital commitments at the reporting date. (2023: Nil)

18. RELATED PARTY TRANSACTIONS

The following parties are considered related parties of the Fund:

Fund Manager – Databank Asset Management Services Limited

Databank Asset Management Services Limited (the Fund Manager) is entitled to receive a management fee for its services. These fees amount to an aggregate of 1.25% per annum calculated on the daily net assets of the Fund. Management fees are payable monthly in arrears. Total management fees for the period amounted to GH¢ 4,818,971 (2023: GH¢ 5,660,560).

Brokers

The transactions of the Fund were made through Databank Brokerage Limited (DBL).

Transactions with Related Parties

A number of related party transactions take place with related parties in the normal course of business. These include transactions and balances among related parties. The outstanding balance on such related party transactions is as follows:

Amounts due to Related Parties

	2024	2023
	GH¢	GH¢
Databank Asset Management Services Limited	1,875,448	1,262,007
	<u> </u>	<u> </u>

DATABANK MFUND PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2024

Transactions with Directors and Key Management Personnel

Directors and key Management personnel refer to those personnel with authority and responsibility for planning, directing and controlling the business activities of the Fund. These personnel are the Executive and non-Executive Directors of the Fund.

During the year, there were no significant related party transactions with companies or customers of the Fund where a Director or any connected person is also a Director or key Management members of the Fund. The Fund did not make any loans to Directors or any key Management member during the period under review.

Directors' Emoluments	2024	2023
	GH¢	GH¢
Directors' Remuneration	44,760	16,456
	=====	=====

Directors' Shareholdings

The Directors below held the following number of shares in the Fund at 30 June 2023

Name	Shares	% of Fund
Daniel Seddoh	41,113	0.0093
Stephen Adei*	89,504	0.0203
Kojo Addae-Mensah	817,367	0.1858
Alexander Williams	11,243	0.0026

**Shares are jointly held by the Director and Spouse*

19. CUSTODIAN

Guaranty Trust Bank (Ghana) Limited

Guaranty Trust Bank (Ghana) Limited is the custodian of the Fund. The custodian carries out the usual duties regarding custody, cash and security deposits without any restriction. This means that the custodian is, in particular, responsible for the collection of interest and proceeds of matured securities, the exercise of options and, in general, for any other operation concerning the day-to-day administration of the securities and other assets and liabilities of the Fund.

The Custodian is entitled to receive from the Fund fees, payable monthly, a maximum of 0.25% per annum calculated on the daily net assets of the Fund. The total custody fee for the period amounted to GH¢ 193,237 (2023: GH¢440,998). The custody fee payable as at 30 June 2024 was GH¢ 269,250 (2023: GH¢897,207).

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20. CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2024. (2023: Nil)

21. Events After the Reporting Period

Events subsequent to the Statement of Financial Position date are reflected in the financial statements only to the extent that they relate to the period under review and the effect is material. There were no subsequent events at the reporting date, 30 June 2024.

22. Going Concern

The Directors believe that the Fund has adequate financial resources to continue in operation for the foreseeable future and accordingly the half-year financial statements have been prepared on a going concern basis. The Directors have satisfied themselves that the Fund is in a sound financial position and that revenue from the assets under management would be enough to meet its foreseeable cash requirements. The Directors are not aware of any new material changes that may adversely impact the Fund. The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Fund.