



# FINANCIAL STATEMENTS

31<sup>st</sup> DECEMBER, 2016

MANAGED BY



OMEGA EQUITY  
FUND LIMITED

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**FINANCIAL STATEMENTS**  
**31<sup>st</sup> DECEMBER, 2016**

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# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 3rd Annual General Meeting of the Shareholders of Omega Equity Fund Limited will be held on Wednesday, June 21, 2017 at 9:30am GMT in the Zero Room at the Ghana College of Physicians and Surgeons, Ridge Roundabout, Accra Ghana for the following purposes.

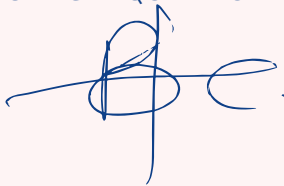
1. To consider the Directors Report and the Report of Auditors for the year ended December 31, 2016;
2. To receive and adopt the Statement of Assets and Liabilities and Statement of Income and Distributions for the year ended December 31, 2016;
3. To re-elect Directors retiring by rotation;
4. To authorize the Directors to fix the remuneration of the Auditors; and
5. To approve Directors' Fees.

Dated this 4<sup>th</sup> Day of May, 2017

**BY ORDER OF THE BOARD**

Yours faithfully,

OMEGA EQUITY FUND LIMITED



**Baaba Otua Adu Safo**  
Board Secretary

# CHAIRMAN'S STATEMENT

## Distinguished Shareholders,

Ladies and gentlemen on behalf of the Board of Directors and Management of Omega Equity Fund Limited, I warmly welcome you to the 3rd Annual General Meeting of your Fund and present to you the Annual Report and Financial Statements for the financial year ended 31st December, 2016.

The Fund remained resilient amid uncertain macro-economic environment as a result of the December 2016 electioneering process. I will update shareholders on the economy and the performance of the Omega Equity Fund in 2016.

## Economic Review

Ghana's economic health was broadly stable for 2016 compared to 2015. Overall real GDP grew at an estimated 3.6% against an envisioned growth of 4.1%. Accounting for this growth were a 5.9% growth in Services Sector, a 3.6% growth in Agriculture Sector and a negative 1.2% growth in the Industry Sector.

The ripple effects of Fiscal consolidation measures showed moderate movements in some economic indicators. Notable improvements in the economy compared to 2015 were marginal cedi depreciation and improved inflationary conditions. Headline inflation declined from 17.7% as at end of 2015 and settled at 15.4% as at end of December 2016. The decline was attributed to tighter monetary policy measures and a relatively stable exchange rate market. A major driver to the downward trend was non-food sector inflation. Non-food inflation declined to 18.2% as at December 2016 from 23.3% recorded in 2015.

The Ghana Cedi recorded a cumulative depreciation of 9.6% against its major trading currency the US Dollar (2015- 15.7%). It however gained 10% over the Pound sterling on the back of Brexit. Inflows from USD750 million Eurobond issue coupled with the USD1.8 billion syndicated pre-export finance facility and the USD94 million local dollar bond helped to sustain the Cedi's stability over the year.

Over the year under review, the central bank sought to tame inflation and its expectations by maintaining the policy rate at 26% until October 2016. The Bank reduced the policy rate by 50 basis points to 25.5% in November as risks to inflation and growth were assessed as balanced.

Government's willingness to extend the maturity profile of its debt reflected in instruments at the short end of the market attracting lower yields while long-term instruments attracted higher yields. The 91-day and 182-day bills closed the year at 16.8% and 18.5% respectively while 1-year and 2-year notes settled at 21.5% and 22.5% respectively.

The Ghana Stock Exchange Composite Index (GSE-CI) registered a capital loss of 15.33% compared to -11.77% recorded in 2015. Total Market capitalization stood at GH¢52,690.99 million at the end of December 2016, showing a year-on-year decline of 7.8%.

CHAIRPERSON'S STATEMENT *cont'd.***Fund Performance**

Omega Equity Fund's net assets grew by 6.24% as it closed the year with a value of GH¢ 1,253,988. The Fund however posted a capital loss of 8.54% for full year 2016 compared to its benchmark Ghana Stock Exchange-Composite Index (GSE-CI) performance of negative 15.33%. Omega Equity Fund's investments in other African Stock markets and its related currency risks contributed to the negative return for the year. Among the equities held in the portfolio, only Mega African Capital Ltd value remained unchanged. All six stocks recorded negative returns with National Insurance Company (NICO) posting the largest decline of 38% followed by Kenya Commercial Bank registering a 27% loss. Other decliners include Standard Chartered Bank (-25%), Societe Generale Ghana (-23%), Mechanical Lloyd (-21%) and Benso Oil Palm Plantation (-17%). Shareholders of the Fund increased from 615 in 2015 to 622 as at end of December 2016. Total funds withdrawn amounted to GH¢153,924 (2015-GH¢186,369) while new funds to the tune of GH¢342,158 was received for the year (2015-GH¢583,524).

**Looking Ahead**

Following a successful electioneering process we expect an improved performance in 2017. Our anticipation of better performance of the economy in 2017 is expected to reflect in the performance of companies and filter favorably into our fund.

Steep movements of rates on Government Treasury instruments towards the last quarter of 2016 is expected to be sustained in the 2017 financial year. Sustained correction in the yield curve is expected to position the Equity

markets to increased participation backed by the materialization of the new government's pro-business policies.

Concerns with regards to rising Non Performing Loan's in the Banking sector will continue to pose risks to the sector's optimal performance. On the Sub-Saharan Financial market, particularly the Kenyan market, our assessment of the interest rate capping law will dampen performance of Banks. We however foresee the financial markets leveraging on technology and efficiency to boost its bottom line.

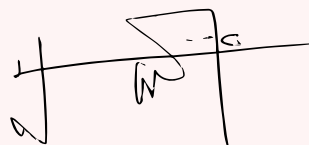
We remain optimistic about the opportunities in an improved economic condition and we will continue to execute sound investment strategies necessary to boost the returns of your Fund.

**Appreciation**

On behalf of the Board of Directors I would like to extend my gratitude to the Management and staff of Omega Capital for their contributions towards the Fund, while assuring shareholders of our renewed commitment to roll out sound investment strategies to meet their long-term objectives.

I am grateful to you shareholders for the confidence and support demonstrated so far. I encourage you to be consistent in your investments and take advantage of the low prices of shares and buy more to maximize your returns.

Thank you for your attention. God bless us all.



**Anthony Oteng-Gyasi**  
Chairperson

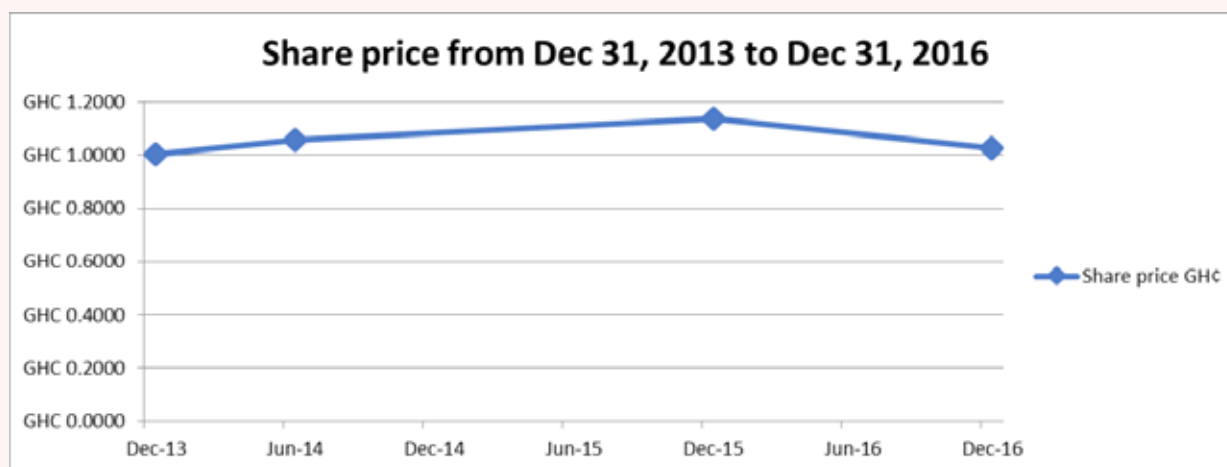
# FINANCIAL HIGHLIGHTS

## Performance Summary

Share price information

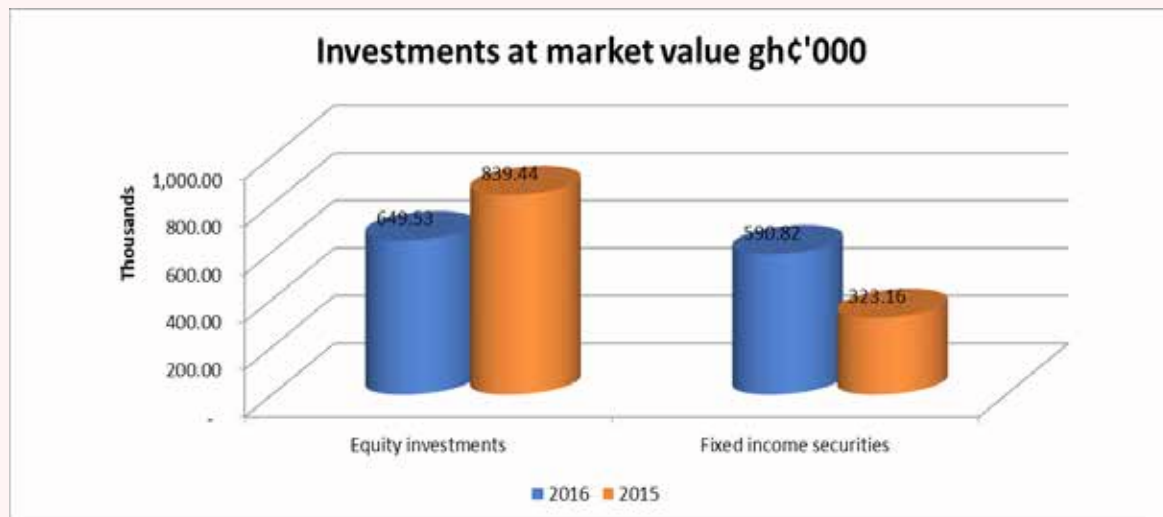
	31-Dec-2013	30-Jun-2014	31-Dec-2015	31-Dec-2016
Share price GH¢	GHC 1.0037	GHC 1.0555	GHC 1.1360	GHC 1.0275
Number of units	242,155.54	371,547.40	1,038,987.06	1,220,429.09
Net Asset Value NAV GH¢	243,042.29	392,158.54	1,180,292.83	1,253,989.85

Performance from 31 December 2013 to 31 December 2016





FINANCIAL HIGHLIGHTS *cont'd.*



**Top Five Equity Holdings**

	2016	2015
National Insurance Co. Malawi	13%	22%
Mega African Capital Ltd	16%	16%
Kenya Commercial Bank	9%	12%
Standard Chartered Bank	6%	8%
Mechanical Lloyd	3%	4%
<b>Total</b>	<b>47%</b>	<b>62%</b>

# PORTFOLIO MANAGER'S REPORT

Dear Valued Shareholders, I am privileged to present to you a report on Omega Equity Fund for the year ended 31<sup>st</sup> December 2016. This report will cover an overview of the economic environment, performance of your fund and our expectations for 2017.

## Overview of the Macroeconomic Environment

Economic activities and its related indicators were broadly modest in 2016. The year-on-year inflation rate as measured by the Consumer Price Index (CPI) stood at 15.4% as at end of December 2016. This represents a downward trend from a first quarter rate of 19.2%, declining further to 18.4% and 17.2% at the end of second and third quarters respectively. The trend in headline inflation rate was largely attributable to the tight monetary policy stance, a stable exchange rate and conservative inflationary expectations. The Non-food group averaged 18.2% inflation rate in December compared to 18.7% recorded in November. Trends in the Producer Price Inflation also saw a downward trend as it settled at 4.9% as at December 2016 from a high of 11% recorded same period 2015.

Early periods of 2016 witnessed a stable exchange rate environment before a relatively faster decline was seen in the run-up to the 2016 elections. As at the end of 2016, the Ghana Cedi recorded a cumulative depreciation of 9.6% against the United States Dollar compared to 15.7% depreciation registered same period 2015. On the other trading currencies, the Cedi declined by 5.2% against the Euro compared to 6.1% decline in 2015, but however appreciated by 10% against the British Pound as at close of 2016 (-11.5%~ 2015).

As at the end of 2016 Ghana's Fiscal deficit stood at 8.7% of GDP on cash basis off the target of 5.3% of GDP. Even though Government remained fiscally disciplined on the expenditure side it however fell short on its revenue collection hence accounting for the heightened budget deficit. Ghana's public debt also rose to 73% of GDP, compared to a 2015 debt stance of 71.6% of GDP. On the brighter side however, provisional balance of payments in 2016 recorded a surplus, mainly attributed to a narrowing current account deficit as a result of an improved trade balance.

Contractionary monetary policy stance inevitably impacted on private sector lending accompanied by high default risks in the private sector. Average lending rate closed the year at 32% from an average of 27.5% registered same period in 2015.

Government's quest to correct the yield curve began to manifest in the last quarter of 2016 as Treasury bill rates steeply declined. The 91 and 182 day rates dropped to 16.43% and 17.4% respectively as at December 2016 from December 2015 rates of 23.1% (91-day) and 24.4%(182-day). The 1-year and 2-year treasury notes also declined by averaging 22.5% and 23.1% respectively for the year. The Monetary Policy Committee however maintained the Policy Rate at 25.5% as at December 2016. The Ghana Stock Exchange Composite Index registered a year-to-date return of -15.33%.

## PORTFOLIO MANAGER'S REPORT *cont'd.*

### Investment Objective

The Omega Equity Fund is a long-term open-ended fund that seeks to deliver superior returns in the long-term by investing in a diversified portfolio of equities as well as fixed income securities to meet the liquidity needs of the Fund.

### Financial Market Review

The Ghana Stock Exchange logged a negative return in 2016 just as it did in the previous year 2015. The Stock market recorded a return of -15.33% in 2016 which is lower than its performance of -11.77% in 2015.

In the period under review, the dull performance of the exchange was attributed to poor economic fundamentals driven largely by unstable currency, high inflation, and interest rates as well as power outages which hit hard on the manufacturing firms.

Despite the overall economic loss, a few listed companies ended the year with positive performances. Fan Milk Limited closed the year with a share price of GH¢ 11.14 which is a significant gain of 51.56%. Unilever Ghana Limited also closed the year at GH¢ 8.51 recording a marginal gain of 0.12%.

During the year under review, Agricultural Development Bank (ADB) and Access Bank Ghana (ABG) got listed on the bourse. ADB started trading on the Ghana Stock Exchange (on 12th December 2016) with an opening price of GH¢ 2.65 and closed the year with a price of GH¢3.83. Access Bank commenced with a price of GH¢4 (on 21st December, 2016) and ended the year with a closing price of GH¢ 4.1.

On the other hand, many listed stocks dropped in value. Out of these stocks that declined in 2016, UT Bank Ghana Limited (UTB), Ecobank Transnational Incorporated (ETI) and Total Petroleum Ghana Limited (TOTAL) were the worst performers. At the end of 2016, the price of UT Bank's stock declined by 70%. Similarly, the stock prices of ETI and TOTAL decreased by 62.96% and 61.18% respectively.

### Portfolio Review

#### *Fund Performance*

The Equity Fund as at end of year 2016 recorded a negative return of 8.54% relative to the Fund's benchmark (GSE Composite Index) which lapsed to close the year with a negative return of 15.33%. Nonetheless, the Fund's net assets grew by 6.24%.

Omega Equity Fund's investments in other African Stock markets and its related currency risks contributed to the negative return for the year. Stocks in the Equity Fund portfolio did not record any year-on-year gains. Mega African Capital Ltd value however remained unchanged for 2016. All six remaining stocks registered negative returns with National Insurance Company (NICO) posting the largest decline of 38% followed by Kenya Commercial Bank registering a 27% loss. Other decliners include Standard Chartered Bank (-25%), Societe Generale Ghana (-23%), Mechanical Lloyd (-21%) and Benso Oil Palm Plantation (-17%).

#### *Fund Growth*

Total Funds under management increased from GH¢1,180,292 in 2014 to GH¢1,253,988 as at the end of the full year 2016. Inflows for the year under review stood at GH¢342,158 while total redemptions for the same year stood at GH¢153,924.

## PORTFOLIO MANAGER'S REPORT *cont'd.*

### Fund Shareholding

Number of shareholders in the Fund increased from 615 in December 2015 to 622 as at the end of December 2016 which is expressive of an increase of 1.13%.

### Fund Asset Mix

As at the end of the full year 2016, the portfolio structure of the Omega Equity Fund was as follows; 51% in Equities, 49% in Fixed Deposits and Treasuries and 3% in Cash.

### Outlook and Strategy

Ghana is expected to steady its economy after its recent crisis period, with an expected revival in GDP growth, declining inflation, a more stable currency and increasing foreign exchange reserves.

The Fiscal outturns of 2016 present a challenging inflation outlook. Pass through effects of the recent exchange rate volatilities, food inflation and uncertain power supply continues to linger on inflation and its expectations. In the outlook, renewed confidence in the economy and improved balance of payments are expected to support stability in the foreign exchange market. An expected return to the path of fiscal consolidation, complemented by gradual increase in commodity prices of key exports, increased oil production from the Tweneboa, Enyenra, Ntomme (TEN) oil fields and the onset of oil exploration on the Sankofa Gye Nyame fields are expected to kick start the economy in 2017.

Most stocks on the GSE are currently trading below their intrinsic values, with an expected improved economy, we expect a general bounce back of market activities resulting in a better return compared to previous years.

We can conclude that the stock market is high yielding than shorter term instruments when investing funds in the long term.

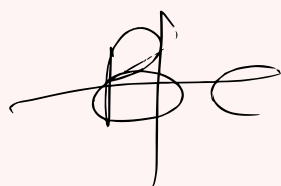
We will invest more in the banking stocks as we are optimistic to grow returns on the Fund whiles keeping an eye on rising non-performing loans in the industry.

### Deposit Mobilization Strategy

Management of the Fund will continue with its investor education drive, through presentations to students in tertiary institutions and workers in various companies. We will aggressively market mobile money and direct debit as other means of contributing to the Fund and encourage investors to make occasional lump-sum investments to enable the Fund enjoy regular flow of deposit for investments.

### Conclusion

I would like to express my profound gratitude to you our cherished shareholders for your confidence in the Omega Equity Fund and also encourage you to remain steadfast to your investment objective of building long-term funds through consistent payments and lump-sum deposits. God bless us all.



**Baaba Otua Adu Safo**  
*Your Portfolio Manager*

# REPORT OF DIRECTORS

TO THE MEMBERS OF OMEGA EQUITY FUND LIMITED  
FOR THE YEAR ENDED 31 DECEMBER, 2015

The Directors are pleased in submitting the financial statements of Omega Equity Fund Limited for the year ended 31 December, 2016

## Statement of Directors' responsibilities

The Directors are responsible for the preparation of the financial statements, which give a true and fair view of the state of affairs of the Fund and of the statement of operations for that year. In preparing these financial statements, the Directors have put suitable accounting policies in place and generally applied them consistently, made judgments and estimates that are reasonable and prudent and followed International Financial Reporting Standards (IFRS).

## Nature of business

The nature of business 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 acquired with such monies.

The Fund is a long term open ended fund primarily involved in investing in a diversified portfolio of equity and some fixed income securities to meet the liquidity needs of the Fund and to achieve superior returns.

## Financial results

The results for the year ended 31 December, 2016 are set out below:

	31 Dec. 2016	31 Dec. 2015
Investment income	135,350	76,822
Management and operational expenses	(54,534)	(50,115)
<b>Transfer to accumulated net investment income</b>	80,996	26,707
Changes in unrealized gain/loss	(195,532)	(127,604)
Net increase in assets from operations	(114,536)	(100,897)
Increase in net assets for the year	73,698	296,257
Net assets at beginning	1,180,292	884,034
Net assets at close	1,253,990	1,180,034

The financial statements of the Fund were approved by the Board of Directors on.....  
and signed on their behalf by:

Name of Director: **Kobina Asmah**

Signature: 

Date: **11-05-2017**

Name of Director: **Nana K. Nketia**

Signature: 

Date: **11-05-2017**

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

## Directors' responsibilities in respect of the financial statements

The Directors are required to ensure that adequate accounting records are maintained so as to disclose at reasonable adequacy, the financial position of the Fund. They are also responsible for steps to safeguard the assets of the Fund and to prevent and detect fraud and other irregularities. They must present financial statements for each financial year, which give a true and fair view of the affairs of the Fund, and the results for that period. In preparing these financial statements, they are required to:

- select suitable accounting policies and apply them on a consistent basis using reasonable and prudent judgment.
- state whether or not the Companies Act 1963 (Act 179), the Securities Industry Law, 1993, (PNDCL 333), and the Unit Trusts and Mutual Fund Regulations, 2001, (L.I. 1695) and International Financial Reporting Standards ("IFRS") have been adhered to and explain material departures thereto.
- use the going concern basis unless it is inappropriate.

The Board acknowledges its responsibility for ensuring the preparation of the annual financial statements in accordance with IFRS and the responsibility of external auditors to report on these financial statements. The Board is responsible for ensuring the maintenance of adequate accounting records and an effective system of internal controls and risk management.

Name of Director: **Kobina Asmah**

Signature: 

Date: **11-05-2017**

Nothing has come to the Board's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business.

The financial statements are prepared from the accounting records on the basis of consistent use of appropriate records supported by reasonable and prudent judgments and estimates that fairly present the state of affairs of the Fund. The financial statements have been prepared on a going concern basis and there is no reason to believe that the Fund will not continue as a going concern in the next financial year. The Directors confirm that in preparing the financial statements, they have:

- selected suitable accounting policies and applied them consistently.
- made judgments and estimates that are reasonable and prudent
- followed the International Financial Reporting Standards
- prepared the financial statements on the going concern basis

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Fund and to enable them ensure that the financial statements comply with the Companies Act 1963 (Act 179). They are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Name of Director: **Nana K. Nketia**

Signature: 

Date: **11-05-2017**

# INDEPENDENT AUDITOR'S REPORT

to the members of Omega Equity Fund Limited

## Report on the audited financial statements

### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December, 2016, and of its financial performance and statement of changes in equity for the year then ended and are drawn up in accordance with the International Financial Reporting Standards, issued by the International Accounting Standards Board (IASB).

In our opinion, Omega Equity Fund Limited has kept proper accounting records and the financial statements are in agreement with the records in all material respects and report in the prescribed manner, information required by the Companies Act, 1963 (Act 179), the Securities Industry Law, 1993, (PNDCL 333), and the Unit Trusts and Mutual Fund Regulations, 2001, (L.I. 1695).

### What we have audited

We have audited the accompanying financial statements of the Omega Equity Fund Limited for the year ended 31 December, 2016.

The financial statements comprise:

- statements of the assets and liabilities as at 31 December, 2016;
- statement of income and distribution for the year ended 31 December, 2016;
- statement of movement in net assets for the year ended 31 December, 2016;
- portfolio summary as at 31 December, 2016; and

- summary of significant accounting policies and other explanatory notes to the financial statements.

### Basis for our opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company within the meaning of International Ethics Standards Board for Accountants' (IESBA) Code of Ethics for Professional Accountants. We have fulfilled our other ethical responsibilities with the IESBA Code.

### Other information

The directors are responsible for the other information. The other information comprises the report of directors and any other information which are expected to be made available to us after that date but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information published with the financial statements to identify areas of material inconsistency between the unaudited information and the audited financial statements and obvious misstatements of fact to other information.

Inconsistency is when other information contradicts information contained in the audited financial statements. A material inconsistency may raise doubt about the audit conclusions drawn from audit evidence previously obtained and, possibly, about the basis for the auditor's opinion on the financial statements.

Misstatement of fact is when other information that is unrelated to matters appearing in the audited financial statements is incorrectly stated or presented. A material misstatement of fact may undermine the credibility of the document containing audited financial statements.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information like Managing Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Directors for the financial statements**

The directors are responsible for the preparation and fair presentation of these financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs), and in manner required by the Companies Act, 1963, (Act 179) and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

### **Going concern**

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. The Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not guaranteed that an audit conducted in



accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. We also:

- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatements resulting from the fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether

the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion are based on the audit evidence obtained up to the date of auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to provide those charged with governance with a statement that we have complied with relevant ethical requirements

regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on other legal and regulatory requirements**

The Companies Act, 1963 (Act 179) requires that in carrying out our audit work we consider and report on the following matters. We confirm that:

1. 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;
2. in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and
3. the statement of assets and liabilities and income and distribution of the Company are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is **Emmanuel K. D. Abbey (ICAG/P/1167)**.

Signed by: 

For and on behalf of:

**UHY Voscon (ICAG/F/2017/086)**

**Chartered Accountants**

**No. C806/4, Boundary Road, Tudu, Accra**

**P.O. Box LA 476,**

**La -Accra**

Date:

# FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31  
DECEMBER, 2016

# STATEMENT OF ASSETS AND LIABILITIES

All amounts are expressed in Ghana cedi unless otherwise stated)

Assets	Note	as at 31 December	
		2016	2015
Financial assets at fair value through profit or loss	8	649,529	839,435
<b>Short term funds</b>			
Fixed deposits	9a	344,705	219,958
Corporate bond and notes	9b	246,112	103,199
Cash and cash equivalents	10b	33,541	30,400
<b>Total short term funds</b>		<u>624,358</u>	<u>353,557</u>
<b>Current liabilities</b>			
Accounts payable and accruals	11	<u>(19,899)</u>	<u>(12,700)</u>
<b>Total net assets attributable to shareholders</b>		<u>1,253,988</u>	<u>1,180,292</u>

These financial statements were approved by the Board of Directors on 11th May, 2017 and signed on its behalf by:

Name of Director: **Kobina Asmah**

Signature: 

Name of Director: **Nana K. Nketia**

Signature: 

Notes 1 to 19 form an integral part of these financial statements.

# STATEMENT OF INCOME AND DISTRIBUTION ACCOUNTS

(All amounts are expressed in Ghana cedi unless otherwise stated)

		for the year ended 31 December	
	Note	2016	2015
<b>Investment income</b>			
Interest income	12a	122,485	73,240
Dividend income	12b	12,865	4,886
<b>Total income</b>		<u>135,350</u>	<u>76,822</u>
<b>Operating expenses</b>			
Other operating expenses	13	(29,899)	(27,808)
Fund management fees	14	(24,455)	(22,307)
<b>Total operating expense</b>		<u>(54,354)</u>	<u>(50,115)</u>
<b>Net investment income</b>		80,996	26,707
Unrealised gain/(loss) on investment	15	(195,532)	(113,152)
Unrealised foreign exchange loss		-	(14,452)
<b>Net earnings attributable to shareholders</b>		<u>(114,536)</u>	<u>(100,898)</u>

Notes 1 to 19 form an integral part of these financial statements.

# STATEMENT OF CHANGES IN MOVEMENT IN NET ASSETS

(All amounts are expressed in Ghana cedi unless otherwise stated)

	as at 31 December	
	2016	2015
<b>Increase in net assets</b>		
<b>Net investment income</b>	80,996	26,707
Unrealised gain	(195,532)	(127,604)
<b>Net increase in net assets from operations</b>	(114,536)	(100,897)
<b>Capital transactions</b>		
Proceeds from shares issued	342,158	583,524
Shares redeemed	(153,924)	(186,369)
<b>Net proceeds from capital transactions</b>	188,234	397,155
Total increase in net assets for the year	73,698	296,258
Net assets at the beginning of year	1,180,292	884,034
<b>Net assets at close of year</b>	<u>1,253,990</u>	<u>1,180,292</u>

Notes 1 to 19 form an integral part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

(All amounts are expressed in Ghana cedi unless otherwise stated)

	Capital transaction	Retained earnings	Total
<b>For the year ended 31 December, 2016</b>			
Balance as at 1 January	1,185,121	(4,828)	1,180,293
Earnings for the year	-	(114,536)	(114,536)
Shares issued	342,158	-	342,158
Shares redeemed	(153,924)	-	(153,924)
Balance as at 31 December,	<b>1,373,355</b>	<b>(119,365)</b>	<b>1,253,990</b>
<b>For the year ended 31 December, 2015</b>			
Balance as at 1 January	787,966	96,068	884,034
Earnings for the year	-	(100,897)	(100,897)
Shares issued	583,524	-	583,524
Shares redeemed	(186,369)	-	(186,369)
Balance as at 31 December,	<b>1,185,121</b>	<b>(4,829)</b>	<b>1,180,292</b>

Notes 1 to 19 form an integral part of these financial statements

## STATEMENT OF MOVEMENT IN ISSUED SHARES

(All amounts are expressed in Ghana cedi unless otherwise stated)

	2016 Number of Shares	2015 Number of Shares
Balance as at 1 January, 2016	1,038,987	733,337
Shares issued during the year	326,680	461,721
Shares redeemed during the year	(146,167)	(155,518)
Balance at 31 December, 2016	<b>1,219,500</b>	<b>1,039,540</b>
Net assets value per share (NAVPS)	1.03	1.14

Notes 1 to 19 form an integral part of these financial statements.



# STATEMENT OF NET ASSETS

(All amounts are expressed in Ghana cedi unless otherwise stated)

	Cost of equities	Market Value
<b>Equity securities</b>		
<b>Financial sector (local and listed)</b>		
Mega African Capital Limited	108,077	198,000
Societe Generale Limited	104,102	71,862
Standard Chartered Bank (GH Limited)	47,843	36,999
	<u>260,022</u>	<u>306,861</u>
<b>Manufacturing sector</b>		
Benso Oil Palm Plantation Limited	28,358	22,027
<b>Automobile and trading</b>		
Mechanical Lloyd Limited	85,674	41,085
<b>Foreign financial sector-listed</b>		
National Insurance Company Limited -Malawi	320,157	167,618
Kenya Commercial Bank Limited	199,171	111,938
	<u>519,328</u>	<u>279,556</u>
<b>Total equity</b>	<b>893,382</b>	<b>649,529</b>
<b>Money market (fixed income securities)</b>		
Fixed deposits		344,705
Corporate bond		246,112
		<u>590,817</u>
<b>Others</b>		
Cash and bank balance		33,541
<b>Total portfolio</b>		1,273,887
Accounts payable		<u>(19,899)</u>
<b>Net assets</b>		<u>1,253,988</u>

Notes 1 to 19 form an integral part of these financial statements.

# PORTFOLIO SUMMARY

(All amounts are expressed in Ghana cedi unless otherwise stated)

	Cost of equities	Market Value	Percentage of Net assets
<b>Equity securities</b>			
<b>Financial sector (local and listed)</b>			
Mega African Capital Limited	108,077	198,000	15.54
Standard Chartered Bank (GH Limited)	104,102	71,862	5.64
Societe Generale Limited	47,843	36,999	2.90
<b>Manufacturing sector</b>			
Benso Oil Palm Plantation Limited	28,358	22,027	1.73
<b>Automobile and trading</b>			
Mechanical Lloyd Limited	85,674	41,085	3.23
<b>Foreign financial sector-listed</b>			
National Insurance Company Limited -Malawi	320,157	167,618	13.16
Kenya Commercial Bank Limited	199,171	111,938	8.79
<b>Total equities</b>	<b>893,382</b>	<b>649,529</b>	<b>50.99</b>
<b>Money market (fixed income securities)</b>			
Fixed deposits		344,705	27.06
Corporate bond		246,112	19.32
		<b>590,817</b>	<b>46.38</b>
<b>Others</b>			
Cash and bank balance		33,541	2.63
<b>Total portfolio</b>		<b>1,274,089</b>	<b>100</b>

Notes 1 to 19 form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. REPORTING ENTITY

Omega Equity Fund Limited is an open-ended, regulated investment fund domiciled in Ghana and managed by Omega Capital Limited the investment advisor licensed by Securities and Exchange Commission. The Fund was incorporated under the Companies Act, 1963 (Act 179) on 26 March, 2013 and was issued with a certificate to commence business on 26 March, 2013.

The Fund commenced operations on 30 October, 2013.

- The nature of the business which the Company is authorized to carry on is to "invest the funds of its members for their mutual benefit and to hold and arrange for the management of securities and other financial assets acquired with such funds".

### Investment objective and policy

Omega Equity Fund is a long-term open-ended Fund that seeks to deliver superior returns in the long-term. The Fund is authorised to invest in a diversified portfolio of equities and fixed income securities to achieve its investment objective.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

The financial statements of Omega Equity Fund as at and for the year ended 31 December, 2016 have been prepared in accordance with International Financial Reporting Standards issued by International Accounting Standards Board (IASB).

### 2.2. Basis of measurement

The financial statements have been prepared under the historical cost convention except Fixed

Deposit and Treasury bills that were measured at amortised cost.

### 2.3 Foreign currency translation

#### a. Transactions and Foreign currency transactions

Transactions and Foreign currency transactions are translated into the functional currency using the exchange balances rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing as at the statement of assets and liabilities date. Non-monetary items that are measured in terms of historical in a foreign currency are translated using rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a currency are translated using the exchange rates at the date when the fair value was determined. Foreign currency transaction gains and losses on financial instruments classified as at fair value through profit or loss are included in profit or loss in the statement of comprehensive income as part of the net gain or loss of assets and liabilities at fair value through profit or loss.

#### b. Functional and presentation currency

These financial statements are presented in Ghana Cedis (the primary economic environment in which the company operates) which is the company's functional currency. All amounts have been rounded to the nearest Cedi, unless otherwise stated.

## NOTES TO THE FINANCIAL STATEMENTS *cont'd.*

### 2.4 Use of estimates

In preparing these financial statements in conformity with IFRS, management makes judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under circumstances the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting policies and estimates are recognized retrospectively and prospectively respectively.

### 2.5 Investment income

Investment Income is recognised on accrual basis. Investment income comprises interest on Government of Ghana treasury bills and notes and fixed deposit.

The recognition of interest ceases when there is objective evidence that the payment of interest or principal is in doubt Interest is recognised only when it is received. Commissions and fees on call accounts are credited to income when earned.

### 2.6 Cash and cash equivalents

Cash and cash equivalents comprise local cedi accounts (Collection and Call accounts) and highly liquid financial assets that are subject to an insignificant risk of changes in their fair

value and are used by the Fund for investment purposes and short term commitments other than cash collateral provided in respect of derivatives, securities sold.

### 2.7 Fixed deposits

Fixed deposits are stated in the Statement of Assets and liabilities at the principal amount and interest less impairment. Impairment review is conducted when there is an objective evidence of impairment which includes financial distress, bankruptcy, liquidation of the borrower during the period under review there were none of these indicators.

### 2.8 Fair value estimation

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices. For all other financial instruments, the fund determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- **Level 1:** Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived

## NOTES TO THE FINANCIAL STATEMENTS *cont'd.*

from prices) This category includes instruments valued using: quoted market prices in active markets of similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- **Level 3:** Inputs that are unobservable. This category includes all instruments for which the valuation techniques include inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques includes risk-free and bench market interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

### 2.9 Valuation of net asset value

The manager of the fund determines the net asset value of the fund.

The Net Asset Value (NAV) per share is computed by dividing the value of the Fund's assets (the value of its assets less than its liabilities) by the total number of shares outstanding at such time.

The fair value of financial assets traded in active markets (such as publicly traded derivatives and equity securities publicly traded on a stock exchange) are based on quoted market prices at the close of trading on the reporting date

As per IFRS 13, fair values for unlisted equity securities are determined by the Fund's management using valuation techniques Unlisted equity securities are valued using the Net Asset Value Per Share (NAVPS) based on the last available financial statements subject to an adjustment upwards or downwards of up to 10% to take into account post-statement of financial position market conditions.

Any upward or downward adjustment of more than 10% to take into account post-statement of financial position conditions is made only in consultation with the board of directors

The Fund's direct investments (if any) is valued at cost plus or minus any change in value as determined by a range of valuation techniques including, but not limited to discounted cash flow analysis and comparable market multiple analysis. The Manager consult the Custodian on a quarterly basis to review the valuation of all direct investments made on behalf of the Fund.

## NOTES TO THE FINANCIAL STATEMENTS *cont'd.*

The manager continually assess the methods of valuation and recommend changes where necessary to ensure that the Fund's investments are valued at their fair values as determined in good faith by the board of directors.

### **2.10 Financial assets and financial liabilities at Fair Value Through Profit or Loss (FVTPL)**

#### **2.10.1 Investment classification**

The Fund classifies its investments in equity securities, as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are classified as held for trading or designated by the Fund Manager at FVTPL at inception.

This category has two sub-categories: financial assets and financial liabilities held for trading; and those designated at fair value through profit or loss at inception.

##### **2.10.1.1 Financial assets and liabilities held for trading**

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for purpose of selling or repurchasing in the short term; or if, on initial recognition, it is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also categorized as held for trading. The Fund does not classify any derivatives as hedges in a hedging relationship.

##### **2.10.1.2 Financial assets and liabilities designated at fair value through profit or loss at inception**

Financial assets and liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed; their performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy.

Assets and liabilities in this category are classified as current assets and current liabilities if they are expected to be realized within 12 months of the balance sheet date. Those not expected to be realized within 12 months of the balance sheet date will be classified as non-current.

##### **2.10.2 Recognition, derecognition and measurement**

Regular purchases and sales of investments are recognized on the trade date – the date on which the Fund commits to purchase or sell the investment. Financial assets at FVTPL are initially recognized at fair value. Transaction costs are expensed as incurred in the income and distribution account.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognized when they are extinguished – that is, when the obligation specified in the contract is discharged or cancelled or expires.

Subsequent to the initial recognition, all financial assets at FVTPL are measured at fair value. Gains

NOTES TO THE FINANCIAL  
STATEMENTS *cont'd.*

and losses arising from changes in the fair value 'financial assets at fair value through profit or loss' category are presented in the statement of income and distribution.

Dividend income from financial assets at FVTPL is recognized in the income and distribution account within dividend income when the Fund's right to receive payments is established. Interest income on debt securities at FVTPL is recognized in the Income and Distribution account with interest income based on the effective interest rate.

### 2.11 Impairment

A financial asset not classified fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset or a group of financial assets is 'impaired' if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (s) that can be estimated reliably.

Objective evidence that financial assets are impaired includes significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of the amount due on terms that the Fund would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, or adverse changes in the payment status of the borrowers.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against

receivables. Interest on the impaired asset continues to be recognized. If an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through profit or loss.

### 3. OFFSETTING

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when and only the Fund has a legal right to offset the amounts and it intends wither to settle on a net basis or to realize the asset and settle the liability simultaneously.

### 4. New and amended standards and interpretations

#### IFRS 9 "Financial instruments"

IFRS 9 "Financial instruments" (effective for annual periods beginning on or after 1 January 2018). IFRS 9 "Financial instruments" issued on 24 July 2014 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting.

Classification and measurement - IFRS 9 introduces new approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements under IAS 39. The new model also results in a single impairment model being applied to all financial instruments.

## NOTES TO THE FINANCIAL STATEMENTS *cont'd.*

Impairment - IFRS 9 has introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a timelier basis.

Hedge accounting - IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities.

Own credit - IFRS 9 removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.

### **IFRS 14 "Regulatory Deferral Accounts"**

IFRS 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016). IFRS 14 "Regulatory Deferral Accounts" issued by IASB on 30 January 2014. This Standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.

### **IFRS 15 "Revenue from Contracts with Customers"**

IFRS 15 "Revenue from Contracts with Customers" and further amendments (effective for annual periods beginning on or after 1 January 2018). IFRS 15 "Revenue from Contracts with Customers" issued by IASB on 28 May 2014 (on 11 September 2015 IASB deferred effective date of IFRS 15 to 1 January 2018). IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures.

The standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. The core principle of the new Standard is for Companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the Company expects to be entitled in exchange for those goods or services.

The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple element arrangements.



## NOTES TO THE FINANCIAL STATEMENTS *cont'd.*

(All amounts are expressed in Ghana cedi unless otherwise stated)

### **IFRS 16, Leases**

The International Accounting Standard Board (IASB) issued IFRS 16 Leases in January 2016. IFRS 16 sets out the principles for the recognition, measurement presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor').

IFRS 16 is effective from 1 January, 2019. A company can choose to apply IFRS 16 before that date but only if it also applies IFRS 15. Revenue from contracts with customers, IFRS 16 complete the IASB's project to improve the financial reporting of lease; IFRS 16 replaces the previous lease standard, IAS 17 leases, and related interpretation.

The objective of IFRS 15 is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

The standard should be applied in an entity's IFRS financial statements for annual reporting periods beginning on or after 1 January, 2018. Earlier application is permitted. An entity that chooses to apply IFRS 15 earlier than 1 January, 2018 should disclose this fact in its relevant financial statements.

When first applying IFRS 15, entities should apply the standard in full for the current period, including retrospective application to all contracts that were not yet complete at the beginning of that period. In respect of prior periods, the transition guidance allows entities an option to either:

apply IFRS 15 in full to prior periods (with certain limited practical expedients being available); or retain prior period figures as reported under the previous standards, recognizing the cumulative effect of applying IFRS 15 as an adjustment to the opening balance of equity as at the date of initial application (beginning of current reporting period).

At the date of authorisation of these financial statements the following new standards and amendments to existing standards were in issue, but not yet effective:

### **5. TRANSACTIONS WITH RELATED PARTIES AND KEY CONTRACTORS**

#### **Fund Manager**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and or operational decisions.

Omega Capital limited, the investment advisor to the fund is responsible for making investment decisions of the Fund. Omega Capital Limited is entitled to receive a Fund management fee equal to 2% per annum of the daily net asset of the fund which shall be accrued on a daily basis. Omega Capital Limited received a fee of GH¢ 24,455 during the year. The balance due to the Manager as at 31 December, 2016 is GH¢ 2,431.

#### **Fund Custodians**

The Directors of the Fund appointed HFC Bank (Ghana) Limited and Standard Chartered Bank Ghana Limited registered by the Securities and

## NOTES TO THE FINANCIAL STATEMENTS *cont'd.*

(All amounts are expressed in Ghana cedi unless otherwise stated)

Exchange Commission (SEC) as Fund Custodians to provide services to the Fund. Per Section 5.5, clause b and c of the Fund's prospectus. HFC Bank (Ghana) Limited received a fee of GH¢1,953 and Standard Chartered Bank Ghana Limited also received GH¢7,558 during the year. The balance due the custodians at 31 December, 2016 is GH¢8,768.

### 6. TAXATION

Mutual funds are exempted from the payment of tax on income including capital gains as per the Units Trusts and Mutual Funds Regulations, 2001, L.I 1695.

### 7. DIVIDEND POLICY

#### a. Dividend and distribution

No distributions were made during the period under review. All net investment income and realised capital gains, if any will be reinvested. Any investor who wishes to cash out his or her investment redeems the shares at the prevailing net asset value per share of the fund.

#### b. Dividend income

Dividend income from financial assets is recognized in the statement of income and distribution when the Company's right to receive payments is established.

### 8. FINANCIAL ASSETS (MARKET VALUE)

	2016	2015
Benso Oil Palm Plantation Limited	22,027	26,475
Mechanical Lloyd Limited	41,085	52,041
Standard Chartered (Gh) Limited	71,862	96,170
Societe Generale Limited	36,999	40,480
Mega African Capital Limited	198,000	198,000
National Insurance Company Limited -Malawi	167,618	272,103
Kenya Commercial Bank Limited	111,938	191,273
	<b>649,529</b>	<b>839,435</b>

NOTES TO THE FINANCIAL  
STATEMENTS *cont'd.*

(All amounts are expressed in Ghana cedi unless otherwise stated)

**9. FIXED INCOME INVESTMENT**

	2016	2015
<b>a. Fixed deposits</b>		
Fixed deposits	319,291	192,011
Interest receivable	25,414	27,947
	<b>344,705</b>	<b>219,958</b>
<b>b. Corporate bonds and notes</b>		
Corporate bond -2 year note	100,000	100,000
Corporate bond -3 year note	100,000	-
Corporate bond-5 year note	40,000	-
Interest receivable	6,112	3,199
	<b>246,112</b>	<b>103,199</b>

**10. CASH AND CASH EQUIVALENTS**

	2016	2015
Balances with Zenith Bank Limited	17,013	11,736
Balances with HFC Bank Limited	16,480	15,464
Standard Chartered Bank Limited	48	3,200
	<b>33,541</b>	<b>30,400</b>

**11. OTHER ACCOUNTS PAYABLE**

	2016	2015
Management fees	2,431	2,337
Custody fees	8,768	4,163
Audit fees	5,700	4,700
Accounting services	3,000	1,500
	<b>19,899</b>	<b>12,700</b>

NOTES TO THE FINANCIAL  
STATEMENTS *cont'd.*

(All amounts are expressed in Ghana cedi unless otherwise stated)

	2016	2015
<b>12. INVESTMENT INCOME</b>		
<b>a. Interest income</b>		
Interest on bank accounts	1,326	1,130
Interest on fixed deposits	90,224	68,911
Interest on bond	30,935	3,199
	<b>122,485</b>	<b>73,240</b>
<b>b. Dividend</b>		
Societe Generale Limited	3,538	-
Standard Chartered Bank (Gh) Limited	2,008	1,514
Mega African Capital Limited	1,822	1,380
Mechanical Lloyd	5,040	-
Benso Oil Palm Plantation Limited	457	688
	<b>12,865</b>	<b>3,582</b>
<b>Total investment income</b>	<b>135,350</b>	<b>76,822</b>
<b>13. OTHER OPERATING EXPENSE</b>		
Printing and stationery	1,410	4,895
Bank charges	1,554	1,865
Board expense	3,700	-
Accounting services	6,000	6,000
Meeting and conference	2,024	-
Custodial fees	9,511	10,348
Auditors remuneration	5,700	4,700
	<b>29,899</b>	<b>27,808</b>

NOTES TO THE FINANCIAL  
STATEMENTS *cont'd.*

(All amounts are expressed in Ghana cedi unless otherwise stated)

**14. FUND MANAGEMENT FEES**

	2016	2015
Omega Capital Limited	24,455	22,307

**15. UNREALISED GAIN/(LOSS) ON INVESTMENT**

	2016	2015
Market value	649,530	839,435
Cost of investment	(845,062)	(952,588)
<b>Unrealised gain/(loss)</b>	<b>(195,532)</b>	<b>(113,153)</b>

**16. NET ASSET VALUE PER SHARE**

This represents total net assets of the fund per the total units of shares outstanding as at 31 December, 2016 (1,253,990/1,219,500) was GH¢1.03 (2015 –GH¢1.14)

**17. EVENTS AFTER THE STATEMENT OF ASSETS AND LIABILITIES DATE**

The Company adjusts the amounts recognized in its financial statements to reflect events that provide further evidence of conditions that existed at the statement of financial position date.

Where there are material events that are indicative of conditions that arose after the statement of financial position date the Company discloses by way of note, the nature of the event and estimate of its financial effect or a statement that such an estimate cannot be made.

**18. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

There were no contingent assets and liabilities or capital commitments as at 31 December, 2016.

NOTES TO THE FINANCIAL  
STATEMENTS *cont'd.*

(All amounts are expressed in Ghana cedi unless otherwise stated)

**19. EXCHANGE RATES**

Exchange rates used in the conversion of the investment from various countries to Ghana Cedis are as follows:

**31 December, 2016****Malawi**

Rates	Buying	Selling	Current Average	Price in Cedis
Dollar (Ghana)	4.1981	4.2023	4.2002	4.2002
Kwacha (Malawi)	715.7732	734.1878	724.9805	0.005794

**Kenya**

Rates	Buying	Selling	Current Average	Price in Cedis
Dollar	4.1981	4.2023	4.2002	4.2002
Kenyan shilling (Kenya)	102.3872	102.5844	102.4858	0.040983

**20. DIRECTORS' SHAREHOLDING**

Name	Number of shares	Percentage of holdings
Anthony Oteng Gyasi	132,472	10.85%
Kobina Asmah*	10,000	0.82%
Kwesi Amonoo-Neizer*	20,752	1.70%
Christine Dowuona- Hammond	3,934	0.32%
Emmanuel Dugbatey Kitcher*	5,000	0.41%
Nana Kumapremereh Nketiah	3,833	0.31%
	<b>175,991</b>	<b>14.41</b>

\*Emmanuel Dugbatey Kitcher jointly holds the shares with Alice Naomi Kitcher.

\*Kwesi Amonoo-Neizer jointly holds the shares with Rita Amonoo-Neizer.

\*Kobina Asmah jointly holds the shares with Stephanie Asmah.

NOTES TO THE FINANCIAL  
STATEMENTS *cont'd.*

(All amounts are expressed in Ghana cedi unless otherwise stated)

**21. SHAREHOLDERS' INFORMATION**

Shareholding distribution as at 31 December, 2016

Holding	Number of shareholders	Percentage of holders	Number of shares	Percentage of holding
1 -1,000	401	64%	134,466	11%
1,001-5,000	187	30%	397,741	33%
5,001-10,000	20	3%	143,272	11%
10,001-50,000	10	2%	190,964	16%
Over 50,000	4	1%	354,603	29%
	<b>622</b>	<b>100</b>	<b>1,221,046</b>	<b>100</b>

# REPORT OF THE CUSTODIAN



The Board of Trustees  
Omega Equity Fund Limited  
The Albert's 1<sup>st</sup> Floor  
No. 23 Sunyani Avenue  
Kanda Estates  
Accra.

## REPORT OF THE CUSTODIANS TO THE SHAREHOLDERS OF OMEGA EQUITY FUND LIMITED

HFC Bank Custody Services, the custodian of Omega Equity Fund Limited, confirms that all investment holdings for the Fund as at December 31, 2016, were in the custody of the Bank and summarised as follows:

HFC BANK CUSTODY SERVICES		
Portfolio Valuation Report as at 31/12/2016		
Reported in GHS		
	COST	MARKET VALUE
<b>EQUITIES</b>		
<b>BANKING</b>		
STANDARD CHARTERED BANK GHANA LIMITED	104,102.15	71,862.00
SOCIETE GENERALE GHANA LIMITED	47,842.68	36,999.12
	<b>151,944.83</b>	<b>108,861.12</b>
<b>CONSUMABLE</b>		
BENSO OIL PALM PLANTATION LIMITED	28,357.93	22,027.20
	<b>28,357.93</b>	<b>22,027.20</b>
<b>LISTED</b>		
MEGA AFRICAN CAPITAL FUND LIMITED	108,077.27	198,000.00
MECHANNICAL LLOYD COMPANY	85,674.12	41,085.00
	<b>193,751.39</b>	<b>239,085.00</b>
<b>TOTAL EQUITIES</b>	<b>374,054.15</b>	<b>369,973.32</b>
182 DAY UNIBANK FIXED DEPOSIT @ 26.59% DUE 08.03.2017	60,000.00	65,070.31
182 DAY ACCESS BANK FD @ 26.5% DUE 12.04.2017	46,000.00	48,705.18
	106,000.00	113,775.49
<b>NON-BANK FINANCE</b>		
182 DAY IZWE LOANS FD @ 26% DUE 24.02.2017	70,000.00	76,382.47
182 DAY IFS FINANCIAL SERVICES FD @29% DUE 13/03/2017	80,697.15	87,813.98
182 DAY IFS FD @ 28.5% DUE 10.02.2017	23,931.95	26,585.45
182 DAY IZWE LOANS FD @ 27.50% DUE 12/05/2017	38,662.19	40,147.77
	213,291.29	230,929.66
<b>TOTAL FIXED DEPOSITS</b>	<b>319,291.29</b>	<b>344,705.15</b>





3 YEAR EDENDALE FLOATING RATE BOND @ 26.30% DUE 20.11.2018	100,000.00	103,199.12
5YR EDENDALE PROP PLC US DOLLAR PREF SHS@ 10% DUE 03.08.2021	40,000.00	42,247.13
2 YEAR FXR EDENDALE NOTE @ 27% DUE 22.12.2018	100,000.00	100,665.75
	<b>240,000.00</b>	<b>246,112.00</b>
<b>TOTAL CORP DEBT</b>	<b>240,000.00</b>	<b>246,112.00</b>
002-0022500338017 HFCN/ OMEGA EQUITY FUND LTD -COLLECTIONS	964.81	964.81
002-0022500338028 HFCN/ OMEGA EQUITY FUND LTD - TXN ACCT	0.00	0.00
002-0022500338036 HFCN/ OMEGA EQUITY FUND LTD -CALL ACCT	15,514.71	15,514.71
	<b>16,479.52</b>	<b>16,479.52</b>
<b>TOTAL CASH AT BANK</b>	<b>16,479.52</b>	<b>16,479.52</b>
<b>TOTAL PORTFOLIO</b>	<b>949,824.96</b>	<b>977,269.99</b>
<b>SUMMARY REPORT</b>		
	<b>Book cost</b>	<b>Market Value</b>
CASH AT BANK	16,479.52	16,479.52
CORP DEBT	240,000.00	246,112.00
EQUITIES	374,054.15	369,973.32
FIXED DEPOSITS	319,291.29	344,705.15

Yours Faithfully,

Elias Augustine Dey

Head of Custody, HFC Bank Custody Services



May 30, 2017

The Manager  
Omega Equity Fund Limited  
P.O. BOX CT8818  
Accra.

Dear Sir,

**REPORT OF THE CUSTODIAN TO THE INVESTORS OF OMEGA EQUITY FUND LIMITED-DECEMBER, 2016**

Standard Chartered Bank Ghana Limited confirms the investment holding for Omega Equity Fund Limited as at December 31, 2016 for Kenya Commercial Bank Limited-Kenya and National Insurance Company Limited-Malawi as follows.

OFFSHORE KENYA			
GLOBAL EQUITIES			
SECURITY NAME	Nominal Value	Mkt Price	Valuation
KENYA COMERCIAL BANK LTD ORD SHS KES 1 EACH	95,000.00	KES 28.750000	113,873.19
<b>Classification Total</b>	<b>95,000.00</b>		<b>113,873.19</b>
Summary			
DESCRIPTION		Valuation	% OF TOTAL
GLOBAL		113,873.19	100.00
<b>TOTAL</b>		<b>113,873.19</b>	<b>100.00</b>
OFFSHORE MALAWI			
GLOBAL EQUITIES			
SECURITY NAME	Nominal Value	Mkt Price	Valuation
THE NATIONAL INSURANCE COMPANY LIMITED	1,701,709.00	MWK 19.500000	195,310.42
<b>Classification Total</b>	<b>1,701,709.00</b>		<b>4,346,053.33</b>
Summary			
DESCRIPTION		Market Value	PCT of Total
GLOBAL		195,310.42	100.00
<b>Grand Total</b>		<b>4,346,053.33</b>	<b>100.00</b>

Yours faithfully,

Beverly Frimpong  
Director and Head, Standard Chartered Securities Services  
Transaction Banking, Sales

Standard Chartered Bank Ghana Ltd.  
Head Office  
P.O. Box 768, Accra, Ghana  
www.standardchartered.com.gh

Tel (233-302) 664591-8, 769210-221  
Fax (233-302) 667751, 663560

Incorporated in England with limited liability by Royal Charter 1963  
The Principal Office of the Company is situated in England at 1 Abchurch Lane, London EC4N 3DF Reference Number 2016

# CORPORATE INFORMATION

FOR THE YEAR ENDED 31 DECEMBER, 2016

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## BOARD OF DIRECTORS

Anthony Oteng Gyasi-Chairman  
Christine Dowuona-Hammond  
Kwesi Amonoo-Neizer  
Nana Kumapremereh Nketiah  
Emmanuel Dugbatey Kitcher  
Kobina Asmah

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## COMPANY SECRETARY

Baaba Otua Adu Safo

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## PRINCIPAL PLACE OF BUSINESS

No. 23, 1<sup>st</sup> floor  
The Albert's  
Sunyani Avenue, Kanda Estates

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## REGISTERED OFFICE

No. 23, 1<sup>st</sup> floor  
The Albert's  
Sunyani Avenue, Kanda Estates  
P. O. Box CT 8818, Accra

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## AUDITORS

UHYVoscon Chartered Accountants  
No. C806/4, Boundary Road, Tudu, Accra  
Adjacent to City Paints Supply  
P. O. Box LA 476  
La, Accra.

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## SOLICITORS

Joseph Amoako Jnr.  
P. O. Box CT 1136  
Cantonments-Accra

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## BANKERS

Zenith Bank (GH) Limited  
Stanbic Bank Limited  
Standard Chartered Bank (Gh.) Limited

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## FUND MANAGER

Omega Capital Limited No. 23,  
Kanda Estates The Albert's  
1<sup>st</sup> floor Sunyani Avenue  
P. O. Box CT 8818  
Cantonments-Accra

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## CUSTODIANS

HFC Bank (Ghana) Limited  
35 6<sup>th</sup> Avenue, North Ridge, Accra

Standard Chartered Bank Ghana Limited  
Head Office, Accra

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# DIRECTORS' INFORMATION

## ▪ Board of Directors

The Directors of the Fund are:

<b>Name</b>	<b>ANTHONY OTENG-GYASI</b>
<b>Address</b>	P.O.Box SC 241, Tema
<b>Position</b>	Director
<b>Time with Fund</b>	3 years 2 months
<b>Other Affiliations</b>	Tropical Cables
<b>Occupation</b>	Managing Director

<b>Name</b>	<b>KWESI AMONOO-NEIZER</b>
<b>Address</b>	P.O.Box 1047 Kaneshie
<b>Position</b>	Director
<b>Time with Fund</b>	3 years 2 months
<b>Other Affiliations</b>	Chairman, Omega Capital Limited Director of Omega Income Fund Director of OAK Partners Limited Director of Mega African Limited Director of Metropolitan Insurance Director of Haradali Capital, Tanzania Director of Mechanical Llyod
<b>Occupation</b>	Investment Banker

<b>Name</b>	<b>CHRISTINE DOWUONA-HAMMOND</b>
<b>Address</b>	Faculty of Law, University of Ghana Legon
<b>Position</b>	Director
<b>Time with Fund</b>	3 years 2 months
<b>Other Affiliations</b>	Director of Omega Equity Fund
<b>Occupation</b>	Legal Practitioner

DIRECTORS' INFORMATION *cont'd.*

<b>Name</b>	<b>NANA KUMAPREMEREH NKETIAH</b>
<b>Address</b>	P.O.Box 1104 Tema
<b>Position</b>	Director
<b>Time with Fund</b>	3 years 2 months
<b>Other Affiliations</b>	Director, Omega Capital Limited Director, Omega Equity Fund Director, Kumapremereh Resources Limited Director, Acorn Properties Limited Director, Hagion Properties Limited Director, Via Dela Rosa Courts
<b>Occupation</b>	Investment Banker

<b>Name</b>	<b>EMMANUEL DUGBATEY KITCHER</b>
<b>Address</b>	P.O.Box CE 11553 Tema
<b>Position</b>	Director
<b>Time with Fund</b>	3 years 2 months
<b>Other Affiliations</b>	Director, Omega Equity Fund Limited Director, ZIGMA Investment Club Director, Nyanba Medical Centre
<b>Occupation</b>	Associate Director

<b>Name</b>	<b>KOBINA ASMAH</b>
<b>Address</b>	P.O.Box KN854, Kaneshie, Accra
<b>Position</b>	Director
<b>Time with Fund</b>	3 years 2 months
<b>Other Affiliations</b>	TYPE Company Ltd
<b>Occupation</b>	Managing Director

DIRECTORS' INFORMATION *cont'd.*

▪ **OFFICERS:**

THE OFFICERS OF THE FUND INCLUDE:

<b>Name</b>	<b>BAABA ADU SAFO</b>
<b>Length of time with Fund</b>	3 years, 2 months

Baaba is the fund manager responsible for the management of the Omega Equity fund. She has over 10 years' experience in Fund management and Investment Banking, having previously worked with Databank Asset Management Services Ltd as Head of Institutional funds with fund value in excess of \$70million under her management. She holds a First Degree in Business Administration (Finance Option) from the University of Ghana Business School and an MSc. Finance from the University of Durham, UK.

<b>Name</b>	<b>SOPHIA OBENG-ABOAGYE</b>
<b>Length of time with Fund</b>	3 years, 2 months

Sophia is the Executive Director, Marketing and Product Development at Omega Capital, and is responsible for growing the overall business of the company. Prior to this role she worked with Databank Brokerage Ltd. as Head of Origination and Placement, and also acted as Head of Fixed Income where she played a major role in building the Fixed Income arm of Databank. Sophia holds a Bachelor of Commerce degree from the University of Cape Coast and an MBA from the University of Southampton, UK. She has over 10 years' experience in Investment Banking.

<b>Name</b>	<b>OLGA YAYRA SASU</b>
<b>Length of time with the Fund</b>	3 years, 2 months

Olga is in charge of administration of the Omega Mutual Funds. She is a product of Central University College and holds a Bachelor of Science degree in Business Administration (HR Option). Prior to joining Omega Capital, she did her National Service with Databank Asset Management Services Ltd as Portfolio Support to the Head of Private Wealth Management Unit. She has over 4 years' experience in Fund Management and Investment Banking.

<b>Name</b>	<b>BERNARD BOAKYE-YIADOM</b>
<b>Length of time with the Fund</b>	1 year, 10 months

Bernard is responsible for the administration of Omega Equity Fund. He is a product of University of Ghana and holds a Bachelor of Arts degree in Economics. Bernard served as an Administrator at the Ghana Association of Science Teachers (GAST) for his National Service. He also worked as an Industry Intern with Barclays Bank Ghana - Kasoa Branch.

# PROXY FORM

Annual General Meeting to be held on June 21, 2017 at Ghana College of Physicians and Surgeons, Ridge Roundabout, Accra

I/We .....  
.. (Insert full name)

of .....  
... (Insert full address)

.....  
...

being a member (s) of Omega Equity Fund Limited, hereby appoint

.....  
.... or failing him the chairperson of the meeting, as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the company to be held on June 21 , 2017 and at any and every adjournment thereof.

RESOLUTIONS	For	Against
1. To receive the Report of Directors and Auditors;		
2. To receive and adopt the accounts;		
3. To re-elect the following Directors who are retiring by rotation;		
(1) Mr. Emmanuel Dugbatey Kitcher		
(2) Mr. Kobina Asmah		
4. To authorize the Directors to fix remuneration of Auditors and		
5. To approve Directors' fees.		
Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolution referred to above. Unless otherwise instructed the proxy will vote or abstain from voting at his discretion.		

Dated this ..... day of ..... 2017

.....  
Shareholder's Signature



**Omega Capital Limited**

No. 23, Kanda Estates, Sunyani Avenue

The Alberts, 1st Floor.

P. O. Box, CT 8818, Cantonments - Accra.

Tel: [+233] 030 220 1538 | Fax: [+233] 030 220 1539

Email: [info@omegacapital.com.gh](mailto:info@omegacapital.com.gh)