

PLUS
BALANCED
FUND®

2019
ANNUAL
REPORT

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Otu Kwesi Hughes
Bright Asare Bediako
Eugene Gilbert Amponsah
Nana Aba Seguah Derby
Derrick Darkwah
Patrick Nii Ayaa Mensah
Randolf Babamidele Kwame Rodrigues

THE MANAGER

Black Stars Advisors Limited
4th Floor, The Rhombus
Plot No. 24 Tumu Avenue, Kanda Estates
P.O. Box PMB 59, Accra Ghana

CUSTODIAN

Stanbic Bank (Ghana) Limited
Stanbic Height
Plot 215, South Liberation Road
Airport City, Accra

AUDITORS

John Kay & Co.
7th Floor, Trust Towers
Farrar Avenue, Adabraka
P.O. Box KA 16088, Airport, Accra

SECRETARY

Vantage Corporate Services
9 Abidjan Street
East Legon Accra

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the VIRTUAL Annual General Meeting of the Company will be held on Wednesday, 5th July, August at 11:00hrs

AGENDA

Ordinary Business

1. To receive and consider the Reports of the Directors, Auditors and the Audited Financial Statements for the year ended December 31, 2019.
2. To re-elect Directors.
3. To authorize the Directors to fix the remuneration of the Auditors for the year ending December 31, 2020.

BY ORDER OF THE BOARD

Sgd.



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VANTAGE CORPORATE SERVICES COMPANY SECRETARY

ACCRA: Dated this 10th day of July, 2020

Distribution

All Members, All Directors and the External Auditors

Note:

i. A member entitled to attend and vote at the AGM may appoint a proxy to attend (via online participation) and vote on his/her behalf. Such a proxy need not be a member of the Company. The appointment of a proxy will not prevent a member from subsequently attending and voting at the meeting (via online participation). Where a member attends the meeting in person (participates online), the proxy shall be deemed to be revoked.

ii. Completed proxy forms may be sent via email to info@blackstaradvisors.com or deposited at the registered office of the Fund, The Rhombus, Plot No. 24, Tumu Avenue, Kanda Estates, Accra to arrive not later than 48hours before the appointed time of the meeting (10.00 GMT on Monday, August 3, 2020). A Form of Proxy is annexed to this notice and will also be provided in the Annual Report to be circulated to all members.

TO ATTEND THE AGM VIA ZOOM



Kindly click on the link and register:
<http://bit.dhsdbKX.2019>

A confirmation email will be sent after Successful registration.

To participate in the AGM:

1. Attendees can raise a hand to ask a question or second a motion.

a. On PC:

- Click "Participants"
- Click "Raise Hand" at the bottom of the participants dialogue box

b. On mobile:

- Tap the three dots labelled "More" on the right end of the control bar
 - Tap "Raise Hand"
- You will be unmuted and allowed to speak after your hand has been raised.

2. Members can vote via the polls feature on zoom.

a. On PC and mobile

- When voting is due, the poll will appear on your screen.
- Click/Tap on your preferred option (Yes/No) to cast your vote.

Results will be shared immediately after voting ends

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

A warm welcome to everyone to the maiden Annual General Meeting of the Plus Balanced Fund. I will kindly take you through this report, starting with the performance of the Global Economy and Ghana's Economy, inform you on the Fund's performance, and then finish with our outlook for 2020.

Global Economic Performance

According to the International Monetary Fund WEO June 2020, the global economy grew at 2.9% in 2019, just short of the target of 3.0%, with an average annual growth rate of 3.4% in the past five years. Escalating trade tension between the United States and China, and geopolitical tensions weighed on global economic activity in 2019.

Growth in the advanced economies declined from 2.230% in 2018 to 1.70% in 2019. In the United States, real gross domestic product (GDP) declined from 2.90% in 2018 to 2.30% in 2019, reflecting a slowdown in business investment. This was mirrored in Germany, where the GDP growth rate slowed from 1.5% in 2018 to 0.6% in 2019. The United Kingdom, however, grew marginally from 1.3% in 2018 to 1.4% in 2019.

In emerging market and developing economies, growth was weaker than anticipated, following softened global activity on account of intensified US-China trade and technology tensions, as well as prolonged uncertainty surrounding the Brexit.

In sub-Saharan Africa (SSA), growth performance was mixed, with strong growth in some non-resource-intensive countries. The IMF WEO April 2020 showed that SSA grew at 3.10% in 2019 from 3.20% in 2018.

Ghana's Economic Performance

Economic growth in 2019 was robust, even though the revised target of 7.10% for economic growth was missed. Provisional GDP estimates from the Ghana Statistical Service (GSS) showed that the economy grew by 6.50% in 2019 in real terms compared to 6.30% in 2018. Non-Oil annual GDP however declined from 6.50% in 2018 to 5.80% in 2019. The GSS further stated that the slowdown in growth rate was attributed to contractions in the Forestry & Logging, Water & Sewerage and Construction sub-sectors. According to the GSS, the Services sector recorded the highest growth rate of 7.60%, followed by Industry of 6.40% then Agriculture of 4.60%.

Inflation remained within its target of $8\pm 2\%$ in 2019 and ended the year with a Consumer Price Index (CPI) inflation of 7.90%. This is 10bps lower than the targeted end-period inflation rate for 2019, mainly as a result of the slowdown in non-food inflation.

Outlook for 2020 and Closing Remarks

The Covid-19 pandemic has had severe impact on economic activity; as such, the IMF has projected a sharp decline of -4.90% in 2020 for the global economy, much worse than the global decline of -0.60% in 2009 during the financial crisis.

A decline of -8.00% in 2020 is projected for the advanced economies, and emerging markets and developing economies are projected to decline by -3.00% in 2020, as severe external demand shock and a plunge in commodity prices, negatively affect economic activity in commodity exporters.

The IMF WEO June 2020 further stated that the lower global oil prices will support a subdued outlook for oil-exporting countries this year, as such they have projected a decline of -3.20% for Sub-Saharan Africa in 2020.

Ghana's dependence on commodity exports leaves it vulnerable to external pressures, and the recent drop in commodity prices, such as oil and cocoa have significantly affected economic growth. According to the Ministry of Finance, the negative impact of the pandemic on exports, imports, taxes, and foreign exchange receipts, will in turn, affect the growth outlook for 2020, as such, the 2020 real GDP growth rate has been revised downwards from the projected 6.8% to 0.90%. The IMF has also revised downwards Ghana's 2020 growth from a projected 5.60% to 1.50% due to the weighing down of economic activities by the COVID-19.

Valued shareholders, be rest assured that despite low expectations in the economy due to the Covid-19 pandemic that affects us all, we will work hard to ensure a profitable performance of PIF.

I am grateful for your audience, and I wish us all good health in these trying times. Please adhere to all social distancing rules, wash your hands and wear your face masks.

Regards,

Otu Hughes

CHAIRMAN

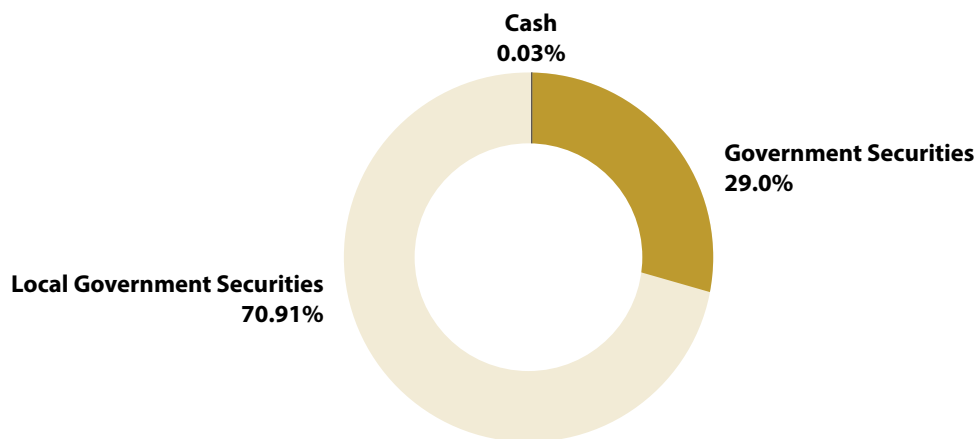
FUND MANAGER'S REPORT

The Plus Balanced Fund started with asset size of GHS 1million in October 2019 with two members. The size of the fund grew by 2.70% at the end of December 2019. At inception, yields on the secondary fixed income market had a potential to widen and thus, short term positions in Government and Local Government Securities were preferred. Bonds and notes constituted 29.06% of the Fund's assets. Money Market securities and Cash (and near cash securities) made up 70.91% and 0.03% of the total asset size. There were no equity holdings for the Fund at the end of the year.

Fund Performance

Period	Total Asset Value	Plus Balanced Annualized Yield	Average Trading Yield on 2-year GOG Note
October 2019	1,005,522.46	10.68%	19.25%
November 2019	1,016,993.56	11.01%	19.67%
December 2019	1,032,675.81	12.87%	20.39%

Asset Allocation



REPORT OF THE DIRECTORS

TO THE MEMBERS OF PLUS BALANCED FUND PLC

The Board of Directors presents the report and audited financial statements of Plus Balanced Fund Plc for the year ended 31 December 2019.

FINANCIAL STATEMENT AND DIVIDEND

The results for the year are set out in the attached financial statements. The Board of Directors consider the state of the company's affairs to be satisfactory.

NATURE OF BUSINESS

Plus Balance Fund Limited is a company registered and domiciled in Ghana. It is licensed by the Securities and Exchange Commission of Ghana to operate as an authorized mutual fund. Plus Balance Fund Limited ("The Fund") is an open-end mutual fund which shall invest primarily in equity securities listed on the Ghana Stock Exchange (GSE) and fixed income securities. The Fund is a fund that seeks to achieve current income, liquidity and capital preservation for its shareholders.

DIVIDEND DISTRIBUTION POLICY

The fund does not distribute dividend. All income earned are reinvested. Shareholders should be aware that the mutual fund aims to achieve capital growth and as such income is reinvested to take advantage of the effects of compounding.

INTEREST REGISTER

During the year under review, no interest was registered.

AUDITORS REMUNERATION

In accordance with Section 140 of the Companies Act, 2019 (Act 992), Messrs JOHN KAY & Co have agreed to continue in office as auditors of the Company. The auditors of the company agreed with the directors to charge a fee exclusive of VAT, NHIL and GET Fund. Refer to page note 14 of this financial statement for the amount payable.

CORPORATE SOCIAL RESPONSIBILITY

The company did not contribute to corporate social responsibility during the year under review.

i. Investment distribution:

Total investment as at 31 December is made up as follows

	2019
	GH¢
Government Notes and Bonds	300,465
182 Day Cocoa bill	732,573
Cash	279
Total Investments	1,033,317

	2019
	(%)
Government Notes and Bonds	29
182 Day Cocoa bill	71
Cash	-
Total	100%

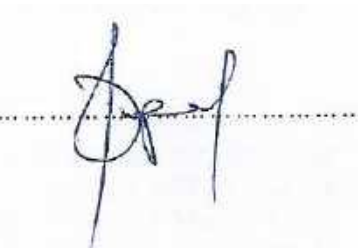
Approval of financial statements

The financial statements of the company as indicated above were approved by the board of directors on
..... 4th June 2020 and are signed on its behalf by:

Name: **Derrick Darkwah**

Signature: 

Name: **Eugene Gilbert Amponsah**

Signature: 



John Kay & Co.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLUS BALANCED FUND PLC

Opinion

We have audited the accompanying financial statements of Plus Balanced Fund Plc, which comprise the statement of financial position at 31 December 2019, the statement of profit or loss for the year ended, statement of movement in net assets for the year ended, statement of cash flows for the year ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 13-30.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Plus Balanced Fund Plc as at 31 December 2019 and the Company's financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS)

Basis for 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 are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants (IESBA) and have fulfilled our other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act 2019, (Act 992) of Ghana, Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

In preparing the financial statements, the Board of Directors is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to 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 a guarantee 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.



John Kay & Co.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLUS BALANCED FUND PLC (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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

- Identify and assess the risks of material misstatement 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 misstatement resulting from 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company's 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 conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

Key Audit Matters

In accordance with ISAs, this part of our report is intended to describe the matters communicated with those charged with governance that we have determined, in our professional judgement, were most significant in the audit of the financial statements. We have determined that, there are no matters to report under key audit matters.



John Kay & Co.

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PLUS BALANCED FUND PLC (CONT'D)**

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992) of Ghana.

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, proper books of accounts have been kept by the Company so far as it appears from our examination of those books.

The engagement partner on the audit resulting in this Independent Auditor's Report is **John Armstrong Yao Klinogo (ICAG/P/1116)**

John Kay & Co.

For and on behalf of John Kay & Co. (ICAG/F/2020/128)

Chartered Accountants

Accra.

..... 30/01/2020

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL ASSETS DESIGNATED THROUGH PROFIT OR LOSS AS AT 31 DECEMBER 2019

FIXED INTEREST SECURITIES

	2019 GH¢	2019 (%)
Debt securities		
2 Year Fixed Rate Sec Note	300,465	29
182 Day Cocoa Bill	732,573	71
Total Investments	1,033,038	100%

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

Assets	Note (s)	2019 GH¢
Cash and cash equivalent	9	279
Non pledge financial assets at Fair value through profit or loss	12	1,033,038
Total Assets		1,033,317
Represented By:		
Members' fund	13	1,024,311
Liabilities		
Account payables	14	9,006
Total Members' Fund and Liabilities		1,033,317

FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2019

	Note (s)	2019 GH¢
Revenue		
Interest Income	8	33,434
Total Revenue		<u>33,434</u>
Expenses		
(General Expenses)	15	9,123
Total operating expenses		<u>9,123</u>
Operating profit before tax		24,311
Increase in net assets available for benefits		<u><u>24,311</u></u>

ACCUMULATED NET INVESTMENT INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 GH¢
Balanced as at 1 January	-
Transfer from Income and Distribution Statement	24,311
	<u><u>24,311</u></u>

FINANCIAL STATEMENTS

STATEMENT OF MOVEMENTS IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 GH¢
Changes in net assets from operations	
Change in:	
Net Investment Income	24,311
Net change in net assets from operations	<u>24,311</u>
Change in net assets from capital transactions	
Proceeds from Issue of Shares	1,000,000
Share Redemption	-
Net change in net assets from capital transactions	<u>1,000,000</u>
Net additions to net assets	<u><u>1,024,311</u></u>
Analysis of changes in cash and cash Equivalents for the year	
At 1 January	-
Net additions to net assets	1,024,311
Net additions to net assets	<u><u>1,024,311</u></u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Capital Transactions GH¢	Investments	Total
At 1 January	-	-	-
Net Income from operations	-	24,311	24,311
Share Issue	1,000,000	-	1,000,000
Shares Redemption	-	-	-
At 31 December	<u><u>1,000,000</u></u>	<u><u>24,311</u></u>	<u><u>1,024,311</u></u>

FINANCIAL STATEMENTS

	2019
	GH¢
Cash flow from operating activities	
Increase in net assets attributable to unit holders	24,311
Adjustment for:	
Interest Income	(33,434)

	(9,123)
Change in	
Account Payables	9,006

Net cash flow from operating activities	(117)

Cash Flow from Investing Activities	
Purchase of financial Assets	(2,355,470)
Proceeds from matured financial Asset	1,354,251
Interest Income	1,615

Net cash flow from investing activities	(999,604)

Cash Flow from Financing Activities	
Proceeds from issuance of units	1,000,000
Amount paid on redemption of units	-

Net cash flow from financing activities	1,000,000

Net increase/Decrease in cash and cash equivalents	279
At 1 January	-

At 31 December	279
	=====

NOTES TO THE FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. REPORTING ENTITY

Plus Balance Fund Limited is a mutual fund investment company whose primary objective is to obtain contributions from members and invest same for their benefit. Plus Balance Fund Limited is a limited liability company and is incorporated and domiciled in the Republic of Ghana. The address and registered office of the company can be found on page 2 of the financial statements.

The Fund was established and operates in accordance with the Unit Trust and Mutual Fund Regulation (L.I.1695). The Fund shall be marketed as a "Plus Balanced Fund", which means it will invest in a combination of listed equities, bonds, as well as other suitable fixed income securities to achieve its investment objective. The investment activities shall be managed by Black Star Advisors Limited.

2. BASIS OF ACCOUNTING

(a) Basis of preparation

These financial statements have been prepared in accordance with the Unit Trust and Mutual Funds Regulations, 2001 (L.I. 1695) and comply with the International Financial Reporting Standards (IFRS).

(b) Functional and presentation currency

These financial statements are presented in Ghana cedi, which is the Fund's functional currency. All amounts have been stated in full.

(c) Use of estimates and judgement

In preparing these financial statements, the Unit Trust's management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

3. SIGNIFICANT ACCOUNTING POLICIES

The following principal accounting policies have been consistently applied during the year in the preparation of the Unit Trust's financial statements.

(i) Purchase of Share Units

Applicants complete standard application forms which are sent to the office of the Manager. Telephone or electronic requests must be confirmed in writing. Application for units is at the discretion of the Board of Directors of the Fund Manager. Cheques are cleared first before the processing of applications by the Manager. Payments for units shall be made in Ghana Cedis; however, applicants can settle their payments with easily convertible currencies but bear the foreign exchange transaction cost.

(ii) Investment income recognition

Interest income, including interest income from non-derivative financial assets at Fair value through profit or loss (FVTPL), are recognised in profit or loss, using effective interest method. The effective interest is the rate that exactly discounts the estimated future cash payments or receipts, without consideration of future credit losses, over the expected life of the financial instrument or through to the next market-based re-pricing date to the net carrying amount of the financial instrument on initial recognition.

Interest received or receivable and interest paid or payable are recognised in the profit or loss as interest income or interest expense, respectively.

(iii) Financial Instruments

a. Non-derivative financial instruments

Non-derivative financial instruments comprise loans and receivables, held-to-maturity and available-for-sale. The Fund Manager determines the appropriate classification of its financial assets and liabilities at initial recognition.

Non-derivative financial instruments are recognised initially at fair value plus, for instrument not at fair value through profit and loss, any directly attributable transaction cost. Subsequent to initial recognition non-derivative financial instruments are measured at amortised cost using the effective interest rate method, less impairment losses, if any.

Non-derivative financial instruments are derecognised when the rights to receive cash flows from the financial assets have expired or where the Unit Trust has transferred substantially all risks and rewards of ownership.

Non-derivative financial instruments are categorised as follows:

- *Loans, advances and receivables – these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than (a) those classified as held for trading and those that the Unit Trust on initial recognition designates at fair value through profit and loss; (b) those that the Unit Trust upon initial recognition designates as available-for-sale; or (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.*

Loans and receivables are carried at amortised cost using effective interest rate method less appropriate allowances for doubtful receivables. Allowances for doubtful receivables represents the Unit Trust's estimate of incurred losses arising from the failure or inability of customers to make payments when due. These estimates are based on aging of customer's balances, specific credit circumstances, and the company's receivables historical experience. Regular way purchases and sales of loans and receivables are recognised on contractual settlement.

Available-for-sale – these are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates, or equity prices. Investment securities and treasury bills with a maturity of 182 days or less are classified as available-for-sale.

Available-for-sale financial assets are carried at fair value. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity until the financial asset is derecognised or impaired, at which time the cumulative gain or loss previously recognised in equity is recognised in the profit or loss account.

However, interest calculated using the effective interest method is recognised in the profit and loss account. Dividends on available-for-sale equity instruments are recognised in the profit and loss account when the Unit Trust's right to receive payment is established.

Regular way purchases and sales of available-for-sale financial assets are recognised on trade-date, i.e. the date on which the Unit Trust commits to purchase or sell the asset.

Held-to-maturity Held-to-maturity assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity.

Were the Unit Trust to sell more than an insignificant amount of held-to-maturity assets, the entire category would have to be reclassified as available-for-sale. Treasury bills with an original maturity of more than 182 days, treasury notes and other government bonds are classified as held-to-maturity.

Held-to-maturity assets are carried at amortised cost using effective interest rate method. Regular way purchases and sales of financial assets held-to-maturity are recognised on trade-date, i.e. the date on which the Unit Trust commits to purchase or sell the asset.

b. Derivative financial instruments

A derivative is a financial instrument that changes its values in response to changes in the underlying variable, requires no or little net initial investment and is settled at a future date. Derivatives are mainly used to manage exposures to foreign exchange, interest rate and commodity price risk. The classification of derivatives is determined upon initial recognition and is monitored on a regular basis.

Derivatives are initially recognised at fair value plus directly attributable transaction costs. These are subsequently measured at fair value on a regular basis and at each reporting date as a minimum. The fair values of exchange-traded derivatives are based on respective market prices, while the fair value of the over-the-counter derivatives are determined using accepted mathematical models based on market data and assumptions. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in fair values of derivatives that do not qualify for hedge accounting are recognised directly in the income statement.

c. Financial Liabilities

Financial liabilities, other than trading liabilities and financial liabilities designated at fair value, are carried at amortised cost using the effective interest method. Financial liabilities are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost. Financial liabilities are derecognised when they are redeemed or otherwise extinguished.

d. Off Setting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Unit Trust has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions

e. Amortisation cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method, of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

f. Hedge Accounting

Hedge accounting is the method that recognises the proportionate offsetting effects of a hedging instrument on the changes in value of the hedged item. Hedge accounting applies only when a hedging relationship can be demonstrated between a hedged item and a hedging instrument. Such method generally applies for transactions that are carried out to eliminate or mitigate risks. The effectiveness of such hedges is demonstrated at inception and verified at regular intervals and at least on a quarterly basis, using prospective and retrospective testing.

Recognition of hedged transactions depends on the hedged categories.

i. Fair value hedges

Fair value hedges are used to mitigate foreign currency and interest rate risks of recognised assets and liabilities. The changes in fair values of hedging instruments are recognised in the income statement. Hedged items are also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the income statement.

The fair values of financial instruments are determined using market prices for quoted instruments and widely accepted valuation techniques for other instruments. Valuation techniques include discounted cash flows, standard valuation models based on market parameters and dealer quotes for similar instruments. When fair values of unquoted instruments cannot be measured with sufficient reliability, such instruments are carried at cost less impairments, if applicable.

ii. Cash flow hedges

Cash flow hedges are used to mitigate foreign currency risks of highly probable forecast transactions, such as anticipated future export sales, purchases of equipment and raw materials, as well as the variability of expected interest payments and receipts. The effective part of the changes in fair value of hedging instruments is recognised against equity, while any ineffective part is recognised immediately in the income statement. When the hedged item results in the recognition of a non-financial asset or liability, the gains or losses previously recognised against equity are included in the measurement cost of the asset or the liability. Otherwise the gains or losses previously recognised against equity are removed from equity and recognised in the income statement at the same time as the hedged transaction.

g. Effective Interest Rate

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

h. Determining fair value

Where the classification of a financial instrument requires it to be stated at fair value, this is determined by reference to the quoted bid price or asking price (as appropriate) in an active market wherever possible. Where no such active market exists for the particular asset, the Group uses a valuation technique to arrive at the fair value, including the use of prices obtained in recent arms' length transactions, discounted cash flow analysis, option pricing models or other valuation techniques commonly used by market participants.

i. Impairment of financial assets

The Unit Trust assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Unit Trust about the following loss events:

- I. Significant financial difficulty of the borrower;
- II. A breach of contract, such as default or delinquency in interest or principal repayments;
- III. The Unit Trust granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that The Unit Trust would not otherwise consider;
- IV. It becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- V. The disappearance of an active market for that financial asset because of financial difficulties; or
- VI. Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets including:

- Adverse changes in the payment status of borrowers; or
- National or local economic conditions that correlate with defaults on the assets of The Unit Trust.

The estimated period between losses occurring and its identification is determined by management for each identified portfolio. In general, the periods used vary between three months and twelve months. In exceptional cases, longer periods are warranted.

(iv) Foreign Currency

Transactions in foreign currencies during the period are converted into cedis at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into cedis at exchange rates ruling at the financial year-end. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into cedis at the exchange rates at the date on which the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss as net foreign exchange losses, except for those arising on financial instruments at FVTPL, which are recognised as a component of net gains from financial instruments at FVTPL.

(v) Transfer values

Transfer values represent the capital sums paid to and from the Unit Trusts on the basis of when the member liability is accepted or discharged.

(vi) Cash and Cash equivalents

Cash and cash equivalents comprises deposits with banks and highly liquid financial assets with maturity of three months or less from the date of acquisition that are subject so an insignificant risk of changes in their value and are used by the Unit Trust in the management of short term commitment, other than cash collateral provided in respect of derivatives and security borrowing transactions

(vii) Fees and commission

Fees and commissions expenses are recognised in profit or loss as the related services are performed.

4. NEW AND AMENDED STANDARDS EFFECTIVE FOR THE CURRENT PERIOD

(a) IFRS 16 Leases

Impact of Initial Application of IFRS 16 Leases

In the current year, the Mutual Fund has not applied IFRS 16 (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in note 3(W).

The date of initial adoption is 1 January 2019, however IFRS 16 is not applicable to the Mutual Fund reporting

i. Impact of the New Definition of a Lease

The Company has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those contracts entered or modified before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4. The Company applies the definition of a lease and related guidance set out in IFRS 16 to all contracts entered into or changed on or after 1 January 2019. In preparation for the first-time application of IFRS 16, the Company has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Company.

ii. impact on Lessee Accounting

Former Operating Lease

IFRS 16 changes how the Company accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet. Applying IFRS 16, for all leases (except as noted below), the Company:

- Recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments;
- Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss;
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses generally on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), the Company has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within 'other expenses' in profit or loss.

Former finance leases

The main differences between IFRS 16 and IAS 17 with respect to contracts formerly classified as finance leases is the measurement of the residual value guarantees provided by the lessee to the lessor. IFRS 16 requires that the Company recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17. This change did not have a material effect on the Company's financial statements

iii. Impact on lessor accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sub-lease as two separate contracts. The intermediate lessor is required to classify the sub-lease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17).

These changes have had no impact on the financial statements on the Mutual Fund.

iv. Impact on the statement of cash flows

The application of IFRS 16 has an impact on the statement of cash flows of the Company. Under IFRS 16, lessees must present:

- Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability as part of operating activities;
- Cash paid for the interest portion of a lease liability as either operating activities or financing activities, as permitted by IAS 7 (the Company has opted to include interest paid as part of financing activities); and
- Cash payments for the principal portion for a lease liability, as part of financing activities.

The adoption of IFRS 16 did not have an impact on net cash flows.

(b) Amendments to IFRS 9 Prepayment features with negative compensation

The Mutual Fund has adopted the amendments to IFRS 9 for the first time in the current year. The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest (SPPI) condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, financial assets with prepayment features with negative compensation do not automatically fail SPPI. The adoption of this amendment has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(c) Amendments to IAS 28 Long-term interests in associates and joint ventures

The Mutual Fund has adopted the amendments to IAS 28 for the first time in the current year. The amendment clarifies that IFRS 9, including its impairment requirements, applies to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture. The Fund applies IFRS 9 to such long-term interests before it applies IAS 28. In applying IFRS 9, the fund does not take account of any adjustments to the carrying amount of long-term interests required by IAS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

The adoption of this amendment has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(d) Annual Improvements to IFRS Standards 2015-2017 Cycle Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs

The Fund has adopted the amendments included in the Annual Improvements to IFRS Standards 2015-2017 Cycle for the first time in the current year. The adoption of these amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements. The Annual Improvements include amendments to four Standards:

IAS 12 Income Taxes

The amendments clarify that the entities should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entities originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

IAS 23 Borrowing costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

IFRS 3 Business combinations

The amendments clarify that when the entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation.

IFRS 11 Joint arrangements

The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not remeasure its PHI in the joint operation.

(e) Amendments to IAS 19 Employee benefits plan Amendment, Curtailment or Settlement

The entity has adopted the amendments of IAS 19 for the first time in the current year. The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

The paragraphs that relate to measuring the current service cost and the net interest on the net defined benefit liability (asset) have also been amended. The entity will now be required to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan.

In the case of the net interest, the amendments make it clear that for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under IAS 19:99 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

The adoption of this amendment has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(f) IFRIC 23 Uncertainty over income tax treatments

The entity has adopted IFRIC 23 for the first time in the current year. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the entity to:

- determine whether uncertain tax positions are assessed separately or as a group; and
- assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
 - If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
 - If no, the entity should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

5. NEW AND REVISED STANDARDS IN ISSUE NOT YET EFFECTIVE

At the date of authorisation of these financial statements, The entity has not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

IFRS 17

Conceptual Framework

Amendments to IFRS 3

Amendments to IAS 1 and IAS 8

IFRS 10 Consolidated Financial

Statements and IAS 28(amendments)

Insurance Contracts

Amendments to References to the Conceptual Framework

Definition of a Business

Definition of Material

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the entity in future periods, except as noted below:

IFRS 17 Insurance Contracts

The new Standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

The Standard outlines a General Model, which is modified for insurance contracts with direct participation features, described as the Variable Fee Approach. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach.

The General Model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure the cost of that uncertainty, it takes into account market interest rates and the impact of policyholders' options and guarantees.

The implementation of the Standard is likely to bring significant changes to an entity's processes and systems, and will require much greater co-ordination between many functions of the business, including finance, actuarial and IT. The Standard is effective for annual reporting periods beginning on or after 1 January 2021, with early application permitted. It is applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application. The directors of the Company do not anticipate that the application of the Standard in the future will have an impact on the entity's financial statements.

Amendments to References to the Conceptual Framework

Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The amendments, where they actually are updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted.

Amendments to IFRS 3 Definition of Business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

Amendments to IAS 1 and IAS 8 Definition of material

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of obscuring material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from could influence to could reasonably be expected to influence.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term material to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted.

IFRS 10 Consolidated Financial Statements and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Mutual Fund anticipate that the application of these amendments may have an impact on the mutual Fund's financial statements in future periods should such transactions arise.

6. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

7. RELATED PARTIES AND KEY CONTRACTORS

a. Fund Managers

The Directors of the fund appointed Black Stars Advisors Limited, an investment management company incorporated in Ghana and duly licensed by the Security and Exchange Commission of Ghana to implement the investment strategy and objectives as stated in the Fund's investment management policy manual. Under that investment management agreement, Black Stars Advisors Limited receives a management fee at annual rate of 0.2% of the net asset value attributable to members of the Fund. The management fees incurred during the year amounted to GH¢2,566. Included in the payables as at 31 December 2019 were fund management fees payable of GH¢2,566.

b. Fund Custodians

The Directors of the fund appointed Stanbic Bank (Ghana) Custody Services a Limited Liability Company incorporated in Ghana and duly licensed by Security and Exchange Commission of Ghana, to provide custody services as prescribed in the Fund's policy manual. Under the custody agreement, the Custodian receives a custodian fee at an annual rate of 0.25% of the net asset value attributable to members of the Fund. The Custodian fees charged during the year amounted to GH¢534. Included in the payables as at 31 December 2019 were custodian fees of GH¢534.

8. INTEREST INCOME

	2019 GH¢
Interest income on financial instruments designated At fair value through profit or loss	
Debt Instruments	33,383
Credit Interest	51
	<u>33,434</u>

9. CASH AND CASH EQUIVALENTS

Cash and bank balances	279
	<u>279</u>

10. FINANCIAL INSTRUMENTS

Analysis of changes in fair value of financial instrument through profit or loss

	Balance 1/1/2019 GH¢	Purchases/ Sales at cost GH¢	Accrued Interest GH¢	Value 31/12/2019 GH¢
Ghana Government Sec	929,347	646,088	17,206	300,465
182 Day cocoa bill	1,426,123	708,163	14,613	732,573
	<u>2,355,470</u>	<u>1,354,251</u>	<u>31,819</u>	<u>1,033,038</u>

11. CAPITAL TRANSACTION

	2019 No. of shares
Shares in issue at beginning	-
New issues	1,000,000
Redemptions	-
	<u>1,000,000</u>

12. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019 GH¢
Debt securities	300,465
182 Day cocoa bill	732,573
	<u>1,033,038</u>

13. MEMBERS' FUNDS

	2019 GH¢
Accumulated Net Investment Income	24,311
Movement on shares issued	1,000,000
	<u>1,024,311</u>

14. PAYABLE UNDER SERVICE LEVEL AGREEMENTS

	2019 GH¢
Management fees	2,566
Custody fees	534
Audit fees	5,000
VAT	906
	<u>9,006</u>

15. GENERAL EXPENSE

	2019 GH¢
Management fees	2,566
Custody fees	534
Audit fees	5,000
VAT	906
Coat of Securities	117
	<u>9,123</u>

16. TAXATION

Income of approved unit trust scheme or mutual fund is exempt for tax from tax under the income tax act, 2015 (act 896) as amended.

The fund currently withholding taxes on payment made to directors and other service providers.

17. TRANSACTIONS THROUGH STOCK BROKERS

The fund's transactions were through Black Star brokers Limited.

18. FINANCIAL RISK MANAGEMENT

(a). Asset/Portfolio/Credit risk

Credit risk is the risk that counterparties (i.e. financial institutions and companies) in which the Fund's assets are invested will fail to discharge their obligations or commitments to the Fund, resulting in a financial loss to the Fund. The Scheme's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meets the standards set out in the SEC guidelines and the Fund's investment policy statement.

(b). Liquidity risk

Liquidity risk is the risk that the fund either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due. The Scheme's approach to managing liquidity is to ensure that it will maintain adequate liquidity in the form of cash and very liquid instruments to meet its liabilities (including benefits) when due.

The following are contractual maturities of financial asset

31st December 2019

Financial Assets	3 Months or less (GH¢)	4-6 Months or less (GH¢)
Government Notes and Bonds	300,465	-
Local Government Securities	98,909	633,664
Total	399,374	633,664

The following are contractual maturities of financial Liabilities

31st December 2019

Financial Liabilities	3 Months or less (GH¢)
Administrative Expenses Payable	9,006
Total	9,006

(c). Fair value of financial assets and liabilities

Fair values are based on discounted cash flows using a discount rate based upon the borrowing rate that the Directors expect would be available to the Company at the balance sheet date. The fair values of the Company's financial assets and liabilities approximate the respective carrying amounts.

The fair value hierarchy is as follows:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly and
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair values of the Company's investments at FVTPL and FVTOCI approximates its carrying amounts.

(d). Market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. This systematic risk cannot be mitigated through diversification.

(e). Equity Price risk

Listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Scheme's policy over equity price risk is to minimise its exposure to equities and only deal with equities that meets the standards set out in the SEC guidelines and the Scheme's investment policy statement. Keen attention is paid to the equity market to realize capital gains on equity securities.

(f). Interest Rate risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The investment managers advise the Trustees on the appropriate balance of the portfolio between equity, fixed rate interest, and variable rate interest investments. The scheme uses duration targeting as a means of mitigating the effects of the risk. The target duration is regularly reviewed by the Trust Board. For some of the bonds with issuers other than the Government of Ghana, investments are placed with a floating rate to hedge against this risk.

(g) . Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Fund's processes, personnel, technology and infrastructure, 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 Fund behaviour. Operational risks arise from all of the Fund's operations and are faced by all pension schemes.

The Scheme's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Scheme's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the administrator. This responsibility is supported by the development of following policies and standards;

- governing rules and trust deed;
- investment policy statement;
- requirements for the reporting of non-compliance with regulatory and other legal requirements;
- training and professional development;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

Compliance with the Fund governing rules is supported by a programme of annual reviews undertaken by the external auditor. The results of these reviews are discussed with Trustees.

19. EVENTS AFTER REPORTING PERIOD

On 11 March 2020, the World Health Organisation declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries now affected. Many governments are taking increasingly stringent steps to help contain or delay the spread of the virus. Currently, there is a significant increase in economic uncertainty which is, for example, evidenced by more volatile asset prices and currency exchange rates.

For the Fund's 31 December 2019 financial statements, the Coronavirus outbreak and the related impacts are considered non-adjusting events. Consequently, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainty of the outcome of the current events, the Fund cannot reasonably estimate the impact these events will have on the Fund's financial position, results of operations or cash flows in the future.

20. APPROVAL OF THE FINANCIAL STATEMENTS

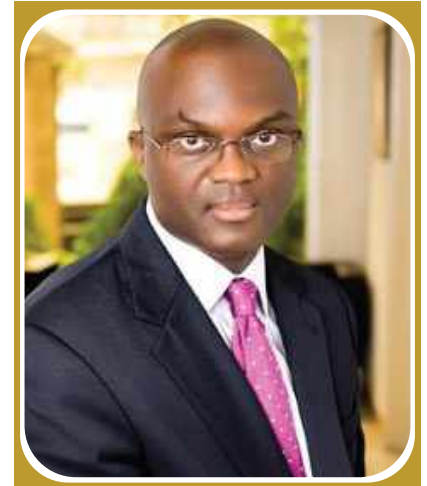
The financial statements were approved by the directors of the fund and Authorized for issue
on.....4th June 2020.....2020

PROFILE OF THE BOARD OF DIRECTORS

OTU KWESI HUGHES

Board Chair

Otu Kwesi Hughes is a Partner of Iroko Capital and Head of the Investment Banking and Financial Advisory Business. Prior to Iroko, he was Chief Operating Officer of Oceanic Capital Company Limited and Head of the Investment Banking Group where he was responsible for the Company's start-up, day-to-day management, and strategic growth efforts. Mr Hughes was also active in transaction origination, structuring and execution. Mr. Hughes joined Oceanic Capital from KeyBanc Capital Markets Investment Banking Group in the US where he focused on providing financial advisory services to companies in the healthcare and consumer retail industries. Prior to KeyBanc, he founded Hughes, LLC to provide financial advisory services to small and mid-cap companies. Mr. Hughes worked for Deutsche Banc Alex Brown (BT Wolfensohn) in New York in the Mergers & Acquisitions Group and started his banking career with Lehman Brothers' Natural Resources and Emerging Markets groups. Mr. Hughes holds a B.Sc. in Mathematics from Howard University (Honors Program) and an MBA from Harvard Business School.



NII AYAA MENSAH

Director

Nii Ayaa leads the Mindfull (formerly creativeHUB) team. He is a marketing communications professional whose forte is translating insights into functional new perspectives for successful marketing communication. Prior to co-founding creativeHUB, he worked in account management, traffic and creative roles at MMRS Ogilvy. He has worked on over a 100 projects for brands including MTN, tIGO, Delta Air Lines, Standard Chartered Bank, Barclays Bank, Access Bank, Hollard, Vanguard, Petra and Coca Cola. He is uncompromising on creativity, driven by insights and believes that the easiest way to ensure business success is to consistently attract out-of-the-box thinkers into the right team and environment. He has an MBA with concentration on Business Innovation from the China Europe International Business School and a BA in Art (Graphic Design) from the Kwame Nkrumah University of Science and Technology.



PROFILE OF THE BOARD OF DIRECTORS

RANDOLPH RODRIGUES

Director

Randolph joined the Hershey Company as Senior Director, M&A and Disruptive Growth and will support the inorganic growth agenda for the Company, continuing to focus on substantial acquisition targets to drive immediate revenue and profitability growth as well as facilitate the aspiration of the Company to be an innovative snacking powerhouse. Additionally, he will work with the team to identify frontier and emerging brands that will serve as investment opportunities for C7, the corporate venture investment effort for The Hershey Company.

Prior to joining Hershey in September 2019, Randolph ran the Investment Banking division at Stanbic Bank Ghana Limited. His experience also includes investment banking roles at Credit Suisse and Morgan Stanley as well as in Corporate Development with Microsoft Corporation.

Randolph holds a BA degree in mathematics and economics from Cornell University and an MBA from Harvard Business School.



NANA ABA DERBY

Director

Nana Aba Derby is an experienced real estate finance, investment and development professional with proven expertise across the private real estate value chain. Her core technical competencies cut across real estate financing and development management for green and brownfield projects. She has consulted for Laurus Development Partners and on projects such as Switchback Developments, Petronia City.

Prior to working with Eris Properties Ghana Limited, she was the Development Manager for Mobus Property Ghana Limited, a subsidiary of Jonah Capital which has circa USD250 million assets under management.

Nana Aba holds a Postgraduate Degree in Real Estate Finance from the University of Cambridge, UK and BSc. Land Economy from Kwame Nkrumah University of Science and Technology (KNUST).



PROFILE OF THE BOARD OF DIRECTORS

BRIGHT ASARE-BEDIAKO

Director

Bright is a Chartered Accountant and a member of the Institute of Chartered Accountants, Ghana (ICAG). He is currently pursuing an MPhil in Industrial Finance and Investment at KNUST. He also holds a BSc Business Administration (Accounting) degree from the Kwame Nkrumah University of Science and Technology (KNUST), a Higher National Diploma in Accountancy from the Kumasi Polytechnic and a Certificate in Forensic Accounting and Fraud Examination from the West Virginia University, USA. Prior to joining Primrose Properties Ghana Ltd as the Chief Finance Officer, he was the Accountant of Silver Lobster Hospitality & Management Services in Kumasi. Bright also worked with the College of Engineering of the Kwame Nkrumah University of Science & Technology as an Accounts Officer after completing his National Service with the same institution.



EUGENE GILBERT AMPONSAH

Director

Mr. Eugene Gilbert Amponsah is a legal practitioner. He has advised on transactions in the areas of Banking & Finance, Capital Markets, Project Finance, Labour and Pensions, Government Business, Corporate law and governance. He has been part of teams that have advised on transactions including the negotiation of a Government of Ghana driven business incentivization programme known as the National Industrial Revitalization Programme (Stimulus Package), negotiating multimillion dollar funding arrangements between a major local financial institution and various DFIs including the Agence Française de Développement (AFD). He is a lawyer for CalBank Plc. and Company Secretary for CAL Brokers Limited. He has had various speaking engagements including with the Pharmaceutical Sector group and the Women In Business Network (WIB) of the Association of Ghana Industries (AGI) on the implications and impact of the African Continental Free Trade Area Agreement (AfCFTA) on business and industry.

Eugene holds a Bachelor of Laws (LL.B) from the Kwame Nkrumah University of Science and Technology, an MSc. (Development Finance) from the University of Ghana, a Qualifying Certificate in Law (QCL) from the Ghana School of Law and a Securities Industry Certificate from the Ghana Stock Exchange. Eugene is a member of the Ghana Bar Association, the Ghana Chapter of the Africa Bar Association and the International Bar Association.



PROFILE OF THE BOARD OF DIRECTORS

DERRICK DARKWAH

Director

Mr. Derrick Darkwah is currently the General Manager of Tallmast Company Limited. Prior to joining Tallmast, he served as the Head of Operations at Petra Trust Company, one of the top three pension trustees in Ghana. Derrick is a seasoned accountant with extensive experience in asset management. As lead for the Portfolio team at Petra, Derrick was responsible for the asset allocation decision for the Pension fund investments administered by Petra Trust.

He was instrumental in setting up and structuring the operations team and fund administration software of Petra Trust Company Limited. He was the project leader for the installation, configuration and maintenance of Microgen 5 Series (fund administration software) to suit the operations of Petra Trust.

Derrick graduated with a Bachelor of Science in Business Administration (Magna Cum Laude) from Ashesi University. He is also a member of the Association of Certified Chartered Accountants (UK).



FUND MANAGER'S PROFILE

ERIC APPIAH

Fund Manager

- *Extensive experience in Investment Banking, Asset Management and Private Equity.*
- *Worked at Deutsche Bank in the Global Markets FX Margin trading business*
- *Worked as a Hedge Fund Research Analyst at Fortune Asset Management in London.*
- *Served as the Vice President on the credit derivatives trading desk and Fixed Income Research Team at Bear Stearns.*
- *Former Senior Fixed Income Credit Research Analyst for Cairn Capital in London, UK.*
- *Former Head of the Capital Markets department at IC Securities.*
- *BSc. Mathematics and Statistics and MSc. in Corporate Risk and Security Management from the University of Southampton.*



FORM OF PROXY

I/We being a member of the above-named Company hereby appoint or failing him/her, the Chairman of the meeting as my/our proxy to vote for me on my/Our behalf at the Annual General Meeting of the Company to be held on and at any adjournment thereof.

Please indicate with an "X" in the spaces below how you wish your votes to be cast.

Resolution	For	Against
1. That the Directors' Report, Profit and Loss Account and Balance Sheet ("the Annual Report and Financial Statements") for the twelve months ended 31 st December 2019 be received and adopted.		
2. That the appointment of the following as Directors be confirmed:		
a. Mr. Otu Hughes		
b. Mr. Eugene Gilbert Amponsah		
c. Mr. Randolph Rodrigues		
d. Mr. Derrick Darkwah		
e. Mr. Nii Ayaa Mensah		
3. That the Directors are authorized to determine the remuneration of the auditors.		

Signed:

Name:

Date:

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