

**FINANCIAL  
STATEMENTS FOR  
THE HALF YEAR  
ENDED 30<sup>TH</sup> JUNE 2015  
(UNAUDITED)**





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**OMEGA EQUITY FUND**

**FINANCIAL  
STATEMENTS FOR  
THE HALF YEAR  
ENDED 30<sup>TH</sup> JUNE 2015  
(UNAUDITED)**



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# Fund Information

## Board of Directors

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

## Auditors

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

## Solicitors

Joseph Amoako Jnr.  
P.O. Box CT1136  
Cantonments-Accra

## Bankers

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

## REGISTERED OFFICE

No. 23 Sunyani Avenue,  
1st Floor, The Albert's  
Kanda Estates  
Accra, Ghana

## Manager

Omega Capital Limited  
No. 23 Sunyani Avenue,  
1st Floor, The Alberts  
Kanda Estates  
Accra, Ghana  
P.O. Box CT8818  
Cantonments-Accra

## Custodians

HFC Bank Limited  
35 6th Avenue, North Ridge  
P.O. Box CT4603  
Cantonments-Accra

Standard Chartered Bank (Gh)  
Limited  
Head Office  
High Street, Accra



# Report of the Directors

The Directors have the pleasure in submitting the interim financial statements of Omega Equity Fund for the half year ended 30th June, 2015.

## 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 Standard

The Directors are responsible for ensuring that the Fund keeps proper accounting records that disclose with reasonable accuracy at any time, a true and fair view of the the financial position of the Fund. The Directors are also responsible for safeguarding the assets of the Fund and taking reasonable steps for the prevention and detection of fraud and other irregularities.

## 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 half year ended 30th June, 2015 are set out below:

	June 2015 GH¢	June 2014 GH¢
Interest Income	129,957	11,162
Management and Operational Expenses	(22,105)	(3,950)
Transfer to Accumulated Net Investment Income	107,852	7,212



**Director**

28th August, 2015



**Director**

28th August, 2015

# Financial Highlights

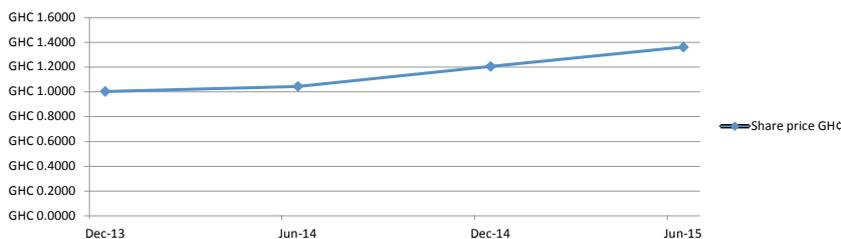
## Performance Summary

### Share price information

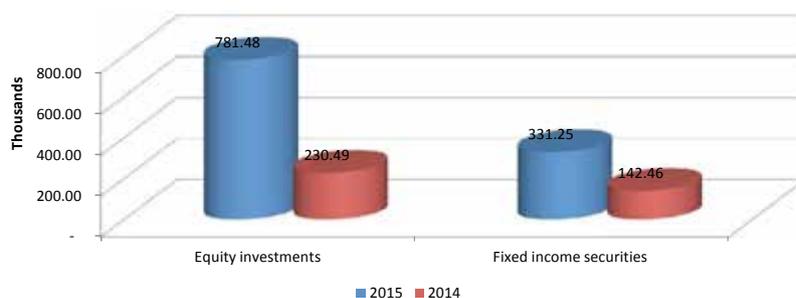
	31-Dec-2013	30-Jun-2014	31-Dec-2014	30-Jun-2015
Share price GH¢	GHC 1.0037	GHC 1.0438	GHC 1.2055	GHC 1.3615
Number of units	GHC 242,155.54	376,997	733,337	986,479
NAV GH¢	GHC 243,042.29	GHC 393,520.41	GHC 884,034.00	GHC 1,343,121.28

Performance from 31 December 2013 to 30th June 2015

### Share Price Trend



### Investments at market value Gh¢'000



### Top Five Equity Holdings

	June 2015	June 2014
Kenya Commercial Bank	17%	
Mega African Capital Ltd	12%	7%
National Insurance Co. Malawi	11%	
Standard Chartered Bank	7%	4%
Mechanical Lloyd	3%	4%
<b>Total</b>	<b>51%</b>	<b>15%</b>



# Portfolio Manager's Report

Dear Valued Shareholders,

I am glad to present to you the Half Year Report of the Omega Equity Fund as at 30th June, 2015.

## Overview of the Macroeconomic Environment-

The Ghanaian economy in the first half of 2015 grappled to keep major economic indicators under stable conditions, mainly as a result of growing imbalances in the twin deficits, ailing energy sector and increased vulnerability to external shocks. Heightening uncertainties particularly in the foreign exchange market kept inflation and inflation expectations elevated as headline inflation which declined from 17% in December 2014 to 16.4% in January 2015 gradually peaked at 17.1% as at June 2015. The Exchange rate market volatility saw the Ghana cedi record a cumulative depreciation of 26.2% as at the end of June 2015 against its major trading currency (The US Dollar). However recent developments with the start of the IMF Program has revived investor confidence and has since posed a positive outlook in the medium to long term. This development complemented by the Bank of Ghana's stance to maintain a tight Monetary Policy together with timely interventions is geared at supporting the Exchange Rate Market. Even though the economy expanded by 4.7% in first half of the year as indicated by the Ghana Statistical Service, the divergence of the performance of the economy from its targets has necessitated a downward revision of some key macroeconomic targets. The end-year targets for overall GDP(3.9%), budget

deficit(6.5%) and inflation(11.5%) have been revised to 3.5%,7.3% and 13.7% respectively.

General interest rates in the country saw sticky movements as yields on 91-Day Treasury bill which opened the year at 25.83% dropped to 25.22% as at June 2015. The rate on the 182-Day Treasury instrument also declined marginally to 25.85% as at June 2015 from opening the year at a rate of 26.4%. However longer term Treasury instruments like the 1-Year and 2-Year fixed rate note remained unchanged at 22.5% and 23% respectively.

## 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 and fixed income securities to meet the liquidity needs of the Fund.

## Macroeconomic Outlook

In the second half of the year, we predict that BoG will continue its conventional inflation targeting policies in the bid to reduce and sustain volatilities in general price levels and exchange rate movements. This will be supported by expected tranches of funds from IMF, Eurobond floatation and Cocoa Syndicated Loan to ensure stability in the Foreign Exchange Market.

# Portfolio Manager's Report

## Continued

Nevertheless increased demand pressures and speculative risks cannot be understated. Potential risks posed by low crude oil prices and commodities will impact negatively on export receipts and the trade balance. However with strict adherence to the IMF programme, prudent revenue mobilization and fiscal consolidation measures the macro economy is forecasted to stabilize in the short to medium-term.

On the money market front, due to hikes in Monetary Policy Rate and inflationary expectations general interest rates are forecasted to remain elevated notably with the shorter term treasury bills. Consequently the banking and financial sector is expected to thrive on interest rate hikes to maintain modest balance sheets amid liquidity issues faced by some banks.

### FINANCIAL MARKET REVIEW

The Ghanaian Financial Market experienced an adverse impact due to deteriorating macroeconomic conditions during the first half of the year 2015. Inflationary pressures, high interest rates and depreciation of the Ghana cedi, dampened the performance of the market.

The equity market had experienced a downturn as at June 2015, registering a total return of 4.03% compared to a bullish market as at June 2014, which posted a return of 10.6%. The market kept dipping continuously for a period that it caused panic to investors. The worst hit within the Half Year under review was SIC Insurance Company Limited (-48.68%), Mechanical Lloyd Company Limited (-39.28%), Golden Web (-33.33%) and Unilever Ghana Limited (-29.62%), pulling down the Broad Market Index.

On the Fixed Income Front, high deficit financing by the government generated uncertainties which in turn affected yields on investments. Depreciation of the cedi influenced investors'

decision to demand higher yields during the first half of the year.

Rates at which the government borrows from the public also increased compared to rates as at same period in 2014. The 91 and 182 day Treasury bill rate increased from 24.09% and 21.27% as at June 2014 to 25.25% and 25.90% respectively in June 2015, due to the rising need of more funds by the government to finance its' projects. However the Government of Ghana 1-year and 2-year note remained unchanged for the period under review.

### PORTFOLIO REVIEW

#### *Fund Performance*

As at the end of the Half Year of 2015, the Omega Equity Fund registered a return of 11.84%, which compares favorably with the Fund's benchmark (GSE Composite Index) return of 4.03%. Returns were driven by gains in National Insurance Company Limited –NICO (34%), Mega African Capital –MAC (23%), Benso Oil Palm Plantation-BOPP (22%) and Kenya Commercial Bank –KCB (20%). In contrast, Mechanical Lloyd (MLC), Standard Chartered Bank (SCB) and Societe Generale Ghana (SOGEGH) registered negative returns of 40%, 9% and 2% respectively.

#### *Fund Growth*

Total Funds under management as at the end of Half Year 2015 stood at GH¢1,343,121, representing an increase of 52% over the fund value as at December 2014. (GH¢884,034). Net investment returns accounted for 28% of the growth in fund size with deposits accounting for 72%. During the period under review, additional funds to the tune of GH¢359,421 was received while an amount of approximately GH¢27,729 was withdrawn.



# Portfolio Manager's Report Continued

## **Fund Shareholding**

The number of shareholders who invested in the Fund increased to 512 shareholders as at June 2015. This represents an increase of 63% over the number of shareholders in the same period of 2014 (314 shareholders).

## **Fund Asset Mix**

As at Half Year 2015, the Omega Equity Fund portfolio structure was as follows; 59% in Equities, 36% in Fixed Deposits and 5% in Cash & Bank Balances.

## **OUTLOOK AND STRATEGY**

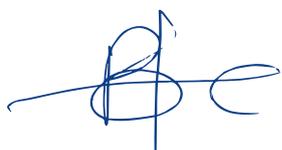
In the second half of 2015, we do not anticipate strong investor participation on the Ghanaian market, considering the high yields being offered to investors on fixed income investments as well as uncertainties with regards to the stability of the Ghanaian cedi. We are of the opinion that foreign investors, especially, will adopt a wait and see approach and monitor how the economy performs, especially as election year draws close.

Our investment strategy on the equity front would involve identifying growth and value stocks with steady returns in terms of profitability and dividends to boost the performance of the equity portfolio.

Further, given the deteriorating outlook for inflation and the local currency, interest rates are expected to trend upwards. Thus our strategy would be to take positions in the shorter end of the yield curve to take advantage of rising yields.

## **Conclusion**

I would like to welcome our new shareholders to the Fund and thank all our investors for entrusting your long-term funds' with Omega Capital Ltd. We encourage you to develop a regular investment plan to grow your wealth in the long-term. God bless us all.



**Baaba Adu Safo**

**Our investment strategy on the equity front would involve identifying growth and value stocks with steady returns in terms of profitability and dividends to boost the performance of the equity portfolio.**



# Financial Statements



# Statement of Net Assets

(All amounts are in GH¢)

	Notes	June 2015	% of net assets	June 2014	% of net assets
<b>Assets:</b>					
<b>Equity Investments</b>					
Benso Oil Palm Plantation	13	52,950	4%	19,917	5%
Mechanical Lloyd	13	46,563	3%	56,250	14%
Mega African Capital Ltd	13	165,000	12%	93,000	24%
Kenya Commercial Bank	13	229,701	17%		
National Insurance Co. Malawi	13	147,500	11%		
Societe Generale Ghana	13	46,046	3%	12,450	3%
Standard Chartered Bank	13	93,718	7%	48,870	12%
<b>Total Equities</b>		<b>781,478</b>	<b>58%</b>	<b>230,487</b>	<b>59%</b>
<b>Short Term Funds</b>					
Fixed Deposits	7a	331,246	25%	142,458	36%
Treasury Bills	7b	-	0%	-	0%
Cash And Bank Balances	9	243,262	18%	21,409	5%
<b>Total Short Term Funds</b>		<b>574,508</b>	<b>43%</b>	<b>163,867</b>	<b>42%</b>
<b>Total Assets</b>		<b>1,355,986</b>	<b>101%</b>	<b>394,354</b>	<b>100%</b>
<b>Current Liabilities</b>					
Accounts Payable And Accruals	11	(12,864)	-1%	(834)	0%
<b>Total Net Assets Attributable to Shareholders</b>		<b>1,343,121</b>	<b>100%</b>	<b>393,520</b>	<b>100%</b>

The accounting policies and notes on pages 11 to 20 form an integral part of these financial statements.

# Statement of Assets and Liabilities

(All amounts are in GH¢)

	Notes	June 2015	% of net assets	June 2014	% of net assets
<b>Assets</b>					
Equity Investments In Ghana	10	404,277	30%	230,487	59%
Equity Investments Outside Ghana	10	377,201	28%	-	0%
Fixed Income Investments	8	331,246	25%	142,458	36%
		<b>1,112,724</b>	<b>83%</b>	372,945	95%
Cash And Bank Balances	9	243,262	18%	21,409	5%
<b>Total Assets</b>		<b>1,355,986</b>	<b>101%</b>	394,354	100%
<b>Current Liabilities</b>					
Accounts Payable And Accruals	11	(12,864)	-1%	(834)	0%
<b>Net Assets</b>		<b>1,343,121</b>	<b>100%</b>	393,520	100%
<b>Expense ratio</b>		<b>1.65%</b>		1.00%	



Director



Director

The accounting policies and notes on pages 12 to 20 form an integral part of these financial statements.



# Statement of Income and Distribution

(All amounts are in GH¢)

	Notes	June 2015	June 2014
<b>Investment Income</b>			
Interest Income	4	36,324	16,653
Dividend Income	5	1,380	834
<b>Total Income</b>		<b>37,704</b>	17,487
<b>Operating Expenses</b>			
Other Operating Expenses	6	(11,476)	(867)
Investment Management Expenses	7	(10,629)	(3,082)
<b>Total Operating Expenses</b>		<b>(22,105)</b>	(3,950)
<b>Net Investment Income/(Loss)</b>			
Realized Gain On Sale Of Equities		15,599	13,537
Unrealized Gain On Investments		92,253	(6,325)
Foreign Exchange Translation Differences		14,745	
Increase In Net Assets Attributable To Members From Operations		122,597	7,212
<b>Accumulated Increase In Net Assets</b>			
Opening Balance		96,068	676
Net Increase In Net Assets For The Period		122,597	7,212
Closing Balance		218,665	7,888

The accounting policies and notes on pages 12 to 20 form an integral part of these financial statements.

# Statement of Movement in Net Assets

( All amounts are in GH¢)

	Notes	June 2015	June 2014
<b>Increase In Net Assets</b>			
Increase In Net Assets From Operations		122,597	7,212
<b>Net Increase In Net Assets From Operations</b>		<b>122,597</b>	7,212
<b>Capital Transactions</b>			
Proceeds From Share Issue		357,577	146,882
Shares Redeemed		(21,087)	(4,377)
<b>Net Proceeds From Capital Transactions</b>		<b>336,490</b>	142,505
<b>Total Increase In Net Assets For The Period</b>		<b>459,087</b>	149,718
Net Assets At Beginning Of Period		884,034	243,803
<b>Net Assets At Close Of Period</b>		<b>1,343,121</b>	393,520

# Statement of Movement in Issued Shares

	June 2015 No. of shares	June 2014 No. of shares
Shares Issued Within The Period	272,104	138,191
Shares Redeemed During The Period	(18,962)	(4,218)
<b>Net Shares Issued</b>	<b>253,142</b>	133,973
	733,337	243,024
<b>Units Outstanding At End Of Period</b>	<b>986,479</b>	376,997

The accounting policies and notes on pages 12 to 20 form an integral part of these financial statements.



# Notes to the Financial Statements

## For the Half Year ended 30<sup>th</sup> June 2015

### 1 REPORTING ENTITY

Omega Equity Fund started operations on 30th October 2013 as an authorized mutual fund. The Fund seeks to deliver superior returns in the long-term by investing in a diversified portfolio of stocks and fixed income securities. The Fund invests in equity securities trading on the Ghana Stock Exchange and any other regulated market as well as fixed income securities such as Corporate Bonds, Fixed Deposits and Government debt instruments.

All securities purchased by the Fund present minimal credit risk in the opinion of the Manager (Omega Capital Limited) acting under the supervision of the Directors. In the interest of prudence and efficient management of the Fund, the Manager will maintain prudent levels of liquidity.

The Manager is responsible for the actual management of the Fund's portfolio and constantly reviews the holding of the Fund in the light of its research analysis and research for other relevant services. The Fund pays the Investment Manager a monthly management fee of 1.5% per annum for services provided to the Fund. The fee is based on the daily net assets of the Fund.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis Of Presentation

The financial statements of Omega Equity Fund have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention as modified by the fair valuation of financial assets and liabilities.

### 2.2 Financial Instruments

#### (a) Classification

The Fund classifies its investments in debt and equity securities, and related derivatives, 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 designate at fair value through profit or loss at inception.

#### *i. 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 the 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.

# Notes to the financial statements

## Continued

### *i. (ii) 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.

The Fund's policy requires the Fund Manager to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information. 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.

### **(b) 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 statement of comprehensive income.

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 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 comprehensive income within other net changes in fair value of financial assets through the profit or loss in the period in which they arise.

Dividend income from financial assets at FVTPL is recognized in the statement of comprehensive income within dividend income when the Fund's right to receive payments is established.

Interest income on debt securities at FVTPL is recognized in the statement of comprehensive income within interest income based on the effective interest rate.

### **(c) Fair Value Estimation**

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

Fair values for unlisted equity securities are determined by the Fund Manager using valuation techniques. Such valuation techniques may include earnings multiples (based on the budget earnings or historical earnings of the issuer and earnings multiples of comparable listed companies) and discounted cash flows. The Fund adjusts the valuation model as deemed necessary for factors such as non-maintainable earnings, tax risk, growth stage and cash traps.

The Fund's valuation technique for unlisted debt instruments is the net present value of estimated



# Notes to the financial statements

## Continued

future cash flows based on a discounted cash flow model. The discount rate used by the Fund is based on the risk-free rate of the economic environment in which portfolio companies operate and is adjusted with other factors such as liquidity, credit and market risk factors. Similar to the earnings multiples model, cash flow used in the discount cash flow model is based on projected cash flows or earnings of the portfolio companies.

Short term debt securities having maturity of 90 days or less are valued at amortized cost.

### d) Impairment Of Financial Assets

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

Evidence of impairment may include indications that the debtor, or a group of debtors, is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and, where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future

expected credit losses that have not yet been incurred) discounted using the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss as 'credit loss expense'.

Impaired debts, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Fund. If a previous write off is later recovered, the recovery is credited to the 'credit loss expense'.

Interest revenue on impaired financial assets is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

### e) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognized initially at fair value. They are subsequently measured at amortized cost using the effective interest rate method, less impairment.

### f) Offsetting Financial Instruments

Financial instruments are offset and the net amount reported in the balance sheet only when there is currently a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

### g) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost; any difference between the proceeds (net of

# Notes to the financial statements

## Continued

transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowing using the effective interest method.

### 2.3 Functional And Presentation Currency

The Fund's investors are mainly from Ghana, with the subscriptions and redemptions of the units denominated in Ghana Cedis. All amounts have been rounded to the nearest cedi unless otherwise stated.

#### 2.3.1 Foreign Currency Translations

Transactions during the period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign 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 on financial assets and liabilities at fair value through profit or loss'.

### 2.4 Income

Interest Income is recognized on accrual basis. Interest income comprises interest on treasury bills and certificates of deposit. The recognition of interest ceases when the payment of interest or principal is in doubt. Interest is then included in income only when it is received.

Commissions and fees are credited to income when earned.

Dividend income from financial assets at FVTPL is recognized in the statement of comprehensive income within dividend income when the Fund's right to receive payments is established.

Investment Transactions on the Ghana Stock Exchange and other African Stock Markets are recorded on the trade date. Realized gains and losses on the sale of investment securities are determined on the identified cost basis.

### 2.5 Cash And Cash Equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks. Bank overdrafts are shown under current liabilities in the balance sheet.

### 2.6 Income 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 their shares at the prevailing net asset value per share of the fund.

### 2.7 Related Parties

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 1.5% per annum of the daily net asset of the fund which shall be accrued on a daily basis. Omega Capital Limited earned a fee of GH¢ 10,629 during the period. The balance due to the Manager for the six months ended as at 30 June, 2015 is GH¢ 2,261.



# Notes to the financial statements

## Continued

### 2.8 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

### 2.9 Financial Risk Management

The objective of the Fund is to achieve long term capital growth through investing in equity Securities listed on the Ghana Stock Exchange and/or other regulated financial markets exchanges and money market securities.

The Fund's activities expose it to a variety of financial risks:

- Price risk,
- Credit risk
- Liquidity risk
- Operational risk

#### *i. Price risk*

The Fund's investments and financial instruments are susceptible to market price risk arising from uncertainties about future values of the instruments. The Fund's Manager provides the Fund with investment recommendations with investment recommendations. The Manager's recommendations are reviewed and approved by the Board of Directors before the investment decisions are implemented.

To manage the market price risk, the manager reviews the performance of the portfolio companies on a monthly basis and is in regular contact with the management of the portfolio companies for business operational matters.

#### *ii. Credit risk*

The Fund is exposed to credit risk, which is the risk that one party will cause a financial loss for the other party by failing to discharge an obligation. The Fund is exposed to the risk of non-payment of interest on fixed deposits.

#### *i. Liquidity risk*

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

#### *ii. Capital risk management*

The capital of the Fund is represented by the net assets attributable to the Shareholders. The Fund's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Fund. The Directors monitor capital on the basis of the value of net assets attributable to the shareholders.

### 3 EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION 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.

# Notes to the financial statements

## Continued

### 4 INTEREST INCOME

	June 2015	June 2014
	GHC	GHC
Interest On Bank Accounts	659	428
Interest On Fixed Deposits	35,665	16,226
Interest On Treasury Bills		
	<b>36,324</b>	16,653

### 5 DIVIDENDS

	June 2015	June 2014
	GHC	GHC
Listed Dividends-Ghana	1,380	834
	<b>1,380</b>	834

### 5 UNREALIZED GAIN ON EQUITY INVESTMENTS

	June 2015	June 2014
	GHC	GHC
Market Value Of Investments	781,478	230,487
Less Cost Of Investments	(624,393)	(239,139)
Total Unrealized Gain	157,085	(8,652)
Less Total Unrealized Gains Last Year	(64,832)	2,326
Unrealized Gain For The Period	<b>92,253</b>	(6,325)

### 6 OTHER OPERATING EXPENSES

	June 2015	June 2014
	GHC	GHC
Administrative Expenses	999	475
Bank Charges	326	
Accounting Services Fees	3,000	
Custodial Fees	4,901	392
Auditors Remuneration	2,250	
	<b>11,476</b>	867

### 7 FUND MANAGEMENT FEES

	June 2015	June 2014
	GHC	GHC
Fund Management Fees	10,629	3,082
	<b>10,629</b>	3,082



# Notes to the financial statements

## Continued

### 8 FIXED INCOME INVESTMENTS

#### 7a) Fixed Deposits

	June 2015 GH¢	June 2014 GH¢
Fixed Deposits	308,378	134,529
Interest Receivable	22,868	7,930
	<b>331,246</b>	142,458

#### 7b) Treasury Bills

	June 2015 GH¢	June 2014 GH¢
Treasury Bills-1 Yr Bills		
Interest Receivables-T'Bills		
	-	-
<b>Total Fixed Income Investments</b>	<b>331,246</b>	142,458

### 9 CASH AND BANK BALANCES

	June 2015 GH¢	June 2014 GH¢
Balances With HFC Bank	4,898	6,403
Balances With Stanchart Bank	217,424	
Balances With Zenith Bank	20,940	15,006
	<b>243,262</b>	21,409

### 10 INVESTMENT IN EQUITIES

#### In Ghana:

	June 2015 GH¢	June 2014 GH¢
Benso Oil Palm Plantation	52,950	19,917
Mechanical Lloyd	46,563	56,250
Mega African Capital Ltd	165,000	93,000
Societe Generale Ghana	46,046	12,450
Standard Chartered Bank	93,718	48,870
	<b>404,277</b>	230,487

#### Outside Ghana:

National Insurance Co. Malawi	147,500	
Kenya Commercial Bank	229,701	
	<b>377,201</b>	-
	<b>781,478</b>	230,487

# Notes to the financial statements

## Continued

### 11 ACCOUNTS PAYABLE AND ACCRUALS

	June 2015	June 2014
	GHC	GHC
Custody Fees Payable	4,589	212
Management Fees Payable	2,261	622
Fund Accounting Fees Payable	3,000	
Audit Fees Payable	2,250	
Administrative Expenses Payable	764	
	<b>12,864</b>	834

### 12 DIRECTORS' SHAREHOLDING

Name	Number of Shares	% of Total
Anthony Oteng Gyasi	131,306.24	13.31%
Kobina Asmah *	10,000.00	1.01%
Kwesi Amonoo-Neizer *	18,182.13	1.84%
Emmanuel Dugbatey Kitcher *	5,000.00	0.51%
Christine Dowuona-Hammond	2,597.64	0.26%
Nana Kumapremereh Nketiah	1,498.78	0.15%
	<b>168,584.79</b>	<b>17.09%</b>

\* Emmanuel Dugbatey Kitcher holds the shares jointly with Alice Naami Kitcher

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

\* Kobina Asmah jointly holds shares with Stephanie Asmah



# Notes to the financial statements

## Continued

### 13 MARKET VALUE OF EQUITY INVESTMENTS

	Number of Shares	Price @ June 30, 2015	June 2015		June 2014	
			Cost GH¢	Market Value GH¢	Cost GH¢	Market Value GH¢
Benso Oil Palm Plantation	10,590.00	5.0000	28,358	52,950	19,805	19,917
Mechanical Lloyd	273,900.00	0.1700	85,674	46,563	70,736	56,250
Mega African Capital Ltd	30,000.00	5.5000	93,077	165,000	93,077	93,000
Societe Generale Ghana	50,600.00	0.9100	42,216	46,046	11,441	12,450
Standard Chartered Bank	4,700.00	19.9400	83,355	93,718	44,079	48,870
National Insurance Co. Malawi	500,000.00	0.2950	92,541	147,500		
Kenya Commercial Bank	95,000.00	2.4179	199,171	229,701		
			<b>624,393</b>	<b>781,478</b>	<b>239,139</b>	<b>230,487</b>

### 14

	Valuation as at 1 Jan 2015	Purchases	Sales	Valuation 30th June 2015	Fair Value Changes
	GH¢	GH¢	GH¢	GH¢	GH¢
Benso Oil Palm Plantation	43,419			52,950	9,531
Mechanical Lloyd	52,500	14,938		46,563	(20,875)
Mega African Capital Ltd	135,000			165,000	30,000
Societe Generale Ghana	46,000			46,046	46
Standard Chartered Bank	95,645			93,718	(1,927)
National Insurance Co. Malawi	110,450			147,500	37,050
Kenya Commercial Bank	191,273			229,701	38,428
	<b>674,287</b>	<b>14,938</b>	<b>-</b>	<b>781,478</b>	<b>92,253</b>

# 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>	1 year, 8 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>	1 year, 8 months
<b>Other Affiliations</b>	<ul style="list-style-type: none"> <li>• Chairman, Omega Capital Limited</li> <li>• Director of Omega Income Fund</li> <li>• Director of OAK Partners Limited</li> <li>• Director of Mega African Limited</li> <li>• Director of Metropolitan Insurance</li> <li>• Director of Haradali Capital, Tanzania</li> <li>• Director of Mechanical Llyod</li> </ul>
<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>	1 year, 8 months
<b>Other Affiliations</b>	Director of Omega Income Fund
<b>Occupation</b>	Legal Practitioner



## Directors' Information

### Continued

<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>	1 year, 8 months
<b>Other Affiliations</b>	<ul style="list-style-type: none"> <li>• Director, Omega Capital Limited</li> <li>• Director, Omega Income Fund</li> <li>• Director, Kumapremereh Resources Limited</li> <li>• Director, Acorn Properties Limited</li> <li>• Director, Hagion Properties Limited</li> <li>• Director, Via Dela Rosa Courts</li> </ul>
<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>	1 year, 8 months
<b>Other Affiliations</b>	<ul style="list-style-type: none"> <li>• Director, Omega Income Fund Limited</li> <li>• Director, ZIGMA Investment Club</li> <li>• Director, Nyanba Medical Centre</li> </ul>
<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>	1 year, 8 months
<b>Other Affiliations</b>	TYPE Company Ltd
<b>Occupation</b>	Managing Director

**Dear Valued Client,**

You are encouraged to make your regular deposits into your Omega Equity Fund Investment account at any **Zenith Bank** or **HFC Bank** Branch near you.

You may also transfer funds from your MTN Mobile Money wallet or any MTN Mobile Money Merchant near you. Kindly find our Bank and Mobile Money Transfer details below:

**ZENITH OMEGA EQUITY FUND BANK ACCOUNT DETAILS**

Account Name: **Omega Equity Fund Ltd.**  
Bank: **Zenith Bank**  
Account Number: **0006010217660**  
Branch: **Patrice Lumumba**

**HFC OMEGA EQUITY FUND BANK ACCOUNT DETAILS**

Account Name: **Omega Equity Fund Ltd.**  
Bank: **HFC Bank**  
Account Number: **0022500338017**  
Branch: **Ebankese**

**OMEGA EQUITY FUND MOBILE MONEY ACCOUNT DETAILS**

Account Name: **Omega Equity Fund**  
Number: **0554849962**

**Steps to Send  
Money by MTN  
Mobile Money**

1. Make sure you have sufficient money in your Mobile Money Wallet
2. Go to MOBILE MONEY, select TRANSFER MONEY, then select MOBILE USER
3. Enter and repeat receiver's mobile number, amount, reference (your name) confirm details and enter Mobile Money PIN
4. Merchant user Till number is 1

*Note: Please use your name as the reference name for all the mobile money transfers since your name as reference helps us identify the client who transferred the funds or you can follow-up your payments with a call to 0554849962 or send an email to [info@omegacapital.com.gh](mailto:info@omegacapital.com.gh) for confirmation.*



**Omega Capital Limited**

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