



FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED
30 JUNE 2014

(UNAUDITED)

MANAGED BY





OMEGA INCOME FUND LIMITED

**FINANCIAL STATEMENTS
FOR THE HALF YEAR
ENDED 30 JUNE 2014**

(UNAUDITED)

FUND INFORMATION

Board of Directors

Emmanuel Dugbately Kitcher
Kofi Ankama-Asamoah Atua
Kwesi Amonoo-Neizer
Christine Dowuona-Hammond
Nana Kumapremereh Nketiah
Felicia Joan Asabea Oppong

Registered Office

45 West Airport Road
Airport Residential Area
Accra, Ghana

Auditors

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

Manager

Omega Capital Limited
45 West Airport Road
Airport Residential Area
Accra, Ghana
P.O. Box CT8818
Cantonments-Accra

Solicitor

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

Custodian

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

Bankers

Zenith Bank (Gh) Limited
Stanbic Bank Limited

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REPORT OF THE DIRECTORS

The Directors have the pleasure in submitting the financial statements of Omega Income Fund for the half year ended June 30, 2014.

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 Ghana Accounting Standards.

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 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 licensed by the Securities and Exchange Commission to operate as an authorized mutual fund.

Financial Results

The results for the year ended June 30, 2014 are set out below:

	2014 GH¢	2013 GH¢
Interest Income	39,446	6,402
Management and Operational Expenses	(4,370)	(469)
Transfer To Accumulated Net Investment Income	35,076	5,933

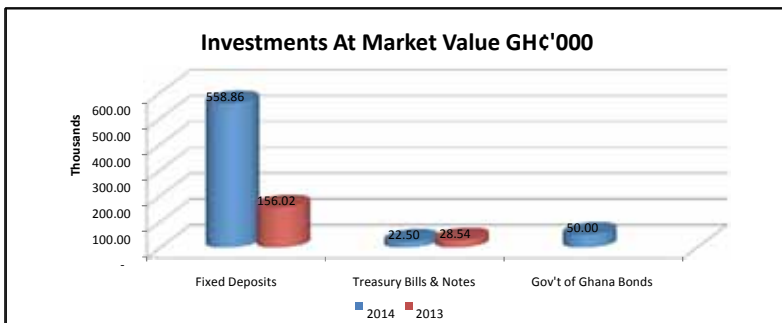
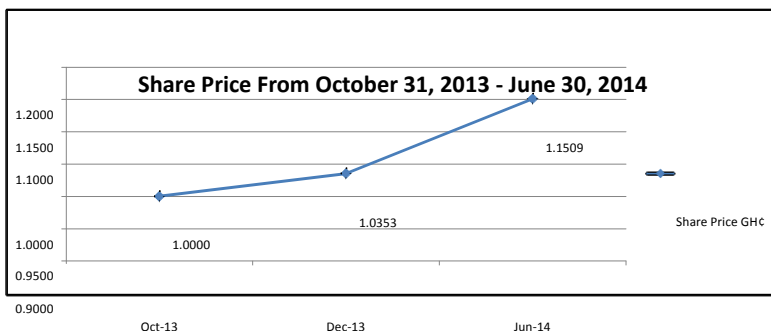
FINANCIAL HIGHLIGHTS

Performance Summary

Share Price Information

	31-Oct-2013	31-Dec-2013	30-Jun-2014
Share Price GH¢	1.0000	1.0353	1.1509
Number Of Shares	152,070	189,450	565,914
NAV GH¢	152,070.00	196,135.68	651,336.45

Performance from inception to June 30th 2014



Historical Performance¹

Period	Omega Income Fund Annualized Yield	1 Year GOG Note
Jun-2014	23.94%	22.5%

¹Return on investment reflects the return of the Fund taking into account cash inflows, cash outflows, reinvestment of interest and changes in share prices. This percentage is not an indication of the performance of a member's investment in the Fund due to the difference in timing between when a member makes contributions and the reference period of the Fund.

PORTFOLIO MANAGER'S REPORT

Dear Valued Shareholders, I am glad to present to you the first report on the Omega Income Fund, after a successful Initial Public Offer (IPO) in October 2013. The Fund has enjoyed sustained investor interest since it became operational in October last year.

Overview of the Macroeconomic Environment

Ghana's economy has maintained commendable growth course with an average annual growth of about 6.0% over the past six years. The GDP (Gross Domestic Product) reached 7.1% in 2013 after peaking at 15% in 2011. However, the Ghanaian economy faced fiscal pressures stemming from rising wage bill, high interest payments, low revenue collection and a rapid depreciation of the cedi against the major trading currencies. Also, fuel and utility prices rose significantly leading to a rise in inflation. Inflation rose from 13.5% in December 2013, to 15.3% in July 2014. Similarly, interest rates rose and remained high throughout the first half of the year. The Monetary Policy Committee (MPC) at its meeting held in July 2014, also increased the Monetary Policy Rate from 18% to 19% to contain the elevated risk to inflation.

During the first quarter of the year, yields on money market instruments were fairly stable compared to the higher yields recorded in the second quarter of 2014. The 91- day Treasury bill rate rose to 24.08% from its previous 19.22% (indicating a 4.84% rise) while the 182- day Treasury bill rate rose to 21.28% from its previous 18.66% (indicating a rise of 2.62% rise) from the beginning of this year. The 1 year GOG (Government of Ghana) note also managed a 22.5% by the end of June 2014, from its initial 17% in January 2014, indicating a 5.5% increase by close of the first half of the fiscal year.

Investment Objective

Omega Income Fund is a medium-term Fund designed for investors who seek to achieve growth in income while conserving their principal. The Fund aims to achieve its objective by investing in a diversified portfolio of fixed income securities in the medium to long term.

Fund Performance

The Omega Income Fund which opened at a price of GHS1.0000 in October 2013, ended the half year at a price of GHS1.1509. This translated into an annualized yield of 23.94%. The Fund outperformed its benchmark, the one year Government of Ghana Note, which posted an average annual yield of 20.94% and an end of period yield of 22.50%.

The funds under management increased from GHS 196,136 as at the end of December, 2013 to GHS651,336 for the period ending June, 2014. The Fund also witnessed a steady rise in its shareholders base from 160 to 346 during the period under review.

Economic Outlook

It is expected that Ghana will continue to experience a high interest rate environment in 2014 as the Government tries to reduce its high fiscal deficit, given the rapid depreciation of the cedi against the major trading currencies in the first half of 2014. The current account deficit is projected to remain above 10% this year, but reduce in the medium-term as the international price of gold and cocoa increases. Inflation will remain a major risk for the rest of 2014 and likely to remain above the Bank of Ghana target of 12 ± 2.5 due to the removal of petroleum subsidies and its related high price adjustments, and the expected automatic revision of the utility prices.

Labor agitations amidst strikes are likely to keep the government borrowing more from the domestic market to meet its high wage bill and rising interest payment in the medium term. However, GDP growth outlook continues to be promising as Ghana commences the production of gas and explores new oil fields.

Government has announced its intention to opt for an International Monetary Fund programme this year. If successful, the programme is likely to help Ghana stabilize its currency with additional inflows from the donor community.

Investment Outlook

The Fund will not limit its investments to the local economy but will consider fixed income investment opportunities in other African countries. The Fund will review investments in countries with relative stability in their currency to generate appreciable returns to you our shareholders. We will however be guided by our goal to manage investor funds so that its performance is consistent with the objective of growing your income while conserving your principal.

Conclusion

I will like to welcome our new shareholders to the Fund and thank all our investors for entrusting your investments with Omega Capital Ltd. I encourage you to develop a regular investment plan, where you may subscribe to a direct debit for monthly deposits to grow your wealth in the medium to long-term. God bless us all.

Your Portfolio Manager



**FINANCIAL
STATEMENTS**

STATEMENT OF ASSETS AND LIABILITIES

(All amounts are in GH¢)

	Notes	2014 GH¢	% of Net Assets	2013 GH¢	% of Net Assets
ASSETS					
Fixed Deposits	6	558,864	86%	156,020	79%
Government Of Ghana Notes	7	72,497	11%	28,543	15%
Cash And Bank Balances	8	22,200	3%	12,020	6%
Total Short Term Funds		653,561	100%	196,583	100%
Total Assets		653,561	100%	196,583	100%
CURRENT LIABILITIES					
Accounts Payable And Accruals	9	(2,225)	0%		0%
Total Net Assets Attributable To Shareholders		651,336	100%	196,583	100%
Expense Ratio		0.67%		0.24%	

Kwesi Amonoo-Neizer

Director
(Kwesi Amonoo-Neizer)
28th August, 2014

Nana Kwumapremereh Nketiah

Director
(Nana Kwumapremereh Nketiah)
28th August, 2014

The accounting policies and notes form an integral part of these financial statements

STATEMENT OF INCOME AND DISTRIBUTION

(All amounts are in GH¢)

	Notes	2014 GH¢	2013 GH¢
INVESTMENT INCOME			
Interest Income	3	39,446	6,402
Total Income		39,446	6,402
OPERATING EXPENSES			
Other Operating Expenses	4	(1,982)	(253)
Investment Management Expenses	5	(2,388)	(216)
Total Operating Expenses		(4,370)	(469)
Net Investment Income/(Loss)		35,076	5,933
Transfer To Accumulated Net Investment Income		35,076	5,933
ACCUMULATED NET INVESTMENT INCOME			
Opening Balance		5,933	
Transfer From Statement Of Income And Distribution		35,076	5,933
Closing Balance		41,009	5,933

The accounting policies and notes form an integral part of these financial statements

STATEMENT OF MOVEMENT IN NET ASSETS

(All amounts are in GH¢)

	Notes	2014 GH¢	2013 GH¢
INCREASE IN NET ASSETS			
Net Investment Income		35,076	5,933
Net Increase In Net Assets From Operations		35,076	5,933
CAPITAL TRANSACTIONS			
Proceeds From Share Issue		431,437	190,203
Shares Redeemed		(11,312)	
Net Proceeds From Capital Transactions		420,125	190,203
Total Increase In Net Assets For The Period		455,201	196,136
Net Assets At Beginning Of Period		196,136	
Net Assets At Close Of Period		651,336	196,136

STATEMENT OF MOVEMENT IN ISSUED SHARES

	2014 No. of shares	2013 No. of shares
Shares Issued Within The Year	386,437	189,450
Shares Redeemed During The Year	(9,973)	
Net Shares Issued	376,464	189,450
Shares Outstanding At 1 January	189,450	
Units Outstanding At 30th June 2014	565,914	189,450

The accounting policies and notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Omega Income Fund started operations on 30th October 2013 as an authorized mutual fund. The objective of the Fund is to provide growth while conserving principal by investing in a diversified portfolio of fixed income securities. The Fund's investments include: treasury securities, commercial papers, corporate bonds and fixed deposits.

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 holdings 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.

a) Basis of Presentation

The financial statements of Omega Income Fund have been prepared in accordance with Ghana National Accounting Standards (GNAS). The financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets and liabilities.

b) Functional And Presentation Currency

The company'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.

c) Valuation Of Investments

Valuation of the fund is determined by the amortized cost method. This involves the valuing of a debt obligation with reference to its cost rather than market value.

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

d) 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.

e) Cash And Cash Equivalents

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

f) Fixed Deposits

Fixed deposits are stated in the Statement of Assets and Liabilities at the principal amount and interest less provision for doubtful debts. Provisions against fixed deposits are made having regard to specific risks.

No provisions for doubtful debts have been made for the period under review.

3. Interest Income

	2014 GH¢	2013 GH¢
Interest On Bank Accounts	183	37
Interest On Fixed Deposits	33,762	5,919
Interest On Notes And Bills	5,501	446
	39,446	6,402

4. Other Operating Expenses

	2014 GH¢	2013 GH¢
Administrative Expenses	1,534	144
Bank Charges	15	22
Custodial Fees	433	86
	1,982	253

5. Fund Management Fees

	2014 GH¢	2013 GH¢
Fund Management Fees	2,388	216
	2,388	216

6. Fixed Deposits

	2014 GH¢	2013 GH¢
Fixed Deposits	536,145	150,000
Interest Receivable	22,719	6,020
	558,864	156,020

7. Government Of Ghana Bills And Notes

	2014 GH¢	2013 GH¢
Treasury Bills & Notes	18,500	28,351
Gov't of Ghana Notes-3 YR FR Note	50,000	
Interest Receivables on T'Bills & Notes	3,997	192
	72,497	28,543

8. Cash And Bank Balances

	2014 GH¢	2013 GH¢
Balances With Zenith Bank	13,971	8,083
Balances With HFC Bank	8,229	3,937
	22,200	12,020

9. Accounts Payable And Accruals

	2014 GH¢	2013 GH¢
Management Fees Payable	725	216
Custody Fees Payable	296	86
Administrative Expenses Payable	1,203	144
	2,225	447

10. Directors' Shareholding

NAME	Number of Shares	% of Total
Emmanuel & Alice Naomi Dugbatey Kitcher*	5,000.00	0.88%
Kofi Atua & Doris Ankama-Asamoah*	4,788.97	0.85%
Kwesi & Rita Amonoo Neizer*	4,650.12	0.82%
Christine Dowuona-Hammond	1,754.86	0.31%
Oppong Felicia Joan Asabea	1,415.25	0.25%
Nana Kumapremereh Nketiah	1,142.30	0.20%
	18,751.50	3.31%

* Jointly held with other individuals.

DIRECTORS INFORMATION

Board of Directors

The Directors of the Fund are:

Name	Christine Dowuona-Hammond
Address	Faculty of Law, University of Ghana Legon
Position	Director
Time with Fund	9 months
Other Affiliations	Director of Omega Equity Fund
Occupation	Legal Practitioner

Name	Kwesi Amonoo-Neizer
Address	P.O.Box 1047 Kaneshie
Position	Director
Time with Fund	9 months
Other Affiliations	Chairman, Omega Capital Limited Director of Omega Equity Fund Director of OAK Partners Limited Director of Mega African Limited Director of Metropolitan Insurance Director of Haradali Capital, Tanzania Director of Mechanical Llyod
Occupation	Investment Banker

Name	Kofi A. Ankama-Asamoah
Address	P5 Manet Cottage DTD Baatsonaa-Spintex Road
Position	Director
Time with Fund	9 months
Other Affiliations	Chairman, Cleaning Solutions Ltd Director of Text Genesys Ltd
Occupation	Business Executive

Name	Nana Kumapremereh Nketiah
Address	P.O. Box 1104 Tema
Position	Director
Time with Fund	9 months
Other Affiliations	Director, Omega Capital Limited Director, Omega Equity Fund Director, Kumapremereh Resources Limited Director, Acorn Properties Limited Director, Hagion Properties Limited Director, Via Dela Rosa Courts
Occupation	Investment Banker

Name	Emmanuel Dugbatey Kitcher
Address	P.O. Box CE 11553 Tema
Position	Director
Time with Fund	9 months
Other Affiliations	Director, Omega Equity Fund Limited Director, ZIGMA Investment Club Director, Nyanba Medical Centre
Occupation	Associate Director

Name	Felicia Joan Asabea Oppong
Address	P.O. Box CE 11501 Tema Comm. 11
Position	Director
Time with Fund	9 months
Other Affiliations	Director, Quantum Partners Limited
Occupation	Investment Banker

Omega Capital Limited
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