



CCMF ANNUAL REPORT

2017





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This information contained in this document is historical and not necessarily indicative of future results. This report shall not constitute an invitation to buy shares of the Fund. Subscriptions are to be made only on the basis of the current scheme particulars, accompanied by a copy of the latest available Annual Report, and if published thereafter, the most recent half year report

NOTICE OF ANNUAL GENERAL MEETING (AGM)

NOTICE IS HEREBY GIVEN that the 6th Annual General Meeting (AGM) of the Christian Community Mutual Fund (CCMF) will be convened at Rev. Peter Kwei Dagadu Memorial Methodist Church, Osu, Ako-Adjei, Accra at 10:00am on Wednesday, 12th December, 2018 to transact the following business:

Agenda

1. To consider the Directors' Report and the Report of the Auditors for the year ended 31st December, 2017;
2. To receive and adopt the Financial Statements for the year ended 31st December, 2017;
3. To re-elect Directors retiring by rotation;
4. To authorize the Directors to fix the remuneration of the Auditors;
5. To transact any other business appropriate to be dealt with at an Annual General Meeting.

Note

A shareholder of the Company has the right to appoint a proxy to attend and vote on his/ her behalf at the meeting. Such a proxy need not be a Shareholder. A copy of the instrument appointing the proxy may be deposited not later than forty-eight (48) hours prior to the commencement of the meeting at the principal place of business of the Secretary.

#799/3, 5th Crescent
Asylum Down
Accra

Dated this9th.....day of November 2018

BY ORDER OF THE BOARD

Lawfields Consulting
Secretary

CHAIRMAN'S STATEMENT TO CCMF SHAREHOLDERS

Dear Valued Shareholders,

It is with great pleasure that I warmly welcome you all to the 6th Annual General Meeting of the Christian Community Mutual Fund. On behalf of the Board of Directors and the Fund Manager, I wish to express my heartfelt thanks to you all for your interest and support of CCMF. I will commence with a general overview of the global macroeconomic environment; after which I will focus on some of Ghana's key economic highlights during the year. I will also give an overview of CCMF's performance for the year and conclude with our outlook for the Fund for the following year.

Global Economic Review

Data from the International Monetary Fund (IMF), showed that the global economy grew by 3.6% in the year 2017, after the 3.2% growth recorded in 2016. The year 2017 marked ten years after the global economic crisis that shook financial markets across the world. In 2017, stocks in the USA surged throughout the year, improving earnings and pushing valuations higher. This was due to economic growth, increases in corporate profits and tax cuts in the USA which happened to be the biggest catalyst. The Dow Jones Industrial Average continued to surge, coming close to the 25,000-point mark in early December. The S&P 500, Dow and Nasdaq gained 19.4%, 25.1% and 28.2% respectively, performing remarkably.

Europe headed into 2017 under troubling circumstances with issues including the relatively new 'Brexit', the collapse of Italy's oldest bank and a series of impending elections that dampened

investor sentiment and caused nervousness in European markets. However, by the end of the year, the Euro area economy had experienced a remarkable turnaround. Data from the European Commission forecasted growth in the euro zone to be 2.2% in 2017, the fastest pace recorded in a decade. The recovery was broad-based, led by domestic demand, an improving labour market and expansionary monetary policy. The Euro appreciated by 13% against the dollar and outperformed other G10 currencies.

On large emerging markets, China experienced a marginal growth of 6.7% as compared to 6.9% from the previous year. The Indian economy outperformed most emerging markets in per capita growth on the back of reduced inflation, de-monetization, reformed tax systems and declining unemployment.

On commodities, the average annual oil price per barrel rose to \$52 from \$40 in 2016. Gold performed poorly in the first quarter of 2017 but reached a peak of \$1,302.80 in December 2017. According to the International Cocoa Organization, cocoa prices recorded an average of US\$ 1,899 per tonne in 2017 from US\$ 2,148 per tonne in 2016.

Economic Review Of Ghana

Provisional estimates from Ghana Statistical Service revealed that GDP for 2017 grew by 8.5% an increase of 4.8% from the 3.7% growth in 2016. The strong growth for the year under review was due to the robust performance of the petroleum subsector, which grew by 8.4%, a major turnaround in the

sectors performance from a contraction of 16.9% in 2016.

The year ended with a headline inflation of 11.8% as compared to 15.4% in 2016. The downward trend in inflation was broadly driven by non-food components of the consumer basket. The Bank of Ghana in November 2017 decreased the Monetary Policy Rate by 550 basis points to 20% from 25.5% in January 2017. The easing of monetary policy helped stimulate economic activity and reduced the cost of borrowing, causing interest rates to trend downwards in the money market during 2017.

Average interest rates on short dated securities such as 91-day and 182-day treasury bills were 13.33% and 15.34% respectively as at December 2017. As yields on treasury securities continued to decline, investor confidence for equities increased, which drove the Ghana Stock Exchange Composite Index (GSE-CI) to 2,579.72 points as at December 2017, from 1,689.09 points in December 2016. Total market capitalization increased to GH¢ 58 million in December 2017 from GH¢ 52 million in 2016, representing an increase of 11.6%. The increase was due to a surge in share prices and higher trade volumes.

On the Fixed Income Market, the government issued the Energy Sector Levy Act (ESLA) Bonds, with (7 and 10 year tenors) as a solution to the energy sector crisis as well as provide liquidity to the banking sector.

This "Energy bond" issuance raised GH¢ 2.42 billion cedis and GH¢ 2.29 billion cedis for the 7 and 10 year bonds respectively.

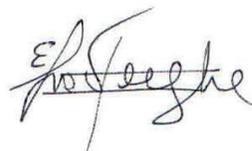
The overall balance of payments recorded a surplus of US\$1,091 million in 2017, compared to US\$362.1 million in 2016. This was largely driven by increased crude oil and gold export receipts coupled with a decline in imports. On the interbank market, the cedi depreciated by 4.9%, 12.9%, 16.2% against the US dollar, the Pound sterling and the Euro respectively in 2017 compared to the same period in 2016. The cedi depreciated cumulatively by 9.7% and 6.4% against the US Dollar and the Euro, respectively, but appreciated by 8.3% against the British Pound Sterling.

Conclusion

In light of the measures being undertaken by the government to strengthen the banking industry, we believe that the outlook for the Ghanaian economy is very promising. CCMF benefited from the improved macroeconomic environment prevalent in 2017. I am excited to let our valued shareholders know that your Fund returned 27.60% during the year, more than double its returns of 12.36% in 2016.

The bullish performance of the local bourse last year pulled CCMF along, providing returns well in excess of the average nominal yields on treasuries. We shall continue to strive to generate promising returns for the Fund and maximize your wealth in the coming year.

Best wishes to you all and thank you for investing in CCMF



Fred Deegbe (Rev.)
CHAIRMAN

FUND MANAGER'S REPORT

CCMF has generated a return of 167.80% cumulatively for its investors since its inception in September 2010 to the end of December 2017, with the unit price rising from GH¢0.2000 to GH¢0.5356 per share. The impressive performance of the local bourse resulted in the fund performing better in the year under review.

At the end of 2017, the Assets under Management (AUM) of the Fund was GH¢ 1,021,206 as against GH¢ 709,124 in 2016, representing a 44% increase. Listed equities constituted 25.97% of the total asset value whereas fixed income investments constituted 71.3%. The fund recorded a cash balance of GH¢ 26,677 at the close of the year equivalent to 2.61% of the total asset value. The market value of equities and money market securities in the year under review accounted for GH¢ 265,769 and GH¢ 508,590 respectively.

The Fund posted significant gains in 2017, beating the 91-day and 182-day T-Bill benchmark rate. CCMF closed 2017 at a unit price of GH¢ 0.5356 with a year to date return of 27.60%, compared with the average interest rates of 13.33% and 15.34% for the 91-day and 182-day Treasury Bill. On the other hand, the Ghana Stock Exchange Composite Index generated a return of 52.73% at the end of 2017 as compared to -15.33% within the same period a year ago. The stellar performance of the Ghanaian bourse was largely fueled by boosted sales growth in listed companies and increased trade volumes on the capital market. Additionally, the sharp decline of yields in the money market in 2017 heightened the attractiveness of equities market.

In line with our revised investment guidelines, the fund invested in government bonds in order to diversify the portfolio

and reduce risk profile of the fund. The fund liquidated some fixed deposit investments and reinvested in government securities as part of the risk management strategies adopted by the fund. The fund purchased a 3 year GOG bond and a 7-year ESLA bond which is a quasi-government bond. The fund also continued to hold the 3 year Bayport Floating Rate Corporate Bond at the end of the year.

As a balanced fund, CCMF continues to maintain a good balance of fixed income and equity instruments which helps to reduce risk. The Fund initiated the Airtel Money payment solution to increase top-ups and attract new shareholders.

Outlook

The Fund Manager also wishes to engage more institutional clients while simultaneously improving our existing relationship with retail clients. In line with our strategy to focus on institutional investors, the fund manager signed up 10 institutional clients in the year 2017. In light of the strengthening of the financial sector and positive outlook for the local bourse, we are optimistic about the fund's performance in the coming year. We are happy to report that the fund continues to grow under our management. We will continue to adhere to the underlying values upon which CCMF stands, while maintaining a portfolio that yields the best possible returns for our shareholders. Thank you once again for your unflinching support.

Eric Appiah



FUND MANAGER

PORTFOLIO SUMMARY

Historical Returns

Year	Dec-11	Dec-12	Dec - 13	Dec - 14	Dec - 15	Dec - 16	Dec - 17
Returns (%)	1.26	11.12	38.55	11.51	5.56	12.36	27.60

Share Price Performance

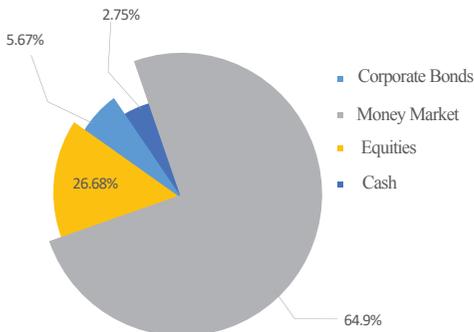
Year	Dec-11	Dec-12	Dec - 13	Dec - 14	Dec - 15	Dec - 16	Dec - 17
Share Price (GH¢)	0.2086	0.2318	0.3221	0.3815	0.3789	0.4196	0.5356

Comparative Performance

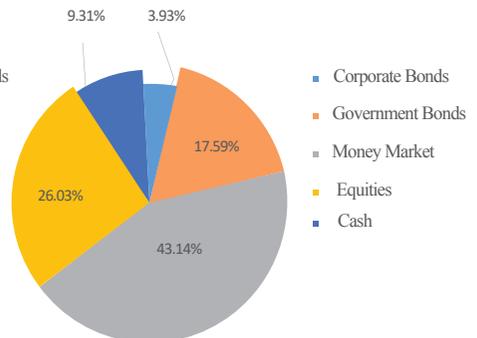
Year	CCMF	GSE (CI)	1- Year Note	91 day	182 day
2016	12.36%	-15.33%	22.95%	16.81%	18.49%
2017	27.60%	51.64%	15.00%	13.33%	15.34%

Asset Allocation

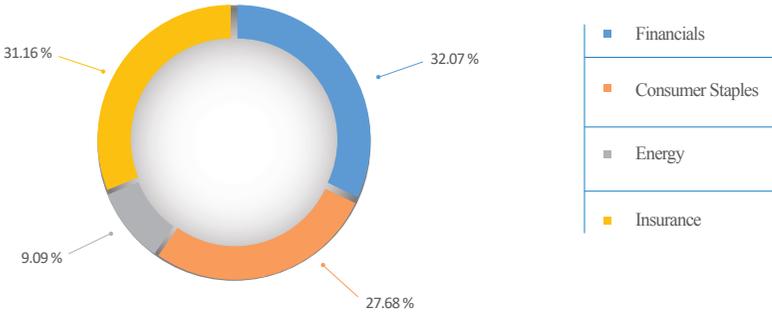
Asset Allocation 2016



Asset Allocation 2017



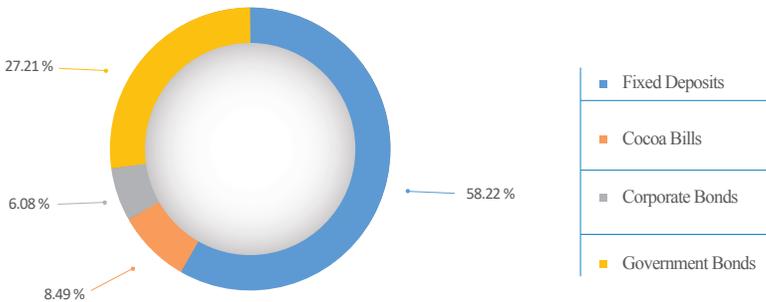
Equities Summary



Top 5 Equity Holdings

Name of Company	Weight (%)
Enterprise Insurance Company	7.25
Fan Milk	6.93
CAL Bank	2.89
Republic Bank	2.67
Tullow Oil	1.68

Fixed Income Securities



4 GREAT REASONS TO CHOOSE CCMF

No restrictions on withdrawals

You can easily withdraw your funds at any time

ONLY GH¢10.00 to activate

You can contribute only **GH¢10.00** to activate your account

Safe keeping of Investment

All investments are in the safe-keeping of the custodian (Standard Chartered Bank)

Easy Tracking of investments

Receive SMS Notifications each time your account is credited or debited

REPORT OF BOARD OF DIRECTORS

Introduction

The Board of Directors presents the report and audited financial statements of Christian Community Mutual Fund Limited (the Fund) for the year ended 31st December, 2017.

Financial Statements

The results for the period are set out in the attached financial statements. The Board of Directors considers the state of the affairs of the Fund to be satisfactory.

Nature of Business

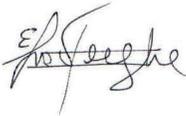
Christian Community Mutual Fund Limited is a mutual fund registered in Ghana, to invest the monies of its members for their mutual benefit and to hold and arrange for the management of money market securities acquired with such monies. The Company is licensed by the Securities and Exchange Commission to operate as an authorized mutual fund. The Fund's objective is to maximize total return, emphasizing current income, and to a greater extent, providing opportunities for capital appreciation.

Dividend Distribution Policy

It is the policy of the Fund to re-invest all its investment income. Annual dividends shall neither be declared nor distributed. As such, individual investors should benefit from a growth in the Net Asset Value of each unit/share of the fund they hold.

Approval of Financial Statements

The financial statements of the Fund were approved by the Board of Directors of the Fund on 18TH October, 2018 and signed on its behalf by:



Director



Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHRISTIAN COMMUNITY MUTUAL FUND

Opinion

We have audited the financial statements of Christian Community Mutual Fund, which comprise Statement of Financial Position as at 31st December, 2017, and the Statement of Comprehensive Income and Statement of Cash Flow for the year ended and a summary of significant accounting policies and other explanatory notes. In our opinion, the accompanying financial statements give a true and fair view of the financial transactions of the Fund as at 31st December, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act 1963, (Act 179) and Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695).

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 Mutual Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair

view in accordance with International Financial Reporting Standards and the requirements of the Companies Act 1963, (Act 179) and Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695), and for such internal control as the Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Directors are also responsible for overseeing the Mutual Fund's financial reporting process. In preparing the financial statements, the Directors are responsible for assessing the Mutual Fund'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 Fund 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 are 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 ISA's will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgment and maintain professional skepticism 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 Fund'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 Fund'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 condition may cause the Mutual Fund to cease to continue as a going concern.

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 ISA's, 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.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 of the Companies Act, 1963 (Act 179) 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

JOHN ARMSTRONG YAO KLINOGO (P/No-ICAG/P/1116)

For and on behalf of John Kay & Co.
(ICAG/F/2018/128)
Chartered Accountants
Accra

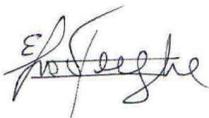
2018

STATEMENT OF FINANCIAL ASSETS DESIGNATED THROUGH PROFIT AND LOSS AS AT 31ST DECEMBER, 2017

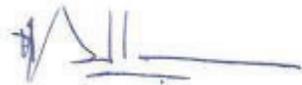
EQUITY INVESTMENTS	SHARES	PRICE PER SHARE SHARE GH¢	MARKET VALUE GH¢	PERCENT OF NET ASSETS %
<i>Banking</i>				
Republic Bank Ghana Limited	19,627	1.39	27,281	2.86
Societe General Ghana	18,480	0.82	15,154	1.59
CAL Bank	27,300	1.08	29,484	3.09
GCB Bank	2,000	5.05	10,100	1.06
<i>Insurance</i>				
Enterprise Group Limited	20,000	3.70	74,000	7.75
State Insurance Company Limited	57,000	0.10	5,700	0.59
<i>Manufacturing</i>				
Fan Milk Ltd	4,000	17.70	70,800	7.42
<i>Petroleum Products</i>				
Total Petroleum Ghana Ltd	4,600	3.53	16,238	1.70
Tullow Oil Ghana Ltd	1,000	17.15	17,150	1.79
			<u>265,907</u>	<u>27.85</u>
FIXED INTEREST SECURITIES				
Debt securities				
<i>Government Bond</i>				
7-year Bond			103,132	10.80
3-year Bond			76,519	8.01
			<u>179,651</u>	<u>18.81</u>
<i>Corporate Bond</i>				
3-year Bond			40,154	4.21
			<u>40,154</u>	<u>4.21</u>
Held-to-maturity securities				
365- Days Fixed Deposit			38,738	4.06
182-Days Fixed Deposit			401,797	42.08
91-Days Fixed Deposit			68,055	7.13
			<u>508,590</u>	<u>53.27</u>
Total investment securities			<u>994,302</u>	<u>104.14</u>
TOTAL LIABILITY			<u>35,643</u>	(4.14)
TOTAL NET INVESTMENT			<u>958,659</u>	<u>100.00</u>

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2017

Assets	Notes	2017 GH¢	2016 GH¢
Cash and cash equivalents Non pledged financial assets at fair value	11	26,678	19,475
Through profit and loss	10	994,302	689,649
Other Receivable		226	—
Total Assets		<u>1,021,206</u>	<u>709,124</u>
Represented By:			
Members' fund		<u>981,686</u>	<u>697,583</u>
Liabilities			
Account payables	12	<u>39,520</u>	<u>11,541</u>
		<u>39,520</u>	<u>11,541</u>
Total Members' Fund and Liabilities		<u>1,021,206</u>	<u>709,124</u>



DIRECTOR
18th October, 2018



DIRECTOR
18th October, 2018

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Note(s)	2017 GH¢	2016 GH¢
Revenue			
Interest income	7	151,521	121,428
Dividend income		2,188	7,658
Net gains (loss) from financial instruments at fair value			
Through profit and loss	8	76,746	(12,264)
Total Revenue		<u>230,455</u>	<u>116,822</u>
Expenses			
Fund management		24,639	15,636
Custodian fees		2,452	2,493
General expenses	13	6,784	25,653
Audit fees		3,000	3,000
Total operating expenses		<u>(36,875)</u>	<u>(46,782)</u>
Operating profit before tax		193,580	70,040
Taxation	15	—	(70)
Increase in net assets available for benefits		<u>193,580</u>	<u>69,970</u>

STATEMENT OF MOVEMENTS IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 GH¢	2016 GH¢
Change in net assets from operations		
Change in:		
Net Investment Income	116,834	82,235
Unrealized Gains/(Loss)	76,746	(12,265)
Net change in net assets from operations	<u>193,580</u>	<u>69,970</u>
Change in net assets from capital transactions		
Proceeds from Issue of Shares	110,940	70,819
Share Redemption	(20,417)	(20,520)
Net change in net assets from capital transactions	<u>90,523</u>	<u>50,299</u>
Net additions to net assets	<u>284,103</u>	<u>120,269</u>
Analysis of movement in net asset for the year		
At 1 January	697,583	577,314
Net additions to net assets	284,103	120,269
At 31 December	<u>981,686</u>	<u>697,583</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED TO 31 DECEMBER 2017

31 December 2017	Capital Transactions GH¢	Accumulated net investm't income GH¢	Total GH¢
At 1 January	385,806	311,777	697,583
Net Income from Operations	—	193,580	193,580
Share Issue	110,940	—	110,940
Shares Redemption	(20,417)	—	(20,417)
At 31 December	<u>476,329</u>	<u>505,357</u>	<u>981,686</u>
31 December 2016	Capital Transactions GH¢	Accumulated net investm't income GH¢	Total GH¢
At 1 January	335,507	241,807	577,314
Net Income from Operations	—	69,970	69,970
Share Issue	70,819	—	70,819
Shares Redemption	(20,520)	—	(20,520)
At 31 December	<u>385,806</u>	<u>311,777</u>	<u>697,583</u>

Buy Shares in CCMF

It's time to

Plant



Partner Banks



Make deposits on

0269011971

Visit: www.ccmf.com.gh

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED TO 31 DECEMBER 2017

NOTES TO FINANCIAL STATEMENTS

1. Reporting Entity

Christian Community Mutual Fund Limited (The Fund) is a mutual fund investment company registered and operating in the Republic of Ghana. The objective of the fund is to maximize total return of shareholders.

2. Basis of accounting

These financial statements have been prepared in accordance with the Unit Trust and Mutual Funds Regulations, 2001 (L.I.1675) and comply with the International Financial Reporting Standards (IFRS).

3. Functional and Presentation Currency

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

4. Use of judgements and estimates

In preparing these financial statements, the Fund's management has made judgments, 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.

5. Accounting policies

The following principal accounting policies have been consistently applied during the period in the preparation of the Fund's financial statements

i. Investment income recognition

a. Interest income

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.

b. Pooled investment income

Income arising from the underlying investment of the pooled investment vehicles that is reinvested within the pooled investment vehicles is reflected in the unit price. Such income is reported within the change in market value.

ii. Financial Instruments

a. Non-derivative financial instruments

Non-derivative financial instruments comprise loans and receivables, held-to-maturity and available-for-sale. Trustee 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 instrument are measured at amortised cost using the effective interest rate method, less impairment losses, if any.

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

Non-derivative financial instruments are categorized 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 Scheme on initial recognition designates at fair value through profit and loss; (b) those that the Scheme 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 Scheme'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 Scheme'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 Scheme 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.

Where the scheme 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 Scheme 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 scheme 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 transaction.

(e) Amortised 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) 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.

(g) 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 Trust 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.

(h) Impairment of financial assets

The 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 Scheme 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 Scheme granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that The Scheme 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 Scheme.

The estimated period between a 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.

iii. 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 Trust in the management of short term commitment, other than cash collateral provided in respect of derivatives and security borrowing transactions.

iv. Redemption payable

Redemption payables are included in the financial statements on an accrual basis where members become entitled to such benefits.

6. Transactions with related parties and key contractors

a. Fund manager

The Fund's investment activities are managed by Blackstar Advisors Limited. The fund manager receives a fee based of net asset value of 2.5% accrued daily and paid quarterly. Total management fee charged during the period amounted to GH¢24,639. The amount included in payables as at 31st December, 2017 amounted to GH¢31,391.

b. Custodian

Custodian of the Fund is Standard Chartered Bank Ghana Limited. The Custodian receives a fee based on total asset value of 0.25% accrued daily and paid quarterly. The total custodian fee charged during the period amounted to GH¢2,452. The amount included in payables as at 31st December, 2017 amounted to GH¢509.

7. Interest income

	2017 GH¢	2016 GH¢
Interest income on financial instruments at fair value through profit or loss		
Debt securities	11,988	96,705
Fixed Deposit	139,533	24,723
	<u>151,521</u>	<u>121,428</u>

8. Financial instruments

a. Analysis of changes in fair value of financial instruments at fair value through profit or loss

31 December 2017	Balance 1/1/17 GH¢	Purchases/ Disposal GH¢	Accrued Interest GH¢	Changes in Fair Value GH¢	Value 31/12/17 GH¢
Quoted Shares	189,161	—	—	76,746	265,907
GoG Bonds	—	172,970	6,681	—	179,651
Fixed Deposits	460,260	26,016	22,314	—	508,590
Corporate Bond	40,228	(228)	154	—	40,154
	<u>689,649</u>	<u>198,758</u>	<u>29,149</u>	<u>76,746</u>	<u>994,302</u>
31 December 2016	Balance 1/1/16 GH¢	Purchases/ Disposal GH¢	Accrued Interest GH¢	Changes in Fair Value GH¢	Value 31/12/16 GH¢
Quoted Shares	178,419	29,386	—	(18,644)	189,161
GoG Bonds	160,317	(160,317)	—	—	—
Fixed Deposits	174,508	264,245	15,127	6,380	460,260
Corporate Bond	40,249	—	(21)	—	40,228
	<u>533,493</u>	<u>133,314</u>	<u>15,106</u>	<u>(12,264)</u>	<u>689,649</u>

9. Classification of financial assets and financial liabilities

31 December 2017	Notes	Designated at fair value GH¢	Loan and receivable GH¢	Other Liabilities GH¢	Total GH¢
Cash and Cash equivalents	11	—	26,678	—	26,678
Non-pledged financial assets at fair value through profit or loss	10	994,302	—	—	994,302
Other Receivables		—	226	—	226
		<u>994,302</u>	<u>26,904</u>	<u>—</u>	<u>1,021,206</u>
Payables under service level agreements	12				
Due to Brokers		—	—	27,514	27,514
Other Payables		—	—	8,129	8,129
				<u>35,643</u>	<u>35,643</u>

10. Financial assets at fair value through profit and loss

	2017 GH¢	2016 GH¢
Debt Securities	219,805	40,228
Quoted Equity	265,907	189,161
Fixed Deposit	508,590	460,260
	<u>994,302</u>	<u>689,849</u>

11. Cash and cash equivalents Analysis

	2017 GH¢	2016 GH¢
Cash and Bank Balances	<u>26,678</u>	<u>19,475</u>

12. Accounts payable

	2017 GH¢	2016 GH¢
Fund management fees	31,391	6,752
Custody fees	509	750
Redemption fees	3,863	414
Upfront fee payable	–	418
General Expense	232	137
Audit fees	3,000	3,000
Tax	525	70
	<u>39,520</u>	<u>11,541</u>

13. General Expenses

	2017 GH¢	2016 GH¢
Registration & License	500	2,560
Advertisement	–	1,480
AGM Cost	5,218	11,742
Levies & Commission	–	159
Bank Charges	16	129
VAT	1,050	–
Legal fees	–	7,600
Postage and delivery	–	1,983
	<u>6,784</u>	<u>25,653</u>

14. Capital Transactions

	2017 No. of Shares	2016 No. of Shares
New shares issued	225,106	177,751
Shares Redeemed	(42,857)	(52,322)
	<u>182,249</u>	<u>125,429</u>

15. 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.

16. New Standards and interpretations not yet adopted

A number of new standards and amendments are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these financial statements. The only new standard relevant to the Fund is IFRS 9 Financial Instruments, which is discussed below. The Fund does not plan to adopt IFRS 9 early.

IFRS 9, Financial Instruments

IFRS 9, published in July 2014, will replace the existing guidance in IAS 39. It includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model of calculating impairment on financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instrument from IAS 39. IFRS 9 is effective for annual reporting periods beginning 1 January 2018, with early adoption permitted.

17. Risk associated with financial instruments

The Fund's activities expose it to a variety of risks due to the nature of its activities. These risks include credit risk, liquidity risk and market risk (including interest rate risk and price risk). The Fund's objective in managing these risks is the protection and enhancement of shareholder value. The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of a loss being incurred on securities in custody as a result of the custodian's

insolvency, negligence, misuse of assets, fraud, poor administration or inadequate record-keeping. Although an appropriate legal framework is in place that reduces the risk of loss of value of the securities held by the custodian, in event of its failure, ability of the fund to transfer the securities might be temporarily impaired.

The Fund's risk management policies are approved by the management of the Fund and seek to minimize the potential adverse effects of these risks on the Trust's financial performance. The risk management system is an on-going process of identification, measurement, monitoring and controlling.

a. Credit risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Fund. At reporting date, financial assets exposed to credit risk include, cash and cash equivalents disclosed in note 11 and debt instruments disclosed in note 10 to the financial statements. It is the opinion of the fund managers that, the carrying amounts of these financial assets represent the maximum credit risk exposure at the reporting date.

Risk exposure arising from cash and cash equivalents: The Fund's cash and cash equivalents are mainly held by Standard Chartered Bank Ghana Limited, Barclays Bank Ghana Limited, Access Bank Ghana Limited, Zenith Bank and Guaranty Trust Bank.

Risk exposure to investment debt securities and concentration of credit risk is shown in statement of financial assets designated at fair value through profit or loss of the financial statements.

18. Risk associated with financial instruments

b. Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Fund is exposed to daily cash redemption. The Fund's policy is to maintain 5% of its assets in short-term instruments for the purpose of handling redemption by unit holders.

c. Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and market prices.

i. Interest rate risk

Interest rate 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 Fund is exposed to interest rate risk as it invests its cash and cash equivalent in short term interest rates. The asset manager manages the Fund's exposure to interest rate on daily basis in accordance with the Fund's investment objectives and policies. The Fund's overall exposure to interest rate risk is monitored on a monthly basis by the management of Christian Community Mutual Fund Limited.

Interest Rates Sensitivity

The sensitivity analysis reflects how net assets attributable to holders of units would have been affected by changes in relevant risk variable that were reasonably possible at the reporting date. Management has determined that fluctuation in interest rates of 20 basis points is reasonable considering the economic environment in which the Fund operates.

ii. Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund invests

in securities denominated in Ghana Cedi. Accordingly, the value of the fund's net assets may be affected favourably or unfavourably by fluctuations in currency rates and therefore the fund is subject to foreign exchange risk. Exchange risk exposures are managed within approved policy parameters.

iii. Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. The Fund is exposed to equity prices risk which arises from its investment in equity securities.

The investment manager manages the Fund's equity price risk on a daily basis in accordance with the Funds investment objectives and policies of 50 % (+/-10%). The Fund's overall market positions are monitored on quarterly basis by the Board of Directors.

19. Fair Value Measurement

The Fund classifies fair value measurement within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and lowest prices to unobservable inputs (Level 3).

The levels of the fair value hierarchy are

- Level 1 Quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date.

- Level 2 Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 Inputs are observable for the assets or liabilities.

The determination of what constitutes ‘observable’ requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that actively are actively involved in the relevant market.

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for asset or liability at measurement date. However, the fair value measurement objective remains the same. Therefore, unobservable inputs reflect the assumptions that market participants would use when pricing the assets or liability, including assumptions about risk.

The following table provides an analysis of financial instruments measured at fair value at the period end date by the level in the fair value hierarchy into which the fair value measurement is categorized.

As at 31 December, 2017 Assets at fair value through profit or loss Quoted Securities	Level 1	Level 2	Level 3	Total
Equity	265,907	—	—	265,907
Debt securities				
Government Bond	—	179,651	—	179,651
Corporate Bond	—	40,154	—	40,154
Fixed Deposits				
91 days fixed deposits	—	68,055	—	68,055
182 days fixed deposits	—	401,797	—	401,797
365 days fixed deposits	—	38,738	—	38,738
Total recurring fair value Measurement of assets	<u>265,907</u>	<u>728,395</u>	<u>—</u>	<u>994,302</u>

There were no transfers between levels during the period

20. Event after reporting period

No significant event occurred after the end of the reporting date which is likely to affect these financial statements.

DIRECTORS AND FUND MANAGER INFORMATION

Below is a list of directors and Fund Manager of the Fund and their principal occupations, other directorships and their affiliation, if any, with Christian Community Mutual Fund.



Rev. Frederick Primrose Deegbe - Board Chairman

- Senior Pastor, Calvary Baptist Church
- Serves on the Advisory Council, Institute of Fiscal Studies
- Board Member - Coalition of Domestic Election Observers



Nii Baddoo Adumansa - Vice Chairman

- Chief Executive, NABS Business Consulting
- Associate, Aerospace Services International, USA
- Member, Institute of Chartered Accountants (ICAG), Ghana
- Dean Faculty of Corporate Governance, ICAG, Ghana
- Holds an MBA from Henley Business School, University of Reading UK



Sam Okudzeto Barrister-at-Law

- Chairman, Challenge Enterprises
- Chairman, College of Health Sciences Endowment Fund
- Former Board Member, Bank of Ghana (BOG)
- Member of the Disciplinary Committee, The General Legal Council
- Serves on the ARCH Hall Ltd, a company limited by guarantee



Emmanuel Asiedu Appiah

- Board Member - First Allied Savings and Loans
- Board Member- Blacksmith Brokers Ltd
- Board Member - Africa Aurora Business Network (AABN)
- Head Pastor, Redeemed Baptist Church, Oyarifa



Naa Odey Asante

- Executive Director, Christian Community Microfinance Limited
- Analyst, Mel Consulting Ltd
- FSGN Consult, Microfinance Consultant



Yaa Peprah Amekudzi

- Programme Director – Cadbury Cocoa
- Former Deputy Regional Director, West & Francophone Africa at Right to Play
- Former Country Director, Hope for Africa Children Initiative



Joseph N.B Tetteh

- Honorary Treasurer - Christian Council of Ghana
- Director of Human Resources & Statistics, Presbyterian Church of Ghana, Osu
- Chairman of the Board of Management, Osu Preparatory
- Council Member and Treasurer, Ghana Association of Bankers
- Member of Board of Trustees, GETFUND.



Leonora Agyarko

- Legal Practitioner and Managing Partner, SELEGYM Consult
- Board Member, CAL Bank
- Board Member, Clark Sustainable Resources Development
- Board Member, AFS Intercultural Exchanges
- Member, International Federation of Women Lawyers (FIDA)



Eric Appiah - Fund Manager

Eric has extensive experience in Investment Banking, Asset Management and Private Equity. Prior to joining BSA, he began his career at Deutsche Bank in the Global Markets FX Margin trading business and went on to work as a Hedge Fund Research Analyst at Fortune Asset Management in London.

He has previously served as the Vice President on the credit derivatives trading desk and Fixed Income Research Team at Bear Stearns. He was Senior Fixed Income Credit Research Analyst for Cairn Capital in London, UK. He moved on to head the Capital Markets department at IC Securities. Eric holds both a Bsc in Mathematics and Statistics and Msc. in Corporate Risk and Security Management from the University of Southampton.

PROXY FORM

I/We-----of-----being
 -----being
 a member(s) of Christian Community Mutual Fund (“the Company”) hereby appoint
 -----or failing him the duly appointed Chairman of
 the meeting as my/our proxy to vote for me/us on my/our behalf at the 6th Annual General Meeting of the
 Company to be held at the Rev. Peter Kwei Dagadu Memorial Methodist Church, Osu Ako – Adjei, Accra on
 Wednesday, 12th December, 2018, at 10:00am prompt and any adjournment thereof.
 I/We direct that my/our vote(s) be cast on the specified resolution as indicated by an X in the appropriate
 space.

Resolutions	For	Against	Abstain
1. To consider the report of Directors and Auditors for the year ended 31st December, 2017			
2. To receive and adopt the financial statements for the year ended 31st December, 2017			
3. Re-election of the following Directors who are retiring by rotation; <ul style="list-style-type: none"> • Frederick Primrose Deegbe (Reverend Dr.) • Sam Okudzeto • Reverend Professor Emmanuel Martey • Leonora Agyarko • Joseph Nii Budu Tetteh • Emmanuel Asiedu- Appiah • Nii Adumansa –Baddoo • Yaa Peprah Agyeman Amekudzi (Mrs.) • Naa Odey Asante (Mrs.) 			
4. To authorize the Directors to fix remuneration of Auditors			

Shareholder’s Signature:

Signed ----- day of ----- 2018

NOTES

1. A proxy need not be a member of the Company
2. Unless otherwise instructed, the proxy will vote as he sees fit.
3. To be valid, this form must be signed and deposited at the Registered Office of the secretary not less than forty-eight (48) hours before the commencement of the meeting.
4. In the case of joint holders the signature of only one of the joint holders is required.
5. In the case of a body corporate the form must be under seal or under the hand of a duly authorized officer.
6. The completion of and return of a proxy form does not prevent a shareholder from attending the meeting and voting thereat.

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ANNUAL
REPORT
2017



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