



2019 **ANNUAL** REPORT

AND FINANCIAL STATEMENTS

SAS MIDAS FUND PLC



**2019
ANNUAL
REPORT**

**AND FINANCIAL
STATEMENTS**



CORPORATE INFORMATION

The Fund Manager:

SAS Investment Management Ltd. (SASIM)
14th Floor WTCA Building,
Indep. Avenue, Accra

Tel: +233-302-661770/2/008/880
+233-302-661900
Fax: +233-302-663999
E-mail: sasim@sasghana.com
Website: www.sasghana.com

Board of Directors:

Gyakabene Kwasi Amponsem (Chairman)
Togbe Afede XIV
Yaw Korankye Antwi
Anthony Degbato

Secretary:

Eric Boadu
Box CT 5588
Cantonments, Accra

Custodian:

Republic Bank Custody
Head Office
No. 35, Sixth Avenue North Ridge, Accra
P. O. Box CT 4603, Cantonments, Accra

Independent Auditors:

Nexia Debrah & Co.
(Chartered Accountants)
BCB Legacy House
1 Nii Amugi Avenue
East Adabraka, Accra
P. O. Box CT 1552
Cantonments, Accra

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 1st Annual General Meeting of the Members of SAS Midas Fund PLC will be held virtually via Zoom on Wednesday September 16, 2020 at 9.00 a.m. to transact the following business:

ORDINARY BUSINESS

- 1. To receive and adopt the Audited Financial Statements for the year ended December 31, 2019 together with the Reports of the Directors and Auditors thereon.**
- 2. To re-elect Directors.**
- 3. To fix Directors' remuneration for the ensuing year.**
- 4. To confirm the Auditors remuneration for the year ended December 31, 2019 and to authorise the Directors to fix the remuneration of the Auditors for the year ending December 31, 2020.**

SPECIAL BUSINESS

1. To amend the company's Regulations to accommodate the holding of Annual General Meetings by electronic or virtual means where the Directors deem it necessary to do so.

BY ORDER OF THE BOARD
ERIC BOADU
Registered Office,
Accra.

Dated this 17th day of August, 2020

NOTE: A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her and such proxy need not be a member of the Fund. Executed forms of proxy should be deposited at the Registered Office of the Fund Manager, 14th Floor Accra World Trade Centre, Independence Avenue, Accra, not less than 48 hours prior to the time of the meeting.



REGISTERING FOR AND PARTICIPATING IN THE AGM VIA ZOOM

To register for the AGM:

Enter the following link:

<https://bit.ly/midasfundagm2019>

After registering, you will receive a confirmation email containing information about joining the AGM.

1. Raise your hand to either second a motion or ask a question.

On PC:

Click “Participants”. Click “Raise hand” at the bottom of the participants dialogue box.

On mobile:

Tap the three dots labeled “More” on the far right of the controls bar.

Tap “Raise hand” to raise your hand.

You will be unmuted to perform the action for which your hand was raised.

2. Use the polling feature to vote for or against a motion.

On PC and mobile:

When it is time to vote, the poll will appear on your screen.

Tap/click on your preferred option (FOR or AGAINST) to cast your vote.

When voting ends, the results will be shared on your screen.

A member of the company entitled to attend and vote may appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the company. Completed proxy forms should be deposited at the SAS Investment Management Head Office at 14th Floor, World Trade Centre, #29 Independence Avenue Accra, or sent via email to info@sasghana.com not later than 48 hours before the appointed time of the meeting (9:00 a.m. on Wednesday September 16th, 2020). Failure to submit the forms before the 48-hour deadline will result in the Proxy not being admitted to, or participating in, the meeting. A Proxy Form is provided in the Annual Report.



CHAIRMAN'S REVIEW

Dear Cherished Shareholders,

I, on behalf of the Board of Directors of SAS Midas Fund PLC welcome you to our maiden Annual General Meeting. My ultimate responsibility, this morning, is to present to you the Annual Report of the Fund for the year ended December 31, 2019. I am also privileged to deliver to you my review of our operations in the midst of the opportunities the Ghanaian economy provided us with.

The SAS Midas Fund PLC was launched on December 28, 2018. The Initial Public Offer (IPO) started on December 28, 2018 and closed on January 18, 2019. It successfully raised and met the minimum subscription requirement as enshrined in Regulation LI 1695 and the Midas Fund started operation on February 4, 2019.

GLOBAL ECONOMIC REVIEW

The Year 2019 was a year industrialists would never forget as the global economy was fraught with high uncertainties stemming from the negative effects of the United States and China trade war; concerns and apprehensions about sovereign and financial risks that weighed on domestic demand across Europe; to mention a few. Consequently, the global economy, which grew at 3.7% in Year 2018 and had been estimated at the close of that same year to grow at 3.5% in Year 2019, was hurriedly reviewed to 2.9% in January 2019. (World Economic Outlook update.)

LOCAL ECONOMIC REVIEW – YEAR 2019

- Ghana's economy, measured by Gross Domestic Product, grew from 6.3% in 2018 to 6.5% in Year 2019. The growth trajectory was strongly attributed to oil and strong recovery in the services sector.
- The government continued with its fiscal consolidation efforts in 2019 even though there were still challenges in meeting the revenue targets.
- Private sector credit grew stronger, supported largely by the well-capitalized banking sector. Inflation continued to be in single digits in the first six months of 2019; gradually rising from 9.00% in January to 9.50% in April 2019 but reduced to 7.90% in December.
- The Ghana Cedi came under considerable pressure right from the first quarter of 2019. In sum, it lost 12.89% against the U S Dollar, 15.60% against the Pounds Sterling and 11.24% against the Euro at the end of the year.

- The Bank of Ghana completed the financial sector clean up after revoking the licenses of the last batch of the Savings and Loans Companies which failed to meet the new capital requirement. Similarly, the Securities and Exchange Commission also revoked licenses for 53 Fund Management firms due to various infractions. These actions led to a squeeze on liquidity in all areas as all the investments made with these defunct institutions were not accessible to investors.
- The Monetary Policy Committee (MPC) of Bank of Ghana cut the Policy Rate by a hundred basis point from 17% at year-end 2018 to 16% at year-end 2019. The review was largely attributable to the decline in inflation and relatively stable key indicators of the economy.
- The Government of Ghana (GoG) also issued long tenure instruments to replace the existing short term instruments as part of its debt management and restructuring strategy. The two-year treasury note saw an 11% leap to 19.75%. The 91-day Treasury Bill rose marginally to 14.59% whilst the 182-day bill was up to 15.02% by end of year.

THE FUND

At the end of 2019, the total net assets under management for SAS Midas Fund PLC stood at GH¢22.097 million. At the inception of the fund, Income Account, a private fixed income portfolio managed by the fund manager was migrated into the fund.

The objective of the fund is to enable capital preservation for investors with growth potential in the short to medium term. The fund also allows free entry and exit of investors (investors can invest and redeem their investments anytime without a charge or penalty). As a result, the fund manager is allowed to keep cash that is adequate to create liquidity and meet investors' redemption requests at all times.

The fund posted 10.32% return during the year in spite of its ability of constantly creating liquidity for its shareholders.

CONCLUSION AND OUTLOOK

Ghana's economic growth is expected to slow significantly to 0.90% in 2020 as a result of weak foreign demand for oil and low oil prices, as well as softening domestic demand due to restrictive measures, job losses, a weaker currency and the ravaging effects of novel corona virus. Again, the external sector and government finances remain vulnerable to volatile commodity prices.

Interest rates are anticipated to decline in 2020. The current monetary policy stance of the Bank of Ghana is expected to be maintained as it focuses on controlling inflation and growing the economy.

Overall, we expect 2020 to be a challenging year. However, the SAS Midas Fund PLC will be the best fund for investors as it continues to provide liquidity to its shareholders in the time of their needs and make a favorable return for them. I assure you that the Management and the Board of Directors are capable and therefore encourage you to continue to buy more shares to enjoy the optimum benefit from your investment.

On behalf of the members of the Board of Directors, I wish to thank you for the trust and patronage of the fund and for the privilege to serve and create value for you.

GYAKABENE KWASI AMPONSEM
Board Chairman

Why **SAS** Midas Fund?





OVERVIEW OF SAS MIDAS FUND

SAS MIDAS Fund (the Fund) is a short-term investment product designed to offer investors stability of principal, maximum current income and a high level of liquidity. As a SEC-licensed mutual fund, the Fund pools monies from various investors and invests in a diversified portfolio of high-quality short to medium term government and other money market instruments approved by the Securities & Exchange Commission (SEC) such as fixed deposits and commercial papers.

HOW DOES SAS MIDAS FUND WORK?

The Fund consists of a pool of funds from shareholders (investment clients) that is invested in low-risk, high-yielding money market securities. Interest and other income earned by the Fund on the securities it holds in its portfolio are re-invested to help grow the value of the Fund. An investor in MIDAS Fund earns returns when the Fund's current price has increased relative to the price at which the investor bought into the Fund.

WHAT ARE THE FEATURES OF SAS MIDAS FUND?

- 100%** Investment in money market instruments
- 0%** Investment in equities or shares
- GH¢10** Minimum investment or deposit
- 0%** Front load fee – 0% (compared to the initial fees at other fund management firms)
- 2.5% p.a** Management fee
- Open ended**



WHAT ARE THE BENEFITS OF INVESTING IN SAS MIDAS FUND?

- **Transparency and Investor Protection:** The Fund is regulated by the SEC and its assets are held by a Custodian (Republic Bank Ghana Limited).
- **Capital Preservation:** Investment in money market securities preserves capital while earning competitive interest rates compared to savings accounts.
- **Liquidity (ease of entry and exit):** Investors can easily subscribe, top-up or redeem their investments in the Fund at any time and usually receive payment within 3 business days.
- **Diversification:** Opportunity to invest in a variety of money market instruments through a single subscription thus diversifying risk at low cost.
- **Performance Monitoring:** The price of the Fund is reported daily on the Fund Manager's website and in periodic reports, allowing you to continually monitor the performance of your investment.
- **Professional Management:** A team of investment management experts makes the investment decisions for the Fund.
- **Administration:** The Fund Manager will be responsible for handling the cumbersome day-to-day administrative functions associated with investing.
- **Tax Advantage/Exemption:** Return on investment of the Fund is not subject to tax.

WHAT ARE THE RISKS INVOLVED?

SAS MIDAS Fund qualifies as a low-risk investment based on the eligible instruments for investment (T-Bills and other money market investments). The Fund invests only in cash and cash equivalent money market securities with short-term to medium-term maturity, and offers high liquidity with lower risk levels. Thus, your principal value invested is preserved while earning competitive investment income.



WHO CAN INVEST IN THE FUND?

The Fund is suitable for investors who are looking for a safe, reliable and low risk investment that offers competitive returns with no fluctuations in principal value that meets their liquidity needs. The Fund generates higher yields than savings accounts but offers the flexibility of a savings account. The Fund is open to any investor with a minimum of Gh¢10.00, including but not limited to institutional investors, churches, social clubs, groups/ associations, religious bodies.

WHAT SAVINGS GOALS CAN AN INVESTMENT IN SAS MIDAS FUND ACHIEVE?

If you are a regular saver with short to medium-term financial goals and would like to maximise your income, SAS MIDAS Fund is an ideal choice.



School fees and educational expenses



Household expenses



Mortgage payments



Investing towards a specific project or purchase (e.g. holiday trip, car, house, income for the retired, funeral, church equipment etc.)



Income- the gain on investment is an alternative income



Collateral for credit facility from a bank or a lender



Building your net worth for a visa application at an embassy



Health care and medical expenses



Endowment Fund

The Fund is also perfect for planning against emergencies, as it is short term, and is aimed at preserving principal and meeting investors' liquidity needs. Redemptions take only between 24 and 72 hours to execute.



HOW DO I INVEST IN THE SAS MIDAS FUND?

-  Simply walk into the offices of SAS Investment Management Limited at the World Trade Centre, complete an Application Form and provide required documents to open an account with SAS MIDAS Fund, or:
-  Download the Application Form from our website (www.sasghana.com) by clicking on Mutual Funds, complete, sign, and attach photocopies of your evidence of payment and the documents listed below. A completed application form with the KYC or client information form can be scanned and emailed to sas-im@sasghana.com or submitted online via our website.

REQUIREMENTS:

-  A valid means of identification: e.g. Driver's License Passport (Residence permit or work permit for foreign nationals), National I.D. card, Voter I.D. Card
-  Proof of address: a recent utility bill (not older than 3 months from date of transaction) showing the same address as stated on the application form, e.g. electricity bill, water bill or digital address, google map print out of residence
-  2 recent passport-sized photographs
-  Initial or subsequent deposit amount

Payment can be made for subscription into our bank account through any of the following means:



An automatic investment plan can be set up to top up investment on a regular basis i.e., monthly, weekly or quarterly:

- Via mobile money transfer on all mobile networks (short code *389*33#)
- Post-dated cheques
- Direct debit instructions



SAS Customer Service Center, Ground Floor, World Trade Centre, Independence Avenue



At any NIB, Standard Chartered Bank or UBA branch nationwide



HOW DO INVESTORS MAKE RETURNS ON INVESTMENT IN THE SAS MIDAS FUND?

The value of SAS MIDAS Fund grows with interest and other income received on the securities the Fund holds in its portfolio. Increases in the unit price of the Fund compared to purchase price will result in gains to account holders.

DO I HAVE CONTROL OVER WHAT THE SAS MIDAS FUND INVESTS IN?

No. The Fund Manager, SAS Investment Management Limited, makes all the investment decisions based on guidelines set out in the Fund's Prospectus and investment guidelines set by the regulator, the SEC.



REPORT OF THE DIRECTORS TO THE MEMBERS OF SAS MIDAS FUND PLC

We, the Directors of the SAS Midas Fund PLC have pleasure in submitting our first annual report together with the audited Financial Statements for the year ended 31st December 2019.

INCORPORATION AND NATURE OF BUSINESS

The company was incorporated on 29th April 2015 and thereafter set processes underway to obtain the appropriate licenses to enable it operate as a mutual fund. The Company was subsequently licensed by the Securities and Exchange Commission on 3rd December 2019 to operate as an authorized mutual fund under the Securities Industries Act, 2016 (Act 929), and is regulated by the Unit Trusts and Mutual Funds Regulations L.I 1695.

There was no change in the nature of business of the company during the year under review.

STATEMENT OF DIRECTORS' RESPONSIBILITY

Under the Companies Act 2019 (Act 992), we are responsible, as directors of the Company, for preparing in respect of each financial year, Financial Statements which give a true and fair view of the state of affairs of the Company, and of its Profit or Loss and Cash Flows for that year in accordance with the International Financial Reporting Standards (IFRS). In preparing these Financial Statements, we are required as directors to select suitable accounting policies and then apply them consistently, make judgments and estimates that are reasonable and prudent under the circumstances.

To be fully compliant with the IFRS, we are required to make regular evaluation and assessment of the fair values of the carrying amounts of assets and liabilities of the Fund at each reporting date.

We are also responsible for keeping proper books of accounts, which disclose with reasonable accuracy at any time the financial position of the Fund. We are further responsible for safeguarding the assets of the Fund and taking reasonable steps for the prevention and detection of fraud and other irregularities through the design and implementation of appropriate internal control structure.

REPORT OF THE DIRECTORS TO THE MEMBERS OF SAS MIDAS FUND PLC

The internal controls include a risk-based system of internal accounting and administrative controls designed to provide reasonable but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and stated policies and procedures.

GOING CONCERN CONSIDERATIONS

The attached Financial Statements have been presented on the basis of accounting policies and conventions applicable to a going concern entity. As directors, we have made the necessary assessment and evaluation of the future capital and other financial requirements of the company and nothing has come to our attention through that evaluative exercise that leads us to conclude that the Fund is not a going concern.

FINANCIAL RESULTS & INCOME DISTRIBUTION

The results for the year are as set out in the attached Financial Statements. The Fund distributes income to the unit holders through the daily valuation of the fund.

AUDITORS

Messrs Nexia Debrah & Co were appointed auditors at the incorporation of the company. The auditors have indicated their willingness to continue in office as auditors in accordance with Section 139(5) of the Companies Act 2019 Act 992. We therefore recommend their continued appointment as independent auditors of the Fund.

MANAGEMENT REPRESENTATION

We certify that the Statement of Investment Assets, Statement of Financial Position, Statement of Comprehensive Income and Cash Flows Statement referred to in the report of the Auditors together with the notes thereon identified on pages 26 to 38 of this report have been prepared from records, information and representations made by us, the Directors of the SAS Midas Fund Plc. So far as we are aware, there is no relevant audit information (ie information needed by the company's auditors in connection with their work and report) of which the company's auditors are unaware and each director has taken reasonable steps that ought to be taken by a director in order to make him/her self-aware of any relevant audit information and to establish that the Fund's auditors are aware of such information.



REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SAS MIDAS FUND PLC

OPINION

We have audited the Financial Statements of SAS Midas Fund Plc, which comprise the Statement of Financial Position at 31 December 2019, and the Statements of Comprehensive Income, Cash Flows, Investment Assets and Movement in Issued Shares for the year then ended, and the notes to the Financial Statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 26 to 38.

Subject to the comments made in the last paragraph under the section of our report termed “Basis for Opinion”, in our opinion, these Financial Statements give a true and fair view of the financial position of SAS Midas Fund Plc at 31 December 2019, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner require by the Companies Act, 2019 (Act 992) and the Securities and Exchange Commission Regulations 2003 (L.I. 1728).

Our report is made solely to the company’s members, as a body, in accordance with section 137(1) of the Companies Act 2019, (Act 992). The purpose of our audit is to enable us to make a statement to the members of the company on those matters specifically required by law to be mentioned in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its members as a body for our audit work, our report, or the opinions we have expressed herein above.

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 section of our report dealing with the Auditors’ Responsibilities for the Audit of the Financial Statements. In form and substance, we are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SAS MIDAS FUND PLC

Investments past due

A number of financial placements described as certificates of fixed deposits amounting to GH¢10,719,273 (2018: Nil) representing about 49% of total investment portfolio (2018: nil) have gone past their maturity dates and the issuers have been unable to honour their repayment obligations under the terms and tenor of those fixed deposits.

Of these investment amounts, GH¢8,532,886 are presently under receivership, following the Financial Sector Clean up exercise undertaken by the Bank of Ghana and the Securities and Exchange Commission. Management is hopeful that the Fund will receive full payment. The Statement of Financial Position is drawn up on the basis and expectation that the full amounts together with any applicable interest will be received in due course. If the company is unable to realise this expectation, or if there arise any inclination that the expectation of the company is misplaced, then a full provision equivalent to GH¢10,719,273 (2018: nil) will be required to write down the certificates of deposit investments to zero.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Investments and related matters **(GH¢21,641,788)**

Refer to the statement of investment assets.

The investment portfolio of the Fund yields returns and income passively based on the rates of interest/return and the tenor related to each investment type. The investment portfolio has a wide span and is well diversified into asset such as Certificates of Deposits. The custody of these investments is with the Republic Bank Ghana Limited who are specifically authorised or nominated for such holding purposes. Investments traded on active markets are marked to those markets at the reporting dates. Money Market investments are recorded at amortised cost.



REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SAS MIDAS FUND PLC

How the matter was addressed in our audit

For fixed deposit investments, we inspected investment certificates issued by the investee entities and recomputed earned interest up to the reporting date.

We generally confirmed additions and redemptions to supporting documentation for all investment types. We reviewed independent statements issued by custodial and depository entities and reconciled to the ledgers of the company and tested the valuation of quoted investments to the market. We also considered the adequacy of the Company's disclosures in respect of those investments.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and the Directors' Report as required by the Companies Act, 2019 (Act 992). The other information does not include the Financial Statements and our auditors' report thereon. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We do not have anything to report in this regard.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SAS MIDAS FUND PLC

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992), and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

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

AUDITORS' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, 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 circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;



REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SAS MIDAS FUND PLC

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit 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 audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;
- From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SAS MIDAS FUND PLC

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Under the Companies Act, 2019 (Act 992) we are required, when carrying out our audit, to consider and report on the certain specific matters. We accordingly report that:

1. 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.
2. In our opinion proper books of accounts have been kept by the Company, as far as appears from our examination of those books; and
3. The Company's Statement of Financial Position and Comprehensive Income Statement are in agreement with the books of accounts.

The Engagement Partner on the audit resulting in this independent auditor's report is **Kwame Manu-Debrah (ICAG/P/1264)**.

(Chartered Accountants)

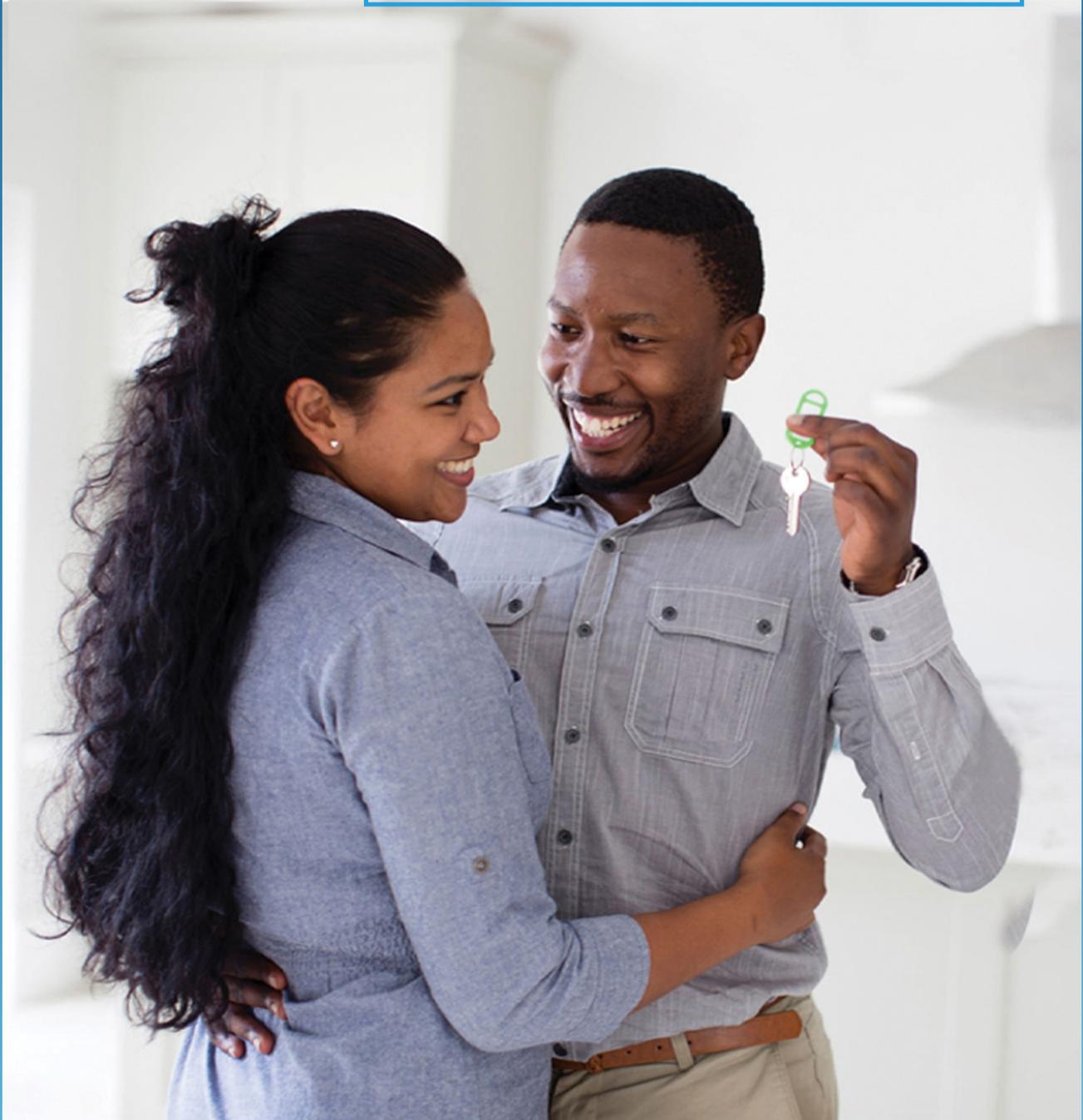
Practice License # ICAG/F/069

BCB Legacy House
#1 Nii Amugi Avenue
East Adabraka, Accra

10TH JUNE, 2020

Accra

Start investing now for a rainy day
Put enough money in **SAS Midas Fund**
to cover for an emergency in the future





SAS MIDAS FUND PLC STATEMENT OF INVESTMENT ASSETS

	%Net Assets	2019 Market Value GH¢
FIXED INCOME		
91 Day Commercial Paper Instruments	12.51	2,707,161
182 Day Commercial Paper Instruments	19.21	4,158,429
182 Day Fixed Deposit Instruments	16.24	3,515,425
	47.97	10,381,015
Investment under Receivership <i>(See note below)</i>	39.43	8,532,886
Other Investments <i>(See note below)</i>	10.10	2,186,387
Cash at Bank and on Call	2.50	541,500
TOTAL FIXED INCOME/SHORT-TERM	100.00	21,641,788
TOTAL INVESTMENTS	100.00	21,641,788

Investment under receivership refers to certificates of Fixed Deposits (FDs) due from named entities that have gone past their due dates and the issuers were unable to settle their debt obligations to the Fund. These entities have since become casualties and the subject matter of the financial sector clean up exercise undertaken by the Bank of Ghana. The directors are in consultations with the Receiver for the recovery of the amount together with the accrued interest which have been taken into consideration in arriving at the year-end valuation of the investments.

Other Investment refers to Fixed Deposit Investments with named entities that have gone past due. The directors have taken appropriate legal steps to vindicate the right of the fund and recover the amount.



SAS MIDAS FUND PLC STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2019

	Notes	2019 GH¢
Investment Income	3	2,813,576
Other Income	4	17,258
Total Investment Income		2,830,834
Expenses		
Management Fees	5a	547,320
Other Operating Expenses	5b	57,300
Total Expenses		604,620
Net Investment Income		2,226,214
Net Income Transferred to Accumulated Income Account		2,226,214



SAS MIDAS FUND PLC STATEMENT OF CASHFLOWS FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 GH¢
INCREASE IN NET ASSETS	
From Operations:	
Net Investment Income before Capital Gains	2,226,214
Net Increase from Operations	2,226,214
From Capital Transactions:	
Proceeds Realized From Issue of Shares	32,710,400
(Loss)/Gains on Redemptions	(1,210,063)
Cash outflow for Shares Redeemed	(12,177,490)
Net cash Inflow/ (outflow) for Capital Transactions)	19,322,847
Net Increase/(Decrease) In Assets	21,549,061
Net Assets at January 1 st	
Net Assets at December 31st	21,549,061



SAS MIDAS FUND PLC STATEMENT OF MOVEMENT IN ISSUED SHARES FOR THE YEAR ENDED DECEMBER 31, 2019

	2019 No. of shares
Balance at January 1 st	
Issue of Shares	65,507,766
Redemption of Shares	(25,076,388)
Net Shares at December 31st	<u>40,431,378</u>



SAS MIDAS FUND PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

1. THE REPORTING ENTITY

1.1 The Company

SAS Midas Fund Plc is a limited liability company registered under Ghanaian Legislation. The Company is licensed by the Securities and Exchange Commission to operate as an authorized mutual fund and is regulated under the Unit Trusts and Mutual Funds Regulations L.I 1695.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements of the company for the year ended 31st December 2019 incorporate the principal accounting policies set out below, including changes introduced by the International Financial Reporting Standards (IFRS).

All the material information required by legislation, particularly the Companies Act 2019 (Act 992) and the Securities and Exchange Commission Regulations 2003 (L.I.1728) have also been disclosed or presented in the appropriate context.

2.1 Basis of Presentation

The company prepares its Financial Statements under the historical cost basis as modified by the revaluation of certain assets and liabilities through the assessment of impairment and measurement of fair value. The Financial Statements are prepared and presented on the basis of accounting policies and conventions applicable to a going concern entity. The directors have carried out the necessary assessment and evaluation of the future capital and other financial requirements of the company and nothing has emerged through that evaluative exercise that can lead to the conclusion that the company is not a going concern.

2.2 Income Recognition

Income is recognized and recorded in the Financial Statements on the accrual basis, and to the extent that it is probable that economic benefits will flow to the Company and the related revenue can be reliably measured.

INTEREST INCOME

The effective interest method is used as basis to recognize interest income in the Statement of Comprehensive Income for all interest - bearing financial instruments. The effective interest method is a method of calculating the amortised cost of a

SAS MIDAS FUND PLC NOTES CONTINUED

financial asset and allocating the interest income. The applicable effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts available over the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the related financial asset.

The effective interest rate is calculated within the context of all estimated cashflows, and due consideration to all contractual terms of the financial instrument including any early payment options but not future credit losses.

Other Operating Income

This relates to income accruing from the consequential dimension of the company's operations and is recognised and recorded on the accrual basis.

2.3 Fees

Fees are mainly payable under legislation to the Regulator, Fund Managers and the Custodians. This is in the nature of compliance with laws and therefore required audit attention and scrutiny.

How the matter was addressed in our audit

We reviewed the basis of computation of management fees and compared with the expectation prescribed by law. These were largely in agreement.

2.4 Financial Assets and Liabilities

Financial Assets and Liabilities are recognized in the Financial Position in accordance with measurement criteria explained below:

2.4.1 Financial Assets

A financial asset is an asset that is either cash, a contractual right to receive cash, the right to exchange a financial instrument with another accounting entity under potentially favorable terms or an equity instrument of another entity. The financial assets of the company are in two categories namely Investment Held to Maturity, and Available for sale Financial Assets.

A. HELD TO MATURITY FINANCIAL ASSETS

Held to Maturity assets are non-derivative financial assets with a fixed or determinable payments and tenor in which the company has a positive interest and ability to hold to maturity. Such financial assets are not measured at fair value through profit or loss, but are rather carried at amortised cost using the effective interest method less any impairment losses.

For instance, bills discounted and securities with a fixed redemption date which are purchased with the intention of being held to maturity are initially recognized at cost and subsequently adjusted to give effect to amortization of premiums and discounts on purchase over the period to redemption.



SAS MIDAS FUND PLC NOTES CONTINUED

B. AVAILABLE FOR SALE FINANCIAL ASSETS

Available for Sale Financial Assets are those intended to be held for indeterminate period of time, and which may be sold in response to challenges arising from liquidity, changes in interest rates or other such financial market indices and which have not been classified as assets held to maturity or at fair value through profit and loss.

2.4.2 Financial Liabilities

Financial liabilities are contractual obligations to either deliver cash or another financial asset to another accounting entity, or to exchange financial instrument with another entity on potentially unfavorable terms. These may be measured either at fair value through profit or loss, or at amortized cost depending on their sub-categorization.

A. FINANCIAL LIABILITIES AT FAIR VALUE

These are liabilities which are measured at the current market value through the profit or loss subsequent to their initial recognition.

B. FINANCIAL LIABILITIES MEASURED AT AMORTIZED COST

Liabilities which are not measured at current market value fall under this category. These are essentially non-trading liabilities which are not quoted in any active market and are therefore measured at amortized cost.

2.4.3 Determination of Fair Value

The International Financial Reporting Standard (IFRS) 13 defines fair value as 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, excluding transaction cost other than that relating to transportation. In practical terms issues usually considered in such a determination would include highest and best use, physical possibility, legal permissiveness and financial feasibility.

Quoted market prices, inter - bank interest rates as well as regulatory discount rates are examples of the practical measurement standards applicable to SAS Midas Fund Plc.

SAS MIDAS FUND PLC

NOTES CONTINUED

2.5 Impairment of Financial Asset

A financial asset or a group of financial assets is considered impaired only if there is an objective evidence of impairment as a result of one or more event(s) that have occurred after initial recognition of the asset and the event or events have adverse impact on the estimated future cash flow of such financial asset, or group of financial assets.

The amount of impairment is measured as the difference between the carrying value of the financial asset or group of financial assets and the estimated future cash flows discounted at the original effective interest rate used to originate the financial asset or group of financial assets in question.

Evidence of impairment may include indications that the issuers of Corporate Bonds and Notes as well as Certificates of Deposits in the company's Investments Portfolio are experiencing significant financial difficulty, default or delinquencies in the payment of interest and /or principal. It may also include the fact that those debts maybe restructured to reduce the burden on the issuers.

2.6 Impairment of Non-Financial Asset

Non-financial assets are assets that have indefinite useful life and are not subject to amortization and are tested annually for impairment. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the Assets Fair Value (Market Value) less cost to sell.

It is the policy of the company to review all non - financial assets that suffer impairment for possible reversal of the impairment at least once within each financial year.

2.7 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents identified in the Statement of Cash Flows comprise physical cash balances on hand and with other banks as well as highly liquid investments with up to three (3) months maturity from the date of acquisition by the company.



2.8 Provisions

A provision is recognized in the Statement of Financial Position when a legal or constructive obligation as a result of a past transaction or event exist at the reporting date and the amount of the obligation can be reliably estimated and also probable that an outflow of economic resource will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.9 Capital Accounts and Reserves

(A) CAPITAL ACCOUNT

Capital Account comprises Ghana Cedi amount arising from the issue of shares for cash and any transfers from retained earnings and other surpluses. These shares are redeemable by holders in the normal course of business subject only to the Company's regulations and the scheme particulars. The process of redemption involves an exchange between the entity and the respective shareholders.

(B) INCOME SURPLUS (RETAINED EARNINGS OR ACCUMULATED INCOME ACCOUNT)

The Income Surplus account records the cumulative annual profits (after appropriations) available for distribution to shareholders.

2.10 Post Balance Sheet Events

Events subsequent to the reporting date are reflected in the Financial Statements only to the extent that they relate to the year under consideration and the effect is material.



SAS MIDAS FUND PLC NOTES CONTINUED

2019
GH¢

3. Investment Income

Interest on Fixed Deposit	1,460,043
Interest on Commercial Papers	1,353,534

2,813,577

4. Other Operating Income

Interest on Bank Deposit	17,258
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17,258

5a. Management Fees

547,321

Management fees are mainly payable to the Fund Manager. This represents 2.5% of Total Investment Asset and computed on daily basis.

5b. Other Operating Expenses

Licenses and Permits	500
Bank Charges	1,600
Secretarial Fees	3,000
Audit Fee	12,000
Directors Fees	13,200
Custodian Fees	27,000
	57,300

6. Redemptions/Withdrawals

	Consideration Paid GH¢	Gain/(Loss) to Reserves GH¢	Cost to Capital GH¢
2019	13,387,553	(1,210,063)	12,177,490



SAS MIDAS FUND PLC NOTES CONTINUED

	2019 GH¢
7. Accounts Payable	
Redemptions/Withdrawals Payable	1,000
Directors' Fees Payable	1,000
Secretarial Fees Payable	3,000
Audit Fees	12,000
Custody Fees	27,000
Management Fees Payable	48,727
	92,727

8. Capital Accounts

	No. of Shares	2019 GH¢
Balance at January 1 st		
Issue of Shares	65,507,766.80	32,710,400
Redemption of Shares	(25,076,388.40)	(12,177,490)
Balance At December 31st	40,431,378.40	20,532,910

	2019 GH¢
9. Accumulated Income Account	
Balance at January 1 st	
Redemptions/Withdrawals	(1,210,063)
Balance before Transfers	(1,210,063)
Net Income transferred from Statement of Comprehensive Income	2,226,214
Balance as at 31st December	1,016,151



SAS MIDAS FUND PLC NOTES CONTINUED

10. TAXATION

Under current Ghanaian legislation, mutual funds are not subject to taxes on income or capital gains. However, the required taxes are paid for investments done in jurisdictions where taxes on income or gains on investments apply.

11. COMMISSIONS AND LEVIES

Total Commissions and Stock Exchange Levies was **NIL**.

12. COMPARATIVE FIGURES

No comparative figures have been shown as this is the first set of accounts of the company.



Republic Bank (Ghana) Limited

Friday June 05, 2020.

NEXIA DEBRAH & CO.
AUDIT & ASSURANCE
P.O. BOX CT 1552
CANTONMENTS, ACCRA.

Dear Sir/ Madam,

RE: SAS MIDAS FUND PLC

I refer to your letter dated 20th April, 2020 requesting for a confirmation of all the assets of SAS Midas Fund PLC in our custody as at the close of business on 31st December, 2019.

Please find below as requested:

- Balances of all accounts, including deposit accounts

Account Number	Account Name	Account Balances (GHS)
002-6803518016	RBGN/ SAS Midas Fund PLC- Transaction account	0.00
002-6803518024	RBGN/ SAS Midas Fund PLC -Call account	59,564.63

- All the rest are non- applicable.

Attached also is the portfolio valuation report as at 31st December, 2019.

Yours faithfully,



Audrey Smith Dadzie
Head, Custody Services.



Gerald Quansah
Operations Manager

Encl.

Republic Bank (Ghana) Limited "Ebankese", 35 Sixth Avenue, North Ridge, Accra
P.O.Box CT 4603, Cantonments, Accra, Ghana. Tel: 0302 242090-4, 429555 Email: email@republicghana.com Website: www.republicghana.com

Republic Bank Ghana Ltd.
P.O. Box CT 4603, ACCRA



Portfolio Valuation

6/5/2020 10:55:09 AM

Report Date : 31/Dec/2019
Reported in GHS

Account Code : SBKPL46-SAS

Account Name

Mailing Address : 14th Floor World Trade Centre Building, Accra

Box Ka 16446

Security Code	Security Description	Holdings	Book Cost	Int. Rate	Purchase Date	Accrual Days	Accrued Interest	Market Value	% Total Mkt Value
Fixed Deposits									
TB0711201906080	182 DAY (DWE) FD AT 24.00PERS DUE 05.04.2020	1,200,000.00	1,200,000.00	24.00	04/Oct/2019	88	60,435.62	1,260,435.62	6.00
TB0711201906081	182 DAY (DWE) FD AT 24.00PERS DUE 13.06.2020	1,200,000.00	1,200,000.00	24.00	14/Nov/2019	47	37,094.93	1,237,094.93	5.85
TB0322019101919	182 DAY (DWE) FD AT 25.00PERS DUE 17.06.2020	1,000,000.00	1,000,000.00	25.00	18/Dec/2019	13	8,904.11	1,008,904.11	4.77
TB0607201918549	182 DAY FPL CP AT 24PERS DUE 31.12.2019	3,713,973.17	3,713,973.17	24.00	02/Jul/2019	181	444,455.75	4,158,428.92	19.65
TB0810201912185	91 DAY SAS CP AT 24PERS DUE 31.12.2019	2,554,331.77	2,554,331.77	16.50	03/Oct/2019	90	152,899.42	2,707,231.19	12.79
		9,668,294.94	9,668,294.94				712,719.83	10,381,014.77	49.06
Total Deposits							712,719.83	10,381,014.77	49.06

Security	Book Cost	Mar Mkt	Price Ccy	Market Value	% Total Mkt
Total Cash at Bank	0.00	59,564.63		59,564.63	0.00
Security					
Fixed Deposit Receivables					
002-0026803518016 Fixed Deposit Interest	-	-		10,719,272.77	50.66
002-0026803518016 Fixed Deposit Redemption	-	-		10,719,272.77	50.66
Total Fixed Deposit	0.00	-		10,719,272.77	50.66
Total Portfolio	0.00	9,727,859.57		21,159,852.2	100.00

Summary Report

Assets	Book Cost	Market Value
Cash at Bank	59,564.63	59,564.63
Fixed Deposit	9,668,294.94	10,381,014.77
Fixed Deposit Receivables	0.00	10,719,272.77
Total:		21,159,852.17



SAS MIDAS FUND PLC INFORMATION ON DIRECTORS

The business and affairs of the Fund are managed by the Fund Manager under the direction of the Fund's Board of Directors and the Fund's officers. The table below lists the directors and officers of the Fund and their principal occupations, other directorships and their affiliations.

Name, Address	Position	Time with Fund	Occupation	Other Affiliates
Independent Directors				
Gyakabene Amponsem (60) Ghana Water Company Ltd. Accra	Director	Since Inception (Jan. 2019)	Public Servant	Ready Fuels Company Ltd Hiperf Consult
Yaw Korankye Antwi (47) P. B. Box YK 1170 Kanda, Accra	Director	Since Inception (Jan. 2019)	Risk Management Professional	Auto Empire Company Ltd
Interested Directors				
Togbe Afede XIV (63) P.O. Box KA 16446 Accra	Director	Since Inception (Jan. 2019)	Investment Banker	Strategic African Securities SASIM Strategic Initiatives Ltd Aluworks (Gh) Ltd Africa World Airlines Sunon Asogli Power Accra Hearts of Oak
Anthony Degbato (43) P. O. Box KA 16446 Accra	Director	(January 2019)	Chartered Accountant	SAS Investment Mgt SAS Fortune Fund Ltd

SAS fortune FUND LIMITED

PROXY FORM

I/We.....of.....being a Shareholder of the above-named Company hereby appoint of or failing him..... of..... as my/our Proxy to vote for me/us and on my/our behalf at an Annual General Meeting of the Shareholders to be held virtually via Zoom at 9.00 a.m. on Wednesday September 16, 2020 or at 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
1. To receive and adopt the Financial Statements of the Fund for the year ended December 31, 2019 and the Reports of the Directors and Auditors thereon.		
2. To re-elect Directors retiring by rotation: Gyakabene Kwasi Amponsem Yaw Korankye Antwi Anthony Degbato		
3. To approve Directors' remuneration		
4. To confirm the Auditors remuneration for the year ended December 31, 2019 and to authorise the Directors to fix the remuneration of the Auditors for the year ending December 31, 2020.		
5. To amend the company's Regulations to accommodate the holding of Annual General Meetings by electronic or virtual means where the Directors deem it necessary to do so.		

.....
Shareholder's Signature

Invest, grow and access your money at any time with **SAS Midas Fund**.



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