

ECOCAPITAL PRIME FUND PLC

ANNUAL REPORT
2019

ECOCAPITAL PRIME FUND PLC

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**ECOCAPITAL PRIME FUND PLC
CORPORATE INFORMATION**

BOARD OF DIRECTORS

Dr Hillar Komla Addo
Mr Desmond Aboagye
Mr Newton Dei-Tutu
Dr Jeffery Kojo Arhin
Mr Charles Semavor
Mr John Selorm Kwame
Agbenyo

REGISTERED OFFICE

No. 3 Hackman Street
(Behind Del Int'l Hospital)
East Legon, Accra
Post Office Box AD 443,
Adabraka, Accra.

CUSTODIAN

Guaranty Trust Bank
(Ghana) Limited
25A, Castle Road,
Ambassadorial Area, Ridge
P.M.B CT 416,
Cantonments, Accra, Ghana

AUDITORS

LinkGates Consult
P.O. Box CT 5028
Cantonments – Accra
linkgatescons@yahoo.com

FUND MANAGER

EcoCapital Investment
Management Limited
No. 3 Hackman Street
(Behind Del Int'l Hospital)
East Legon, Accra
Post Office Box AD 443,
Adabraka Accra

BANKERS

Guaranty Trust Bank
Limited (GT Bank)

PROFILE OF DIRECTORS

Dr Hillar Komla Addo – Board Chairman

Dr Addo is the Vice President Academics at Lucas University College in Accra. He holds a PhD in Information Science from the University of Pretoria, South Africa.

Mr Charles Semavor – Director

Mr Semavor is a Banker who works with Ecobank (Ghana) Ltd. He has an MBA from the University of Cape Coast, Ghana. He is also a Member of the Chartered Institute of Bankers, Ghana.

Mr Newton Dei-Tutu – Director

Mr. Dei-Tutu is an Accountant by profession, and is presently the Chief Accountant at Latex Foam Limited. He is also a member of the Institute of Chartered Accountants, Ghana (ICAG).

Dr Jeffery Kojo Arhin – Director

Dr Arhin is the founder of Oracare Dental Centre, Adenta. A Dental Surgeon and Public Health Practitioner by profession, he holds a Bachelor of Dental Survey (BDS) and a Master of Public Health (MPH) from the University of Ghana, Legon. He is a 2016 Mandela Washington Fellow on the Business and Entrepreneurship track.

Mr John Selorm Kwame Agbenyo – Director

Mr Agbenyo is an Administrator who is presently the Public Affairs Director at the University of Professional Studies, Accra (UPSA). Mr Agbenyo holds an MBA from Isles University, (Malaysia) and is a member of the Chartered Institute of Marketing.

Mr Desmond Aboagye – Director/ Secretary

Mr Aboagye is an Accountant who is currently the Head of Internal Audit and Compliance at EcoCapital Investment Management Limited. He is a Member of the Institute of Chartered Accountants, Ghana (ICAG).

CHAIRMAN'S STATEMENT TO SHAREHOLDERS

Dear Shareholders, Ladies and Gentlemen, it is a privilege to welcome you for the first time to our Annual General Meeting. It is my pleasure and privilege to address and present to you the Annual Report and Audited Financial Statements for the period ended December 31, 2019.

As Board of Directors, Management and Staff, we see the confidence you have put in us as an encouragement to steer the affairs of the fund and remain committed to the growth of our fund. Among the things we seek to achieve today is to review our performance of the just-ended period and at the same time together plan for the future of our fund.

Overview of the Economy

The Global Economic growth subdued by the US-China trade tensions and Brexit negotiation happenings recorded an estimated growth of 2.9 percent. In the local economy, Ghana's economy continued to expand in 2019 with real GDP growth estimated at 7.1%. High growth momentum since 2017 has consistently placed Ghana among Africa's 10 fastest-growing economies. Industry sector led with an average annual growth exceeding 10%, agriculture continued to be the second-fastest-growing sector in the economy and the service sector endured.

In 2019, Ghana maintained its moderate fiscal and current account deficits, single-digit inflation, and a relatively stable exchange rate. The fiscal deficit improved from 3.5% of GDP in 2018 to 3.4% in 2019. However, the current account deficit rose from 3.1% of GDP to 3.5% as net flows in the income account outweighed gains in the trade account. A steady decline in nonfood inflation and tight monetary policy helped keep inflation within a medium-term target of $8 \pm 2\%$.

Fund Performance

The EcoCapital Prime Fund ended the year 2019; four months in operation after receiving the green light from the SEC to start running of the with a yield of 13.30% compared to a target of 0.00% and a net asset value per share of GHS 0.5280 from an IPO price of 0.5000 gaining a return of 16.85%. With this price the fund outperformed its benchmark (i.e. the interest rate of 91 Day Treasury bill). The fund is composed of Government of Ghana Treasuries, Fixed Deposits instruments with BoG licensed Banks and Commercial Paper instrument with an institutions with good credit rating and reputation.

Outlook for 2020

Growth prospects remain positive, with increased output and stable global prices for Ghana's main export commodities. Domestic initiatives aim to increase productivity and boost output in key primary sectors and value chains. The 10-Point Industrialization Agenda seeks to expand output through coordinated public and private investment. Programs targeting higher agricultural productivity include Planting for Food and Jobs, Rearing for Food and Jobs, and Planting for Export and Rural Development. The nascent manufacturing sector will broaden the basis for growth, focusing on agriculture-led industrialization.

The government's new Business Regulatory Reform program is expected to improve the business environment and mobilize domestic revenue. Digital investments, especially in the financial sector, will increase efficiency.

REPORT OF THE DIRECTORS

TO SHAREHOLDERS OF ECOCAPITAL PRIME FUND PLC

Report of the Directors

The Directors present herewith their report together with the audited financial statements of the Fund for the year ended 31st December 2019.

Statement of Directors Responsibilities

The Directors are responsible for the preparation of financial statements for each financial year, which gives a true and fair view of the state of affairs of the Fund in accordance with International Financial Reporting Standards and in a manner required by the Ghana Companies Act, 2019 (Act 992) and the Securities and Exchange Regulations 2003, (LI 1728) and the Unit Trust and Mutual Funds Regulations 2001, (LI 1695). In preparing these financial statements, the Directors have selected suitable accounting policies and then applied them consistently, made judgements and estimates that are reasonable and prudent and followed International Financial Reporting Standards (IFRS) and complied with the requirements of the Ghana Companies Act, 2019 (Act 992).

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

Nature of business

The principal activity of the Fund is to invest the monies of its members for their mutual benefit and to hold and arrange for the management of EcoCapital Prime Fund PLC acquired with such monies.

The Fund is licensed by the Securities and Exchange Commission to operate as an authorized Mutual Fund.

Report on the Financial

Statements Financial Results

The results for the year are shown in the Statement of Comprehensive Income in the financial statements. The Fund recorded a total comprehensive income of Gh¢29,802.17 in 2019.

REPORT OF THE DIRECTORS TO SHAREHOLDERS OF ECOCAPITAL PRIME FUND PLC Cont.

Distribution policy

The Fund does not distribute income. All income earned is reinvested. Shareholders should be aware that, the prime objective of the Fund is to achieve capital growth and as such income is reinvested to take advantage of the effects of compounding.

Auditors

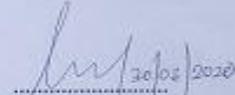
The Auditors, LinkGates Consult, will continue in office in accordance with the Ghana Companies Act 2019 (Act 992).

Approval of Financial Statements

The financial statements of the Fund were approved by the Board of Directors on 30th of March, 2020 and were signed on their behalf by:



.....
Director 30/03/2020



.....
Director 30/03/2020

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ECOCAPITAL PRIME FUND PLC**

Opinion

We have audited the financial statements of ECOCAPITAL PRIME FUND PLC, which comprise the statement of financial position as at December 31st, 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of ECOCAPITAL PRIME FUND PLC as of December 31, 2019, and of its financial performance and its cash flows for the year then ended and are in accordance with International Financial Reporting Standards and comply with the Ghana Companies Act, 2019 (Act 992) 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 Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and for such internal control as the Board of 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 Board of Directors are responsible for assessing the 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 the Board of Directors either intend to liquidate the Fund or to cease operations or have no realistic alternative but to do so. The Board of Directors is responsible for overseeing the Fund's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ECOCAPITAL PRIME FUND PLC-Cont.**

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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of 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 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF ECOCAPITAL PRIME FUND PLC-Cont.**

However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of 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.

Report on Other Legal and Regulatory Requirements

Compliance with the requirement the Companies Act 2019, Act (922) and the Securities and Exchange Regulations 2003, (LI 1728) and the Unit Trust and Mutual Funds Regulations 2001, (LI 1695).

We confirm that:

- I. 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.
- II. In our opinion proper books of accounts have been kept by the Fund, so far as appears from our examination of those books, and
- III. The statement of financial position and the statement of comprehensive income of the Fund are in agreement with the books of accounts.

The engagement partner on the audit resulting in the independent auditor's report is **Elvis Aaron Amenyitor (ICAG/P/1370)**

For and on behalf of



Linkgates Consult (ICAG/F/2020/205)

P.O. Box CT 5028

Cantonments – Accra

Dated: 30th March, 2020

PORTFOLIO MANAGER'S REPORT

ECONOMIC OUTLOOK

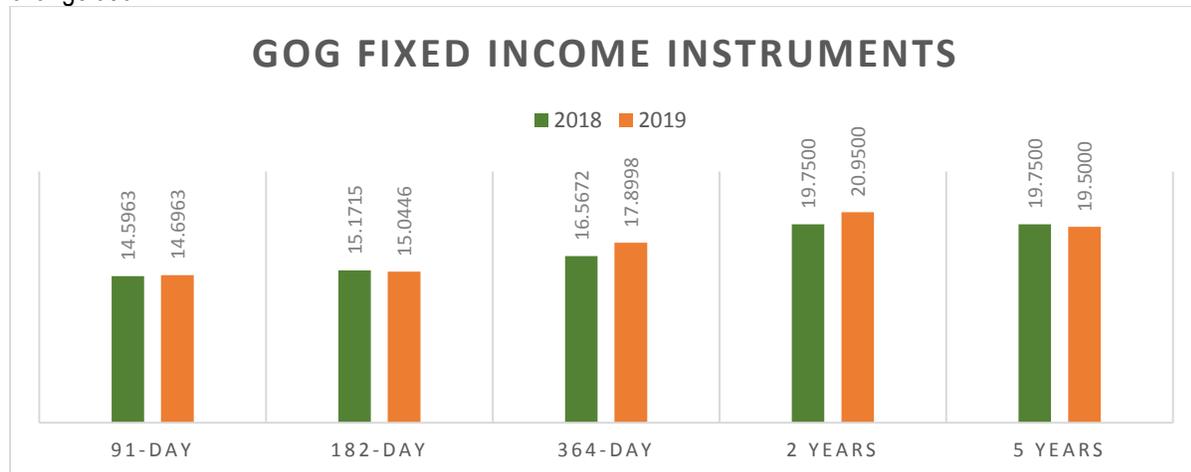
The Global Economic growth subdued by the US-China trade tensions and Brexit negotiation happenings recorded an estimated growth of 2.9 percent. In the local economy, Ghana's economy continued to expand in 2019 with real GDP growth estimated at 7.1%. High growth momentum since 2017 has consistently placed Ghana among Africa's 10 fastest-growing economies. Industry sector led with an average annual growth exceeding 10%, agriculture continued to be the second-fastest-growing sector in the economy and the service sector endured.

In 2019, Ghana maintained its moderate fiscal and current account deficits, single-digit inflation, and a relatively stable exchange rate. The fiscal deficit improved from 3.5% of GDP in 2018 to 3.4% in 2019. However, the current account deficit rose from 3.1% of GDP to 3.5% as net flows in the income account outweighed gains in the trading account. A steady decline in non-food inflation and tight monetary policy helped keep inflation within a medium-term target of $8 \pm 2\%$.

The exchange rate between the Ghana cedi and US dollar remained stable with volatility reflecting seasonal import-driven demand. Increased public debt and shortfalls in domestic revenues pose challenges to further macroeconomic improvements. By September 2019, the debt-to-GDP ratio rose 3.2 percentage points year-on-year, mainly due to a \$3 billion Eurobond issue and to domestic borrowing, including a \$2 billion financial sector bailout. Despite the low domestic resource mobilization and high cost of financial and energy sector reforms, the government remains committed to a deficit ceiling of no more than 5% of GDP, as required by the new Fiscal Responsibility Act.

THE FIXED INCOME MARKET

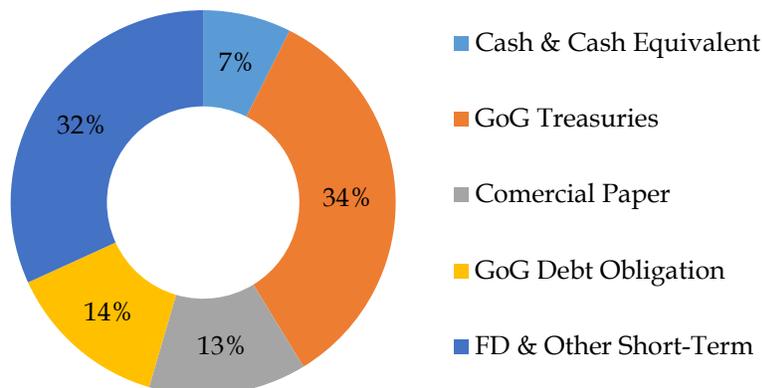
The Ghana Fixed Income market has not seen any substantial change in the government treasury rates for the period under consideration thus 2018 to 2019. We have however seen significant increases in the 364 (1-year) note to 3-year bond issuances. Other long term bond yields have also remained stable recording close to no change at all.



PORTFOLIO STRUCTURE

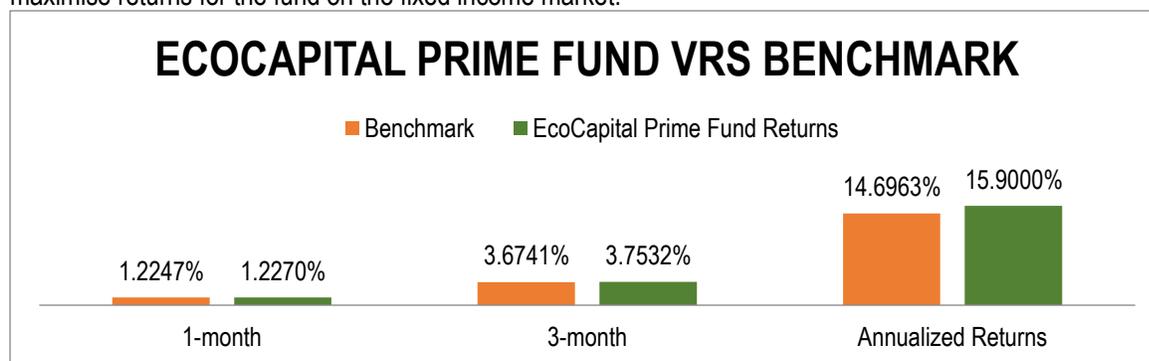
The Fund largely invests in debt securities issued by the government in the form of intermediate-term Treasuries (Bonds and Notes) mostly in repurchase agreements (Repos). The bonds in the portfolio are mostly backed by the credit and full faith of the Ghana government. This then brings to the fore that the risks of the fund include the fact that changes in the interest rate regime either up or down can affect the return of the fund. Other assets held in the fund presently include fixed-term deposits with banks in good standing with the Central Bank of Ghana. However, following the revocation of the licenses of some 7 (seven) banks in 2019, the remaining banks have adopted a more moderate interest rate system which only hovers around 150 basis points below or above the GOG 182 day

Treasury Bill rate. Our current exposure has provided us with sufficient liquidity opportunities to all shareholders while we continue to maximise returns also.



PORTFOLIO PERFORMANCE

The Fund returned 5.60% (15.90% when annualised) in 2019 outperforming the benchmark return of 14.6963%. This feat was largely due to the proactive actions of the portfolio management team to scoop every opportunity to maximise returns for the fund on the fixed income market.



ASSET UNDER MANAGEMENT

Total subscriptions recorded at the fund's Initial Public Offering (IPO) amounted to GHS1.3 Million as of August 19, 2019. Within this four-month period, the fund recorded total redemptions of GHS79, 217.90 and by December 31, 2019, the fund had grown in size to GHS2.1 Million. The clientele base also saw an increase from 230 to 282 within the same period.

OUTLOOK AND STRATEGY

With the present interest rate regime in the fixed income market, we will continue to take advantage of high secondary market yields. We will stick to the objective of maximising current income to the extent that is consistent with capital preservation and maintenance of liquidity while enhancing shareholders' wealth to meet short term financial goals.

CONCLUSION

We will like to encourage our cherished clients to continue investing in the fund with confidence knowing that we hold in high esteem our mandate to increase shareholders' wealth.

CUSTODIAN REPORT

Guaranty Trust Bank (Ghana) Ltd.
C.S.06622014

25A, Castle Road,
Ambassadorial Area, Ridge,
P.M.B 77 438, Cantonments,
Accra, Ghana
Tel: (+233 302) 613 562, 682 662, 682 146, 576 474
(+233 302) 924 914, 966 755, 671 560

Head Office Fax: (+233 302) 662 737/684 537
Toll Free: 0800124000



March 19, 2020

EcoCapital Prime Fund Limited
3 Hackman Street
Adjacent Del International Hospital
East Legon
P.O. Box AD 443
Accra

Attention: Shareholders of the EcoCapital Prime Fund

Dear Sir,

REPORT OF THE CUSTODIAN TO THE INVESTORS OF ECOCAPITAL PRIME FUND LIMITED

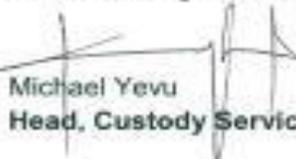
We, Guaranty Trust Bank Ghana Limited, acting as Custodians for the EcoCapital Prime Fund, write to confirm to investors the Fund's maiden statement of holdings as at close of business 31st December 2019.

In our independent opinion, the below statement of holdings reflects a true and fair view of the affairs of the Fund as at 31st December 2019:

SYMBOL	CUMMULATIVE COST	SYMBOL	CUMMULATIVE COST
182 DAY CAL	130,000.00	182 DAY CMB	74,935.35
121 DAY MORMAZ	260,000.00	364 DAY REPO	116,800.00
182 DAY CMB	219,058.00	364 DAY REPO	154,900.00
182 DAY CMB	149,950.23	364 DAY REPO	114,800.00
182 DAY CMB	99,990.49	364 DAY REPO	128,400.00
182 DAY CMB	100,000.00	364 DAY REPO	99,101.00
182 DAY CMB	120,700.00	364 DAY REPO	149,995.60
182 DAY CMB	74,300.00		

Yours faithfully,

For: Guaranty Trust Bank (Ghana) Limited


Michael Yevu
Head, Custody Services


Solace Fadijo
Head, Financial Institutions Group

The Board: L.A. Taylor (Chairman), D. Eghan, A. Osei, T. A. Adu (Managing), M. J. Lavelle, E. Twumasi, M. E. A. Adu, G. N. Nana

ECOCAPITAL PRIME FUND PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2019

	Notes	2019 Gh¢	2018 Gh¢
ASSETS:			
Cash and Cash Equivalents	13	47,199.84	-
Financial Instruments at Amortised Cost	12	2,151,566.97	-
Account Receivables	11	74,172.17	-
Total Assets		<u>2,272,938.98</u>	<u>-</u>
 SHAREHOLDERS FUND AND LIABILITIES:			
Shareholders Fund:			
Shareholders' Principal	9	2,177,030.09	-
Distributed Shareholders' Earnings		29,802.17	-
		<u>2,206,832.26</u>	<u>-</u>
 Total Shareholders' Equity			
Liabilities:			
Account Payable	8	16,106.46	-
Other Liabilities	7	50,000.00	-
Total Liability		<u>66,106.46</u>	<u>-</u>
 Total Shareholder's Equity and Liabilities		<u>2,272,938.72</u>	<u>-</u>



Director 30/03/2020



Director 30/03/2020

The notes on pages 18 to 25 are an integral part of these financial statements.

ECOCAPITAL PRIME FUND PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2019

	Notes	2019	2018
		Gh¢	Gh¢
Interest Revenue	5	88,734.25	-
Dividend Income		-	-
Other Income		-	-
Total Operating Income		88,734.25	-
Administrative Expenses	6	(58,932.08)	-
Selling and Promotion Expenses		-	-
Finance Cost		-	-
Other Expenses		-	-
Total Operating Expense		(58,932.08)	-
Net Investment Income		29,802.17	-
Loss from Disposal of equities		-	-
Shareholder's Earning for the Year		29,802.17	-

The notes on pages 18 to 25 are an integral part of these financial statements

ECOCAPITAL PRIME FUND PLC
STATEMENT OF DISTRIBUTED SHAREHOLDERS EARNINGS
FOR THE YEAR ENDED 31ST DECEMBER 2019

	GH¢
Opening Balance	-
Distributed Shareholders' Earnings for the Year	29,802.17
Closing Balance	29,802.17

The notes on pages 18 to 25 are an integral part of these financial statements

ECOCAPITAL PRIME FUND PLC
NOTES TO THE FINANCIAL STATEMENTS

REPORTING ENTITY

ECOCAPITAL PRIME FUND PLC is a Limited Liability company incorporated and domiciled in Ghana. The address of its registered office is No. 3 Hackman Street (Behind Del Int'l Hospital) East Legon, Accra Post Office Box AD 443, Adabraka, Accra.

1. DESCRIPTION OF THE FUND

It is an open-ended Money Market Mutual fund established in June 2019 with an unlimited duration. The authorized business of the Fund is to achieve long-term capital growth by investing in a specific diversified portfolio of equity securities listed on the Ghana Stock Exchange and other money market securities of acceptable credit quality.

2. BASIS OF MEASUREMENT

The financial statements have been prepared on a historical cost basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1. Statement of Compliance

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

4.2. Basis of Accounting

The financial statements have been prepared on a historical cost basis except for available-for-sale financial assets and other financial instruments that are measured at fair value as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The financial statements are presented in Ghana Cedi (GH¢). The Fund presents its statement of financial position in order of Liquidity.

4.3. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

ECOCAPITAL PRIME FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4.3.1 Interest Revenue

Interest revenue is recognized in the Statement of Comprehensive Income for all interest-bearing financial instruments using the accrual method. The Fund recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met.

4.3.2 Dividend Income

Dividend income is recognized through the Statement of Comprehensive Income if the qualifying date falls within the year under review.

4.4 Valuation of Investments

Securities Listed on a stock exchange or traded on any other organized market are valued at the Last available market price on the relevant valuation day.

Securities that are actively traded on the over-the-counter market are valued at the mean between the most recently quoted bid and offer prices provided by the principal brokers. Securities and assets for which market quotations are not readily available are valued at fair values as determined in good faith by or under the direction of the Board of Directors. Short-term debt securities having a maturity of ninety-one days or less are valued at amortized cost.

4.5. Foreign Currencies Transactions

In preparing the financial statements of the Fund, transactions in currencies other than the Fund's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Foreign currency differences arising on translation are recognised in profit or Loss.

ECOCAPITAL PRIME FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4.6 Distribution Policy

The Fund does not distribute income. ALL income earned is reinvested. Shareholders should be aware that the prime objective of the Fund is to achieve capital growth and as such income is reinvested to take advantage of the effects of compounding.

4.7 Cash and Cash Equivalents

Cash and cash equivalents includes notes and coins on hand and highly liquid financial assets with original maturities of Less than three months, which are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments

	2019	2018
5 Revenue	Gh¢	Gh¢
Interest Income	88,734.25	-
Realised Interest	-	-
Exchange Gain	-	-
	88,734.25	-
	88,734.25	-

	2019	2018
6 Administrative Expense	Gh¢	Gh¢
Fund Management Fee	12,598.57	-
Custodian Expenses	1,007.89	-
Auditors Remuneration	2,500.00	-
Direct Expenses	100.50	-
Other Expenses	42,725.12	-
	58,932.08	-
	58,932.08	-

ECOCAPITAL PRIME FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	2019	2018
	Gh¢	Gh¢
7 Other Liabilities		
EcoCapital Borrowings	50,000.00	-
	<u>50,000.00</u>	<u>-</u>
	2019	2018
	Gh¢	Gh¢
8 Account Payable		
Auditors Fee	2,500.00	-
Fund Management Fee	12,598.57	-
Custodian Expenses	1,007.89	-
	<u>16,106.46</u>	<u>-</u>
	2019	2018
	Gh¢	Gh¢
9 Stated Capital		
Mutual Fund	2,177,030.09	-
	<u>2,177,030.09</u>	<u>-</u>
	2019	2018
	Gh¢	Gh¢
10 Shareholder's Earning for the Year		
Distributed Shareholders' Earnings	<u>29,802.17</u>	<u>-</u>
	2019	2018
	Gh¢	Gh¢
11 Account Receivables		
Interest Receivables - Cal Bank	7,009.33	-
Interest Receivable - Government of Ghana	37,723.81	-
Interest Receivables - Morimaz Company Limited	17,694.26	-
Interest Receivable - First Atlantic Bank	-	-
Interest Receivables - IC Securities (Gh¢) Ltd	11,744.77	-
	<u>74,172.17</u>	<u>-</u>

ECOCAPITAL PRIME FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

		2019	2018
12	Financial Instruments and Balances with Discount Houses	Gh¢	Gh¢
	First Atlantic Bank	-	-
	Cal Bank	130,000.00	-
	IC Securities (Gh¢) Ltd	269,336.67	-
	Government of Ghana	1,492,230.30	-
	Morimaz Company Limited	260,000.00	-
		<u>2,151,566.97</u>	<u>-</u>
13	Bank and Cash Balances	Gh¢	Gh¢
	Cashier	915.36	-
	Gt Custody Operations	7,299.40	-
	Gt Custody Main	13,681.73	-
	Gt Custody Clients	(31,084.23)	-
	Gt Rec & Pay IPO	-	-
	Gt Rec & Pay Main	56,387.58	-
		<u>47,199.84</u>	<u>-</u>
14	Shareholders' Fund		
	<p>The Capital of the Fund represents the Shareholders' contribution to the Fund. This can vary from time to time depending on the shares subscribed and redeemed over the period. The Fund is not subjected to external capitalization and has no legal restriction on the issue, repurchase or resale of redeemable shares beyond those included in the scheme particulars of the Fund. The objectives for managing capital are:</p> <ul style="list-style-type: none"> • To undertake investments that meet the description, risk exposure and expected return of the Fund as indicated in the scheme particulars • To achieve consistent returns while safeguarding capital by investing in a diversified portfolio, by participating in the money market and other capital market. • To maintain sufficient Liquidity to meet the expenses of the Fund as well as redemption requests from Shareholders. 		

ECOCAPITAL PRIME FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15 Shareholder's Earning for the Year

This represents the residual of the cumulative annual profit that is available for distribution to Shareholders

	2019	2018
	Gh¢	Gh¢
Shareholder's Earning for the Year		
Distributed Shareholders' Earnings	29,802.17	-

16 Contingencies and Commitments

The Fund operates in the financial service industry and is subject to legal proceedings in the normal course of business. As at the reporting date, there were no potential or threatened Legal proceedings, for or against the Fund. There are no contingencies associated with the Fund's compliance or Lack of compliance with Regulations.

17 RELATED PARTIES TRANSACTION

Parties are considered related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one-party controls both. The definition of related party includes the Fund Manager (EcoCapital Investment Management Limited), Custodian (GT Bank) and the Non-Executive Directors of the Fund.

I. Fund Manager (EcoCapital Investment Management Limited)

The Fund Manager is entitled to receive a management fee of 2.5% per annum calculated on the Net Asset Value of the Fund. Management fees are payable monthly in arrears.

For the year ending 2019, the total management fee is as follows:

	2019	2018
	Gh¢	Gh¢
Fund Management Fee		
Fees	12,598.57	-

II. Custodian (GT Bank)

The Custodian carries out the usual duties regarding custody, cash and securities deposit without any restrictions. This means that the Custodian is, in particular, responsible for the collection of dividend, interest and proceeds of maturing

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securities, the exercise of options and, in general, for any other operation concerning the day-to-day administration of the Fund.

The total Custodian and administration fee for the year 2019 is as follows:

	2019	2018
	Gh¢	Gh¢
Custodian (GT Bank)		
Fees	<u>1,007.89</u>	<u>-</u>

III. Non-Executive Directors

During the year 2019, no remuneration was paid to the Directors'

18 FINANCIAL RISK MANAGEMENT

i. Objective and Policy

The Fund's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing controls, identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund is exposed to market risk (which includes currency risk, interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

ii. Risk Management Structure

The Fund's Investment Manager is responsible for identifying and controlling risks. The Board of Directors supervises the Investment Manager and is ultimately responsible for the overall risk management of the Fund.

iii. Risk Measurement and Reporting System

The Fund's risks are measured using a method that reflects both the expected Loss Likely to arise in normal circumstances and unexpected Losses that are an estimate of the ultimate actual Loss based on statistical models.

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The models make use of the probabilities derived from historical experience, adjusted to reflect the economic environment. Monitoring and controlling risks are primarily set up to be performed based on Limits established by the Board of Directors.

These Limits reflects the business strategy including the risk that the Fund is willing to accept in the market environment. In addition, the Fund monitors and measures the overall risk in relation to the aggregate risk exposure across all risk types and activities.

19 TAXATION

Under section 42 of Securities Industry Law, 1993 P.N.D.C.L. (333), Mutual funds are not liable to pay income tax or any other tax including Levy in respect of income on profits or gains derived by it from any source.