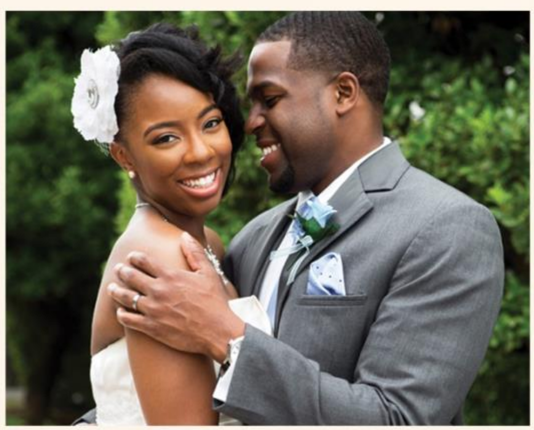
Mfund

FINANCIALS

ANNUAL REPORT 2020



Databank
Leadership

DATABANK MFUND LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
DECEMBER 31, 2020

BAKER TILLY ANDAH + ANDAH
CHARTERED ACCOUNTANTS
www.bakertillygh.com

DATABANK MFUND LIMITED
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DATABANK MFUND LIMITED
BOARD OF DIRECTORS, OFFICIALS AND REGISTERED OFFICE

BOARD OF DIRECTORS	Benjamin Gogo	*Chairman*
	Kojo Addae-Mensah	*Executive Director*
	Stephen Adei	*Non-Executive Director*
	Daniel Seddoh	*Non-Executive Director*
	Preba Greenstreet	*Non-Executive Director*

SECRETARY

Accra Nominees Limited
2nd Floor, Cedar House
13 Samora Machel Road
Asylum Down
P. O. Box GP 242
Accra

REGISTERED OFFICE

61 Barnes Avenue, Adabraka
Private Mail Bag
Ministries Post Office
Accra

CUSTODIAN

Guaranty Trust Bank (Ghana) Limited
25A Castle Road
Ambassadorial Area, Ridge
PMB CT 416, Cantonments
Accra, Ghana

FUND MANAGER

Databank Asset Management Services Limited
61 Barnes Avenue, Adabraka
Private Mail Bag
Ministries Post Office
Accra

AUDITORS

Baker Tilly Andah + Andah
C726/3, Nyanyo Lane, Asylum Down
P. O. Box CT 5443
Cantonments, Accra

BANKERS

Absa Bank Ghana Limited
Access Bank (Ghana) Plc
Fidelity Bank Ghana Limited
GCB Bank Limited
Ghana International Bank Limited
Guaranty Trust Bank (Ghana) Limited
Standard Chartered Bank Ghana Plc
United Bank for Africa (Ghana) Limited
Zenith Bank Ghana Limited

DATABANK MFUND LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES AND APPROVAL

The Directors are required in terms of the Companies Act, 2019 (Act 992) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Fund as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external Auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Fund and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the Fund's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management is on identifying, assessing, managing and monitoring all known forms of risk across the Fund. While operating risk cannot be fully eliminated, the Fund endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion that, based on the information and explanations given by management, the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Fund's cash flow forecast for the year to 31st December 2021 and, in light of this review and the current financial position, they are satisfied that the Fund has access to adequate resources to continue in operational existence for the foreseeable future.

The external Auditors are responsible for independently auditing and reporting on the Fund's annual financial statements. The annual financial statements have been examined by the Fund's external Auditors and their report is presented on pages 7 to 10.

The annual report and financial statements set out on pages 3 to 31, which have been prepared on the going concern basis, were approved by the Board of Directors on April 21, 2021 and were signed on their behalf by:

………………………………	………………………………
BENJAMIN GOGO	**KOJO ADDAE-MENSAH**
CHAIRMAN	**DIRECTOR**
APRIL 21, 2021	**APRIL 21, 2021**

DATABANK MFUND LIMITED
REPORT OF THE DIRECTORS

The Directors have pleasure in presenting the audited financial statements of Databank MFund Limited for the year ended 31st December 2020.

1. Incorporation

The Fund was incorporated on 16th April 2004 under the then Companies Act, 1963 (Act 179), now Companies Act, 2019 (Act 992). The Fund is domiciled in Ghana where it is licensed by the Securities and Exchange Commission, Ghana as a Mutual Fund. The address of the registered office is set out on page 2.

2. 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 securities and other assets acquired with such monies in accordance with the provisions of the Companies Act, 2019 (Act 992), Securities Industry Act, 2016 (Act 929), and the Share Trusts and Mutual Funds Regulations, 2001 (L.I. 1695)

There has been no material changes to the nature of the Fund's business from the prior year.

3. Review of Financial Results and Activities

The annual report and financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2019 (Act 992), Securities Industry Act, 2016 (Act 929), and the Share Trusts and Mutual Funds Regulations, 2001 (L.I. 1695). The accounting policies have been applied consistently compared to the prior year.

The Fund recorded total distributed shareholders' earnings for the year ended 31st December 2020 of GH¢115,665,186. This represents an increase of 30% from the prior year of GH¢89,297,837.

The Fund's total income increased by 43% from GH¢99,532,421 in the prior year to GH¢141,848,076 for the year ended 31st December 2020.

The Fund's cash flows from operating activities increased by 15% from GH¢107,172,408 in the prior year to GH¢123,662,312 for the year ended 31st December 2020.

4. Events After the Reporting Period

Events subsequent to the Statement of Financial Position date are reflected in the financial statements only to the extent that they relate to the period under review and the effect is material. There were no subsequent events at the reporting date, 31st December 2020.

5. Going Concern

The Directors believe that the Fund has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Directors have satisfied themselves that the Fund is in a sound financial position and that revenue from the assets under management would be enough to meet its foreseeable cash requirements. The Directors are not aware of any new material changes that may adversely impact the Fund. The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Fund.

6. Litigation Statement

The Fund is not currently involved in any claims or lawsuits, which individually or in the aggregate are expected to have a material adverse effect on the business or its assets.

7. Secretary

The Fund's Secretary is Accra Nominees Limited with business address: 2nd Floor, Cedar House, No. 13 Samora Machel Road, Asylum Down.

8. Statement of Disclosure to the Fund's Auditors

With respect to each person who is a Director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the Fund's Auditors are unaware; and
- the person has taken all the steps that he/she ought to have taken as a Director to be aware of any relevant audit information and to establish that the Fund's Auditors are aware of that information.

9. Terms of Appointment of the Auditors

Messrs Baker Tilly Andah + Andah have held office as Auditors of the Fund for a period of six years and in accordance with Section 139(11) of the Companies Act, 2019 (Act 992) they are being replaced.

10. Corporate Social Responsibility

The Fund did not undertake any corporate social responsibility within the financial year.

11. Audit Fees

Included in the general and administration expenses for the year is the agreed Auditors' remuneration of GH¢42,534 (2019: GH¢39,572) which is inclusive of VAT, NHIL and GETFund.

12. Capacity of Directors

The Fund ensures that only fit and proper persons are appointed to the Board after obtaining the necessary approval from the regulator, Securities and Exchange Commission (SEC). Relevant training and capacity building programs, facilitated by a SEC approved training institution was undertaken during the period.

13. Net Assets Under Management

The Fund is managed by Databank Asset Management Services Limited (DAMSEL). Net Assets Under Management (AUM) as at 31st December 2020 stood at GH¢805,563,210 representing a 27% increase compared to prior year of GH¢633,644,004.

14. Acknowledgements

Thanks, and appreciation are extended to all of our Shareholders, Directors and staff for their continued support of the Fund.

15. Approval

The annual report and financial statements set out on pages 3 to 31, which have been prepared on the going concern basis, were approved by the Board of Directors on **21ST APRIL 2021**, and were signed on its behalf by:

………………………………	………………………………
BENJAMIN GOGO	**KOJO ADDAE-MENSAH**
CHAIRMAN	**DIRECTOR**
APRIL 21, 2021	**APRIL 21, 2021**

INDEPENDENT AUDITORS' REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Databank MFund Limited, which comprise the statement of financial position as at 31st December 2020 and 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 as set out on pages 15 to 31.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31st December 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with the Companies Act, 2019 (Act 992), the Securities Industry Act, 2016 (Act 929), and the Share Trusts 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 Code of Ethics for Professional Accountants (including International Independence Standards) (the Code)* issued by the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. They are matters to be 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 those matters.

Impairment Provision

Gross Investment in fixed income securities was GH¢ 740,503,799 (2019: GH¢ 572,059,961) as at 31st December 2020 with total general impairment provision of GH¢ 50,000 (2019: GH¢ 140,000).

The measurement of impairment provision is deemed a Key Audit Matter as the determination of assumptions for expected losses is subjective due to the level of judgement applied by the Directors.

The most significant judgements are:

- assumptions used in the expected loss models to assess the risk related to the exposure and the expected returns from the issuer.
- timely identification of exposures with significant increase in risk.
- valuation of collateral and assumptions of future cash flows on manually assessed investment-impaired exposures.

How the matter was addressed in our audit:

- Updated our understanding and tested the operating effectiveness of management controls over investment, maturity of investment and interest receivable;
- Evaluated the appropriateness of the accounting policies based on the requirements of IFRS 9 and industry practice;
- Evaluated the adequacy of the disclosures made in the financial statements to ensure that transition adjustments were accurate and complete;
- Performed substantive testing to obtain evidence of timely identification of exposures with significant increase in risk and timely identification of investment impaired exposures;
- Conducted substantive testing to support appropriate determination of assumptions for impairment provision and future cash flows on manually assessed investment impaired exposures.

Other Information

The Directors are responsible for the other information. The other information comprises Chairman's Statement to Shareholders and Performance Summary but does not include the financial statements and our auditor's 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 that we have performed, we conclude that there is a material misstatement of this other information, then we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines 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 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 Directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit 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 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 planning and performance of 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 conditions may cause the Fund to cease to continue as a going concern.

We are required to communicate with the Board 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

The Companies Act, 2019 (Act 992) requires that in carrying out our audit work we consider and report on the following matters.

We confirm that:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit;
- in our opinion proper books of account have been kept by the Fund, so far as appears from the examination of those books;
- the Fund's financial statements are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is **SAMUEL ABIAW (ICAG/P/1454)**

Baker Tilly Andah + Andah
………………………………………………………….. **APRIL 28, 2021**

For and on behalf of
Baker Tilly Andah + Andah **(ICAG/F/2021/122)**
Chartered Accountants
C726/3, Nyanyo Lane, Asylum Down
Accra

DATABANK MFUND LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Note	2020 GH¢	2019 GH¢
INVESTMENT INCOME			
Interest Income	5	128,600,362	99,571,579
Exchange Loss		-	(39,158)
		128,600,362	99,532,421
Bad Debt Recovered		13,247,714	-
TOTAL INCOME		141,848,076	99,532,421
EXPENSES			
Investment Management Fees		(8,108,207)	(6,983,582)
Custody Fees		(1,015,445)	(850,822)
General and Administrative Expenses	6	(858,276)	(970,011)
Impairment Charge	7	(16,200,962)	(1,430,169)
TOTAL EXPENSES		(26,182,890)	(10,234,584)
Distributed Shareholders' Earnings for the Year		115,665,186	89,297,837

DISTRIBUTED SHAREHOLDERS' EARNINGS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020 GH¢	2019 GH¢
Beginning Period	393,921,049	304,623,212
Distributed Shareholders' Earnings for the Year	115,665,186	89,297,837
End of Period	509,586,235	393,921,049

DATABANK MFUND LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2020

	Note	2020 GH¢	2019 GH¢
ASSETS			
Cash and Cash Equivalents	8	23,643,271	10,671,494
Financial Assets at Amortised Cost	9	740,453,799	571,919,961
Trade and Other Receivables	10	42,829,822	52,298,535
TOTAL ASSETS		806,926,892	634,889,990
SHAREHOLDERS' EQUITY			
Shareholders' Principal	12b	295,976,975	239,722,955
Distributed Shareholders' Earnings		509,586,235	393,921,049
TOTAL SHAREHOLDERS' EQUITY		805,563,210	633,644,004
LIABILITIES			
Trade and Other Payables	13	1,363,682	1,245,986
TOTAL LIABILITIES		1,363,682	1,245,986
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		806,926,892	634,889,990

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BENJAMIN GOGO
CHAIRMAN

APRIL 21, 2021

…………………………………………

KOJO ADDAE-MENSAH
DIRECTOR

APRIL 21, 2021

DATABANK MFUND LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2020

	Shareholders' Principal GH¢	Distributed Shareholders' Earnings GH¢	Total GH¢
2020			
Opening Balance	239,722,955	393,921,049	633,644,004
Proceeds from Issue of Shares	401,687,190	-	401,687,190
Distributed Shareholders' Earnings for the Year	-	115,665,186	115,665,186
Shares Redeemed	(345,433,170)	-	(345,433,170)
Balance as at 31st December	295,976,975	509,586,235	805,563,210
2019			
Opening Balance	290,729,209	304,623,212	595,352,421
Proceeds from Issue of Shares	319,492,205	-	319,492,205
Distributed Shareholders' Earnings for the Year	-	89,297,837	89,297,837
Shares Redeemed	(370,498,459)	-	(370,498,459)
Balance as at 31st December	239,722,955	393,921,049	633,644,004

DATABANK MFUND LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2020

	Note	2020 GH¢	2019 GH¢
Cash Flows from Operating Activities			
Distributed Shareholders' Earnings for the Year		115,665,186	89,297,837
Adjustment for Non-Cash Item			
Amortization Loss/ (Gain)		(1,589,283)	1,049,631
Changes in Working Capital			
Decrease in Trade and Other Receivables		9,468,713	16,803,421
Increase in Trade and Other Payables		117,696	21,519
Net Cash Flows from Operating Activities		123,662,312	107,172,408
Cash Flows from Investing Activities			
Purchase of Financial Assets at Amortised Cost		(348,867,573)	(468,055,607)
Proceeds from disposal of Financial Assets at Amortised Cost		181,923,018	397,528,270
Net Cash Used in Investing Activities		(166,944,555)	(70,527,337)
Cash Flows from Financing Activities			
Proceeds from Capital Transactions		401,687,190	319,492,205
Shares Redeemed		(345,433,170)	(370,498,459)
Net Cash Generated from/(Used in) Financing Activities		56,254,020	(51,006,254)
Net Increase/(Decrease) in Cash and Cash Equivalents		12,971,777	(14,361,183)
Cash and Cash Equivalents at the Beginning of the Period		10,671,494	25,032,677
Cash and Cash Equivalents at the End of the Year	8	23,643,271	10,671,494

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020	2019
Cash at Bank and Call Accounts	15,643,271	10,671,494
7-Day Bank Fixed Deposit	8,000,000	-
	23,643,271	10,671,494

1. GENERAL INFORMATION

Databank MFund is a limited liability company incorporated in Ghana. The address of its registered office and principal place of business is 61 Barnes Avenue, Adabraka, Private Mail Bag, Ministries Post Office, Accra.

1.1. Description of the Fund

Databank MFund started operations on 16th April 2004 as an authorized mutual fund to provide high current income with the maintenance of liquidity and preservation of capital. The Fund's investments include: treasury securities, commercial papers, bankers' acceptances, certificates of deposit and similar fixed income securities.

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 fixed income securities acquired with such monies.

The investment activities of the Fund are managed by Databank Asset Management Services Limited (the Fund Manager). The Custodian of the Fund is Guaranty Trust Bank Ghana Limited.

In the interest of prudence and efficient management of the Fund, the Manager maintains prudent levels of liquidity.

The Manager is responsible for the management of the Fund's portfolio and constantly reviews the holdings of the Fund in the light of its research analysis and other relevant services. The Fund pays the Manager a management fee of 1.25% per annum for services provided to the Fund. The fee is based on the Fund's daily AUM.

The shares of the Fund are redeemable at the holder's option. The shares are not listed on the Ghana Stock Exchange.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Basis of Measurement

The financial statements have been prepared on the historical cost basis except for 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.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Fair Value Measurement

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Fund.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Fund uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3.2 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured, as and when the Fund satisfies a performance obligation.

Under IFRS 15, the revenue recognition process involves:

1. Identification of the contract with the customer,
2. Identification of performance obligation in the contract,
3. Determination of the transaction price,
4. Allocation of the transaction price to the performance obligation in the contract,
5. Recognition of the revenue when (or as) the entity satisfies a performance obligation

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment exclusive of taxes or duty.

3.2.1 Interest Revenue and Expense

Interest revenue and expense are recognised in the statement of Comprehensive Income for all interest-bearing financial instruments using the effective interest rate method.

3.2.2 Fees and Commissions

Fees and commissions are recognised on an accrual basis. Fees and commission expenses are included in general and administrative expenses.

3.2.3 Net Gains or Loss on Financial Assets and Liabilities at fair value through profit or loss

This item includes changes in the fair value of financial assets and liabilities held for trading or designated upon recognition as at fair value through profit or loss and excludes interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised in the reporting period.

Realised gains and losses on disposals of financial instruments classified as at fair value through profit or loss are calculated using the first-in, first-out (FIFO) method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

3.3 Foreign Currencies

In preparing the financial statements of the Fund, transactions in currencies other than the Fund's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

3.4 Financial Instruments-Initial Recognition and Subsequent Measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.4.1 Financial Assets

3.4.1.1 Initial Recognition and Measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, financial assets at amortised cost and financial assets at fair value through other comprehensive income.
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

3.4.1.2 Classification and Measurement

For purposes of classification and measurement, financial assets are classified into three categories:

- Financial Assets at Amortised Cost

- Financial Assets at Fair Value through Other Comprehensive Income (OCI)
- Financial Assets at Fair Value through Profit or Loss

Financial Assets at Amortised Cost
Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as financial assets at amortised cost when the Fund has the positive intention and ability to hold to collect contractual cash flows. After initial measurement, financial assets are measured at amortised cost using the Effective Interest Rate (EIR), less impairment.

The Fund classifies its financial assets at amortised cost only if both of the following criteria are met:

- The asset is held within the business model whose objective is to collect the contractual cash flows, and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)
Financial Assets at Fair Value through Other Comprehensive Income include debt securities. Debt securities classified as financial assets at FVOCI are those that are neither classified as financial assets at amortised cost nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held and be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, financial assets at FVOCI are subsequently measured at fair value with unrealised gains or losses recognised in OCI and recognised in the financial assets at FVOCI reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the financial assets at FVOCI reserve to the statement of profit or loss in finance costs. Interest earned whilst holding financial assets at FVOCI is reported as interest income using the EIR method.

The Fund evaluates whether the ability and intention to sell its financial assets at FVOCI in the near term is still appropriate. When, in rare circumstances, the Fund is unable to trade these financial assets due to inactive markets, the Fund may elect to reclassify these financial assets if the Management has the ability and intention to hold the assets for foreseeable future or until maturity.

For a financial asset reclassified from the financial assets at FVOCI category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on the asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss and other comprehensive income.

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI) comprise:

- Debt securities where the contractual cash flows are solely principal and interest and the objective of the Fund's business model is achieved both by collecting contractual cash flows and selling the financial assets.

The Fund has not designated any financial assets at fair value through other comprehensive income.

Financial Assets at Fair Value through Profit or Loss
Any financial assets that are not Financial Assets at Amortised Cost or Financial Assets at FVOCI are measured at fair value through profit or loss. As such, fair value through profit or loss represents a 'residual' category.

Financial assets at fair value through profit or loss include financial assets at amortised cost and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as financial asset at amortised cost if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as finance costs (negative net changes in fair value) or finance income (positive net changes in fair value) in the statement of profit or loss.

Financial Assets that qualify to be classified as Financial Assets at Fair Value through Profit or Loss (FVPL) are debt investments that do not qualify for measurement at either amortised cost or FVOCI.

The Fund has not designated any financial assets at fair value through profit or loss.

3.4.1.3 Derecognition of Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised (i.e. removed from the Fund's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - i. the Fund has transferred substantially all the risks and rewards of the asset, or
  - ii. the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognise the transferred asset to the extent of the Fund's continuing involvement. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

3.4.1.4 Impairment of Financial Assets

IFRS 9 requires the recognition of expected credit losses on all financial assets at amortised or at fair value through other comprehensive income (other than equity instruments), lease receivables and certain loan commitments and financial guarantee contracts.

The Expected Credit Losses (ECL) is the present value measure of the credit losses expected to result from default events that may occur during a specified period of time. ECLs must reflect the present value of cash shortfalls. ECLs must reflect the unbiased and probability weighted assessment of a range of outcomes. The ECL must also consider forward looking information to recognise impairment allowances earlier in the lifecycle of a product. IFRS 9: *Financial Instruments*, consequently is likely to increase the volatility of impairment allowances as the economic outlook changes, although cash flows and cash losses are expected to remain unchanged.

The standard introduces a three-stage approach to impairment as follows:

- Stage 1 – the recognition of 12 month expected credit losses (ECL), that is the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, if credit risk has not increased significantly since initial recognition;
- Stage 2 – lifetime expected credit losses for financial instruments for which credit risk has increased significantly since initial recognition; and
- Stage 3 – lifetime expected credit losses for financial instruments which are credit impaired.

In contrast, the IAS 39 impairment allowance assessment was based on an incurred loss model, and measured on assets where there was objective evidence that loss had been incurred, using information as at the statement of financial position date. The Fund currently assesses impairment for its financial assets based on the three-stage approach by IFRS 9 and undertakes impairment provision.

3.4.2 Financial Liabilities

3.4.2.1 Initial Recognition and Measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs. The financial liabilities of the Fund include trade and other payables.

3.4.2.2 Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities at amortised cost and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as financial liabilities at amortised cost if they are incurred for the purpose of repurchasing in the near term. The Fund has not designated any financial liability as at fair value through profit or loss.

3.4.2.3 Derecognition of Financial Liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

3.5 Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.6 Shareholders' Equity

Shares in the Fund are owned by members of the Fund.

- The value of the shares (owned by members of the Fund) is represented by the Shareholders' principal and interest earned. Shares entitle the holder to a *pro rata* share of the Fund's net assets in the event of a shareholder liquidating his or her investment.
- The shares of the Fund are not listed on the Ghana Stock Exchange. Applicants may set up a new account with the Fund to buy shares of the Fund. When applicants buy Fund shares, the shares are purchased at the last published price.
- A Shareholder wishing to redeem his or her investment with the Fund can do so by submitting a request for redemption to the Fund. Redemptions are priced at the last published price.

3.7 Dividend Policy

The Fund does not pay dividend.

3.8 Cash and Cash Equivalents

Cash and Cash Equivalents in the statement of financial position comprise cash at banks and on hand and short-term investments with a maturity of three months or less.

3.9. New Standards and Interpretations

3.9.1. Standards and Interpretations in issue not yet adopted

As at the statement of financial position date, the following standards, amendments to existing standards and interpretations were in issue, but not yet effective.

- **IFRS 17 Insurance Contracts**

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

The main features of the new accounting model for insurance contracts are as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows);
- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profit of the insurance contracts to be recognised in profit or loss over the service period (i.e., coverage period);
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period;
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice**;**
- The presentation of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period;

- Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the income statement, but are recognised directly on the statement of financial position;
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense;
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

IFRS 17 is effective for reporting periods starting on or after 1st January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is expected to have minimal impact on the Fund.

3.10 Critical Accounting Judgement, Estimates and Assumptions

The preparation of the Fund's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

3.11 Judgments

In the process of applying the Fund's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

3.11.1 Assessment as Investment Entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their investments at fair value through profit or loss rather than consolidate them. The criteria which define an investment entity are, as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both;
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

3.11.2 Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

3.11.3 Fair Value of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. The estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility.

Changes in assumptions about these factors could affect the reported fair value of financial instruments in the statement of financial position and the level where the instruments are disclosed in the fair value hierarchy. The models are tested for validity by calibrating to prices from any observable current market transactions in the same instrument (without modification or repackaging) when available. To assess the significance of a particular input to the entire measurement, the Fund performs sensitivity analysis or stress testing techniques.

3.11.4 Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4. CAPITAL MANAGEMENT

The capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the purchase or redemption of the shares beyond those included in the Fund's Scheme Particulars.

The Fund's objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in its prospectus;
- To achieve consistent returns while safeguarding capital by investing in a diversified portfolio;
- To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise;
- To maintain sufficient size to make the operation of the Fund cost-efficient.

	2020 GH¢	2019 GH¢

5. INTEREST INCOME

	2020 GH¢	2019 GH¢
Interest on Government Securities	117,793,471	75,787,968
Interest on Bank Fixed Deposits	-	7,129,583
Interest on Corporate Bonds	10,244,643	11,993,676
Interest on Non-Bank Fixed Deposits	-	2,980,097
Interest on Commercial Paper	-	983,862
Interest on Call Accounts	562,248	696,393
	128,600,362	99,571,579

6. GENERAL AND ADMINISTRATIVE EXPENSES

	2020 GH¢	2019 GH¢
Marketing, Promotion & Advertisement	490,892	625,304
Directors' Emoluments	135,823	125,671
Board Expenses	1,861	6,573
Directors' Liability Insurance	8,250	8,250
Audit Fee	42,534	39,572
Audit Reimbursable	3,000	3,000
Storage & Warehousing Expense	57,994	36,395
Printing & Publications	27,597	41,922
Annual Statutory Fee	-	500
Stationery	3,456	11,229
Bank Charges	86,869	71,595
	858,276	970,011

7. IMPAIRMENT CHARGE

The impairment shown in the Statement of Comprehensive Income relates to a provision made for impairment in accordance with IFRS and the Fund's Policy on provision.

		2020 GH¢	2019 GH¢
Impairment Allowance at 1st January		7,658,165	6,227,996
Impairment Allowance at 31st December	7a	(23,171,505)	(7,658,165)
Bad Debt Recovered		(687,622)	-
Impairment Charge		(16,200,962)	(1,430,169)

	2020 GH¢	2019 GH¢
7a. IMPAIRMENT ALLOWANCE		
General Impairment	(50,000)	(140,000)
Specific Impairment	(23,121,505)	(7,518,165)
Impairment Allowance at 31st December	(23,171,505)	(7,658,165)

The impairment allowance shown in Note 7a represents stock of provision at the end of the year.

	2020 GH¢	2019 GH¢
8. CASH AND CASH EQUIVALENTS		
Cash at Bank	15,643,271	10,671,494
7-Day Bank Fixed Deposit	8,000,000	-
	23,643,271	10,671,494

9. FINANCIAL ASSETS AT AMORTISED COST

		2020	2019
Investment in Government Securities		686,058,624	526,347,515
Investment in Corporate Bonds		54,445,175	45,712,446
		740,503,799	572,059,961
Impairment Allowance – General	7a	(50,000)	(140,000)
		740,453,799	571,919,961

10. TRADE AND OTHER RECEIVABLES

		2020	2019
Interest Receivable		42,829,323	28,316,700
Investment Receivable		23,121,504	31,500,000
Debtors & Prepayments		500	-
		65,951,327	59,816,700
Impairment Allowance – Specific	7a	(23,121,505)	(7,518,165)
		42,829,822	52,298,535

11. PORTFOLIO SUMMARY

	2020 GH¢	2019 GH¢
Government Securities	686,016,422	526,347,515
Corporate Bonds	54,445,175	45,712,446
	740,461,597	572,059,961

12. SHAREHOLDERS' EQUITY

A reconciliation of the number of shares outstanding at the beginning and at the end of each of the reporting period is provided below.

Number of shares issued and redeemed during the year is disclosed below;

12a. Number of Shares in Issue

	2020 Number of Shares	2019 Number of Shares
Opening Balance	453,962,249	493,074,525
Issues during the Year	261,315,079	248,584,738
Redemptions during the Year	(224,245,448)	(287,697,014)
Closing Balance	491,031,880	453,962,249

12b. Shareholders' Principal

	2020 GH¢	2019 GH¢
New Issues	401,687,190	319,492,205
Redemptions/Reversals	(345,433,170)	(370,498,459)
Net Proceeds from Capital Transactions	56,254,020	(51,006,254)
Beginning of Period	239,722,955	290,729,209
End of Period	295,976,975	239,722,955

13. TRADE AND OTHER PAYABLES

	2020 GH¢	2019 GH¢
Management Fees	797,336	626,225
Custody Fees	168,274	291,830
Front Load Commissions	293,134	235,173
Audit Fees	44,063	40,509
Withholding Tax	50,007	44,638
Audit Reimbursable	3,000	3,000
Suppliers Control Account	7,868	4,611
	1,363,682	1,245,986

14. FINANCIAL RISK MANAGEMENT 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 identification, measurement, management 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 interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

14.1 Risk Management Structure

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

14.2 Risk Measurement and Reporting System

The risks of the Fund 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.

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

14.3 Market Risk

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

14.4 Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The analysis below demonstrates the sensitivity of the Fund's profit or loss for the year to a reasonably possible change in interest rates, with all other variables held constant.

The sensitivity of the profit or loss for the year is the effect of the assumed changes in interest rates on:

- The net interest income for one year, based on the floating rate financial assets held at the end of the reporting period
- Changes in fair value of investments for the year, based on revaluing fixed rate financial assets and liabilities at the end of the reporting period.

Sensitivity Analysis	**Change in basis points**	**Sensitivity of interest income Increase/(decrease)**
		GH¢
Distributed Shareholders' Earnings before Other Comprehensive Income for the Year	+200/-200	+ / (-)

Maturity Analysis of Financial Liabilities

Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities.
The table below analyses the financial liabilities into the relevant maturity grouping based on the remaining period at the reporting date to the contractual maturity date.

Less than one year	**2020**	**2019**
	GH¢	**GH¢**
Trade and Other Payables	1,363,682	1,245,986

14.5 Liquidity Risk

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its shares earlier than expected. The Fund is exposed to cash redemptions of its shares on a regular basis. Shares are redeemable at the holder's option based on the Fund's Net Asset Value (NAV) per share at the time of redemption, calculated in accordance with the Fund's scheme particulars.

The Fund manages its obligation to redeem the shares when required to do so and its overall liquidity risk by:

- Requiring a 1-day notice period before redemptions

The Fund's policy is to satisfy redemption requests by the following means (in decreasing order of priority):

- Withdrawal of cash deposits
- Disposal of highly liquid assets (i.e., short-term, low-risk debt investments)
- Disposal of other assets

The Fund invests primarily in marketable securities and other financial instruments which, under normal market conditions, are readily convertible to cash. In addition, the Fund's policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.

14.6 Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation. The Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within financing relationships, derivatives and other transactions. It is the Fund's policy to enter into financial instruments with reputable counterparties.

The Fund Manager's policy is to closely monitor the creditworthiness of the Fund's counterparties (e.g. third-party borrowers, brokers, custodian and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

The carrying value of interest-bearing investments, money market funds and similar Securities, loan to related party, trade and other receivables and cash and cash equivalents, as disclosed in the statement of financial position represents the maximum credit exposure, hence, no separate disclosure is provided.

14.7 Fair Value of Financial Instruments

Fair value of Financial Instruments carried at amortised cost

Except as detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Financial Assets	**Carrying Amounts 2020 GH¢**	**Fair Value 2020 GH¢**	**Carrying Amounts 2019 GH¢**	**Fair Value 2019 GH¢**
Cash and Cash Equivalents	23,643,271	23,643,271	10,671,494	10,671,494
Fin. Assets at Amortised Cost	740,453,799	740,453,799	571,919,961	571,919,961
Trade and Other Receivables	42,829,822	42,829,822	52,298,535	52,298,535
Total Financial Assets	806,926,892	806,926,892	634,889,990	634,889,990
Financial Liabilities				
Trade and Other Payables	1,363,682	1,363,682	1,245,986	1,245,986

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 GH¢	Level 2 GH¢	Level 3 GH¢
Financial Assets at Amortised Cost	-	740,453,799	-

15. CONTINGENCIES AND COMMITMENTS

15.1 Legal Proceedings and Regulations

The Fund operates in the financial services industry and is subject to legal proceedings in the normal course of business. There are no contingencies associated with the Fund's compliance or lack of compliance with regulations.

15.2 Capital Commitments

The Fund has no capital commitments at the reporting date. (2019: Nil)

16. RELATED PARTY TRANSACTIONS

The following parties are considered related parties of the Fund:

Fund Manager – Databank Asset Management Services Limited

Databank Asset Management Services Limited (the Fund Manager) is entitled to receive a management fee for its respective services. These fees amount to an aggregate of 1.25% per annum calculated on the daily net assets of the Fund. Management fees are payable monthly in arrears. Total management fees for the year amounted to **GH¢ 8,108,207** (2019: GH¢ 6,983,582).

Brokers

The transactions of the Fund were made through Databank Brokerage Limited (DBL).

Transactions with Related Parties

A number of related party transactions take place with related parties in the normal course of business. These include transactions and balances among related parties. The outstanding balance on such related party transactions is as follows:

Amounts due to Related Parties

	2020 GH¢	2019 GH¢
Databank Asset Management Services Limited	1,090,470	861,398
	======	=====

Transactions with Directors and Key Management Personnel
Directors and key Management personnel refer to those personnel with authority and responsibility for planning, directing and controlling the business activities of the Fund. These personnel are the Executive and non-Executive Directors of the Fund.

During the year, there were no significant related party transactions with companies or customers of the Fund where a Director or any connected person is also a Director or key Management members of the Fund. The Fund did not make any loans to Directors or any key Management member during the period under review.

Directors' Emoluments	**2020**	**2019**
	GH¢	**GH¢**
Directors' Remuneration	135,823	125,671
	=====	=====

Directors' Shareholdings

The Directors below held the following number of shares in the Fund at 31st December 2020

Name	**Shares**	**% of Fund**
Stephen Adei*	340,106	0.0693
Kojo Addae-Mensah	244,502	0.0498
Benjamin Gogo	232,296	0.0473
Daniel Seddoh	167,310	0.0341
Preba Greenstreet	1,922	0.0004

**Shares are jointly held by the Director and Spouse*

17. CUSTODIAN

Guaranty Trust Bank (Ghana) Limited
Guaranty Trust Bank (Ghana) Limited is the custodian of the Fund. The custodian carries out the usual duties regarding custody, cash and security deposits without any restriction. This means that the custodian is, in particular, responsible for the collection of interest and proceeds of matured securities, the exercise of options and, in general, for any other operation concerning the day-to-day administration of the securities and other assets and liabilities of the Fund.

The Custodian is entitled to receive from the Fund fees, payable monthly, a maximum of 0.25% per annum calculated on the daily net assets of the Fund. The total custody fee for the year amounted to **GH¢1,015,445** (2019: GH¢850,822). The custody fee payable as at 31st December 2020 was **GH¢168,274** (2019: GH¢291,830).

18. CONTINGENT LIABILITIES

There were no contingent liabilities as at 31st December 2020. (2019: Nil)

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TAMALE
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Email: tamale@databankgroup.com

TEMA
Tel: 0303 213240, 210050
Email: tema@databankgroup.com

Partner locations (GTBank branches)

Accra

- **Airport:** 0577 702012
- **East Legon:** 0577 702013
- **Lapaz:** 0577 739461
- **Madina:** 0577 739462
- **Osu:** 0577 702014
- **Opera Square:** 0302 668530
- **Kasoa:** 0501 834708
- **Ashaiman:** 0577 702015
- **Tarkwa:** 0577 702010

Partner locations (UBA branch)

- **KNUST:** 0276 138111

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Databank is Ghana's leading investment bank and one of the first to emerge from West Africa. Established in 1990, Databank has been instrumental in the development of the Ghanaian capital market and has built a strong reputation for its pioneering works in the industry. Driven by the goal of helping Ghanaians achieve financial independence, Databank is committed to promoting financial literacy and offering a diverse range of investment products and services to suit the investment styles of different investors.

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