Databank Mfund

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2015

Databank
Leadership

DATABANK MONEY MARKET FUND LIMITED
REPORTS AND FINANCIAL STATEMENTS

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DATABANK MONEY MARKET FUND LIMITED
BOARD OF DIRECTORS, OFFICIALS AND REGISTERED OFFICE

BOARD OF DIRECTORS	Keli Gadzekpo *Chairman (Resigned August, 2015)* Benjamin Gogo *Chairman (from August, 2015)* Kojo Addae-Mensah *Executive Director* Stephen Adei *Non-Executive Director* Daniel Seddoh *Non-Executive Director* Preba Greenstreet *Non-Executive Director*
SECRETARY	Deila Assimeh *(Resigned- November 2015)** 61 Barnes Road Adabraka Private Mail Bag Ministries Post Office Accra
REGISTERED OFFICE	61 Barnes Road Adabraka Private Mail Bag Ministries Post Office Accra
CUSTODIAN	Guaranty Trust Bank (Ghana) Limited 25A Castle Road Ambassadorial Area PMB CT 416, Cantonments Accra, Ghana
INVESTMENT MANAGER/ADVISOR	Databank Asset Management Services Limited 61 Barnes Road Adabraka Private Mail Bag Ministries Post Office Accra
AUDITORS	**Baker Tilly Andah + Andah** Chartered Accountants 4th Crescent, C645/3 Asylum Down P. O. Box CT 5443 Cantonments, Accra
BANKERS	GTBank Ghana Limited Barclays Bank Ghana Limited Access Bank Ghana Limited United Bank for Africa Limited Zenith Bank Ghana Limited Standard Chartered Bank (GH) Limited Ghana International Bank Limited

**Deila Assimeh resigned as Board Secretary effective November 2015. Dela Obeng-Sakyi was appointed Board Secretary effective March 2016.*

REPORT OF THE DIRECTORS TO THE MEMBERS OF DATABANK MONEY MARKET FUND LIMITED

The Directors present herewith their report together with the audited Financial Statements of the Fund for the year ended 31 December 2015.

Statement of Directors' Responsibilities

The Directors are responsible for the preparation of Financial Statements for each financial year which give a true and fair view of the state of affairs of the Fund and of the Profit or Loss and Cash Flows for that period. 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 Companies Act, 1963 (Act 179).

The Directors are 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.

Principal Activities

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 money market securities acquired with such monies.

Financial Results

The results for the year are shown in the statement of comprehensive income in the financial statements. The Fund recorded a net investment income of **GH¢ 32,137,478** as against a net investment income of GH¢ 26,426,800 in 2014.

Auditors
Messrs Baker Tilly Andah + Andah have indicated their willingness to continue in office as auditors of the Fund and in accordance with *section 134(5) of the Companies Act,1963 (Act 179)* they so continue.

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CHAIRMAN
Benjamin Gogo

DIRECTOR
Stephen Adjei

April 13, 2016

April 13, 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DATABANK MONEY MARKET FUND LIMITED

Report on Financial Statements

We have audited the Financial Statements of Databank Money Market Fund Limited, which comprise the Statement of Financial Position as at December 31, 2015, and the Statement of Comprehensive Income, the Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 10 to 32. The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Directors' Responsibility 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) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies Act, 1963 (Act 179) and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Fund as at 31st December 2015, and of 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, 1963 (Act 179), the Securities Industry Law, 1993 (PNDCL 333), and the Unit Trusts and Mutual Fund Regulations, 2001 (L.I. 1695).

Report on other Legal and Regulatory Requirements

The Companies Act, 1963 (Act 179) 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 our audit;
- in our opinion proper books of account have been kept by the Fund, so far as appears from the examination of those books; and
- the Fund's Statement of Financial Position and Statement of Comprehensive Income are in agreement with the books of account.

……………………………………………………….. **April 29, 2016**

K. B. ANDAH (ICAG/P/1098)
For and on behalf of Baker Tilly Andah + Andah **(ICAG/F/2016/122)**
Chartered Accountants
C645/3, 4th Crescent
Asylum Down
Accra

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2015

	Notes	2015 GH¢	2014 GH¢
INVESTMENT INCOME			
Interest Income	5	39,990,292	28,575,067
Exchange Gain		141,954	35,467
		--------------	---------------
TOTAL INCOME		40,132,246	28,610,534
		--------------	---------------
EXPENSES			
Investment Management Fees		(1,592,921)	(1,185,260)
Custodian Fees		(236,261)	(209,911)
General and Administrative Expenses	6a	(908,344)	(788,563)
Impairment Charge	6b	(5,257,242)	-
		--------------	--------------
TOTAL EXPENSES		(7,994,768)	(2,183,734)
		---------------	--------------
Net Investment Income for the year		32,137,478	26,426,800
		--------------	--------------
Total Comprehensive Income for the year		32,137,478	26,426,800
		=======	=======

ACCUMULATED NET INVESTMENT INCOME

Beginning Period		86,845,912	60,419,112
Net Investment Income at End of Period		32,137,478	26,426,800
		---------------	--------------
End of Period		118,983,390	86,845,912
		=======	=======

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

	Note	2015 GH¢	2014 GH¢
ASSETS			
Cash and Cash Equivalents	7	45,935,054	27,650,356
Held-To-Maturity Securities	8	121,842,546	98,592,263
Trade and Other Receivables	9	14,962,773	7,408,103
TOTAL ASSETS		182,740,373	133,650,722
EQUITY			
Unit Holders Capital		63,408,284	46,260,388
Retained Earnings		118,983,390	86,845,912
TOTAL EQUITY		182,391,674	133,106,300
LIABILITIES			
Trade and Other Payables	12	348,699	544,422
TOTAL LIABILITIES		348,699	544,422
TOTAL EQUITY AND LIABILITIES		182,740,373	133,650,722

CHAIRMAN
Benjamin Gogo

DIRECTOR
Stephen Adei

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015

2015	**Unitholders' Capital GH¢**	**Retained Earnings GH¢**	**Total GH¢**
Opening Balance	46,260,388	86,845,912	133,106,300
Proceeds from issue of shares	111,448,503	-	111,448,503
Net Investment Income for the year	-	32,137,478	32,137,478
Shares redeemed	(94,300,607)	-	(94,300,607)
	63,408,284	118,983,390	182,391,674

2014			
Opening Balance	44,826,184	60,419,112	105,245,296
Proceeds from Issue of Shares	78,565,180	-	78,565,180
Net Investment Income for the year	-	26,426,800	26,426,800
Shares Redeemed	(77,130,976)	-	(77,130,976)
	46,260,388	86,845,912	133,106,300

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2015

	Note	2015 GH¢	2014 GH¢
Cash Flows from Operating Activities			
Net Investment Income for the year		32,137,478	26,426,800
Changes in Working Capital			
Increase in Trade and Other Receivables		(7,554,670)	(788,332)
Decrease in Trade and Other Payables		(195,723)	(1,485,395)
Net Cash Flows from Operating Activities		24,387,085	24,153,073
Cash Flows from Investing Activities			
Purchase of Held-to-Maturity Securities		(23,250,283)	(25,523,268)
Net Cash Used in Investing Activities		(23,250,283)	(25,523,268)
Cash Flows from Financing Activities			
Proceeds from Capital Transactions		111,448,503	78,565,180
Shares Redeemed		(94,300,607)	(77,130,976)
Net Cash Flows from Financing Activities		17,147,896	1,434,204
Net Increase in Cash and Cash Equivalents		18,284,697	64,009
Cash and Cash Equivalents at the beginning of the year		27,650,356	27,586,347
Cash and Cash Equivalents at the end of the year	7	45,935,054	27,650,356

ANALYSIS OF CASH AND CASH EQUIVALENTS

	2015	2014
Cash and Bank and Short Term Government Securities	45,935,054	27,650,356
	45,935,054	27,650,356

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

1. GENERAL INFORMATION

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

1.1. Description of the Fund

Databank Money Market Fund started operations on the 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, etc.

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

The Manager is responsible for the actual management of the Fund's portfolio and constantly reviews the holdings of the Fund in the light of its research analysis and research for other relevant services. The Fund pays the Investment Manager a management fee of 1% per annum for services provided to the Fund. The fee is based on the Fund's average daily net asset values.

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 money market securities acquired with such monies.

The Fund's investment activities are managed by Databank Asset Management Services Limited (the Investment Manager). The Fund's custodian is Guaranty Trust Bank Ghana Limited.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Preparation

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.

2.3 Basis of Consolidation

The Fund is an investment entity and, as such, is not required to own controlling interest in other entities. Instead, financial interests are classified as available for sale and measured at fair value.

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, 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.

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 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. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.
Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

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, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. 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 Subsequent Measurement

For purposes of subsequent measurement financial assets are classified in four categories:

- Financial assets at fair value through profit or loss
- Loans and receivables
- Held-to-maturity investments
- Available-for-sale financial investments

Financial Assets at Fair Value through Profit or Loss
Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. The Fund has not designated any financial assets at fair value through profit or loss. 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.

Loans and Receivables
The Fund has not designated any financial assets as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. 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 in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

Held-To-Maturity Investments
Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Fund has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the Effective Interest Rate (EIR), less impairment.

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 as finance costs.

Available-for-Sale (AFS) Financial Investments
AFS financial investments include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, AFS financial investments are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the AFS 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 AFS reserve to the statement of profit or loss in finance costs. Interest earned whilst holding AFS financial investments is reported as interest income using the EIR method.

The Fund evaluates whether the ability and intention to sell its AFS financial assets 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 AFS 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.

The Fund has not designated any financial assets as Available – for- Sale (AFS) Financial Investments.

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

The Fund assesses, at each reporting date, whether there is objective evidence that a financial asset is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the debtors or a third party borrower is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Fund's financial liabilities include trade and other payables, loans and borrowings including Fund's overdrafts, financial guarantee contracts and derivative financial instruments.

3.4.2.2 Subsequent Measurement

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

3.5.2.2.1 Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.
Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Fund that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.
Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

3.5.2.2.2 Loans and Borrowings

The Fund has not designated any financial liability as loans and borrowings. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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 costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. The Fund has not designated any financial liability as at fair value through profit or loss.

3.5.2.3 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.

3.5.3 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 Unit Holders Capital

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 share or Unit Holders Capital. 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 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 shares (investment) with the Fund can do so by submitting a request for redemption to the Fund. Redemptions shall be priced at the last published price

3.7 Dividend Distributions

The Fund passes substantially its net investment income along to its investors as distribution policy. This policy is to be adopted by the Directors of the Fund from time to time such that the distribution will not jeopardize the Fund's ability to operate effectively.

3.8 Cash and Short-Term Investments

Cash and short-term investments 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.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term investments, as defined above, net of outstanding Fund overdrafts.

3.9. New and Amended Standards and Interpretations

3.9.1. Standards and Interpretations in issue not yet adopted

At the date of authorization of these Financial Statements the following standards, amendments to existing standards and interpretations were in issue, but not yet effective:

- **IFRS 9 "Financial Instruments"** (effective for annual periods beginning on or after 1 January 2018), issued on 24 July 2014 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes requirements for recognition and measurement, impairment, recognition and general hedge accounting.

Classification and Measurement - IFRS 9 introduces new approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements under IAS 39. The new model also results in a single impairment model being applied to all financial instruments.

Impairment - IFRS 9 has introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognized and to recognise full lifetime expected losses on a more timely basis.

Hedge accounting - IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities.

Own credit - IFRS 9 removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.

- **Amendments to IFRS 11 "Joint Arrangements"** – Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016), published by IASB on 12 May 2011.

IFRS 11 introduces new accounting requirements for joint arrangements, replacing IAS 31 Interests in Joint Ventures. The option to apply the proportional consolidation method when accounting for jointly controlled entities is removed. Additionally, IFRS 11 eliminates jointly controlled assets to now only differentiate between joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets.

- **IFRS 12 "Disclosures of Interests in Other Entities"** published by IASB on 12 May 2011. IFRS 12 will require enhanced disclosures about both consolidated entities and unconsolidated entities in which an entity has involvement. The objective of IFRS 12 is to require information so that financial statement users may evaluate the basis of control, any restrictions on consolidated assets and liabilities, risk exposures arising from involvements with unconsolidated structured entities and non-controlling interest holders' involvement in the activities of consolidated entities.

- **IFRS 14 "Regulatory Deferral Accounts"** (effective for annual periods beginning on or after 1 January 2016), published by IASB on 30 January 2014.

- This Standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.

- **IFRS 15 "Revenue from Contracts with Customers"** (effective for annual periods beginning on or after 1 January 2017), published by IASB on 28 May 2014.

IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of Financial Statements with more informative, relevant disclosures. The standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. The core principle of the new Standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

3.9.2. New Amendments and Interpretations

- **Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures"** - Mandatory Effective Date and Transition Disclosures published by IASB on 16 December 2011. Amendments defer the mandatory effective date from 1 January 2013 to 1 January 2015. The amendments also provide relief from the requirement to restate comparative Financial Statements for the effect of applying IFRS 9. This relief was originally only available to companies that chose to apply IFRS 9 prior to 2012. Instead, additional transition disclosures will be required to help investors understand the effect that the initial application of IFRS 9 has on the classification and measurement of financial instruments.

- **Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosures of Interests in Other Entities"** – Transition Guidance published by IASB on 28 June 2012. The amendments are intended to provide additional transition relief in IFRS 10, IFRS 11 and IFRS 12, by "limiting the requirement to provide adjusted comparative information to only the preceding comparative period". Also, amendments were made to IFRS 11 and IFRS 12 to eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

- **Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"** - Sale or Contribution of Assets between an Investor and its

Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016), published by IASB on 11 September 2014.

- The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

- **Amendments to IFRS 11 "Joint Arrangements"** – Accounting for Acquisitions of Interests in Joint Operations published by IASB on 6 May 2014. The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.

- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets"** - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016), published by IASB on 12 May 2014.

- Amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. Amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

- **Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture"** - Agriculture: Bearer Plants (effective for annual periods beginning on or after 1 January 2016), published by IASB on 30 June 2014.

- The amendments bring bearer plants, which are used solely to grow produce, into the scope of IAS 16 so that they are accounted for in the same way as property, plant and equipment.

- **Amendments to IAS 19 "Employee Benefits" - Defined Benefit Plans**: Employee Contributions (effective for annual periods beginning on or after 1 July 2014), published by IASB on 21 November 2013.
- The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

- **Amendments to IAS 27 "Separate Financial Statements"** - Equity Method in Separate Financial Statements(effective for annual periods beginning on or after 1 January 2016), Published by IASB on 12 August 2014.

- The amendments reinstate the equity method as an accounting option for investments in in subsidiaries, joint ventures and associates in an entity's separate financial statements.

- **IAS 27 "Separate Financial Statements"** (revised in 2011) published by IASB on 12 May 2011. The requirements relating to separate Financial Statements are unchanged and are included in the amended IAS 27. The other portions of IAS 27 are replaced by IFRS 10.

- **IAS 28 "Investments in Associates and Joint Ventures"** (revised in 2011) published by IASB on 12 May 2011. IAS 28 is amended for conforming changes based on the issuance of IFRS 10, IFRS 11 and IFRS 12.

- revised requirements regarding: (i) meaning of effective IFRSs in IFRS 1; (ii) scope of exception for joint ventures; (iii) scope of paragraph 52 if IFRS 13 (portfolio exception) and (iv) clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property. (Amendments are to be applied for annual periods beginning on or after 1 July 2014),

3.9.3. Annual Improvements to IFRSs 2010 – 2012 Cycle

These improvements are effective from 1 July 2014 and are not expected to have a material impact on the company. They include:

IFRS 2 Share-based Payment

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IFRS 9 (or IAS 39, as applicable).

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarifies that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

Annual improvements 2011-2013 Cycle

These improvements are effective from 1 July 2014 and are not expected to have a material impact on the company. They include:

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
- This scope exception applies only to the accounting in the Financial Statements of the joint arrangement itself

IFRS 13 Fair Value Measurement
The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

IAS 40 Investment Property
The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or business combination.

Annual Improvements 2012-2014 Cycle

These improvements which were done in September 2014 are effective beginning on or after 1 January 2016 and are not expected to have a material impact on the company. They include:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations
Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued

IFRS 7 Financial Instruments: Disclosures
Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements

IAS 19 Employee Benefits
Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid

IAS 34 Interim Financial Reporting
Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference

The Entity has elected not to adopt these standards, revisions and interpretations in advance of their effective dates. The Entity anticipates that the adoption of these standards, revisions and interpretations will have no material impact on the Financial Statements of the Entity in the period of initial application.

3.9.3 Critical Accounting Judgments, Estimates and Assumptions.
The preparation of the Company's Financial Statements requires management to make judgements, 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.

Judgments

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

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

The Fund's prospectus details Its objective of providing investment management services to investors which includes investing in equities, fixed income securities and private equity for the purpose of returns in the form of investment income and capital appreciation

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation 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 Company 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 Company. Such changes are reflected in the assumptions when they occur.

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.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and changes in tax laws on foreign withholding tax. Given the wide range of international investments, differences arising between the actual investment income and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense already recorded.

The Fund establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it invests. The amounts of such provisions are based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective investment's domicile. As the Fund assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no contingent liability has been recognised.

However, under current tax legislation, the Fund is not subject to corporate income tax.

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 DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

Judgements 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.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently re-measured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

4. CAPITAL MANAGEMENT

As a result of the ability to issue, repurchase and resell shares, 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 issue, repurchase or resale of redeemable 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 diversified portfolio, by participating in derivative and other capital markets and by using various investment strategies and hedging techniques
- 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

Refer to financial risk management objectives and policies for the policies and processes applied by the Fund in managing its capital and its obligation to repurchase the shares.

	2015	**2014**
	GH¢	**GH¢**
5. INTEREST INCOME		
Interest on Treasury Bills	4,561,043	2,914,734
Interest on Floating Rate Notes	2,920,779	3,394,259
Interest on Commercial Paper	889,607	160,336
Interest on Certificate of Deposit	31,267,031	21,913,697
Interest on Call Accounts	351,832	192,041
	--------------	--------------
	39,990,292	28,575,067
	=======	=======

6a. GENERAL AND ADMINISTRATIVE EXPENSES

	2015 GH¢	2014 GH¢
Marketing, Promotion & Advertisement	255,058	240,093
Brokerage Fee	15,195	-
Fund Accounting Fees	12,000	12,000
Registrar Fees	152,468	140,135
Client Service Fees	152,468	140,135
Directors' Emoluments	69,850	54,000
Audit Fee	23,500	15,863
Storage & Warehousing Expense	14,004	5,462
Professional and Consultancy fees	7,000	16,450
Printing & Publications	31,578	9,655
Annual Statutory Fee	560	-
Stationery	5,409	5,704
Software Maintenance Cost	8,669	-
Legal Fees	203	31,577
Bank Charges	160,382	117,489
	908,344	788,563

6b. IMPAIRMENT CHARGE

The impairment charge shown in the statement of comprehensive income relates to a provision made for bad debt in accordance with IFRS and the Fund's Policy on provisioning for bad debt.

This is to reflect the default in repayment of a facility granted to a third party. The Fund has initiated a court action to recover the default facility.

7. CASH AND CASH EQUIVALENTS

	2015 GH¢	2014 GH¢
Cash and Bank	5,656,075	3,998,728
14- Day Treasury Bills	8,700,000	-
60- Day Certificates of Deposit	29,290,000	-
91- Day Treasury Bills	-	20,218,555
91- Day Certificates of Deposit	2,288,979	3,433,073
	45,935,054	27,650,356

	2015 GH¢	2014 GH¢

8. HELD-TO-MATURITY SECURITIES

	2015 GH¢	2014 GH¢
182-Day Treasury Bills	22,063,585	8,481,929
1-Year Commercial Paper	2,000,000	-
1-Year Floating Rate Note	6,379,730	-
182-Day Certificates of Deposit	49,724,363	65,498,169
365-Day Certificates of Deposit	46,932,110	24,612,165
	127,099,788	98,592,263
Impairment of Investment	(5,257,242)	-
	121,842,546	98,592,263

9. TRADE AND OTHER RECEIVABLES

	2015 GH¢	2014 GH¢
Interest on Certificates of Deposit	11,013,185	6,139,695
Interest on Commercial Paper	112,849	648,395
Interest on Treasury Bills	1,449,963	540,460
Interest on Floating Rate Note	307,223	-
Due from Related Parties	79,553	79,553
Investment Maturity Receivable	2,000,000	-
	14,962,773	7,408,103

10. PORTFOLIO SUMMARY

	2015 GH¢	2014 GH¢
14- Day Treasury Bills	8,700,000	-
91- Day Treasury Bills	-	23,651,628
182- Day Treasury Bills	22,063,585	12,569,730
1-Year Floating Rate Note	6,379,730	-
1-Year Treasury Bills	-	11,915,002
1- Year commercial paper	2,000,000	-
60-Day Certificates of Deposit	29,290,000	-
9- Day Certificates of Deposit	2,288,979	-
182- Day Certificates of Deposit	42,919,121	74,107,531
365- Day Certificates of Deposit	48,480,110	-
	162,121,525	122,243,891

11. UNIT HOLDERS' CAPITAL

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

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

	2015 Number of Shares	2014 Number of Shares
Opening Balance	234,770,615	231,640,330
Issues during the Year	169,934,249	154,700,896
Redemptions during the Year	(147,705,211)	(151,570,611)
	256,999,653	234,770,615

12. TRADE AND OTHER PAYABLES

	2015	2014
Management Fees	152,431	111,003
Custody Fees	26,284	145,337
Professional Fees	7,000	-
Commission	102,526	75,105
Registrar Fees	13,422	11,947
Audit Fees	23,500	15,862
Withholding Tax	2,702	1,487
Databank Brokerage Limited	6,412	-
Databank Asset Management Services Limited	14,422	12,946
General	-	170,735
	348,699	544,422

13. 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 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.

13.1 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.

13.2 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. The models make use of the probabilities derived from historical experience, adjusted to reflect the economic environment.

Monitoring and controlling risks is primarily set up to be performed based on limits established by the Board of Directors. These 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 risks type and activities.

13.3 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, foreign exchange rates and equity prices.
The Fund is not however affected by equity prices.

13.4 Foreign Currency Risk Management

The Fund undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed by keeping a limited amount of Forex balances.

13.5 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 Board of Directors has established limits on the interest gaps for stipulated periods.

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¢
Net Investment Income for the year	+200/-200	799,806/(799,806)

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	**2015** **GH¢**	**2014** **GH¢**
Trade and Other Payables	348,699	544,422

13.6 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 NAV per share at the time of redemption, calculated in accordance with the Fund's scheme particulars.

The Fund manages its obligation to repurchase 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):

- Searching for new investors
- Withdrawal of cash deposits
- Disposal of highly liquid assets (i.e., short-term, low-risk debt investments)
- Either disposal of other assets or increase of leverage

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.

13.7 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 Investment 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.

13.8 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 2015 GH¢	Fair Value 2015 GH¢	Carrying Amounts 2014 GH¢	Fair Value 2014 GH¢
Cash and Cash Equivalents	45,935,054	45,935,054	27,650,356	27,650,356
Held-To-Maturity Securities	127,099,788	121,842,546	98,592,263	98,592,263
Trade and Other Receivables	14,962,773	14,962,773	7,408,103	7,408,103
Total Financial Assets	187,997,615	182,740,373	133,650,722	133,650,722
Financial Liabilities				
Trade and Other Payables	348,699	348,699	544,422	544,422

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¢
Held-To-Maturity Securities	-	121,842,546	-

14. CONTINGENCIES AND COMMITMENTS

14.1 Legal Proceedings and Regulations

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 was a legal issue due to default by one of the issuers Dream Finance Limited for the Fund.

There are no contingencies associated with the Fund’s compliance or lack of compliance with regulations.

14.2 Capital Commitments

The Fund has no capital commitments at the reporting date.

15. RELATED PARTY TRANSACTIONS

The following parties are considered related parties of the Fund:

Investment Manager – Databank Asset Management Services Limited

Databank Asset Management Services Limited (the investment manager) is entitled to receive a management and advisory fee for its respective services. These fees amount to an aggregate of 1% 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¢1,592,921 (2014: GH¢ 1,185,261).

Custodian - Guaranty Trust Bank Ghana Limited

Guaranty Trust Bank Ghana Limited was appointed in September 2015 as custodian of the Fund to replace Standard Chartered Bank Limited. The custodian carries out the usual duties regarding custody, cash and securities 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, equal to 0.25% per annum calculated on the daily net assets of the Fund. The total custody fee for the year amounted to GH¢ 236,621 (2014: GH¢ 209,911), made up of GH¢203,295 paid to Standard Chartered Bank Limited and GH¢33,326 in favour of Guaranteed Trust Bank Ghana Limited. The custodian fee payable as at 31 December 2015 is GH¢ 26,284 (2014: GH¢ 145,337).

Stock Brokers

The Fund's transactions were made through the Databank Brokerage Limited.

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 balances on such related party transactions are as follows:

Amounts due from Related Parties	**2015 GH¢**	**2014 GH¢**
Databank Financial Services	79,553	79,553
	=====	====

	2015 GH¢	**2014 GH¢**
Amounts due to Related Parties		
Databank Asset Management Services Limited	282,801	211,000
	=====	=====
Databank Brokerage Limited	6,412	-
	=====	=====

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 provision in respect of loans to Directors or any key management member during the period under review.

Directors' Emolument	**2015 GH¢**	**2014 GH¢**
Directors' Emolument	69,850	54,000
	=====	=====

Directors Shareholdings

The Directors below held the following number of shares in the Fund at December 31, 2015

Name	**Shares**	**% of Fund**
Benjamin Gogo	155,371.24	0.0605
Daniel Seddoh	58,653.07	0.0228
Stephen Adei	80,344.04	0.0313
Preba Greenstreet	2,276.70	0.0009
Kojo Addae-Mensah	44,299.25	0.0172

16. EVENT AFTER THE REPORTING PERIOD

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

17. APPROVAL OF FINANCIAL STATEMENTS

The Financial Statements were approved by the Board of Directors and authorised for issue on **April 13, 2016.**

18. CONTINGENT LIABILITIES

There were no contingent liabilities at the balance sheet date. (2014: Nil)

19. EXCHANGE CONTROL

All remittances from Ghana are subject to the approval of the Exchange Control Authorities

20. TAXATION

As required by the Unit Trust and Mutual Fund Regulations, 2001, L. I. 1695, Mutual Funds are exempted from paying tax on income including capital gains.

FOR MORE INFORMATION, CONTACT DATABANK AT THE FOLLOWING ADDRESSES:

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Partner locations (GTBank branches)

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- **Lapaz:** 0577 739461
- **Madina:** 0577 739462
- **Osu:** 0577 702014

Ashaiman: 0577 702015

Cape Coast: 0577 702016

Tamale: 0577 702017

Tarkwa: 0577 702010

Databank is Ghana's leading investment bank and one of the first to emerge from West Africa. 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 emphatic about 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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