ANNUAL REPORT 2020

Venture Capital
TRUST FUND

VECAPITAL TRUST FUND

Contents

CORPORATE INFORMATION 3
CHAIRMANS STATEMENT 4
CHIEF EXECUTIVE OFFICE'S REPORT 8
REPORT OF THE TRUSTEES 11
INDEPENDENT AUDITOR'S REPORT 13
STATEMENT OF COMPREHENSIVE 15
STATEMENT OF FINANCIAL POSITION 16
STATEMENT OF CHANGES 17
STATEMENT OF CASH FLOW 18
NOTES TO THE FINANCIAL 19

CORPORATE INFORMATION

Secretary	ENSAFRICA 31 Ringway Estates Asafoanye O. Broni Crescent, Osu Accra Ghana
Registered office	6th Floor Ghana Shippers House Ridge Accra
Auditors	Ghana Audit Service Accra
Bankers	Fidelity Bank Limited Agricultural Development Bank

CHAIRMAN'S STATEMENT

It's been a year like no other for the Trust Fund, just as it has been for the wider world. The COVID-19 pandemic has posed significant unforeseen challenges for all businesses, including the Trust Fund; however, the transformative organizational changes that we put into action more than 12 months ago and the resilience that we built into the business have enabled us to navigate the uncertainty with confidence and rigour. The Trustees and the Executive team have demonstrated expert leadership, and for this, I wish to extend my gratitude. Thanks to their commitment and the efforts of the entire Trust Fund team to deliver the objectives we set out last year. We are ready to emerge from the current situation as a nimble, fast-growing business, with a more robust balance sheet, and with the tools and capabilities we need to achieve our mandate.

As an investment institution, our investment horizon is extremely long. This makes us naturally very sensitive to the views and interests of our stakeholders. Although we believe that our current governance structures support the representation of stakeholder views and interests in our decision making, we will continue as a Board to ensure that this will always be the case as regulations and societies evolve.

On investment, the Trust Fund is at various stages in its efforts to establish new funds. This is being done in partnership with various institutions raising capital for investment in key areas such as agriculture, Fintech and Climate Ventures. As already indicated, much effort has been directed towards restructuring of the Trust Fund and its activities, closing funds will be exited and replaced with new funds focusing on key sectors.

The Government has taken keen interest in its flagship programme dubbed 'One-District-One-Factory' (1D1F) aimed at promoting industrial development through value addition in the country. The key to this policy is promoting the establishment of industrial clusters close to raw materials sites in each of the Districts in Ghana. It is against this backdrop that VCTF established a GH 50 million Industrial Support Fund (ISF) to provide alternative source of funding to light manufacturing SMEs only for the purpose of achieving the industrial revolution of the country. In terms of exits for this year, an amount of GHC 1,408,473.00 was received as total realization from exits in the year under review.

The World Bank has agreed with the Government of Ghana under the Ghana Economic Transformation Project (GETP) to recapitalize (USD 47 million) the Trust Fund under component three of the project (Accelerating Entrepreneurship and Micro Small and Medium Enterprise (MSME) growth). The overall development objective of the Project is to promote private investments and firm growth in non-resource-based sectors. Under the project, The Trust Fund has is to establish two new fund of funds vehicles namely, Startup Catalyst Fund (SCF) aimed at providing early stage financing to SMEs, and a Strategic Industries Fund (SIF), aimed at providing long term capital to high growth potential SMEs.

Ghana Economic Outlook

Ghana's economy contracted by 3.2 and 1.0% in the second and third quarters of 2020, respectively, pushing the country into a recession for the first time in 38 years.

However, a modest growth of 1.1% is for the full year of 2020. Thanks to a strong 4.9% growth in the first quarter of 2020, at the onset of the COVID-19 crisis. The 1.1% GDP growth in 2020 is a steep fall from the pre-COVID-19 levels of 6.5%.

The Government attempted to mitigate the pandemic's impact on households and businesses by enacting the Coronavirus Alleviation Plan (CAP) and the medium-term COVID-19 Alleviation and Revitalization of Enterprises Support (CARES) program in mid-2020. However, the low growth in 2020, coupled with high population growth, has pushed real per capita incomes to 1% lower than in 2019.

Ghana's economy showed early signs of recovery in the second half of 2020 as business sentiments improved with the ending of lockdowns as the year-on-year performance in the agriculture, manufacturing and tradable services sectors saw some strong recoveries in the third quarter of 2020.

Government financing needs increased substantially during the pandemic, pushing the Government to resort to central bank financing, resulting in sharp increases in debt and debt service cost. Fiscal pressures arose from costly financial sector reforms in 2018-2020 and the Energy Sector Recovery Program (ESRP), started in 2019. The overall fiscal deficit, including energy and financial sector costs, was therefore already elevated at 7.6% of GDP in 2019 and the debt-to-GDP ratio at 63.9%.

In 2020, the COVID-19 crisis led to the suspension of the fiscal rule as the fiscal deficit (including financial and energy sector costs) reached 16.2% of GDP and public debt 76.1% of GDP. While debt remains sustainable, the April 2020 Debt Sustainability Analysis (DSA) concluded that Ghana remains at high risk of debt distress. Ghana's current account deficit widened to 3% of GDP at the end of 2020 from 2.9% in 2019, reflecting a lower trade surplus and higher services out-flows. However, stronger remittance in-flows and lower net investment income outflows, especially from the extractive sector, helped moderate the impact on reserves.

Outlook and Risk

The economic outlook is good in the short to medium term, contingent on an increase in demand for Ghana's exports, improved business confidence, and successful implementation of the Ghana COVID–19 Alleviation and Revitalization of Enterprise Support program. Growth is projected to increase to 4% in 2021 and 4.1% in 2022. Inflation is expected to ease to 8.2% in 2021 and 8%, in 2022—in the midpoint of the Bank of Ghana's target band of 6%–10%. The fiscal deficit is projected to narrow to 7.2% in 2021 and 5.7% in 2022, driven by an expected increase in revenue collection in a recovering economy. However, the current account deficit is expected to widen to 2.8% of GDP in 2021 and 3.2% in 2022 as import volumes resume their pre-pandemic levels. Downside risks to the outlook emanate from a possible second wave of the virus and heightened fiscal and debt pressures.

Private Sector

The promotion of the private sector has become an integral part of Ghana's economic transformation agenda for this government. Private sector development, which involves the improvement of the investment climate and the enhancing of basic service delivery, is considered one of the necessary factors for sustaining and expanding businesses, private sector job creation, stimulating economic growth, and poverty reduction.

The private sector in Ghana is made up of diverse industries, which are each vulnerable to the effects of climate change in a variety of ways:

Agriculture is a key economic sector in Ghana. It is also one of the most threatened sectors due to both its reliance on stable precipitation patterns and the vulnerability of crops and livestock to changes in temperature and weather events.

Banks and other financial institutions provide loans and credit lines to enterprises that invest in and run activities in sectors vulnerable to climate change, including agriculture, energy, tourism, real estate, and other infrastructure development. Climate change effects in this sector could mean the deterioration of capital and investment and could hinder loan repayments.

The building and construction sectors are at once vulnerable and important for enhancing resilience. Climate change is expected to affect infrastructure across the country, and these emerging and additional risks to infrastructure have not yet been sufficiently analyzed and integrated into the design of roads, bridges, or houses. Climate change could, in fact, cause growth in the building and construction sector, as investments increase in climate-proofing existing infrastructure or repairing infrastructure damaged by storms, floods, and other climate impacts.

The mining sector in Ghana is one of the most important in Africa, but the significant water and energy resources required for its operations make it vulnerable to changing temperature and rainfall rates. A growing number of households and other commercial and state users are also competing for the water and energy resources available.

Micro, small, and medium enterprises (MSMEs) constitute about 92% of all businesses in Ghana and operate in sectors that are highly vulnerable to climate change.

There are a number of efforts underway in Ghana to engage the private sector, both specific to climate change and more broadly in public policy. Public policy provides a useful framework for engagement with the private sector, including the potential development of public–private partnerships (PPPs). The private sector is identified as an important factor in the National Climate Change Adaptation Strategy, the National Climate Change Policy, and the PPP policy, while initiatives such as the Project Development Facility, the Viability Gap Scheme, and the Ghana Infrastructure Fund provide potential vehicles to engage the private sector in climate resilient development. There is also a series of efforts to engage the private sector in climate change action in mitigation, such as the Nationally Appropriate Mitigation Action private sector platform and Nationally Determined Contribution private sector engagement, among others. Private sector engagement in the NAP process will consider and build on these efforts.

Different private sector actors in Ghana will have different reasons for investing in climate resilience. Agricultural interests in Ghana are already being impacted by climate change, and this could get worse should crops fail as a result of increasing temperatures and variations in precipitation patterns. This can have impacts on actors throughout the agribusiness value chain. Larger, more visible companies may see threats to their reputation should they fail to clearly demonstrate that they are taking climate change seriously.

Ghana has a well-organized private sector, with a large variety of business membership organizations (BMOs). These BMOs provide a potential conduit to a number of private sectors actors and can play a wide variety of roles. Many of the large BMOs in Ghana represent the broad interests of the business community, including the Chamber of Commerce and the Employers Federation. There are also sector-focused associations that provide a variety of services for their membership.

Conclusion

Thinking about the condition the Trust Fund was in when we assumed office, and where it is today, I feel great satisfaction about what has been accomplished.

Looking back, 2020 was not an easy year – and the challenges are getting bigger but we know that we can count on the experience and commitment and impact made so far. I would also like to thank everyone for your trust and support, which were invaluable in 2020. I want to also say a big 'well done' to the management team and to all of the staff for working tirelessly under very difficult conditions, to bring us where we are today.

I take this opportunity to once again thank my colleague Trustees particularly for their continued leadership support to the Trust Fund and its employees. I also thank the employees without whose efforts and commitment, the Trust could not have performed well in challenging conditions. I would also like to deeply thank and acknowledge the continued co-operation, trust and support of various Government/ Regulatory authorities, valued clients and all stakeholders.

……………………………………………..

Mr. Kofi Owusu Sekyere
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

The world has been hit with the COVID-19 pandemic with its prevalent effects on private businesses, following measures taken by governments to contain the spread of the disease. We still have a long way to go, as the economic downturn and negative impact of the pandemic on businesses and jobs still linger on even though a vaccine has been developed. It gives me immense pleasure and sense of pride in stating that the Trust Fund continued its sustained leadership in the PE/VC industry in the country.

Highlight of Investments Activities

Fund Raising Efforts

The Trust Fund continued to struggle in securing a more permanent source of funding for its activities. The government in its 2020 budget made a provision of GHS 20 million to the Trust Fund for its investments, but no disbursement was affected as at the end of the review period.

The World Bank has agreed with the Government of Ghana under the Ghana Economic Transformation Project (GETP) to recapitalize the Trust Fund with an amount of USD 47 million under component three of the project (Accelerating Entrepreneurship and Micro Small and Medium Enterprise (MSME) growth). The overall development objective of the Project is to promote private investments and firm growth in non-resource-based sectors. Under the project, The Trust Fund is to establish two new fund of funds vehicles namely, Startup Catalyst Fund aimed at providing early stage financing below $500K per SME investment, and a Strategic Industries Fund, aimed at providing early growth stage capital above $500K and below $3m per SME investment.

VCFC Operations

Activity Venture Finance Company Limited (AVFCL) and Bedrock Venture Capital Finance Company Limited (BVCFCL) have exceeded their ten-year life and has become necessary to wind them up. The other shareholders of these funds have been unresponsive to the activities and dealings of the funds. Acting as fund manager of these funds, the Trust Fund sought for legal opinion on the possible liquidation of these funds. African University College of Communication (AUCC), an investee of AVFCL is yet to fulfil its obligation of payment amounting to GHS 4.7 million, following the institution's exit from the fund.

As part of the Government of Ghana's efforts to boost Ghana's food security and encourage the youth in agriculture, the Ministry of Finance through the Ghana Commodity Exchange (GCX) and the Trust Fund (Fund Manager) has setup a Commodity Aggregation Development Fund (CADeF) to support qualified aggregators and brokers to mobilize selected commodities (sorghum, soybean, and sesame) by applying for direct financing (Equity and debt) from Venture Capital Trust Fund. The objective of this Program is to provide debt, equity and convertible debt financing to GCX certified Aggregators, Brokers and farmers alike to support the production and aggregation of the selected commodities into GCX warehouses. This will enable trading through the GCX trading platform and also provide the needed general business support services to these aggregators and Brokerage Firms thereby providing food security and contributing to poverty reduction through agriculture based economic growth.

In spearheading sustainable impact investment campaign and promoting rural economic growth, the Trust Fund has setup an Agriculture value chain program (Special purpose vehicle) that usually collaborate with some NGOs, Financial Institutions and other agencies. To this end, the Trust Fund (Funding partner) in collaboration with Association of Church Development Project (ACDEP), TRAIS, African Agribusiness Incubators Network (AAIN) and some District Assemblies in the Brong Ahafo region are implementing an European Union financed project dubbed 'Incubation – To – Entrepreneurship – Project (I-2-E PROJECT) which is aimed at promoting local sustainable development in job creation and expansion of economic activities in an environmentally sustainable manner at local level with its focused on cassava, poultry and aquaculture value chain and other non-farm economic activities among women and youth in three selected districts (Techiman North, Tain Districts and Kintampo Municipality).

Macro- Economic Environment

The Great Pandemic that greeted 2020 sent shockwaves through the world, setting into motion monumental shifts in the ways we interact, work, and learn. However, the pandemic gave us the opportunity to refocus on what matters most and even jump-start a new technology-enabled era. We can see it in the small local businesses that has had to figure out very quickly how to digitize its business and expand its product and service delivery during the pandemic.

In line with the measures being adopted globally, Government implemented a mix of fiscal and monetary measures to mitigate the impact of Covid-19 on the economy. The key measures included the establishment of a Coronavirus Alleviation Programme (CAP) to facilitate economic recovery, Lowering of the cap on Ghana Stabilization Fund (GSF) from the current US$300 million to US$100 million to allow for transfer of excess funds to the CAP Adjust expenditures on Goods & Services and Capex downwards by GHS1.2 billion, reduction in the policy rate by 150 basis points to 14% and drop in regulatory reserve requirement from 10% to 8% to increase supply of credit to private sector, Amendment of Bank of Ghana (BoG) Act to allow for Government of Ghana (GoG) to borrow, Commercial banks engaged to provide syndicated facility of GHS3 billion to support key industries, granting of six-month moratorium on principal repayments for selected businesses and reduction of interest rates by 200 basis points. These policies help stabilized the economy during the pandemic.

Economic growth is projected to accelerate in 2021 from this year's coronavirus-induced slowdown as external and domestic demand gain traction. Ghana's overall GDP growth rate target for 2020 of 6.8% represents a 60-basis point increase over that of the 2019 (based on the revised budget). Growth in GDP is projected to see a fall between 2021 and 2022 due to a significant drop in industry sector growth expectations. Growth performance is however expected to accelerate in 2023.

Over the medium term, the growth of the industry sector is expected to average 5.2% and will peak at 8.6% in 2020. A sharp decline in growth is expected in the sector in 2021 and 2022 largely due to a fall in crude oil production from existing fields. The sector's growth will, however, improve in 2023, driven by expected production from the Pecan Field.

The services sector is expected to attain an average growth of 6.3%, the highest average growth of the three sectors over the medium term. The growth of the services sector is expected to trend upwards from 5.8% in 2020 till it reaches 6.9% in 2023. Accounting for this trend is the anticipated growth of the health and social work sub-sectors which are projected to grow by 20.15%, on the average, over the medium term. The agriculture sector is expected to grow at an average rate of 5.4% over the medium term.

The macroeconomic targets for 2020 and those to be pursued over the medium term (i.e. 2020 –2023) remain anchored by the Coordinated Programme of Economic and Social Development Programmes (CPESDP) and the Medium-Term National Development Policy.

Acknowledgement

I would also like to take this opportunity to thank all our employees and key institutional partners whose contribution has helped to make VCTF what it is today. To summarize, 2020 has been a year of good progress for the Trust Fund. We have come out of the downturn stronger whiles restructuring the Trust Fund to position us well to continue executing our strategy over the coming years.

The performance is reflective of the hard work and perseverance of dedicated employees working relentlessly for the success of the Trust Fund. Please join me in congratulating the leadership and employees of the Venture Capital Trust Fund for delivering a successful financial year once again.

Mr. Yaw Owusu – Brempong
Chief Executive Officer

REPORT OF THE BOARD OF TRUSTEES

The Trustees in submitting the audited statements of the Fund for the year ended 31st December 2020, report thereon as follows:

1. Activities
The Fund's activities are those of providing venture capital and private equity financing to businesses particularly SMEs. Its business involves the provision of long-term committed capital to assist unquoted companies to grow and succeed.

2. Financial statements and dividend

	GHS
Total Income	934,921
Decrease in net assets attribution to fund investors	(559,170)

3. Nature of Business
There has been no change in the nature of business of the Fund during the year under review.

4. Auditors
In accordance with Section 139(5) of the Companies Act, 2019 (Act 992), the auditors, Messrs Ghana Audit Service continue in office as auditors of the Fund.

5. Conclusion
We wish to express our appreciation to the Management and entire staff for their hard work during the year 2020.

6. Approval of the Financial Statements
The financial statements of the Fund were approved by the Trustees on .... and are signed on its behalf by

Mr. Kofi Owusu Sekyere
Chairman

Mr. Yaw Owusu - Brempong
Chief Executive Officer

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trustees are responsible for preparing financial statements which give a true and a fair view of the state of affairs of the Fund at the end of the financial year of the statement of Comprehensive Income of the Fund for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- State whether the applicable accounting standards have been followed.
- Prepare the financial statements on the ongoing basis unless it is inappropriate to presume that the Fund will continue in business.

The Trustees are responsible for ensuring that the Fund keeps accounting records which disclose with reasonable accuracy the financial position of the Trust Fund and which enable them to ensure that the financial statements comply with the International Financial Reporting Standards.

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Venture Capital Trust Fund's Financial Statements

Opinion

We have audited the financial statements of Venture Capital Trust Fund (VCTF) for the year ended 31 December, 2020. These financial statements comprise; the statement of financial position, statement of Profit or Loss and other comprehensive Income, statement of changes in equity, Statement of cash flows for the year then ended, the Notes to Financial Statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Fund as at 31 December, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Venture Capital Trust Fund Act, 2004 (Act 680) and Public Financial Management Act, 2016 (Act 921).

Basis for Opinion

We conducted our audit in accordance with International Standards for Supreme Audit Institutions. 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 Trust Fund in accordance with the Code of Ethics for Supreme Audit Institutions together with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Trustees for the Financial Statements

The Board of Trustees is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards *(IFRS),* and legislations, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Board of Trustees is responsible for assessing the Trust Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Trustees either intends to liquidate the Trust Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with *ISA,* which is consistent with the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, 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 the Fundamental Auditing Principles (ISSAIs 100-999) of the International Standards for Supreme Audit Institutions, we exercise professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- 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 Trust Fund's internal controls.

- Evaluate the appropriateness of accounting policies uses and the reasonableness of accounting estimates and related disclosures made by the Board of Trustees.

- Conclude on the appropriateness of the Board'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 Trust 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 Trust Fund to cease to continue as a going concern.

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

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

JOHN GODFRED KOJO ADDISON
ASST. AUDITOR-GENERAL/CAD-DIRECT
for: **Ag. AUDITOR-GENERAL**
March, 2021

STATEMENT OF COMPREHENSIVE

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2020

	NOTES	**2020**	2019
INCOME		**GH¢**	GH¢
Income	2a	**934,921**	1,147,864
		934,921	1,147,864
LESS EXPENDITURE			
Trustee Emoluments	3a	**59,328**	99,510
Administrative Expenses	3b	**3,919,982**	3,863,750
Auditors Remunuration		**30,000**	30,000
Depreciation Charges	3c	**534,665**	565,878
Financial cost	3d	**11,713**	8,484
		4,555,688	4,567,622
Net operating income		**(3,620,767)**	(3,419,758)
Other income	2b	**3,061,597**	430,511
Decrease in net assets attributable to Fund investors		**(559,170)**	(2,989,247)
Other Comprehensive Income			
Net changes in fair valve of financial assets at fair value through profit or loss	3e	**-**	-
Total comprehensive income for the year		**(559,170)**	(2,989,247)

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2020

Assets	NOTES	**2020**	2019
Non-current assets		**GH¢**	GH¢
Property and Equipment	4	**12,269,282**	**12,778,997**
Financial assets at fair value through profit or loss	5	**34,928,363**	**33,557,410**
		47,197,645	46,336,407
Current Assets			
Investment Loans	6	**300,000**	-
Receivables	7	**1,076,971**	918,368
Cash and cash equivalents	8	**9,941,522**	11,588,957
		11,318,494	12,507,325
Total assets		**58,516,139**	58,843,732
Liability			
Current liabilities	9	**556,919**	325,342
		556,919	325,342
Net assets attributable to fund investors		**57,959,220**	58,518,390
Total liabilities and net assets attributable to fund investors		**58,516,139**	58,843,732

The financial statements were approved by the Trustees on and signed on its behalf by:

…………………………………………………………………………………

Mr. Kofi Sekyere
Chairman

……………………………………………………………………………

Mr. Yaw Owusu - Brempong
Chief Executive Officer

STATEMENT OF CHANGES

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO FUND INVESTORS AS AT 31ST DECEMBER, 2020

	2020	2019
	GH¢	GH¢
Net assets attributable to Fund Investors at 1st January	**58,518,390**	61,507,637
Increase/ (decrease) in net assets attributable to Fund Investor	**(559,170)**	(2,989,247)
Net assets attributable to Fund Investors at 31st December, 2020	**57,959,220**	58,518,390

STATEMENT OF CASH FLOW

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2020

	2020	2019
	GH¢	GH¢
Operating activities		
Net income attributed to Fund investors from operations	**(559,170)**	(2,989,247)
Depreciation Charges	**534,665**	565,878
Profit and loss on disposal of assets	**(425)**	(51,231)
Operating cash flow before changes in working capital	**(24,930)**	(2,474,600)
Changes in working capital		
Increase in Loans	**(300,000)**	-
(Increase)/ Decrease in receivables	**(158,603)**	251,766
Increase/ (Decrease) in payables	**231,577**	49,864
Net changes in working capital	**(227,026)**	301,630
Net cash generated from operating activities	**(251,956)**	(2,172,970)
Investing activities		
Repayment of financial assets	**2,039,853**	1,029,772
Addition to Financial assets	**(3,410,807)**	(1,910,094)
Additions to property and equipment	**(24,950)**	(51,725)
Proceeds from sale of fixed assets	**425**	61,646
Net cash flow from investing activities	**(1,395,479)**	(870,401)
Net increase in cash and cash equivalent	**(1,647,435)**	(3,043,371)
Cash and cash equivalent at 1st January	**11,588,957**	14,632,328
Cash and cash equivalent at 31st December	**9,941,522**	11,588,957

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2020

1. General information

Venture Capital Trust Fund was established by an Act of Parliament, Venture Capital Trust Fund Act, 2004 (Act 680) as a Government of Ghana initiative to provide finance to small and medium enterprises (SMEs).

Venture Capital Trust Fund is registered and domiciled in Ghana. The address of the Fund's registered office can be found on page 2 of the financial statements. The Fund's business is to provide venture capital funding to private sector small and medium size enterprises in Ghana.

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations adopted by the International Accounting Standards Board (IASB).

2.2 Basis of measurement

The financial statements are prepared under the historical cost basis as modified to include the fair valuation of certain financial assets and liabilities to the extent required or permitted under accounting standards and as set out in the relevant accounting policies.

2.3 Functional and presentational currency

The financial statements are presented in Ghana Cedis (GH¢) which is the Fund's functional and presentation currency.

2.4 Use of estimates and judgment

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current the future per in particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in note 5.

2.5 New standards and interpretations not yet adopted

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the Fund's financial statements are disclosed below. The Fund intends to adopt these standards, if applicable, when they become effective.

IFRS 1 Government Loan - Amendments to IFRS 1 These amendments require first-time adopters to apply the requirements of IAS 20 Accounting for Government Grants and Disclosure of Government assistance, prospectively to government loans existing at the date of transition to IFRS 9 (or IAS 39, as applicable) and IAS to 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for that loan. The exception would give first time adoption relief from retrospective measurement of government loans with a below-market rate of interest the amendment is effective for annual periods on or after 1 January 2013.The amendment has no impact on the Trust Fund.

IFRS 7 Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7

These amendments require an entity to disclose information about rights to set - off and related arrangements (egg. Collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32 financial instruments: Presentation.

IFRS 9 Financial Instruments

IFRS 9, as issued, reflects the first phase of the IASB's work though the adoption date is subject to the recently issued Exposure Draft on the replacement of IAS 39 and applies to classification and measurement of financial assets and liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2015. In subsequent phases, the Board will address impairment and hedge accounting. The Trust Fund will quantify the effect of the adoption of the first phase of IFRS 9 conjunction with the other phases, when issued to present a comprehensive picture.

IFRS 11- Joint Arrangements

The standard becomes effective for annual periods beginning on or after 1 Joint Ventures and SIC 13 Jointly Controlled Entities - Non-monetary Contribution by Ventures. Because IFRS II uses the principle of control in IFRS 10 define control, the determination of whether joint control exists may change. The adoption of IFRS II is not expected to have a significant impact on the accounting treatment of investments currently held the Fund.

IFRS 12 - **Disclosure of Investment with Other entities**

The standard becomes effective for annual periods beginning on or after 1 January 2013. It includes all of the disclosures that were in IAS 27 related to consolidated financial statement, as well as all of the disclosures that were previously included in IAS 31. Interest in Joint Ventures and IAS 28 Investments in Associates. These disclosures relate to an entity's interest in subsidiaries joint arrangements, associates and structured entities.

A number of new disclosures are also required. One of the most significant changes introduced by IFRS 12 is that an entity is now required to disclose the judgments made to determine whether it controls another entity. Many of these changes were introduced by the IASB in response to the financial crisis. Now, even if the Company concludes that is does not control an entity, the information used to make that judgment will be transparent to users of the financial statements to make their own assessment of the financial impact were the company to reach a different conclusion regarding consolidation. The standard will not have any impact on the financial position or performance of the Company.

IFRS 13 - Fair value Measurement

The standard becomes effective for annual periods beginning on or after 1 January 2013. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure the fair value of financial and non-financial assets and liabilities when required or permitted by IFRS. There are also additional disclosure requirements. Adoption of the standard is not expected to have a material impact on the financial position or performance of the Fund.

2.6 **IAS 1 Presentation of Items of Other Comprehensive Income - Amendments to IAS 1**

The amendments to IAS I change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, net gains on hedges of net investments, exchange differences on translation of foreign operations, net movements on cash flow hedges and net losses or gains on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans).

The amendment affects presentation only and has no impact on the Fund's financial position of performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

IAS 19 Employee Benefits - Amendments

The amendments to IAS 19 remove the option to defer the recognition of actuarial gains and losses, i.e. the corridor mechanism. All changes in the value of defined benefit plans will be recognized in profit or loss and other comprehensive income. The effective date of the standard is 1st January 2013. The amendment has no impact on the Company's financial position or performance.

IAS 27 Separate Financial Statements (as revised in 2012)

As a consequence of the new IFRS 10 and IFRS 12, what remains in IAS 27 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements. The Fund does not present separate financial statements. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS 28 Investments in Associates and Joint Venture (as revised in 2012)

As a consequence of the new IFRS 12 Disclosures of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed ISA 28 Investments in Associates and Joint Ventures and describes the application of the equity method to investment in joint ventures in addition to associates. The revised standard becomes effective for annual period beginning on or after 1 January 2013.

IAS 32 Offsetting Financial Assets and Financial Liabilities Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set off. It will be necessary to assess the impact on the Fund by reviewing settlement procedures and legal documentation to ensure that offsetting is still possible in cases where it has been achieved in the past. In certain cases, offsetting may no longer be achieved. In other cases, contracts may have to be renegotiated. The requirement that the right of setoff be available for all counterparties to the netting agreement may prove to be a challenge for contracts where only one party has the right to offset in the event of default.

The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. This amendment has no effect on the company. These amendments become effective for annual periods beginning on or after January 2014.

IFRIC 20 Stripping Cost in the Production Phase of a Surface Mine

This interpretation applies to waste removal (stripping cost incurred in surface running activity, during production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. The interpretation is effective for annual periods beginning on or after 1 January 2013. The new interpretation will not have an impact on the Fund.

Annual Improvements - May 2012

These improvements will not have an impact on the Fund, but include:

IFRs 1 First-time adoption of International Financial Reporting Standards

This improvement clarifies that an entity that stopped applying IFRS in the past and chooses, or is required to apply IFRS, has the option to re-apply IFRS 1. If IFRS 1 is not re-applied, an entity must retrospectively restate its financial statements as if it had never stopped applying IFRS.

IAS 1 Presentation of Financial Statements

This improvement clarifies the difference between voluntary additional comparative information. Generally, the minimum required comparative information is the previous period.

IAS 16 Property Plant and Equipment

This improvement clarifies that major spare parts and servicing equipment that meet the definition of property plant and equipment are not inventory.

IAS 32 Financial Instruments, Presentation

This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

IAS 34 Interim Financial Reporting

The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures. These improvements are effective for annual periods beginning on or after 31st January 2013.

3. Significant Accounting Policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These polices have been consistently applied to all the years presented, unless otherwise stated.

3.1 Foreign Currency Transactions

The Fund's foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end monetary assets and liabilities denominated in foreign currencies, are recognized in the income statement. None-monetary assets and liabilities are translated at historical exchange rates if held at historical cost, exchange rates at the date that fair value was determined if held at fair value, and the resulting foreign exchange gains and losses are recognized in the income statement or shareholders' equity as appropriate.

3.2 Financial Instruments

Financial assets and financial liabilities at fair value through profit or loss

The Fund classifies its investments in equity securities as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are classified as fair value through profit or loss on initial recognition.

Financial assets and liabilities designated at fair value through profit or loss are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the International Private Equity and Venture Capital Valuation Guidelines.

The Fund's policy requires management to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

Assets and liabilities in this category are classified as current assets and current liabilities if they are expected to be realized within 12 months of the balance sheet date. Those not expected to be realized within 12 months of the balance sheet date are classified as non-current.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership.

Dividend income from financial assets at fair value through profit or loss is recognized in the income statement within dividend income when the Fund's right to receive payments is established. Interest income on debt securities is recognized in the income statement.

(ii) Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, the Fund has a legal right to set off the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.
Income and expenses are presented on a net basis when permitted by the accounting standards, or for gains and losses arising from a group of similar transaction.

3.3 Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are recognized initially at fair value. They are subsequently measured at amortized cost using the effective interest rate method, less provision for impairment.

A provision for impairment is established when there is objective evidence that the Fund will not be able to collect all amounts to be received. Significant financial difficulties of the counterparty and default in payments are considered indicators that the amount to be received is impaired. Loss, interest income is recognized using the rate of interest to discount the future cash flows for the purpose of measuring the impairment loss.

3.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

3.5 Provisions

A provision is recognized in the statement of financial position when the Fund has a present legal or constructive obligation as a result of a past event, and it is probable that another flow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3.6 Interest income

Interest income is recognized on a time-proportion basis using the effective interest method. It includes interest income from cash and cash equivalents and on debt securities.

3.7 Impairment

(i) Financial assets

A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

As impairment loss in respect of a financial asset measure is calculated as the difference between its carrying amount and the present value of the estimate cash inflows to be received in relation to the asset. Individually significant financial assets are tested for impairment on an individual basis.

All impairment losses are recognized in the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

(ii) Non-financial assets

The carrying amounts of the Fund's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

3.8 Taxation

The Fund is domiciled in Ghana. Under the current laws, there is no income, capital gains or other taxes payable by the Fund.

3.9 Events after reporting period

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

4.0 Fair value estimation

A number of the Fund's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and or disclosure purposes based on the following methods.

(i) Fair values for unquoted securities are determined by the Fund's using valuation techniques.

They take into account the relevant developments since the acquisition of the investments and other factors pertinent to the valuation of the investments with reference to such rights in connection with realization, recent third-party transactions of comparable types of instrument, reliable indicative offers from potential buyers, non-maintainable earnings and growth stage and the value of the net assets attributable 'fund investor' as reported by the various Venture Capital Companies (Investees) in which the Fund has invested, Cross-checks of primary techniques are made against other secondary valuation techniques.

In determining fair valuation, management in many instances relied on the financial data of investees and on estimates by the management of the investee companies as to the effect of future developments. Although management uses its best judgment in estimating the fair value of investments, there are inherent limitations in any estimation techniques. The fair value estimates presented herein are not necessarily indicative of an amount the Fund could realize in a current transaction. Future confirming events will also affect the estimates of fair value. The effect of such events on the estimates of fair value, including the ultimate liquidation of investments, could be material to the financial statements.

(ii) **Cash and cash equivalents**

The fair value of cash and cash equivalents approximates their carrying values.

(iii) **Non-derivative financial liabilities**

Fair value, which is determined for disclosure purposes, is calculated on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Instruments with maturity period of 6 months are not discounted as their carrying values approximate their fair values.

5. Critical accounting estimates and judgments

The Fund makes estimates and assumptions that affect the respond amounts of assets and liabilities within that next financial year. Estimates and judgments are continually evaluated and are based on historical experience and

5.1 Fair value of investments not quoted in an active market

The fair value of securities that are not quoted in an active market is determined by using valuation techniques as per the International Private Equity and Venture Capital Valuation Guidelines or other valuation techniques that management deems reasonable.

5.2 Fair Value Hierarchy

The Fund has adopted the amendment to IFRS 7 in respect of disclosures about the degree of reliability of fair value hierarchy measurements. This requires the Fund to classify for disclosure purposes fair value measurements using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The fair value hierarchy shall have the following levels:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3) Observable data refers to market data that is readily available, regularly distributed or updated, reliable and verifiable and provided by independent sources that are actively involved in the relevant market.

The following indicates the fair value hierarchy of the Fund's financial assets measured at fair value at 31st December 2020.

Assets	**Level 1**	**Level 2**	**Level 3**
	GH¢	GH¢	GH¢
Financial Assets designated at fair value through profit and loss			34,928,363

5.3 **Functional currency**
The Fund considers the Ghana Cedi (GH¢) to be the currency that most faithfully represents the economic effect of the underlying transaction, events and conditions. The Ghana Cedis (GH¢) is the currency in which the Fund measures its performance and reports its results, as well as the currency in which it receives subscriptions from its investors.

Property &Equipment
Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets.
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probably that future economic benefits associated with the item will flow to the bank and the cost can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.
An impairment loss is recognized if the carrying amounts of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and fair value less cost to sell. Impairment losses are recognized in the Income Statement.

Depreciation is recognized in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property and equipment.

The current annual depreciation rates for each class of property and equipment are as follows:

Leasehold Land and building	2%
Motor vehicle	25%
Furniture &Fittings	10%
Office Equipment	33.33%
IT Equipment	33.33%

Depreciation methods, residual values and useful lives are re-assessed at each financial year. Gains and losses on disposal of property and equipment are included in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 31ST DECEMBER, 2020

Note 2a: Income

	2020	2019
	GH¢	GH¢
Investment Income	**15,000**	-
Treasury Income	**919,921**	1,147,864
	934,921	1,147,864

Note 2b: Other income

	2020	2019
	GH¢	GH¢
Provision for bad debt no longer required	**2,615,400**	320,688
Exchange gain/(loss)	**363,486**	58,592
Other Income (Rent written off by landlord)	**82,286**	-
Profit from sale of assets	**425**	51,231
	3,061,597	430,511

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 31ST DECEMBER, 2020

Note 3a: Trustees Emoluments	**2020**	2019
	GH¢	GH¢
Sitting allowance	**59,328**	99,510
	59,328	99,510

Note 3b: Administrative expenses		
	2020	2019
	GH¢	GH¢
Salaries and wages	**1,922,184**	1,675,802
SSF 13%	**157,792**	144,804
Provident Fund 5%	**57,221**	50,219
Utilities	**74,670**	89,130
Staff Lunch	**63,104**	84,740
Sundry Expenses	**12,597**	2,603
Printing and stationery	**32,918**	64,244
Entertainment	**2,985**	10,729
Public Relations & Advertisements	**71,392**	67,904
Telephone and postage	**32,851**	22,991
Travel and Transport	**37,803**	73,244
Security services	**19,917**	20,411
Cleaning & Sanitation	**3,591**	6,802
Legal and consultancy	**239,570**	60,789
Company Secretarial & Retainership	**112,422**	107,375
Staff Training	**16,113**	126,896
Rent	**766,820**	538,423
Insurance	**28,911**	18,918
Medical Insurance	**70,074**	72,551
Fuel and Lubricant	**52,274**	64,715
Seminars, workshops and conferesnce	**78,268**	206,190
Gratuity	**-**	280,910
Repairs and maintenance	**66,504**	73,360
	3,919,982	3,863,750

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 31ST DECEMBER, 2020

Note 3c: Depreciation Charges	2020 GH¢	2019 GH¢
Motor Vehicle	**167,144**	191,313
Furniture & Fittings	**48,112**	48,706
IT Equipments	**34,046**	37,275
Office Equipments	**23,889**	27,609
Building	**35,434**	34,935
Leasehold Land	**226,040**	226,040
	534,665	565,878

Note 3d: Financial charges	2020 GH¢	2019 GH¢
Bank Charges	**11,713**	8,484
	11,713	8,484

Note 3e: Unrealized Gain/Impaired Loss	2020 GH¢	2019 GH¢
Other changes in fair value on financial assets at fair value through profit or loss		
Unrealized gain on investments -Activity Venture Fin Co Ltd	-	-
Unrealized gain on investments -Fidelity Equity Fund II	-	-
Impaired loss on investments -Gold Venture Capital Ltd	-	-
Unrealized gain on investments - Bedrock Venture Capital Fin Ltd	-	-
Unrealized gain on investments -Ebankese	-	-
Unrealized gain on investments -Oasis Africa Fund Ltd	-	-
	-	-

The Board of Trustees decided that fair value measurement is done once in every two years.

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 31ST DECEMBER, 2020

Note 4 **Property and Equipment** **Cost**	Motor Vehicles GH¢	Office Furniture & Fittings GH¢	IT Equipment and Computers GH¢	Office Equipment GH¢	Building GH¢	Leasehold Land GH¢	Totals GH¢
Balance at 1 Jan. 2020	970,567	498,587	377,938	159,092	1,746,746	11,302,021	15,054,951
Additions	-	-	-	-	24,950	-	24,950
Disposal	-	-	51,989	-	-	-	51,989
Balance at 31 Dec. 2020	970,567	498,587	325,949	159,092	1,771,696	11,302,021	15,027,912
Accumulated Dep.							
Balance at 1 Jan. 2020	803,423	148,082	329,260	135,203	104,125	755,861	2,275,954
Charge for the year	167,144	48,112	34,046	23,889	35,434	226,040	534,665
Release on disposal	-	-	51,989	-	-	-	51,989
Balance at 31 Dec 2020	970,567	196,194	311,317	159,092	139,559	981,901	2,758,630
Net Book Value							
At 31 December 2020	**0**	**302,393**	**14,632**	**-**	**1,632,137**	**10,320,120**	**12,269,282**
At 31 December, 2019	167,144	350,505	48,678	23,889	1,642,621	10,546,160	12,778,997
Disposal							
Cost	-	-	51,989	-	-		51,989
Provision for Depreciation	-	-	51,989	-	-		51,989
Net Book Value	-	-	-	-	-	-	-
Proceeds from disposal	-	-	425	-	-		425
Profit from disposal	-	-	425	-	-		425

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 31ST DECEMBER, 2020

Note 5 **Financial assets at fair value**	Balance at 1/1/2020 GH¢	Additions GH¢	Unrealized Gain GH¢	Impaired loss GH¢	Repayment of principal GH¢	Balance at 31/12/2020 GH¢
Activity Finance	1,910,046	-	-	-	-	1,910,046
Fidelity Venture Fund	7,296,139	-	-	-	1,877,553	5,418,586
Gold Venture Capital	2,194,100	-	-	-	-	2,194,100
Bedrock Venture Cap. Fund	4,499,900	-	-	-	162,300	4,337,600
Ebankese Venture Fund	14,109,419	-	-	-	-	14,109,419
Oasis Africa Fund	3,547,806	2,235,807	-	-	-	5,783,613
Industrial Support Fund	-	1,175,000				1,175,000
	33,557,410	3,410,807	-	-	2,039,853	34,928,363

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 31ST DECEMBER, 2020

Note 6: Investments Loans

	2020	2019
	GH¢	GH¢
Loans	**300,000**	**-**
	300,000	**-**

Note 7: Receivables

	2020	2019
	GH¢	GH¢
Deposit for land paid to Nana Kwame Edusei	**853,100**	853,100
Ministry of Finance (GETP)	**148,625**	-
Kintampo & Nkoranman Rural Banks	**7,500**	-
Staff Debtors	**4,989**	4,989
Prepayments	**62,659**	60,052
Accountable Imprest	**99**	227
	1,076,971	918,368

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 31ST DECEMBER, 2020

Note 8: Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalent comprises the following with original maturity of less than 90 days

	2020	2019
	GH¢	GH¢
Fixed Deposits Investments	**7,347,642**	8,772,811
Cash at Bank	**2,590,714**	2,811,942
Cash in Hand	**3,166**	4,204
	9,941,522	11,588,957

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 31ST DECEMBER, 2020

NOTE 9: Payables

	2020	2019
	GH¢	GH¢
Withholding Tax	**10,712**	**14,680**
Audit Fees	**30,000**	**30,000**
Provident Fund	**16,307**	**12,564**
Staff Welfare deductions	**1,867**	**1,080**
PAYE	**35,054**	**27,904**
Social Security Contribution	**19,103**	**17,223**
Coltran Services	**-**	**5,000**
ENS Africa	**50,250**	**50,250**
Due Diligence on Selected Rural Banks	**-**	**12,500**
The Royal Senchi	**-**	**15,021**
Staff Lunch	**-**	**2,304**
KingSags & Assoicates	**34,200**	**-**
Labour Consortium (HR Review)	**80,000**	**-**
Telephone (Vodafone Ghana)	**2,030**	**850**
Rent (Broll Ghana)	**269,395**	**111,704**
Electricity	**8,000**	**15,500**
Broll Ghana	**-**	**8,762**
	556,919	325,342

Financial risk management

Financial risk management objective

The objective of the Fund is to achieve medium to long-term capital growth through investing in a selection of unlisted private companies. The Fund's activities expose it to a variety of financial risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

Market risk

Price risk

The Fund's investments are susceptible to market price arising from uncertainties about future values of the instruments. The Fund Managers provide the Trust with investment recommendations. The Fund Manager's recommendations are reviewed by the Fund's Investment Committee before the investment decisions are implemented. To manage the market price risk, the Fund Manager reviews the performance of the portfolio companies on an ongoing basis and is regularly in contact with the management of the portfolio companies for business and operational matters.

The performance of investment held by the Fund is therefore monitored by the Fund Manager on an ongoing basis.

At 31st December, the fair value of equity securities exposed to price risk were as follows:

	2020 GH₵	2019 GH₵
Financial asset designated at fair value through profit or loss:		
Equity securities not traded in an active market designated at fair value through profit or loss	34,928,363	33,557,410
Loans subject to interest risk:	-	-
Total	34,928,363	33,557,410

Foreign exchange risk

The Fund hold assets denominated in currencies other than the functional currency (Ghana Cedi). It is therefore exposed to currency risk, as the value of the financial instrument denominated in other currencies will fluctuate due to the changes in exchange rate.

The Fund Manager is responsible for managing the Fund's currency position.

Foreign currency risk, as defined in IFRS 7, arises as the value of recognized monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be component of markets price risk not foreign currency risk. However, the Fund Manager monitors the exposure on all foreign- currency- denominated assets and liabilities.

The table below has therefore been analyzed between monetary and non- monetary items to meet the requirements of IFRS 7

Amount presented in equivalent amounts of GH₵ with the original currency as US$		
	2020 GH₵	**2019 GH₵**
As at 31 December		
Assets		
Cash at bank	-	-
Other assets-including interest receivable		
Liabilities		
Other liabilities	-	-
Net currency exposure	-	-

Interest rate risk

The Fund is subject to cash flow interest rate risk due to fluctuations in the prevailing levels of market interest rates. The table below summarizes the funds exposure to interest rate risks.

	Up to 1 month	1 to 12 months	More than 1 year	Non-interest Bearing	Total
As at 31 December 2020	**GH₵**	**GH₵**	**GH₵**	**GH₵**	**GH₵**
Assets					
Loans		300,000			300,000
Receivables		1,076,971			1,076,971
Cash and cash equivalents		9,941,523			9,941,523
Total Assets		11,318,494			11,318,494
Liabilities					
Payables				556,919	556,919
		-		556,919	556,919
Total Liabilities					
As at 31 December 2019					
Assets					
Loans		-			-
					-
Receivables		918,368			918,368
					-
Cash and cash equivalents		11,588,957			11,588,957
Total Assets		12,507,325			12,507,325
Liabilities					
Payables				325,342	325,342
Total liabilities				325,342	325,342

The Fund has direct exposure to interest rate changes on the cash flows of its interest-bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the Fund invest and the impact on the valuation that use interest rates as an input in the valuation mode. Therefore, the above sensitivity analysis may not indicate the total effect on the Fund's net assets attributable to the investors of future movement in interest rates.

Credit risk

The Fund takes on exposure to credit risk, which is the risk that one party will cause a financial loss for the other party by failing to discharge an obligation. The Fund is exposed to the risk of non-payment of debt instrument or the interest due to loans given to portfolio companies, The Fund assesses all counterparties, including its customers, for credit risk before contracting with them. The maximum exposure to credit risk before any credit enhancement at 31st December, is the carrying amount of the financial assets set out below,

The Fund's maximum exposure to credit risk is detailed in the table below	2020 GH₵	2019 GH₵
Loans receivable	-	-

The Fund provides loans to private companies. No collateral is received from the underlying companies. The credit quality of these investments is based on the financial performance of the individual portfolio company. For those assets that are not past due it is believed that the risk of default is small and the capital repayments and interest payment will be made in accordance with the agreed terms and conditions. No terms or conditions are renegotiated.

Impairment losses The aging on loan debtors at the reporting date is:	Gross 2020 GH₵	Impairments 2020 GH₵	Gross 2019 GH₵	impairment 2019 GH₵
Not past due		-	-	-
Past due 1-30 days		-	-	-
Past due 31-60 days			-	-
Past due 61-90 days			-	-
			-	-
Over 90 days	-	-	-	-
TOTALS	-	-	-	-

Liquidity risk
Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	On demand GH₵	Less than 1 year GH₵	Between 1 & 2 years GH₵	More than 2 years GH₵	Total GH₵
As at December 2020					
Liabilities					
Payables	-	556,919	-	-	556,919
Total liabilities	-	556,919	-	-	556,919

Capital risk management

The capital of the Fund is represented by the assets attributable to the investors. The Fund's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for investors and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the fund.

Financial Instruments by category			
Assets per statements of Financial Position	Receivables **GH₵**	Assets designated at fair value through profit or loss **GH₵**	Total **GH₵**
As at 31st December, 2020			
Financial assets at fair value through profit and loss		34,928,363	34,928,363
Loans	300,000		300,000
Receivables	1,076,971		1,076,971
Cash at bank	9,941,523		9,941,523
Total	11,318,494	34,928,363	46,246,857
Financial assets at fair value through profit and loss		33,557,410	33,557,410
Receivables	918,368		918,368
Cash at bank	11,588,957		11,588,957
Total	**12,507,325**	**33,557,410**	**46,064,735**
Liabilities as per statements of financial position as at 31st December, 2020	Other financial Liabilities	Liabilities at fair value through profit or loss	Total
Payables	556,919	-	556,919
Total liabilities	**556,919**	**-**	**556,919**
Liabilities as per statements of financial position as at 31st December, 2019	Other financial Liabilities	Liabilities at fair value through profit or loss	Total
Payables	325,342	-	325,342
Total liabilities	**325,342**	**-**	**325,342**

Note 10: Events after Reporting date
Events subsequently to the reporting date are in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

Note 11: Related Parties
Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.
The Trust Fund did not have any related party transactions.

Note 12: Going Concern Considerations
These financial statements have been prepared on a going concern basis, which assumes that the Fund will continue to operate for the foreseeable future.