ANNUAL REPORT
2019

NOVEMBER 1

Venture Capital
TRUST FUND

Contents

Corporate Information

Board of Trustees	Mr. Kofi Owusu Sekyere	Chairman	9/10/2017
	Mr. Yaw Owusu – Brempong	Member & CEO	5/5/2017
	Mr. Franklin Owusu Asafo – Adjei	Member	9/10/2017
	Mr. Brian Frimpong	Member	9/10/2017
	Mr. Fusieni Issah	Member	9/10/2017
	Dr. John Kofi Mensah	Member	9/10/2017
	Mrs. Efua A. Appenteng	Member	9/10/2017
	Ms. Afua Asabea Asare	Member	9/10/2017
	Mr. Ekow Afedzi	Member	9/10/2017

Secretary

ENSAFRICA
31 Ringway Estates
Asafoanye O. Broni Crescent, Osu
Accra
Ghana

Registered office

Ghana Shippers House
6th Floor
Ridge
Accra

Auditors

AADS CONSULT.
Chartered Accountants
Republic House (5th Floor)
Kwame Nkrumah Avenue
Accra

Bankers

Ghana Commercial Bank Limited
Agricultural Development Bank Limited
National Investment Bank Limited
Fidelity Bank Limited
Ecobank Ghana Limited
Access Ghana Limited

Report of The Trustees

The Trustees in submitting the audited statements of the Fund for the year ended 31 December 2019. report thereon as follows:

1. Activities

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

2. Financial statements and dividend

Total Income	1,468,552
Increase in net assets attribution to fund investors	(2,989,247)

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 134 (5) of the Companies Code, 1963, 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 2019.

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 these 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 statement 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**
Date: August 2020

Statement of Comprehensive

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2019			
	NOTES	**2019**	2018
INCOME		**GH¢**	GH¢
Income	2a	**1,468,552**	2,297,003
		1,468,552	2,297,003
LESS EXPENDITURE			
Trustee Emoluments	3a	**99,510**	146,600
Administrative Expenses	3b	**3,863,750**	3,744,905
Auditors Remunuration		**30,000**	30,000
Depreciation Charges	3c	**565,878**	569,150
Financial cost	3d	**8,484**	12,098
		4,567,622	4,502,753
Net operating income		**(3,099,070)**	(2,205,750)
Other income	2b	**109,823**	17,209
Decrease in net assets attributable to Fund investors		**(2,989,247)**	(2,188,541)
Other Comprehensive Income			
Net changes in fair value of financial assets at fair value through profit or loss	3e	**-**	-
Total comprehensive income for the year		**(2,989,247)**	(2,188,541)

STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2019

Assets	NOTES	2019	2018
Non-current assets		**GH¢**	GH¢
Property and Equipment	4	**12,778,997**	13,303,566
Financial assets at fair value through profit or loss	5	**33,557,410**	32,677,089
		46,336,407	45,980,655
Current Assets			
Receivables	6	**918,368**	1,170,134
Cash and cash equivalents	7	**11,588,957**	14,632,328
		12,507,325	15,802,462
Total assets		**58,843,732**	61,783,117
Liability			
Current liabilities	8	**325,342**	275,480
		325,342	275,480
Net assets attributable to fund investors		**58,518,390**	61,507,637
Total liabilities and net assets attributable to fund investors		**58,843,732**	61,783,117

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

....	....
Mr. Kofi Sekyere	**Mr. Yaw Owusu - Brempong**
Chairman	**Chief Executive Officer**

Statement of Changes

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO FUND INVESTORS AS AT 31ST DECEMBER, 2019		
	2019	2018
	GH¢	GH¢
Net assets attributable to Fund Investors at 1st January	**61,507,637**	63,696,178
Increase/ (decrease) in net assets attributable to Fund Investor	**(2,989,247)**	(2,188,541)
Net assets attributable to Fund Investors at 31st December, 2019	**58,518,390**	61,507,637

Statement of Cash Flow

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2019		
	2019	2018
	GH¢	GH¢
Operating activities		
Net assets attributed to Fund investors from operations	**(2,989,247)**	(2,188,541)
Adjustments:		
Depreciation Charges	**565,878**	569,150
Profit and loss on disposal of assets	**(51,231)**	(17,209)
Operating cash flow before changes in working capital	**(2,474,600)**	(1,636,600)
Changes in working capital		
Increase/ (Decrease) in receivables	**251,766**	(181,413)
Increase/ (Decrease) in payables	**49,863**	(239,816)
Net changes in working capital	**301,629**	(421,229)
Net cash generated from operating activities	**(2,172,971)**	(2,057,829)
Investing activities		
Repayment of financial assets	**1,029,773**	1,387,178
Addition to Financial assets	**(1,910,094)**	-
Additions to property and equipment	**(51,725)**	(575,575)
Proceeds from sale of fixed assets	**61,646**	22,854
Net cash flow from investing activities	**(870,400)**	834,457
Net increase in cash and cash equivalent	**(3,043,371)**	(1,223,372)
Cash and cash equivalent at 1 January	**14,632,328**	15,855,700
Cash and cash equivalent at 31 December	**11,588,957**	14,632,328

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

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 balance sheet 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 balance sheet 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 balance sheet 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 2019.

Assets	Level 1	Level 2	Level 3
	GH¢	GH¢	GH¢
Financial Assets designated at fair value through profit and loss			33,557,410

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 income statement 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 income statement.

Notes to Financial Statements

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 31ST DECEMBER, 2019

Note 2a: Income	**2019**	2018
	GH¢	GH¢
Prov. For bad debt no longer required	**320,688**	431,472
Treasury Income	**1,147,864**	1,865,527
	1,468,552	2,296,999

Note 2b: Other income	**2019**	2018
	GH¢	GH¢
Exchange gain/(loss)	**58,592**	-
Profit from sale of assets	**51,231**	17,209
	109,823	17,209

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 31ST DECEMBER, 2019

Note 3a: Trustees Emoluments

	2019	2018
	GH¢	GH¢
Fees	-	53,736
Sitting allowance	99,510	92,864
	99,510	146,600

Note 3b: Administrative expenses

	2019	2018
	GH¢	GH¢
Salaries and wages	1,675,802	1,747,704
SSF 13%	144,804	157,641
Provident Fund 5%	50,219	97,934
Utilities	89,130	101,586
Staff Lunch	84,740	100,275
Sundry Expenses	2,603	19,733
Printing and stationery	64,244	31,180
Entertainment	10,729	12,021
Public Relations & Advertisements	67,904	51,846
Telephone and postage	22,991	25,163
Travel and transport (Local Travels)	73,244	49,798
Security services	20,411	53,100
Cleaning & Sanitation	6,802	15,391
Legal and consultancy	60,789	208,665
Company Secretarial & Retainership	107,375	92,052
Staff Training	126,896	-
Rent	538,423	528,396
Insurance	18,918	40,751
Medical Insurance	72,551	68,861
Fuel and Lubricant	64,715	76,899
Seminars, workshops and conferences	206,190	182,111
Gratuity	280,910	-
Repairs and maintenance	73,360	83,798
	3,863,750	3,744,905

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 31ST DECEMBER, 2019

Note 3c: Depreciation Charges	**2019**	2018
	GH¢	GH¢
Motor Vehicle	**191,313**	191,313
Furniture & Fittings	**48,706**	48,793
IT Equipments	**37,275**	34,661
Office Equipments	**27,609**	33,408
Building	**34,935**	34,935
Leasehold Land	**226,040**	226,040
	565,878	569,150

Note 3d: Financial charges	**2019**	2018
	GH¢	GH¢
Bank Charges	**8,484**	12,098
	8,484	12,098

Note 3e: Unrealized Gain/Impaired Loss	**2019**	2018
	Ghc	Ghc
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	-	-
	-	-

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 31ST DECEMBER, 2019							
Note 4	**Motor Vehicles**	**Office Furniture & Fittings**	**IT Equipment and Computers**	**Office Equipment**	**Building**	**Leasehold Land**	**Totals**
Property and Equipment	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Cost							
Balance at 1 Jan. 2019	1,100,521	515,155	337,563	167,081	1,746,746	11,302,021	15,169,087
Additions	-	5,750	45,975	-	-	-	51,725
Disposal	129,954	22,318	5,600	7,989	-	-	165,861
Balance at 31 Dec. 2019	970,567	498,587	377,938	159,092	1,746,746	11,302,021	15,054,951
Accumulated Dep.							
Balance at 1 Jan. 2019	742,064	111,927	297,585	114,935	69,190	529,821	1,865,522
Charge for the year	191,313	48,706	37,275	27,609	34,935	226,040	565,878
Release on disposal	129,954	12,551	5,600	7,341	-	-	155,446
Balance at 31 Dec 2019	803,423	148,082	329,260	135,203	104,125	755,861	2,275,954
Net Book Value							
At 31 December 2019	**167,144**	**350,505**	**48,678**	**23,889**	**1,642,621**	**10,546,160**	**12,778,997**
At 31 December, 2018	358,456	403,229	39,979	52,146	1,677,556	10,772,199	13,303,565
Disposal							
Cost	129,954	22,318	5,600	7,989	-		165,861
Provision for Depreciation	129,954	12,551	5,600	7,341	-		155,446
Net Book Value	-	9,767	-	648	-	-	10,415
Proceeds from disposal	53,419	7,022	395	810	-		61,646
Profit from disposal	53,419	(2,745)	395	162	-		51,231

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 31ST DECEMBER, 2019

Note 5 **Financal assets at fair value**	Balance at 1/1/2019 Gh¢	Additions Gh¢	Unrealized Gain Gh¢	Impaired loss Gh¢	Repayment of principal Gh¢	Balance at 31/12/2019 Gh¢
Activity Finance	1,910,046	-	-	-	-	1,910,046
Fidelity Venture Fund	7,296,139	-	-	-	-	7,296,139
Gold Venture Capital	2,194,100	-	-	-	-	2,194,100
Bedrock Venture Cap. Fund	4,770,400	-	-	-	270,500	4,499,900
Ebankese Venture Fund	14,868,692	-	-	-	759,273	14,109,419
Oasis Africa Fund	1,637,712	1,910,094	-	-	-	3,547,806
	32,677,089	1,910,094	-	-	1,029,773	33,557,410

Financial risk management

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 was as follows:

	2019	2018
Financial asset designated at fair value through profit or loss:	**GH¢**	**GH¢**
Equity securities not traded in an active market designated at fair value through profit or loss	**33,557,410**	**32,677,089**
Loans subject to interest risk:	**-**	**-**
Total	**33,557,410**	**32,677,089**

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 bea 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$		
	2019	**2018**
	GH¢	**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.

As at 31 December 2019	Up to 1 Month	1 to 12 months	More than 1 year	Non-interest Bearing	Total
Assets	**GH¢**	**GH¢**	**GH¢**	**GH¢**	**GH¢**
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**
As at 31 December 2018					
Assets					
Loans		-			-
Receivables		1,170,134			1,170,134
Cash and cash equivalents		14,632,328			14,632,328
Total Assets		**15,802,462**			**15,802,462**
liabilities					
Payables				**515,295**	**515,295**
Total liabilities				**515,295**	**515,295**

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	2019	2018
	GH¢	**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 2019**	**Impairments 2019**	**Gross 2018**	**Impairment 2018**
		GH¢	**GH¢**	**GH¢**
Not past due				
Past due 1-30 days				
Past due 31-60 days				
Past due 61-90 days				
Over 90 days	**30,013,506**	**30,013,506**	**30,013,506**	**30,013,506**
TOTALS	**30,013,506**	**30,013,506**	**30,013,506**	**30,013,506**

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	Less than 1 year	Between 1 & 2 years	More than 2 years	Total
	GH¢	**GH¢**	**GH¢**	**GH¢**	**GH¢**
As at December 2018					
Liabilities					
Payables	**-**	**325,342**	**-**	**-**	**325,342**
Total liabilities		**325,342**			**325,342**

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	Assets designated at fair value through profit or loss	Total
	GH¢	**GH¢**	**GH¢**
As at 31st December, 2019 Financial assets at fair value through profit and loss		33,557,410	**33,557,410**
loans	**-**		**-**
Receivables	918,368		918,368
Cash at bank	11,588,957		11,588,957
Total	**12,507,325**	**33,557,410**	**46,064,735**
As at 31st December, 2018 Financial assets at fair value through profit and loss		**32,677,089**	**32,677,089**
loans		**-**	**-**
Receivables	1,170,134		**1,170,134**
Cash at bank	14,632,462		**14,632,462**
Total	**15,802,462**	**32,677,089**	**48,479,551**
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**
liabilities as per statements of financial position as at 31st December, 2018	**Other financial Liabilities**	**Liabilities at fair value through profit or loss**	**Total**
Payables	**515,295**		**515,295**
Total liabilities	**515,295**		**515,295**

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 31ST DECEMBER 2019

Note 6: Receivables	**2019**	2018
	GH¢	GH¢
Deposit for land paid to Nana Kwame Edusei	**853,100**	853,100
Staff Debtors	**4,989**	4,989
Prepayments	**60,052**	311,832
Accountable Imprest	**227**	213
	918,368	1,170,134

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 31ST DECEMBER, 2019

Note 7: 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

	2019	2018
	GH¢	GH¢
Fixed Deposits Investments	**8,772,811**	12,527,465
Cash at Bank	**2,811,942**	2,099,930
Cash in Hand	**4,204**	4,933
	11,588,957	14,632,328

NOTES TO THE FINANCIAL STATEMENT FOR YEAR ENDED 31ST DECEMBER, 2019

NOTE 8: Payables

	2019	2018
	GH¢	GH¢
Withholding Tax	**14,680**	5,062
Audit Fees	**30,000**	30,000
Provident Fund	**12,564**	9,810
Staff Welfare deductions	**1,080**	-
PAYE	**27,904**	18,207
Social Security Contribution	**17,223**	13,873
Security (Corporate Intelligence Bureau)	**-**	2,143
ENS Africa	**50,250**	55,000
ENS Africa - Retainership	**-**	22,913
Due diligence on Rural Banks	**12,500**	-
The Royal Senchi	**15,021**	-
Coltran Services	**5,000**	-
Staff Lunch	**2,304**	1,410
Telephone	**850**	1,430
Broll	**8,762**	17,670
Rent	**111,704**	85,962
Electricity	**15,500**	12,000
	325,342	275,480

Note 9: Post Balance Sheet Events

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

Note 10: 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 has provided loans to the companies below and a former Trustee of the Trust Fund is also a Director in both companies. The transactions were carried out in the normal course of the Fund's business.

Their balances as at the end of 31st December 2015 were as follows.

Note 13: Going Concern Considerations

These financial statements have been prepared on a going concern basis, which assumes that the Fund will continue to operate for its life of ten (10) years after which it will be liquidated.