Venture Capital
TRUST FUND

Annual Report 2014

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CORPORATE INFORMATION

Board of Trustees	Mr. Kwesi Amoafo-Yeboah	Chairman
	Mr. Daniel Duku	Member & CEO
	Mr. Clifford Mpare	Member
	Mr. Andrew Frimpong	Member
	Mr. Kwame Okyere-Mensuo	Member
	Mr. Kwame- Gazo Agbenyadzie	Member
	Mrs. Mabel Asi Sagoe	Member
	Mr. Daniel A. K.Mensah	Member

Secretary	Oxford & Beaumont Solicitors 54 Independence Ave 1st Floor, Accra Ghana
Registered office	I2th Floor Premier Towers Ministries, 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 Merchant Bank Limited Sahel Sahara Bank

CHAIRMAN'S STATEMENT

Economic Overview

It is a pleasure for me to share the 2014 progress of the Trust Fund with you. As a new Board who took over in November, 2013, this I must say is our actual full year in the realm of affairs of the Trust Fund.
In 2014, the World Bank reported that the global economy expanded at a moderate pace, estimated at 2.6% in 2014 compared to 2.5% in 2013. With the effect of the geopolitical conflicts in different parts of the world, the pace of economic recovery was slow. Large economies like the US and the UK experienced high growth whilst developing countries remained stagnant.

Economic activity in the Ghanaian domestic economy slowed down. The real GDP growth for the period was 4.2 % compared to 4.4% in 2013. The Services sector recorded the highest growth of 5.7 percent, followed by Agriculture (4.6%) and the Industry sector with a growth of 0.9 percent. The deceleration in economic activity during 2014 was broadly attributed to energy supply constraints, depreciating currency, rising inflation, wide current account deficit, gaping fiscal deficit and rising debt levels. Consumer price levels saw an upward trend in the year 2014, increasing from year end position of 13.5% in 2013 to 17% in December 2014, fuelled by the depreciation of the local currency, withdrawal of petroleum subsidies and utility tariff increases. Interest rates on all Government of Ghana Securities broadly trended upwards in the year under review, to make cedi investments unattractive to stem the tide against the rapid depreciation of the cedi. On the foreign exchange market, stability was restored during the second half of 2014, following sharp depreciation in the first three months of 2014. The cumulative depreciation for the year therefore was 32.5% compared to 14.7% in 2013.
Consistent with current developments in the economy, Cedi depreciation, unavailability of power supply and the Multiplicity of taxes emerged as the top three challenges businesses faced in the country as per of the 2nd quarter 2014 AGI business barometer report.

Initiative for the year

During the year, the Trust Fund disbursed a total of US$582,160 to VCFCs in response to capital calls bringing the total amount disbursed to US$ 10,769,214 as of the report date. This represents 63.30% of total committed capital. Gold Venture Capital Fund sold its investments in Caltech limited gaining a net of GH¢ 1,622,298. Ebankese also recorded an exit, as it made a net gain of US$700,000 with an IRR of 38.4% from Axis Pensions Group. FEF II also exited from Elnental, in the year, only Ebankese distributed an amount of US$360,000 to the Trust Fund by way of a set off against capital calls.

I am also pleased to report on the progress of the Ghana Angel Investor Network (GAIN) which was set up by the Trust Fund in 2011. The VCTF recognizing the need to provide a platform for established entrepreneurs to interact and share idea and also to assist aspiring entrepreneurs with capital and mentorship, successfully set up the Ghana Angel Investor Network (GAIN) in 2011. In November 2014 GAIN hosted "The Angel Investor Dialogue" which was designed to demystify the concept of Angel

Investing. The dialogue was between some of the Ghana's most active investors who have mastered the art of early stage investing. The dialogue brought together Angel Investors, entrepreneurs, and aspiring entrepreneurs, heads of venture capital and investment firms, policy makers to discuss and share insight on financing business in Ghana. The Trust Fund is continuing to support the growth of SMEs per its mandate through the provision of various initiatives that will make funding accessible to SMEs at all stages of their development. This will go a long way to support the government with the provision of more secured jobs to the many unemployed youth, the increase of tax revenue through the increased profitability of these SMEs.

Corporate Governance

On the inauguration of the new Board of Trustees who were appointed in October, 2013, an extensive orientation was organized in 2014 to inform members on the operational status of the Trust Fund as well as the mandates of the Act that established the Fund. Corporate governance training was also undertaken for members of the Board. This featured several topics relating to the conduct of the Board and the legal remits that guides such conduct.

Fundraising

The Board has always desired to raise funds to provide SME's with the much needed long term funding for growth, however the lack of reliable source of funding to the Trust Fund after the repeal of the National Reconstruction Levy in 2006, has been the greatest impediment to the discharge of its duties as mandated by the VCTF Act, 2004(Act 680). This notwithstanding, VCTF continues to work assiduously with its fund managers and Funds to make available funding for SME development. This is perhaps one of the challenges the new Board is faced with, however, we will continue to liaise strongly with the Ministry of Finance and Economic Planning to find an alternative source of funding.

Review of VCTF Act

Venture Capital Trust Fund was established with the objective of easing access to long-term funding to SMEs. Although implementation of the law has only been about eight years, it has become very necessary to review the Act to ensure that it reflects current needs of the private sector in general, and SMEs in particular, as well as the requirement for a growing venture capital industry in Ghana. The objective of the review is therefore to evaluate and re-align the VCTF ACT to make it more robust and strong, in addressing the challenges of developing a thriving venture capital industry in Ghana that meets the growing demand of the Ghanaian private sector especially SMEs.

For the purpose of achieving the objective, a Technical Committee made up of representatives from Industry, Ministry of Finance, Trade, Attorney General and VCTF was established to initiate the review process. This is on-going and we anticipate sending a Policy Proposals to Cabinet through the Ministry of Finance for consideration by end of first quarter in 2015.

Outlook

Going forward, one major goal in 2015, is to secure additional funding for the Trust Fund, to enable it invest in new and more promising funds, while pursuing other strategic alliances with sister government agencies such as EDAIF to increase the pool of funds available for SMEs. Specifically in 2015, a seed fund shall be established to match investments done by Angel investors. To achieve this goal, the Board will work closely with MOFEP to review an alternative source of funding the Trust Fund.

The Board will also continue to work with Government to identify a more secure and regular source of funds for the Trust Fund through the review of the VCTF ACT, 2004 (ACT 680). As a critical requirement for the industry's development, industry programs aimed at building long-term human capital will be continued. We will continue with our work with the Securities and Exchange Commission in the development of rules to regulate the industry in Ghana.

Conclusion

I wish to acknowledge the contribution of our Board, Management and staff for their hard work so far which has yielded these positive results. I look forward to more collaborative efforts for the Trust Fund to chalk more successes in the coming year. I believe, there is more work to be done. The Board will continue to liaise with the Ministry of Finance and Economic Planning to identify permanent source of funding for the Trust Fund to play its role in ensuring the effective function of the Venture Capital Industry.

Thank you.

Mr. Kwesi Amoafo-Yeboah
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

Introduction

As has been the custom in the corporate world, I present the Operational report of the Trust Fund for the year 2014 on account of my stewardship. Much of these activities would not have been achieved without the collective support of the Board of Trustees, Senior Management and the entire Staff of Venture Capital Trust Fund. I pay special gratitude to our major stakeholders such as the Ministry of Finance and Economic Planning for their major support in terms of budgetary allocation to support the continuous operation of the Fund. In this report greater attention will be paid on our investment activities, operations of the Funds, its challenges and the outlook for the year 2015.
It is my wish that together we will achieve and make the Fund a very vibrant force to deliver on our mandate to provide equity financing to the SME ecosystem.

Overview of Investment Activities
VCFC Operations
In the year under review, VCTF assumed oversight responsibility of the portfolio companies of Activity and Bedrock as interim Fund Managers ahead of engaging substantive fund managers following the termination of the Fund Managers' appointment.

Gold Venture Finance Company (GVFC) invested GHS 300,000 in a new technology start-up company during the year. Operations were mainly normal in GVFC during 2014, except for challenges between Gold Coast Securities (Second Shareholder in the Fund) who had initiated moves to terminate the fund manager's appointment.

Ebankese Venture Capital Finance Company (EVCFC) remains the best performing fund within the VCTF portfolio of funds. The Fund diversified its regional balance and invested an amount of $400,000 in Wenchi Rural Bank located in the Brong Ahafo Region. This brought the total number of investees to seven. Ebankese exited from Axis Pensions Group and returned money to its investors during the year.

In 2014, Jacana, a UK-based Private Equity Fund Manager, which took over Fidelity Capital Partners in 2012, sold off its shareholding and left the management of the fund – Fidelity Equity Fund II (FEF II). Consequently, a new Fund Manager, Mustard Capital, constituted by the former employees of Fidelity Capital Partners was engaged to manage the Fund.
In 2014, the Trust Fund in responding to capital calls, disbursed a total of US$582,160 to VCFC's bringing total disbursements to US$ 10,769,214 as of 31st December 2014 representing 63.3 % of total committed capital. By way of exits the following table provides details of exit activity for the year:

Fund Name	Fund Manager	Company	IRR	Exit Multiple	Net GAIN
Ebankese	Oasis Capital	Axis Pension	38.4%	1.4X	$700,000
Gold	Boulders Advisors	Caltech	56%	2.1X	GHS1,622,298

The Board of Trustees in the course of the year approved for establishment of two new funds, an Agric. Fund and a new Generalist fund. The execution of the standard fund governing the documents is expected to take place in the first quarter of 2015 for the Agric. Fund and before end of the third quarter for the Generalist fund. A total of $5 million has been approved to be committed to the Generalist Fund being promoted by Oasis Capital.

CHIEF EXECUTIVE OFFICER'S REPORT

Financing the Soya Bean Value Chain Project
Site/farm visits as part of the, due diligence have been undertaken on a selected seven (7) Soya bean nuclear farmers. VCTF continues in its quest to make available raw materials by engaging aggregators of the Yellow maize and Soya to feed the Millers. Based on this a proposal for the funding of the Soya Agric Value project through the Apex Rural Bank was undertaken for the year under review.

Overview of Internal Operations
As part of the efforts to create a pleasant environment for effective productivity, an additional office was acquired on the fifth floor of the Premier Towers.
The year saw VCTF intensifying its capacity development programs to upgrade the skills and competencies of its workforce for effective and efficient achievement of its mandate. About 54% of the training plan (both local and international) was implemented in 2014 as against 14% in 2013. Two generic training programmes were organized for entire staff on VCTF Core values and Advanced Leadership.
In our quest to create a top of mind awareness in the face of the investing public and our stakeholders, various activities were undertaken to inform, educate and announce our continuous presence in the Northern Savannah Ecological Zone. These Activities included a courtesy Call to the Asantehene, Otomfuo Nana Osei Tutu and a meeting with the Mayor of KMA Hon. Kojo Bonsu. SME and Entrepreneur Clinics for would-be investee companies and collaboration with the business communities such as AGI were undertaken in the course of the period.

Industry Development Program:

SME Listing Project
The SME Listing Project, an initiative by the Ghana Stock Exchange in partnership with VCTF to promote small-scale enterprises, who have the desire to list on the Ghana Alternative Exchange (GAX), was introduced in 2014. The introduction followed efforts initiated in 2011 to reduce the barriers experienced by businesses who want to raise equity capital by listing their shares on the stock market. Working through the GSE, the GAX Governing Committee approved and disbursed a total of GHS242,379 to three companies in 2014. VCTF also disbursed a total GHS200,000 into the revolving fund as partial disbursement of its committed amount of $500,000.

GAIN
GAIN successfully closed its first deal in quarter one of 2014 following a successful pitch session. An investment of GHS 350,000 was made into a technology company that has a focus on the education sector.

Industry Seminar:
In June, the Trust organized a seminar for its Fund Managers to discuss challenges in the industry and to share some lessons. The program was drawn utilizing all the five (5) Funds under Management.

Review of VCTF Act, 2004 (Act 680):
Venture Capital Trust Fund was established with the objective of easing access to long-term funding to SMEs. Although implementation of the law has only been about eight years, it has become very necessary to review the Act to ensure that it reflects current needs of the private sector in general and SMEs in particular as well as the requirement for a growing venture capital industry in Ghana

VC Regulation:
This program is on-going with a draft guideline rules in place but yet to be discussed at a stakeholder level.

CHIEF EXECUTIVE OFFICER'S REPORT

This came as a result of the pending review of Securities and Industry Act by SEC and which is currently before Parliament. SEC in the review is seeking to regulate all alternative asset classes including VC in Ghana. Generally, VCTF is supportive of increased regulatory oversight of the private equity fund industry by the Securities and Exchange Commission. We believe that appropriate and proportionate regulation of the sector could have positive effects on the industry.

VC Institute:

The Trust Fund intended to set-up an institute to continue with this aspect of its mandate while at the same time make money. The main objective of the VC Institute is to build the capability and capacity of professionals in the venture capital sub-sector within the financial services industry as a whole focusing on venture capital and private equity capabilities and standards in order to serve the SMEs sector more effectively to drive economic growth while enhancing the growth of venture capital financing in Ghana.

Outlook for 2015

The Trust will continue to engage the Ministry of Finance and Economic Planning in its quest to have a permanent source of funding. In order to have other sources of funding to recapitalize the Fund, the review of the Venture Capital Act will continue as we look for other international and domestic development partners. The establishment of the Agric Fund and Seed Fund will be pursued. Stronger collaboration will be established with our major stakeholders in the Agric Value Chain through the Financial Intervention programme. The processes and procedures in the establishment of the Venture Capital Institute will be pursued in ensuring the development of the Venture Capital industry.

Conclusion

Let me end this report by once again expressing my heartfelt thanks to the Board, Staff and our major stakeholders. It is my hope that the year 2015 will see a major jump in our activities in provision of capital to the SME ecosystem in our quest of creating jobs, reduction of poverty and generating revenue both for the government through taxes and the SMEs.

Thank you.

Daniel Duku

Mr. Daniel Duku
Chief Executive Officer

REPORT OF THE TRUSTEES

The Trustees in submitting the audited financial statements of the Fund, for the year ended 31st December 2014, 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

	GHS
Total Income	15,593,426
Increase in net assets attribution to fund investors	7,206,390

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 AADS CONSULT continue in office as auditors of the Fund.

5. Conclusion

We wish to express our appreciation to the management and the entire staff for their hard work during the year 2014.

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. Kwesi Amoafo-Yeboah
Chairman

Mr. Daniel Duku
Chief Executive Officer

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing financial statements, which give a true and fair view of the state of affairs of the Fund, at the end of the financial year and 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 statement on the going concern 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 TO THE GOVERNMENT OF GHANA

We have audited the accompanying financial statements of Venture Capital Trust Fund as at 31st December 2014, set out on pages 12 to 14, which have been prepared on the basis of the significant accounting policies on pages 15 to 22 and other explanatory notes on pages 23 to 36.

Trustees' responsibility for the financial statements

The Fund's Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179) and the Venture Capital Trust Fund Act, 2004 (Act 680).

These responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting polices used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Venture Capital Trust Fund as at December 31, 2014, and of its financial performance and cash flows for the year then ended, and are drawn up in accordance with International Financial Reporting Standards, comply with the Ghana Companies Code, 1963, (Act 179), and the Venture Capital Trust Fund Act, 2004 (Act 680).

INDEPENDENT AUDITORS' REPORT TO THE GOVERNMENT OF GHANA

Report on other legal requirements

The Ghana Companies Code, 1963 (Act 179) requires that in carrying out audit work, we consider and report on the following matters. We confirm that:

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii. In our opinion, proper books of accounts have been kept by the Fund, so far as appears from our examination of those books; and

iii. The statements of comprehensive income and financial position of the Fund are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is

AADS CONSULT

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Stephen David Nii Amaah Armaah(ICAG/PII081)
AADS CONSULT (ICAG/F/2015/070) Chartered Accountants
Republic House (5th Floor)
Accra. Ghana

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2014

INCOME	NOTES	2014 GH¢	2013 GH¢
Income	2a	5,593,426	4,571,479
Grant from Rockefeller Foundation	2b		177,998
Grant from Ministry of Finance	2c	10,000,000	
		15,593,426	4,749,477
LESS EXPENDITURE			
Staff Cost	3a	2,137,268	1,491,320
Trustees Emoluments	3b	234,172	380,113
Administrative Expenses	3c	3,452,988	1,550,295
Auditor's Remuneration		13,280	14,000
Depreciation Charges	3d	233,932	154,265
Financial Cost	3e	21,835	5,208
Rockefeller Foundation Expenses	3f		177,998
		6,093,475	3,773,200
Net Operating Income		9,499,951	976,277
Impairment loss on loans	6a	(8,383,269)	(10,735,401)
Increase/(Decrease) in net assets attributable to to fund investors			
		1,116,682	(9,759,124)
Other Comprehensive Income			
through profit or loss	3g	6,089,708	7,329,569
Total comprehensive income/(loss)for the year		7,206,390	(2,429,555)

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2014

Assets	Notes	2014	2013
Non-current assets		GH₵	GH₵
Property and equipment	4	489,460	372,797
Financial assets at fair value through profit or loss	5	27,617,331	19,194,718
		28,106,791	**19,567,515**
Current Assets			
Loans	6	4,048,149	5,664,536
Receivables	7	6,926,628	6,572,504
Cash and cash equivalents	8	5,773,111	5,977,263
		16,747,888	**18,214,303**
Total assets		**44,854,679**	**37,781,818**
Liability			
Current Liability			
Payables	9	198,627	207,054
Bank Overdraft	10	158,805	283,907
		357,432	**490,961**
Net assets attributable to Fund investors		**44,497,247**	**37,290,857**
Total liability and net assets attributable to Fund investors		**44,854,679**	**37,781,818**

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO FUND INVESTORS AS AT 31ST DECEMBER, 2014

	2014	2013
	GH¢	GH¢
Net assets attributable to Fund Investors at 1st January	37,290,857	39,720,412
Increase in net assets attributable to Fund Investors	7,206,390	(2,429,555)
Net assets attributable to Fund Investors at 31st December	44,497,247	37,290,857

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2014

Operating Activities	2014	2013
	GH¢	GH¢
Net assets attributable to Fund investors from operations	7,206,390	(2,429,555)
Other net changes in fair value of financial assets at fair		
Value through profit or loss	(6,089,708)	(7,329,569)
Impairment charges	8,383,269	10,735,401
Depreciation charge	233,932	154,265
Profit on disposal of assets	(3,185)	(15,000)
Operating cash flow before changes in working capital	**9,730,698**	**1,115,542**
Changes in working capital		
Increase in loans	(6,766,882)	(6,332,327)
Increase in receivables	(354,124)	(1,464,400)
Decrease in payables	(8,427)	(63,785)
Net cash generated from operating activities	**(7,129,433)**	**(7,860,512)**
Net changes in working capital	2,601,265	(6,744,970)
Investing activities		
Addition to financial assets	(2,332,905)	(1,084,280)
Additions to property and equipment	(350,595)	(216,079)
Proceeds from sale of fixed assets	3,185	15,000
Net cash flow from Investing activities	**(2,680,315)**	**(1,285,359)**
Finance activities		
Grant from Rockefeller Foundation	-	(72,998)
	-	(72,998)
Net increase in cash and cash equivalent	(79,050)	(8,103,327)
Cash and cash equivalents at 1 January	5,693,356	13,796,683
Cash and cash equivalents at 31 December	**5,614,306**	**5,693,356**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2014

I. 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 two (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, the 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.

3.5 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 1st 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 (eg. 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 1st 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 in 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 1st January 2015, Joint Ventures and SIC 13 Jointly Controlled Entities- Non-monetary Contribution by Ventures. Because IFRS II uses the principle of control in IFRS to 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 by the Fund.

IFRS 12 - Disclosure of Investment with Other entities

The standard becomes effective for annual periods beginning on or after I 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 reached 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 I 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 Company.

2.5 lAS 1 Presentation of Items of Other Comprehensive Income- Amendments to lAS 1

The amendments to lAS 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 IAS II never reclassified (for example, actuarial gains and losses on defined benefit plans).

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

lAS 19 Employee Benefits- Amendments

The amendments to lAS 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.

lAS 27 Separate Financial Statements (as revised in 2012)

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

lAS 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, lAS 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 I January 2013.

lAS 32 Offsetting Financial Assets and Financial Liabilities Amendments to lAS 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 Company 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 counter parties 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 lAS 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 mining 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 Company.

Annual Improvements- May 2012

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

IFRs I 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 I 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 1st 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 finial 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 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, company 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 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 to ·fund investors' 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 relies 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 reported 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 of 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 I 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 2014

Assets	Level 1 GH¢	Level 2 GH¢	Level 1 GH¢
Financial Assets designated at fair value through profit and loss	-	-	27,617,331

5.3 Functional currency

The Fund considers the Ghana Cedi (GH¢) to be the currency that 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 report results, as well as the currency in which it receives subscriptions from its investors.

Property & Equipment

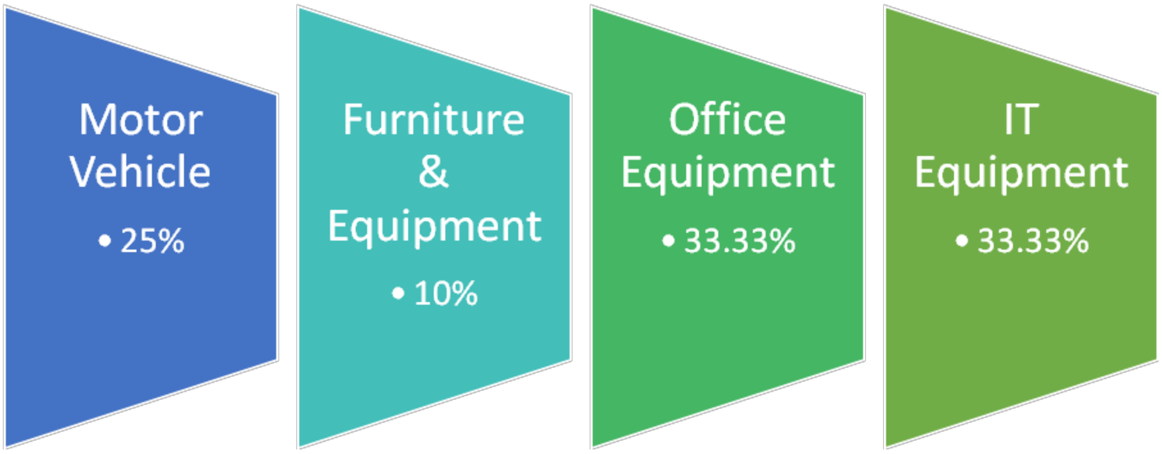
Items of property and equipment are measured at cost less accumulated depreciation and impairment losses.

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 exceed 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:



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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2014

Note 2a: Income	2014 GH₵	2013 GH₵
Investment Income	3,759,863	2,480,606
Interest income : ADB	424	807
Interest Income : FIDELITY	136,598	136,945
Interest income : Merchant Bank	-	2,305
Interest income : Gold Coast Securities	693,056	1,935,392
Interest income : Kron Capital	228,767	-
Interest income : Wealth Vision Financial ltd	511,192	-
Interest income : All Time Capital ltd	245,000	-
Exchange gain	12,241	-
Profit from sale of assets	3,185	15,000
Others	3,100	424
	5,593,426	4,571,479

Note 2b:Grant from Rockefeller Foundation	GH₵	GH₵
	-	177,998

An amount of 150,000 US Dollars toward the cost of researching the policy barriers and enabling environment for impact investing in Ghana and establishing the Ghana Institute for Responsible Investing to create positive benefits for poor and vulnerable communities in Ghana. It covers 12-month periods from May 1st, 2012 to April 30th, 2013.

	GH₵	GH₵
Note 2c: Grant from Ministry of Finance	10,000,000	-

This represents the first tranche received out of the total budget allocation of GH₵ 15,000,000. This was to enable the Fund carry out programmes in 2013. The Fund's account was credited in 2014.

Note 3a: Staff Cost

	GH₵	GH₵
Salaries and wages	1,461,222	1,032,467
SSF 13.5%	199,138	175,829
Provident Fund	99,790	67,493
Medicals	8,261	9,460
Uniforms	-	1,778
Training	135,435	47,947
Bonus	233,422	156,346
	2,137,268	1,491,320

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2014

Note 3b: Trustees Emoluments		
	2014 GH₵	2013 GH₵
Fees	61,140	34,194
Sitting allowance	156,616	213,510
Gratuity	-	118,609
Representative on venture Capital Finance companies	16,416	13,800
	234,172	**380,113**

Note 3c: Administrative expenses		
	GH₵	GH₵
Electricity and water	61,391	26,549
Water, meals and drinks	137,068	84,994
Cleaning and sanitation	9,357	7,662
Printing and stationary	68,533	39,425
Entertainment	9550	1976
Advertisement ,publicity and public relations	5,494	11,779
Telephone and postage	71,629	81,134
Local travelling and transport	150,843	179,671
Security services	41,362	22,465
Legal and consultancy	323,859	31,938
Public awareness brochures	-	17,005
Rent	305,344	197,060
Internet services	8,111	6,700
Office supplies	1,927	893
Insurance	68,490	48,165
Fuel and lubricant	41,073	21,760
Miscellaneous expenses	18,580	6,914
Vehicle running expense	3,569	1,476
Seminars, workshops and conferences	259,258	68,555
International traveling and transport	1,490,986	594,744
Publicity , promotion and donation	232,258	8,680
	3,452,988	**1,550,296**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2014

Note 3d: Depreciation charges		
	2014 GH₵	2013 GH₵
Motor vehicles	154,351	101,734
Furniture and fittings	11,978	5,709
IT Equipment	44,126	35,602
Office equipment	23,477	11,220
	233,932	154,265
Note 3e: Financial charges	**GH₵**	**GH₵**
Bank Charges	21,835	5,208
	21,835	5,208
Note 3f: Rockefeller Foundation Expenses	**GH₵**	**GH₵**
Consultancy	-	71,815
Per diem	-	51,489
Publicity	-	6,640
Bank Charges	-	780
Stationary	-	22,579
Conference expenses	-	5,192
Other expenses	-	19,503
		177,998
Note 3g: Unrealized Gain/Impaired Loss	**GH₵**	**GH₵**
Other changes in fair value on financial assets at fair value through profit or loss		
Unrealized gain / Impaired loss on investments - Activity Venture Fin Co Ltd	-	(322,537)
Unrealized gain on investments- Fidelity Equity Fund 11	3,114,416	2,082,890
Impaired loss/Unrealized gain on investments - Gold Ventures Capital Ltd	(1,292,776)	2,733,651
Impaired loss on investments - Bedrock VCF Ltd	-	(329,647)
Unrealized gain on investments -Ebankese	4,268,068	3,165,212
	6,089,708	**7,329,569**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2014

Notes 4a	Motor Vehicles	Office Furniture & Fittings	IT Equipment and computers	Office Equipment	Capital work in progress	Totals
Plant, Property and Equipment	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Cost						
Balance at 1st Jan. 2014	406,647	75,651	175,711	64,258	129,346	851,1613
Additions	214,109	44,125	55,844	31,517	5,000	350,595
Disposal	3,353	-	-	-	-	3,353
Balance at 31st Dec. 2014	617,403	119,776	231,555	95,775	134,346	1,198,855
Accumulated Dep.						
Balance at 1st Jan. 2014	269,518	23,743	138,812	46,743	-	478,.816
Charge for the year	154,351	11,978	44,126	23,477	-	233,932
Release on disposal	3,353	-	-	-	-	3,353
Balance at 31st Dec. 2014	420,516	35,721	182,938	70,220	-	709,395
Net Book Value						
At 31st December, 2014	196,887	84,055	48,617	25,555	134,346	489,460
At 31st December, 2013	137,129	51,908	36,899	17,515	129,346	372,797
Disposals						
Cost	3,353	-	-	-	-	3,353
Provision for depreciation	3,353	-	-	-	-	3,353
Net book value	-	-	-	-	-	-
Proceeds from disposal	3,185	-	-	-	-	3,185
Profit from disposal	3,185	-	-	-	-	3,185

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2014

Notes 4a	Motor Vehicles	Office Furniture & Fittings	IT Equipment and computers	Office Equipment	Capital work in progress	Totals
Plant, Property and Equipment	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Cost						
Balance at 1st Jan. 2013	388,170	42,806	139,818	43,303	68,046	682,143
Additions	65,086	32,846	35,893	20,954	61,300	216,079
Reclassifications	-	-	-	-	-	-
Disposal	46,609	-	-	-	-	46,609
Balance at 31st Dec. 2013	406,647	75,651	175,711	64,258	129,346	851,1613
Accumulated Depreciation						
Balance at 1st Jan. 2013	214,393	18,034	103,210	35,523	-	371,160
Charge for the year	101,734	5,709	35,602	11,220	-	154,265
Release on disposal	46,609	-	-	-	-	46,609
Balance at 31st Dec. 2013	269,518	23,743	138,812	46,743	-	478,.816
Net Book Value						
At 31st December, 2013	137,129	51,908	36,899	17,515	129,346	372,797
At 31st December, 2012	173,777	24,772	36,608	7,780	68,046	310,983
Disposals						
Cost	46,609	-	-	-	-	46,609
Provision for Dep.	46,609	-	-	-	-	46,609
Net book value	-	-	-	-	-	-
Proceeds from disposal	15,000	-	-	-	-	15,000
Profit from disposal	15,000	-	-	-	-	15,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2014

Notes 5a	Balance at 1/1/2014	Additions	Unrealized Gain	Impaired loss	Balance at 31/12/2014
Financial assets at fair value	GH¢	GH¢	GH¢	GH¢	GH¢
Activity Finance	1,318,296	-	-	-	1,318,296
Fidelity Venture Fund	4,440,384	164,105	3,114,416	-	7,718,905
Gold Venture Capital	4,5185,246	-	-	1,292,776	3,692,470
Bedrock Venture Cap. Fund	2,023,257	1,141,800	-	-	3,165,057
Ebankese Venture Fund	6,4.27,535	1,027,000	4,268,068	-	11,722,603
	19,194,718	2,332,905	7,382,484	1,292,776	27,617,331

Note 5b	Balance at 1/1/2014	Additions	Unrealized Gain	Impaired loss	Balance at 31/12/2014
Financial assets at fair value	GH¢	GH¢	GH¢	GH¢	GH¢
Activity Finance	1,640,833	-	-	322,537	1,318,296
Fidelity Venture Fund	2,1163,494	194,000	2,082,890	-	4,440,384
Gold Venture Capital	2,251,595	-	2,733,651	-	4,985,246
Bedrock Venture Cap. Fund	1,878,124	474,780	-	329,647	2,023,257
Ebankese Venture Fund	2,846,823	415,500	3,165,212	-	6,427,535
	10,780,869	1,084,280	7,981,753	652,184	19,194,718

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 in 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 in an ongoing basis. At 31st December, the fair value of equity securities exposed to price risk was as follows:

	2014	2013
	GH¢	**GH¢**
Financial asset designated at fair value through profit or loss:		
Equity securities not traded in an active market designated at fair		
	27,617,331	19,194,718
Loans subject to interest risk:	4,048,149	5,664,536
Total	31,665,480	24,859,254

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 consider the foreign exchange exposure relating to non-monetary assets and liabilities to beat 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

Amount presented in equivalent amounts of GH¢ with the original currency as US$		
	2014	2013
	GH¢	GH¢
As at 31 December		
Assets		
Cash at bank		
Other assets-including 10terest receivable		
Liabilities		
Other liabilities	-	-
Net currency exposure	-	79,510

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2014

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.

The table below summarizes the funds exposure to interest rate risks.

As at 31 December 2014	Up to 1 month	1 to 12 months	More than 1 Year GH¢	More than 1 year GH¢	Non-interest Bearing GH¢	Total GH¢
Assets:						
Loans		4,048,149				4,048,149
Receivables		6,926,628				6,926,628
Cash and cash equivalents		5,614,306				5,614,306
Total Assets		16,589,083				16,589,083
Liabilities:						
Payables					198,627	
Total Liabilities					198,627	
As at 31 December 2013						
Assets						
Loans		5,664,536			5,664,536	
Receivables		6,572,504			6,572,504	
Cash and cash equivalents		5,693,356			5,693,356	
Total Assets		17,930,396			17,930,396	
Liabilities						
Payables				207,054		
Total liabilities				207,054		

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 uses 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	2014 GH¢	2013 GH¢
Loans receivable	4,048,149	5,664,536

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2014

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 payments 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**	**Impairments**	**Gross**	**impairment**
	2014	**2014**	**2013**	**2013**
	GH¢	**GH¢**	**GH¢**	**GH¢**
Not past due			2,340,205	
Past due 1-30 days		-	297,855	-
Past due 31-60 days			870,348	856,315
Past due 61-90 days			260,230	234,207
Over 90 days	24,552,036	20,503,887	14,016,516	11,030,096
TOTALS	**25,552,036**	**20,503,887**	**17,785,154**	**12,120,618**

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 disadvantage.

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 year	**More than 2** year	Total
	GH¢	GH¢	GH¢	GH¢	GH¢
As at December 2014					
Liabilities					
Payables	-	126,627	-	72,000	198,627
Total liabilities		**126,627**		**72,000**	**198,627**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2014

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, 2014			
Financial assets at fair value through profit and loss		27,617,331	27,617,331
Loans	4,048,149		4,048,149
Receivables	6,926,628		6,926,628
Cash at bank	5,614,306		5, 614,306
Total	**16,589,083**	**27,617,331**	**44,206,414**
As at 31st December, 2013			
Financial assets at fair value through profit and loss		19,194,718	19,194,718
Loans	5,664,536		5,664,536
Receivables	7,572,504		7,572,504
Cash at bank	5,693,356		5,693,356
Total	**18,930,396**	**19,194,718**	**38,125,114**
Liabilities as per statements of financial position as at 31st December, 2014	Other financial Liabilities	Liabilities at fair value through profit or loss	Total
Payables	198627	-	198627
Total liabilities	**198,627**	**-**	**198,627**
Liabilities as per statements of financial position as at 31st December, 2013	Other financial Liabilities	Liabilities at fair value through profit or loss	Total
Payables	207,054		207,054
Total liabilities	**207,054**		**207,054**

Note 6: Loans	**2014**	**2013**
	GH¢	GH¢
Investment loans	1,401,200	1,401,200
Development Assistance Fund	5,152,363	3,719, 792
Special Purpose Vehicle loan	17,998,473	12,664,162
Gross	24,552,036	17,785,154
less impaired loss	20,503,887	12,120,618
	4,048,149	5,664,536
Note 6a: Impaired Loss	**GH¢**	**GH¢**
Balance brought forward	12,120,618	1,385,217
Movement during the year	8,383,269	10,735,401
Balance carried forward	20,503,887	12,120,618
Note 7: Receivables	**GH¢**	**GH¢**
Activity Venture Finance Co	1,794	1,794
Deposit for land paid to Nana Kwame Edusei	373,540	373,540
Deposit for land paid to Dr Prince J Blankson	1,206,774	1,206,774
Deposit for land paid to SIC FSL	4,306,350	4,306,350
Staff Debtors	33,972	46,924
Prepayment	58,531	64,337
Accrued Interest: Gold Coast Securities	-	253,262
Accrued Interest: Kron Capital ltd	228,767	
Accrued Interest: All Time Capital	245,000	
Accrued Interest : Wealth	152,178	
Accountable Imprest	319,722	319,S23
	6,926,628	**6,572,504**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2014

Note 8: Cash and cash equivalents

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

	2014	2013
	GH₵	GH₵
NIB : 1000100902901	14,590	14,630
ADB : 1161010010335101	112,699	72,463
ADB:1161810010335101	3,680	3,560
ADB:1161000004595	13,366	73,462
GCB :11210000735	1,441	1,441
ECOBANK 69101	17,665	17,665
FIDELITY BANK:195000349614	7,138	7,138
FIDELITY BANK CALL:108000349643	48,264	682,146
FIDELITY BANK ON SHORE: 1951000349614	13,339	66,799
MERCHANT: 00653/03	32,814	30,319
ACCESS: 0010100016881	96	96
SAHELSAHARA: 220002000	3765	3765
GCB CURRENT: 1011130030545	93	93
Cash On Hand	3836	3360
FIXED DEPOSIT: Gold Coast Securities	-	5,000,000
FIXED DEPOSIT: SIC- FSL	326	326
FIXED DEPOSIT: Kron Capital	1,000,000	-
FIXED DEPOSIT: Wealth Vision Financial ltd	3,500,000	-
FIXED DEPOSIT : All Time Capital	1,000,000	-
	5,773,112	**5,977,263**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2014

Note 9: Payables

	2014	2013
	GH₵	GH₵
Ministry of Food and Agric	72,000	72,000
Withholding Tax	-	10,062
Accruals-Audit Fees	14,000	14,000
Accruals	112,627	110,069
Others	-	923
	198,627	**207,054**
	5,773,112	**5,977,263**

Note 10: Overdraft

	2014	2013
	GH₵	GH₵
Fidelity Bank :105000034961	156,694	281,796
GCB Offshore:101161001002	2,111	2,111
	158,805	**283,907**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2014

Note 11: 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 effect is material.

Note 12: Related Parties

Parties are considered to be related if one party has the ability to control other party or exercise significant influence over the other party in making financial or operational decisions. The Trust Fund has provided loan to the companies below and a director 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 2014 are as follows.

	2014	2013
	GH₵	GH₵
Belorm Farms and Transport Company Ltd	208,693	208,693
DMG Labs Company Ltd	132,670	132,670

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.

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