MEGA AFRICAN CAPITAL LIMITED

FINANCIAL STATEMENTS

31 DECEMBER, 2021

MEGA AFRICAN CAPITAL LIMITED
FINANCIAL STATEMENTS 31 DECEMBER, 2021

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MEGA AFRICAN CAPITAL LIMITED

Corporate information for the year ended 31 December, 2021.

Board of Directors	Christine Dowuona-Hammond – Non-Executive Chairperson Kwesi Amonoo-Neizer - Managing Director Eugene Addison - Non-Executive Director Edward Ntim-Addae –Executive Director
Company Secretary	Dorcas Akyeneba Diallo
Principal Place of Business	The Alberts, 2nd Floor, No. 23 Kanda Estates Sunyani Avenue Kanda Accra, Ghana
Registered Office	The Alberts, 2nd Floor, No. 23 Kanda Estates Sunyani Avenue Kanda Accra, Ghana
Independent Auditors	UHY Voscon Chartered Accountants, P.O. Box LA 476, La, Accra 2nd Floor, Cocoshe House Opposite Silver Star Tower Agostinho Neto Close Airport Residential Area Accra – Ghana. GA: -057-1475 **Info@uhyvoscon-gh.com** **www.uhyvoscon-gh.com**
Bankers	Societe Generale Ghana Limited
Registrar	Central Securities Depository Co. Ltd., 4th Floor, Cedi House, Accra P.O. Box 134, Accra
Company Registration Number	PL000282017
Tax Identification Number	C000931380X

MEGA AFRICAN CAPITAL LIMITED
Five- year financial summary (in thousands of Ghana cedis)

Financial performance	**2021**	**2020**	**2019**	**2018**	**2017**
Revenue	247	351	15,314	15,294	9,574
Profit/(loss) before tax	(6,871)	(8,316)	5,853	5,563	1,102
Income tax expense	-	-	-	-	-
Profit/(loss) before tax	(6,871)	(8,316)	5,853	5,563	1,102

.Financial Position					
Financial assets at fair value via OCI (non-current assets)	70,969	63,861	68,633	64,320	54,330
Investment property	14,115	13,537	13,005	14,592	14,592
Financial assets at fair value via OCI (current assets)	69,911	63,567	56,186	44,044	38,023
Other current assets	770	782	691	694	548
Cash and cash equivalents	11	331	2,487	1,320	1,714
Current taxation	42	42	42	42	-
Property, plant & equipment	12	12	15	36	73
Total assets	**155,829**	**142,132**	**141,059**	**125,048**	**109,278**
Total liabilities	81,639	74,131	74,795	64,636	54,429
Stated capital	22,356	22,356	22,356	22,356	22,356
Retained earnings	51,834	45,645	43,908	38,056	32,493
Total equity and liabilities	**155,829**	**142,132**	**141,059**	**125,048**	**109,278**

Report of Directors
to the members of
Mega African Capital Limited

We are pleased to present the annual report including the financial statements of the Company for the year ended 31 December, 2021.

Nature of business

The nature of business the Company is authorized to carry on is the development, purchase, sale and rental of real estate and investment in equities and fixed income investments and any other financial services.

Financial results of operations	**Note**	**2021**	**2020**
			GH¢
The Company recorded a loss after taxation of		(6,871,246)	(8,316,389)
out of which dividend being declared and paid		-	-
Fair value through other comprehensive income		11,962,937	9,801,990
		5,091,691	**1,485,601**
to which is added balance on retained earnings brought forward of		45,645,214	43,908,232
Prior year adjustment	**26**	1,097,005	251,381
leaving a balance on retained earnings carried forward of		**51,833,910**	**45,645,214**

Directors

The Directors who held office during the year end to the date of this report were:

Christine Dowuona-Hammond	Chairperson
Kwesi Amonoo-Neizer	Managing Director
Eugene Addison	Non-executive Director
Edward Ntim-Addae	Executive Director

Directors and their interests

The Directors named below held the following number of shares in the Company as at 31 December, 2021.

Number of Shares

Kwesi Amonoo-Neizer*	533,939
Eugene Addison	2,500

*Kwesi Amonoo-Neizer jointly holds shares with Rita Amonoo-Neizer

Report of Directors
to the members of
Mega African Capital Limited (continued)

Independent auditor

The external auditor is responsible for independently auditing and reporting on the Company's financial statements for the year. The financial statements have been examined by the Company's external auditors and their report is presented on pages 10 to 14.

In accordance with section 139 (11) of the Companies Act, 2019 (Act 992), UHY Voscon will no longer continue in office as auditor of the Company.

By order of the Board

Name of Director: EUGENE ADDISON	**Name of Director:** EDWARD NTIM-ADDAE
Signature:	**Signature:**
Date: 11/08/2022	**Date:** 11/08/2022

MEGA AFRICAN CAPITAL LIMITED

Statement of Directors' responsibilities

Directors' responsibilities in respect of the financial statements

The Directors are required to ensure that adequate accounting records are maintained so as to disclose at reasonable accuracy, the financial position of the Company. They are also responsible for taking steps to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. They must present financial statements for each financial year, which give a true and fair view of the affairs of the Company, and the results for that period. In preparing these financial statements, they are required to:

- select suitable accounting policies and apply them on a consistent basis using reasonable and prudent judgment.
- state whether or not the Companies Act 2019 (Act 992) and International Financial Reporting Standards ("IFRS") have been adhered to and explain material departures thereto.
- use the going concern basis unless it is inappropriate.

The Board acknowledges its responsibility for ensuring the preparation of the annual financial statements in accordance with IFRS and the responsibility of external auditors to report on these financial statements. The Board is responsible for ensuring the maintenance of adequate accounting records and an effective system of internal controls and risk management.

Nothing has come to the Board's attention, to indicate any material breakdown in the functioning of the internal controls and systems during the period under review, which could have a material impact on the business.

The financial statements are prepared from the accounting records on the basis of consistent use of appropriate records supported by reasonable and prudent judgments and estimates that fairly present the state of affairs of the Company. The financial statements have been prepared on a going concern basis and there is no reason to believe that the Company will not continue as a going concern in the next financial year. The Directors confirm that in preparing the financial statements, they have:

- selected suitable accounting policies and applied them consistently.
- made judgments and estimates that are reasonable and prudent.
- followed the International Financial Reporting Standards.
- prepared the financial statements on the going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them ensure that the financial statements comply with the Companies Act, 2019 (Act 992). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

Name of Director: EUGENE ADDISON	**Name of Director:** EDWARD NIIM-ADDAE
Signature:	**Signature:**
Date: 11/08/2022	**Date:** 11/08/2022

MEGA AFRICAN CAPITAL LIMITED

Corporate Governance Report (CGR)

The Company is committed to strong corporate governance practices that allocate rights and responsibilities among the Company's shareholders, the Board and Executive Management to provide an effective oversight and management of the Company in a manner that enhances shareholder value and promotes investors' confidence.
The Company's corporate governance principles are contained in a number of corporate documents.

The Board of Directors

The Board oversees the conduct of the Company's business and is primarily responsible for providing effective governance over the Company's key affairs, including the appointment of executive management, approval of business strategies, evaluation of performance, and assessment of major risks facing the Company. In discharging its obligations, the Board exercises judgment in the best interest of the Company and relies on the Company's executive management to implement approved business strategies, resolve day-to-day operational issues, keep the Board informed, and maintain and promote high ethical standards. The Board delegates authority in management matters to the Company's executive management subject to clear instructions in relation to such delegation of authority and the circumstances in which executive management shall be required to obtain Board approval prior to taking a decision on behalf of the Company.

For the year ended 31 December 2021, the Board had complement of four (4) members. The Board has delegated various aspects of its work to the Audit Committee and Investment Committee.
Board committee members are appointed by the Board. Each Board committee has its own written terms of reference, duties and authorities as determined by the Board.

During the 2021 reporting year, the Board convened two (2) meetings on 23rd June and 20th December, 2021.

Directors	Number of meetings attended
Christine Dowuona-Hammond	2/2
Kwesi Amonoo-Neizer	2/2
Eugene Addison	2/2
Edward Ntim-Addae	2/2

MEGA AFRICAN CAPITAL LIMITED

Corporate Governance Report (CGR)-*Continued*

Audit Committee

The membership of the Audit Committee shall be made up of the Board of Directors. The Committee carries out the duties set out below for the Company, giving full consideration to relevant laws, regulations and best practices in discharging its responsibilities:

- To consider the appointment of the external auditor, audit fees and any questions of resignation or dismissal;
- To discuss the external audit programme, its reports and its activities;
- To review internal audit programme, its reports and its activities and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company;
- To review internal and external audit reports particularly reports of regulatory authorities and supervising the implementation of recommendations;
- To facilitate dialogue between auditors and management on the outcome of audit activities;
- To work with the external auditors to finalise the annual financial statements for Board approval;
- To review quarterly, half-yearly and annual financial results;
- To set up procedures for selecting suppliers, consultants and other service providers and ensuring compliance therewith;
- To review, approve and follow up major contracts, procurement and capital expenditures;
- To review actual spending against budget;
- To review and approve proposals for extra-budgetary spending;
- To be responsible for the co-ordination of the internal and external auditors.

Investment Committee

The Investment Committee was established as a sub-committee of the Board to supervise the investment activities of Mega African Capital Limited. The membership at the end of the reporting date was made up of Edward Ntim-Addae, Christine Dowuona-Hammond, Eugene Addison and Kwesi Amonoo-Neizer.
The Investment Committee ("the Committee") is acting in a fiduciary capacity with respect to the Mega African Capital Portfolio, and is accountable to the Board of Mega African Capital for reviewing and evaluating the investment of all assets owned by, or held in trust for the Mega African Capital.

The Committee will, within agreed risk appetite for market and credit risks:

i. Approve investment policies;
ii. Approve all Investment transactions in excess of US$1m with an upper limit of US$1.5m, above which must be referred to the Board; the limits to be reviewed annually by the Board;
iii. Ensure compliance with all applicable legislation and relevant guidance in respect of compliance with investment policy.

MEGA AFRICAN CAPITAL LIMITED

Corporate Governance Report (CGR)-*continued*

Investment Committee-*continued*

iv. The Committee will review and monitor:
  - the portfolio performance of all asset classes plus the total portfolio against performance measurement targets (benchmarks) understanding the impacts of external factors;
  - the investment strategy, including asset allocation and risk management policy;
  - conflicts of Interest Guidelines and any insider trading events;
  - risk limits and the risk appetite;
  - the effectiveness of the investment policies;
  - such other matters as may be determined by the Board;

v. Review Investment Policies at least once a year.

By order of the Board

Name of Chairman CHRISTINE DOWUONA-HAMMOND

Signature..

Date 11/08/2022

UHY Voscon
Chartered Accountants

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Digital Address: GA-057-1475

Independent auditor's report to the members of Mega African Capital Limited

Report on the audited financial statements

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Mega African Capital Limited as at 31 December, 2021, and of its financial performance and the cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies Act, 2019 (Act 992).

What we have audited

We have audited the accompanying financial statements of the Mega African Capital Limited for the year ended 31 December, 2021.

The financial statements comprise:

- statement of comprehensive income for the year then ended;
- statement of financial position as at 31 December, 2021;
- statement of changes in equity for the year ended;
- statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Boards for Accountants (IESBA). We have fulfilled our other ethical responsibilities with the IESBA Code.

Independent auditor's report
to the members of
Mega African Capital Limited (Continued)

Report on the audited financial statements (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. Key audit matters are selected from the matters communicated with those charged with governance but are not intended to represent all matters that were discussed with them. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole.

Key Audit Matters	How our audit addressed the key audit matter
Valuations of financial instruments	**Our procedures included:**
The Company's disclosures about its equity financial instruments are included in note 20 of the financial statements. The Company's investments in equity financial instruments at market value represent 45.79% of the total amount of its investment portfolio. The market values of unlisted equity financial instruments represent 99.89%% of the total equity financial instruments. Because the valuation of the Company's unlisted financial instruments (99.89% of the equity instruments) is not based on quoted prices in active markets, there is significant measurement uncertainty involved in this valuation. As a result, the valuation of these instruments was significant to our audit. The Company has determined it is necessary to use an entity-developed model to value these instruments, due to their unique structure and terms	We challenged management's rationale for using an entity-developed model, and discussed this with those charged with governance, and we concluded the use of such model was appropriate. Our audit procedures also included, among others, testing management's controls related to the development and calibration of the model and confirming that management had determined it was not necessary to make any adjustments to the output of the model to reflect the assumptions that market place participants would use in similar circumstances.

Other information

The Directors are responsible for the other information. The other information comprises the report of Directors and any other information like Corporate Social Responsibility report, Corporate Governance report etc, which are expected to be made available to us after the reporting date but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

**Independent auditor's report
to the members of
Mega African Capital Limited (Continued)**

Report on the audited financial statements (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information published with the financial statements to identify areas of material inconsistency between the unaudited information and the audited financial statements and obvious misstatements of fact to other information.

Inconsistency is when other information contradicts information contained in the audited financial statements. A material inconsistency may raise doubt about the audit conclusions drawn from audit evidence previously obtained and, possibly, about the basis for the auditor's opinion on the financial statements.

Misstatement of fact is when other information that is unrelated to matters appearing in the audited financial statements is incorrectly stated or presented. A material misstatement of fact may undermine the credibility of the document containing audited financial statements.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information like Managing Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Directors for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs), and in manner required by the Companies Act, 2019 (Act 992) and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Going concern

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

**Independent auditor's report
to the members of
Mega African Capital Limited (Continued)**

Report on the audited financial statements (continued)

Auditor's responsibilities 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 misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the planning and performance of the audit. We also:

- identify and assess the risks of material misstatements 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 the fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- 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;
- conclude on the appropriateness of the Directors' 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 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 conclusion is based on the audit evidence obtained up to the date of auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

Independent auditor's report
to the members of
Mega African Capital Limited (Continued)

Auditor's responsibilities for the audit of the financial statements (Continued)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We are also required to 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.

Report on other legal and regulatory requirements
Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992)

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

1. 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;
2. in our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books;
3. the statement of financial position and statement of profit or loss and other comprehensive income of the Company are in agreement with the books of account; and
4. we are independent of the Company pursuant to section 143 of the Act.

The engagement partner on the audit resulting in this independent auditor's report *is* ***Emmanuel K. D. Abbey (ICAG/P/1167).***

Signed by: UHY Voscon

For and on behalf of:
UHY Voscon (ICAG/F/2022/086)
Chartered Accountants
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Date....11th August 2022.........

(All amounts are expressed in Ghana cedis unless otherwise stated)

Statement of comprehensive income **for the year ended 31 December**

	Note	2021	2020
Revenue			
Investment and operating income	3.1	247,324	351,389
Total revenue		**247,324**	**351,389**
Expenses			
Administrative, legal and professional fees	4.1	(975,225)	(1,488,318)
Operating loss before finance costs and tax		(727,901)	(1,136,929)
Finance cost	5	(6,143,345)	(7,179,460)
Loss before tax		(6,871,246)	(8,316,389)
Corporate tax credit/expense		-	-
Loss for the year		(6,871,246)	(8,316,389)
Other comprehensive income			
Fair value through other comprehensive income	3.2	11,962,937	9,801,990
Total comprehensive income		**5,091,691**	**1,485,601**
Basic earnings per share		-0.69	-0.84
Diluted earnings per share		-0.69	-0.84

Notes 1 to 26 form an integral part of these financial statements.

(All amounts are expressed in Ghana cedis unless otherwise stated)

Statement of financial position			**as at 31 December**
Assets	**Note**	**2021**	**2020**
Investment assets			
Equity investments through OCI	6.1	70,968,538	63,861,096
Investment property	6.3	14,115,176	13,537,276
Total investment assets		85,083,714	77,398,372
Property, plant and equipment	7.1	12,202	12,407
Total non-current assets		**85,095,916**	**77,410,779**
Current assets			
Financial assets	6.2	69,911,274	63,566,952
Trade and other accounts receivable	8	769,638	782,000
Current taxation	9	41,530	41,530
Cash and cash equivalents	10	10,794	331,081
Total current assets		**70,733,236**	**64,721,563**
Total assets		**155,829,152**	**142,132,342**
Equity and liabilities			
Equity			
Stated capital	11	22,356,482	22,356,482
Retained earnings		51,833,910	45,645,214
Total equity		**74,190,392**	**68,001,696**
Current liabilities			
Accounts payable and accruals	12	699,139	688,553
Contract borrowings	13	80,939,621	73,442,093
Total current liabilities		**81,638,760**	**74,130,646**
Total equity & liabilities		**155,829,152**	**142,132,342**

Notes 1 to 26 form an integral part of these financial statements.

Name of Director: EUGENE ADDISON **Name of Director** EDWARD NIIM-ADDAE

Signature: .... **Signature** ....

Date: 11/08/2022 **Date** 11/08/2022

(All amounts are expressed in Ghana cedis unless otherwise stated)

Statement of changes in equity

For the year end 31 December, 2021	**Note**	**Stated capital**	**Retained earnings**	**Total Equity**
Balance as at 1 January		22,356,482	45,645,214	68,001,696
Prior year adjustment	**26**	-	1,097,005	1,097,005
Loss for the year		-	(6,871,246)	(6,871,246)
Other comprehensive income			11,962,937	11,962,937
Balance as at 31 December		**22,356,482**	**51,833,910**	**74,190,392**

For the year end 31 December, 2020	**Note**	**Stated capital**	**Retained earnings**	**Total Equity**
Balance as at 1 January		22,356,482	43,908,232	66,264,714
Prior year adjustment	**26**	-	251,381	251,381
Loss for the year		-	(8,316,389)	(8,316,389)
Other comprehensive income			9,801,990	9,801,990
Balance as at 31 December		**22,356,482**	**45,645,214**	**68,001,696**

Notes 1 to 26 form an integral part of these financial statements

(All amounts are expressed in Ghana cedis unless otherwise stated)

Statement of cash flows

	Note	for the year ended 31 December 2021	2020
Cash flow from operations after changes in working capital	15	(5,746,949)	(9,271,513)
Tax paid		-	-
Cash flow from operating activities		**(5,746,949)**	**(9,271,513)**
Cash flow from investing activities:			
Purchase of property, plant and equipment		(4,139)	(12,200)
Increase in investment property		(577,900)	(532,307)
Sale of financial assets		4,855,495	14,085,897
Net purchase of commercial papers		(6,344,322)	(7,381,366)
Net cash flow used in investing activities		**(2,070,866)**	**6,648,161**
Net cash flow from financing activities:			
Contract borrowings		7,497,528	467,423
Net cash flow from financing activities		**7,497,528**	**467,423**
Net increase/ (decrease) in cash and cash equivalents			
Cash & cash equivalents		(320,287)	(2,155,929)
at beginning of the year		331,081	2,487,010
at end of the year		**10,794**	**331,081**

Notes 1 to 26 form an integral part of these financial statements.

(All amounts are expressed in Ghana cedis unless otherwise stated)

Notes and significant accounting policies

1.Reporting entity

Mega African Capital Limited is an Investment Company domiciled and incorporated as a Private Limited Liability Company in Ghana on 21 April, 2008. It was converted from a Private Limited Liability Company into a Public Limited Liability Company on 19 October, 2011. Mega African Capital Limited was listed on the Ghana Stock Exchange on 23 April, 2014.

The nature of the business which the Company is authorized to carry on is the:

- Development, purchase, sale and rental of real estate and investment in equities and fixed income investments and any other financial services.

2. Summary of significant accounting policies

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

2.1 Statement of compliance

The financial statements of Mega African Capital Limited for the year ended 31 December, 2021 have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and IFRS, interpretations issued by the IFRS Interpretation Committee (IFRS IC) applicable to companies reporting under IFRS and with the requirements of the Companies Act, 2019 (Act 992). The financial statements are presented in Ghana cedis.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention, except the revaluation of financial assets, financial liabilities (including financial instruments at fair value through other comprehensive income, investment property were held at current market value and contract borrowings at amortised cost.

2.3.1 Use of estimates and judgment

In preparing these financial statements in conformity with IFRS, management makes judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, incomes and expenses. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under circumstances, the results of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting policies and estimates are recognized retrospectively and prospectively respectively.

Notes and significant accounting policies (continued)

2.3.2 Changes in accounting policies.

There were no changes in the accounting policies of the Company during the year.

2.4 Standards, amendments and interpretations not yet adopted

At the date of authorisation of these financial statements the following standards and amendments to existing standards were in issue, but yet to be adopted:

IFRS 9 Financial Instruments

In the year under review, the Company adopted IFRS 9, Financial Instruments which supersedes IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, new guidance for measuring impairment on financial assets, and new hedge accounting guidance. In accordance with transitional requirements, the Company has restated prior period and reclassified the financial assets held at 1 January, 2021, retrospectively based on the new classification requirements and the characteristics of each financial instrument as at the transition date.

Classification and measurement of financial instruments

Under IFRS 9, financial assets are classified and measured based on the business model which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three primary measurement categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVTOCI), and Fair value through profit or loss (FVTPL).

Impairment of financial assets

IFRS 9 replaces the incurred loss model in IAS 39 with an expected credit loss (ECL) model. This applies to financial assets classified at amortised cost and debt instruments classified at FVTOCI. Under IFRS 9, credit losses are recognised earlier than under IAS 39. IFRS 9 requires the Company to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis.

Disclosure

Amendments were also made to IFRS 7 introducing expanded qualitative and quantitative disclosure related to IFRS 9.

IFRS 15 Revenue from Contracts with Customer

IFRS 15 Revenue from Contracts with Customers and further amendments (effective for annual periods beginning on or after 1 January 2018). IFRS 15 "Revenue from Contracts with Customers" issued by IASB on 28 May 2014 (on 11 September 2015 IASB deferred effective date of IFRS 15 to 1 January 2018). IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures.

Notes and significant accounting policies (continued)

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

IFRS 16, Leases

The International Accounting Standard Board (IASB) issued IFRS 16 Leases in January 2016. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor').

IFRS 16 is effective from 1 January, 2019. A company can choose to apply IFRS 16 before that date but only if it also applies IFRS 15. Revenue from contracts with customers, IFRS 16 complete the IASB's project to improve the financial reporting of lease; IFRS 16 replaces the previous lease standard, IAS 17 leases, and related interpretation.

The objective of IFRS 15 is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. The standard should be applied in an entity's IFRS financial statements for annual reporting periods beginning on or after 1 January, 2018. Earlier application is permitted. An entity that chooses to apply IFRS 15 earlier than 1 January, 2018 should disclose this fact in its relevant financial statements.

When first applying IFRS 15, entities should apply the standard in full for the current period, including retrospective application to all contracts that were not yet complete at the beginning of that period. In respect of prior periods, the transition guidance allows entities an option to either:

apply IFRS 15 in full to prior periods (with certain limited practical expedients being available); or retain prior period figures as reported under the previous standards, recognizing the cumulative effect of applying IFRS 15 as an adjustment to the opening balance of equity as at the date of initial application (beginning of current reporting period).

2.5 Foreign currency translation

2.5.1 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Notes and significant accounting policies (continued)

2.5.2 Functional and presentation currency

These financial statements are presented in Ghana Cedis (the primary economic environment in which the Company operates) which is the Company's functional currency. All amounts have been rounded to the nearest Cedi, unless otherwise stated.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise foreign currency and local cedi accounts and highly liquid financial assets that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of short-term commitments, other than cash collateral provided in respect of derivatives, securities sold.

2.7 Taxation

2.7.1 Current taxation

Current tax is the expected tax payable on taxable income for the year using tax rates enacted or substantially enacted at the year end, and any adjustment to tax payable in respect of previous years.

2.7.2 Deferred Taxation

Deferred tax is provided using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(All amounts are expressed in Ghana cedis unless otherwise stated)

Notes and significant accounting policies (continued)

2.8 Financial assets and financial liabilities

2.8.1 Classification

The Company classifies its financial assets in the following measurement categories;

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes. In the year under review, the company elected and classified changes in its contract borrowings at FVTPL to satisfy the prudence principle but classified changes the values of its investments under FVTOCI.

Recognition, derecognition and measurement

(i) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Notes and significant accounting policies (continued)

- **Amortised cost**: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets are included in investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/losses), and impairment expenses are presented as separate line item in the statement of profit or loss.

- **FVPL**: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/losses) in the period in which it arises.

Equity Instruments

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/losses) in the statement of profit or loss as applicable.

(i) Impairment

The company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. For debt investments, the company applies the general approach to determine the ECL.

For trade receivables, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. There is no impairment on trade receivables because the company the directors did not identify any forward-looking information which could materially impact the payment profile of the company's customers.

(All amounts are expressed in Ghana cedis unless otherwise stated)

Notes and significant accounting policies (continued)

The company has three types of financial assets that are subject to the expected credit loss model:
• trade receivables for sales of goods and from the provision of services
• debt investments carried at amortised cost, and
• debt investments carried at FVOCI.
While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Group measures loss allowances at an amount equal to lifetime ECL, except in the following cases, for which the amount recognised is 12-month ECL:
• debt securities that are determined to have low credit risk at the reporting date; and
• other financial instruments (other than lease receivables) for which credit risk has not increased significantly since initial recognition.

The company considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition 'investment grade'. The company does not apply the low credit risk exemption to any other financial instruments. The impairment identified on debt investments measured at amortised is considered immaterial and has not been recognised in the financial statements.

12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after reporting date. Financial instruments for which 12-months ECL are recognised are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit impaired.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instruments or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognised but that are not credit-impaired are referred to as 'Stage 2 financial instruments'.

Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. They are measured as follows;

• financial assets that are not credit-impaired at the reporting date: as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive);

• financial assets that are credit-impaired at the reporting date: the difference between the gross carrying amount and the present value of estimated future cash flows. When discounting cash flows, the discount rate used is the original effective interest rate or an approximation thereof. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Notes and significant accounting policies (continued)

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property. Changes in fair values are recognised as a separate line item in profit or loss. Investment properties are derecognised when they have been disposed.

Derecognition

Where the Company disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss within net gain from fair value adjustment on investment property.

2.9 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets traded in active markets (such as publicly traded derivatives and equity securities publicly traded on a stock exchange) are based on quoted market prices at the close of trading on the reporting date.

As per IFRS 13 fair values for unlisted equity securities are determined by the Company's management using valuation techniques. Such valuation techniques may include earnings multiples (based on the budget earnings or historical earnings of the issuer and earnings multiples of comparable listed Companies) and discounted cash flows.

The Company adjusts the valuation model as deemed necessary for factors such as non-maintainable earnings, tax risk, growth stage and cash traps.

The valuation techniques also consider the original transaction price and take into account the relevant developments since the acquisitions 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 instruments, and reliable indicative offers from potential buyers. 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, and cross-references results of primary valuation models against secondary models 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 Company 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.

2.10 Impairment

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset or a group of financial assets is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset(s) and that loss event(s) had an impact on the estimated future cash flows of that asset(s) that can be estimated reliably.

Notes and significant accounting policies (continued)

Objective evidence that financial assets are impaired includes significant financial difficulty of the borrower or issuer, default or delinquency by a borrower indicates that a borrower or issuer will enter bankruptcy, or adverse changes in the payment status of the borrowers.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the assets original effective interest rate. Losses are recognized in the statement of profit or loss and other comprehensive income and reflected in an allowance against receivables. When an event occurring after the impairment was recognized causes the amount impairment loss to decrease, the decrease in impairment loss is reversed in the Statement of profit or loss and other comprehensive income.

2.11 Receivables

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 Company will not be able to collect all amounts to be received. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganization, and default in payments are considered indicators that the amount to be received is impaired. Once a financial asset or a company of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The effective interest rate method is a method of calculating the amortized cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument – or, when appropriate, a shorter period – to the net carrying amount of the financial asset of financial liability. When calculating the effective interest rate, Management estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and interest rate points paid or received between parties to the contract that are integral part of the effective interest rate, transaction costs and all other premiums or discounts.

2.12 Offsetting

Financial assets and liabilities are offset and the net amount reported in the financial position when there is currently a legally enforceable right to offset the amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.13 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of comprehensive income over the period of the borrowing using the effective interest method.

2.14 Investment property

Investment property comprises completed property that is held to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when the definition of an investment property is met.

Investment property is measured initially at cost including transaction costs. Transaction costs include transfer taxes, professional fees for legal services and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating. The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

Subsequent to initial recognition, an entity can elect to measure investment property at cost model or fair value model. Gains or losses arising from changes in fair value are included in the income statement in the year in which they arise. Investment property is derecognized when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal.

Any gains or losses on the retirement or disposal of investment property are recognized in the income statement in the year of retirement or disposal.

Gains or losses on the disposal of investment property are determined as the difference between net disposal proceeds and the carrying value of the asset in the previous full period financial statements.

2.15 Interest

Interest income and expense are recognized in the statement of profit or loss and other comprehensive income using the contractual rate.

Interest received or receivable and interest paid or payable are recognized in statement of profit or loss and other comprehensive income as interest income and interest expense respectively.

2.16 Dividend income

Dividend income is recognized in the statement of profit or loss and other comprehensive income on the date that the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date. For unquoted equity securities, this is usually the date when the shareholders have approved the payment of a dividend or when a dividend warrant is received.

2.17 Rental income

Rental income arising from the investment property is accrued on a straight-line basis over the contract period.

(All amounts are expressed in Ghana cedis unless otherwise stated)

Notes and significant accounting policies (continued)

2.18 Net gain from financial instruments

Net gain from financial instruments at fair value through other comprehensive income includes all realized and unrealized fair value changes in the market value of the securities.

2.19 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits associated with the item will flow to the company; and
- the cost of the item can be measured reliably in monetary terms.

Property, plant and equipment is initially measured at cost. Costs include cost incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replace part is derecognized.

Depreciation

Property, plant and equipment is depreciated on the straight-line basis over their expected economic useful lives to their estimated residual value (if any).

The useful lives of items of property, plant and equipment have been assessed as follows:

Class of assets	Economic useful life (%)
Computer systems	33.33
Office equipment	20
Furniture and fittings	20
Generator set	15

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from the previous estimates, the change is accounted for as a change in accounting estimate with the effect of any change in estimate accounted on a prospective basis.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in the statement of profit or loss when the item is derecognized. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

An item of property, plant and equipment are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

(All amounts are expressed in Ghana cedis unless otherwise stated)

Notes and significant accounting policies (continued)

2.20 Earnings per share

This is the profit attributable to ordinary shareholders less tax and dividend on redeemable preferences shares divided by the weighted average number of shares. Shares are time apportioned if they were not issued at the beginning of the year.

3. Income

3.1 Investment and operating income comprises	**2021**	**2020**
Dividends- Local	45,403	60,129
Rental income	201,921	291,260
Total investment income	**247,324**	**351,389**

3.2 Changes in market value of investments and other income	**2021**	**2020**
Unrealised gain on market value of investment	19,844,703	9,173,392
Unrealised loss	(8,126,009)	140,460
	11,718,694	**9,313,852**
Other attributable comprehensive income		
Other income	58,397	-
Exchange gain	185,847	488,138
Total changes in market value of investments and other income	**11,962,937**	**9,801,990**

(All amounts are expressed in Ghana cedis unless otherwise stated)

Notes and significant accounting policies (continued)

4.1 Administrative, legal and professional expenses	**2021**	**2020**
Auditors remuneration	50,000	42,272
Staff cost (4.2)	356,860	288,918
Bank charges	3,807	6,925
Board fees	36,800	52,000
Consultancy	45,686	60,551
Corporate finance & advisory	109,411	54,423
Custodial fees	-	24,734
Donation	8,500	-
Shareholders meeting expenses	-	3,572
Listing expenses	24,267	23,100
Cleaning and sanitation	2,457	2,386
Generator running expenses	28,039	27,444
Internet services	8,208	8,707
Commission expenses	1,500	-
Communication	21,803	13,880
Utilities	30,290	30,974
Repairs and maintenance	2,992	6,271
Travel and transport	13,258	38,491
Legal and compliance	-	554,347
Office supplies	8,609	10,104
Investment property management expense	175,547	180,710
Printing and stationery	4,452	1,704
Subscriptions	18,786	1,371
Registration, license & permits	18,860	-
Security	750	-
Other expenses	-	40,255
Depreciation	4,344	15,179
	975,225	**1,488,318**

4.2 Staff cost	**2021**	**2020**
Staff salaries	272,577	219,870
SSF	40,364	33,048
Staff medical insurance	43,920	36,000
	356,860	**288,918**

(All amounts are expressed in Ghana cedis unless otherwise stated)

Notes and significant accounting policies (continued)

5.0 Finance cost	**2021**	**2020**
This represents interest paid on contract borrowings	6,143,345	7,179,460
	6,143,345	**7,179,460**

6. Investments	**2021**	**2020**
6.1 Financial assets designated through other comprehensive income		
Equity securities traded in a quoted market	80,852	706,058
Equity securities not traded in a quoted market	70,887,686	63,155,038
	70,968,538	63,861,096
6.2 Financial assets held for trading but Categorised as FVOCI		
Commercial paper	69,911,274	63,566,952
6.3 Investment property		
The Alberts	14,115,176	13,537,276
Total investments	**154,994,988**	**140,965,324**

(All amounts are expressed in Ghana cedis unless otherwise stated)

Notes and significant accounting policies (continued)

7.1 Property, plant and equipment-2021

Cost/valuation	1 January	Additions	Release	31 December
Equipment	12,200	4,139	-	16,339
Furniture and fittings	71,876	-	-	71,876
	84,076	4,139	-	88,215

Accumulated depreciation	1 January	Charge for the Year	Release	31 December
Equipment	1,390	3,028	-	4,418
Furniture and fittings	70,279	1,316	-	71,595
	71,669	4,344	-	76,013

Carrying value At 31 December, 2021	
Equipment	11,921
Furniture and fittings	281
Total carrying value	**12,202**

(All amounts are expressed in Ghana cedis unless otherwise stated)

Notes and significant accounting policies (continued)

7.2 Property, plant and equipment-2020

Cost/valuation	1 January	Additions	Release	31 December
Equipment	-	12,200	-	12,200
Furniture and fittings	71,876	-	-	71,876
Generator	120,323	-	(120,323)	-
	192,199	12,200	(120,323)	84,076

Accumulated depreciation	1 January	Charge for the Year	Release	31 December
Equipment	-	1,390	-	1,390
Furniture and fittings	69,216	1,063	-	70,279
Generator	107,588	12,726	(120,314)	-
	176,804	15,179	(120,314)	71,669

Carrying value At 31 December,2020	
Equipment	10,810
Furniture and fittings	1,597
Total carrying value	**12,407**

(All amounts are expressed in Ghana cedis unless otherwise stated)

Notes and significant accounting policies (continued)

8. Trade and other accounts receivable	**2021**	**2020**
Trade receivables	757,855	779,017
Other receivables	10,000	-
Staff loan	1,783	2,983
	769,638	**782,000**

9. Taxation

Y/A	**Balance as at 1 January 2021**	**Payments during the year**	**Charge to P&L**	**Balance at 31 December 2021**
		-		
2019	(41,530)		-	(41,530)
2020	-	-	-	-
2021				
	(41,530)			**(41,530)**

The tax liability is subject to the agreement with the Domestic Tax Revenue Division (DTRD) of the Ghana Revenue Authority (GRA).

10. Cash and cash equivalents	**2021**	**2020**
Bank		
Foreign currency accounts	5,699	319,999
Local cedi accounts	5,047	11,034
	10,746	**331,033**
		-
Local petty cash	48	48
	48	**48**
Total cash and cash equivalents	**10,794**	**331,081**

(All amounts are expressed in Ghana cedis unless otherwise stated)

Notes and significant accounting policies (continued)

11. Stated capital	**2021 Number**	**Amount**
Authorised number of shares of no-par value	100,000,000	
Issued and fully paid		
Issued for cash	**9,948,576**	**22,356,482**

11.1 Stated capital	**2020 Number**	**Amount**
Authorised number of shares of no-par value	100,000,000	
Issued and fully paid		
Issued for cash	**9,948,576**	**22,356,482**

There are no treasury shares or any unpaid call on any share.

Ordinary shares and distribution payable

Holders of these shares are entitled to one vote per share at general meetings of the Company.

(All amounts are expressed in Ghana cedis unless otherwise stated)

Notes and significant accounting policies (continued)

12. Accounts payable and accruals	**2021**	**2020**
Accounting fee	93,821	163,781
Board fees	12,250	41,555
SSF	2,567	9,052
PAYE	3,630	42,428
Private pension fund	-	9,072
Staff net salaries	-	72
Rent deposit	59,380	-
Management fee payable	11,160	-
Withholding tax payable	12,998	19,658
Audit fees	50,000	48,430
Other payables	390,039	317,505
Staff medical	63,295	37,000
	699,139	**688,553**

13. Contract borrowings	**2021**	**2020**
Borrowings	50,082,207	49,086,880
Interest payable	30,857,413	24,355,213
	80,939,621	**73,442,093**

14. Contingent liabilities and capital commitments

There were no contingent assets and liabilities or capital commitments at 31 December, 2021 (2020: Nil).

(All amounts are expressed in Ghana cedis unless otherwise stated)

Notes and significant accounting policies (continued)

15. Reconciliation of net profit to cash flow from operations	**2021**	**2020**
Loss for the year before tax	(6,871,246)	(8,316,389)
Adjustments:		
Prior year	1,097,005	251,381
Depreciation	4,344	15,179
	(5,769,897)	(8,049,829)
Changes in working capital		
(Increase)/decrease in trade and other accounts receivable	12,362	(91,102)
Increase/ (decrease) in payables & accruals	10,586	(1,130,582)
	22,948	**(1,221,684)**
Cash flow from operation after changes in working capital	**(5,746,949)**	**(9,271,513)**

16. Financial risk management

The objective of the Company is to achieve medium to long-term capital growth through investing in selected listed and unlisted private Companies mainly in Africa.

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and other price risk), credit risk and liquidity risk.

16.1 Market risk

Below are the market risks faced by the Company:

16.1.2 Price risk

The Company's investments and financial instruments are susceptible to market price risk arising from uncertainties about future values of the instruments. The Company's management provides the Company with investment recommendations. The Management's recommendations are reviewed by Board of Directors. To manage the market price risk, management reviews the performance of the portfolio Companies on a monthly basis and is in regular contact with the management of the portfolio Companies for business operational matters. The performance of investments held by the Company is monitored by the Company's management on consistently and is reviewed by the Directors.

16.1.3 Foreign currency risk

The Company holds assets (both monetary and non-monetary) denominated in currencies other than the functional currency (the US Dollar, Tanzanian Shilling, Real-Time Gross Settlement Dollar (RTGS dollar/Zimdollar) and Malawian Kwacha). It is therefore exposed to currency risk, as the value of the financial

(All amounts are expressed in Ghana cedis unless otherwise stated)

Notes and significant accounting policies (continued)

instruments denominated in other currencies will fluctuate due to the changes in exchange rates. On behalf of the Company, Management closely monitors the net position of the monetary and non-monetary positions in each foreign currency.

In accordance with the Company's policy, management monitors the Company's currency position, including monetary and non-monetary items, on a weekly basis; the Directors review it on a quarterly basis.

The table below has therefore been analysed between monetary and non-monetary items to meet the requirement of IFRS 7.

2021	Non-Monetary			Monetary		
	* FVOCI	Cash	Bank	Trade and other receivables	Trade and other payables	Gross exposure
	70,968,538	48	10,746	769,638	(704,140)	71,044,830

2020	Non-Monetary			Monetary		
	* FVOCI	Cash	Bank	Trade and other receivables	Trade and other payables	Gross exposure
	63,861,096	48	331,033	782,000	(688,553)	64,285,624

* FVOCI – Financial Assets at Fair value through Other Comprehensive Income.

(All amounts are expressed in Ghana cedis unless otherwise stated)

Notes and significant accounting policies (continued)

16.1.4 Regulatory risk

Mega African Capital Limited is subject to laws and regulations in various countries in which it operates and invests. Management has put in place regulatory policies and procedures aimed at compliance with local and other laws.

16.1.5 Interest rate risk

The Company is subject to cash flow interest rate risk due to fluctuations in the prevailing levels of market interest rates. All debt instruments included in the category financial assets at fair value through other comprehensive income and all borrowings have fixed interest rates.

16.1.6 Credit risk

The Company 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 Company is exposed to the risk of non-payment of debt instruments or the interest due on commercial papers and other securities to Companies.

The Company has no significant concentration of credit risk. Cash transactions are limited to credit worthy Companies with the ability to comply with the contractual requirements in terms of principal and interest repayment.

The Company assesses all counterparties, including its investors (partners), for credit risk before contracting with them.

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 low, and the capital repayments and interest payments will be made in accordance with the agreed terms and conditions. No terms or conditions have been renegotiated.

16.1.7 Liquidity risk

Liquidity risk is the risk that the Company 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 Company has the ability to borrow in the short term to ensure settlement of investment transactions; however, the company has not used this option to date.

(All amounts are expressed in Ghana cedis unless otherwise stated)

Notes and significant accounting policies (continued)

17. Maturity profile

17.1 Financial assets and liabilities analysis

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

Financial assets	3 months and below	4 to 6 months	6 months to 1 Year	Above 1 Year	Total
	355,690	2,104,668	3,277,158	10,288,929	16,026,445

Financial liabilities	3 months and below	4 to 6 months	6 months to 1 Year	Above 1 Year	Total
	755,899	1,592,497	9,509,701	1,226,945	13,085,041

17.2 Capital risk Management

The capital of the Company is represented by the net assets attributable to the Shareholders. The Company's objective when managing the capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Company. The Directors monitor capital on the basis of the value of net assets attributable to the shareholders with a robust review of maturity profiles.

18. 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.

18.1 Administration

OAK Partners Limited, an investment manager is a related party of the Company, being responsible for some administrative decisions of the Company. No management fee for the 2021 reporting year was charged (2020: Nil).

18.2 Key management personnel and Director transactions

Some of the key management personnel, or their related parties, hold positions in other related entities that result in them having control or significant influence over the financial or operating policies of these entities.

(All amounts are expressed in Ghana cedis unless otherwise stated)

Notes and significant accounting policies (continued)

The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

All outstanding balances with these related parties are priced on an arm's length basis.

18.3 Directorship

Kwesi Amonoo-Neizer of Mega African Capital Limited serves on the Board of OAK Partners Limited a related entity.

19. Fair value of financial instruments

The fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at a measurement date. The exit price notion embodies the expectations about the future cash flows associated with the asset or liability from the perspective of market participants at the measurement date under current market conditions.

Assets as per statement of financial position 31 December 2021	**Loans and Receivables**	**Assets at fair value through profit or loss**
Financial assets at fair value through OCI	-	70,968,538
Investment properties	-	14,115,176
Commercial paper		69,911,274
Trade and other accounts receivable	769,638	-
Cash & cash equivalents	10,794	-
Total	**780,432**	**154,994,988**

Liabilities as per statement of financial position 31 December 2021	
Accounts payable & accruals	704,140
Contract borrowings	80,939,621
Total	**81,643,760**

Notes and significant accounting policies (continued)

20. Portfolio valuation

Valuation of equity securities and sector analysis as at 31 December 2021

Foreign securities	**Market valuation**
Financial/Insurance sector	
DCB Bank-Tanzania (Listed)	41,936
Axis-Malawi-unlisted	577,366
Agriculture	
Padenga Holdings Limited (Listed)	38,916
Local securities	
Insurance	
Ghana Union Assurance-Unlisted	8,073,966
Pension	
Axis Pension Group-Unlisted	1,542,500
Real estate	
Edendale properties-Unlisted	51,053,011
Automobile	
Mechanical Lloyd Ghana (Delisted)	9,640,842
Total equities	**70,968,538**
Money market instruments	
Commercial paper	69,911,274
Investment property-The Alberts	14,115,176
Total portfolio	**154,994,988**

21. Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

• Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, The Ghana Stock Exchange).

• Level 2 – 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). The Company did not hold any financial assets/liabilities as at the end of the period. This hierarchy requires the use of observable

(All amounts are expressed in Ghana cedis unless otherwise stated)

Notes and significant accounting policies (continued)

market data when available. The Company considers relevant observable market prices in its valuation where possible.

• Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

Year to 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets	Financial assets at fair value through OCI	Financial assets at fair value through OCI		
Quoted	80,852			80,852
Unquoted		70,887,686		70,887,686

22. Comparative figures

Some comparative figures have been reclassified in line with the current presentation.

23. Events after the end of the reporting year

Events subsequent to the statement of financial position date are reflected only to the extent that they are material. There were no such events as at the date the financial statements were signed.

24. Shareholders' information

24.1 Shareholding distribution as at 31 December, 2021

Holding	Number of shareholders	Percentage of shareholders (%)	Number of shares	Percentage of holding (%)
1-1,000	33	27.05	10,953	0.11
1,001-5,000	22	18.03	57,263	0.58
5,001-10,000	11	9.02	82,651	0.83
10,001-50,000	26	21.31	709,641	7.13
Over 50,000	30	24.59	9,088,068	91.35
	122	100	9,948,576	100

25. Twenty largest Shareholders as at 31 December, 2021

Number	Shareholders	Number of shares	Percentage of shareholding
1.	Oak Partners Limited	2,830,377	28.45
2.	Omega Partners Limited	1,101,828	11.08
3.	Rehoboth Capital Limited	780,805	7.85
4.	Scgn/'Epack Investment, Scgn/'Epack Investment Fund Limited Transaction E I F L	640,000	6.43
5.	Amonoo-Neizer, Kwesi*	533,939	5.37
6.	Omega Capital Limited,	337,594	3.39
7.	Scgn/Ghana Medical Association Pension Fund	300,000	3.02
8.	Kingsley - Nyinah, Patrick	295,290	2.97
9.	Nyan, Isabella Beatrice	262,570	2.64
10.	All Africa Financials Fund Ltd	159,010	1.60
11.	Damsel/Yamson, Ishmael & Lucy	145,317	1.46
12.	Ideresa, Fatima	139,933	1.41
13.	Boateng, Opoku-Gyamfi	124,447	1.25
14.	Zbgc/Cedar Provident Fund-Sims	126,000	1.27
15.	Kitcher, Emmanuel Dugbatey EDK	120,000	1.21
16.	Oteng-Gyasi, Anthony	114,544	1.15
17.	Enterprise Tier 2 Occupational Pension Scheme, Enterprise Tier 2	114,281	1.15
18.	Zigma Investment Club	110,660	1.11
19.	Hfcn/ Gpha Staff Provident Fund, Hfcn/ Gpha Staff Provident Fund Hfcn/ Gpha Staff Pro	96,242	0.97
20.	Yamson, Michael Harry	90,149	0.91
		8,422,986	**84.67**

*Kwesi Amonoo-Neizer jointly holds shares with Rita Amonoo-Neizer

26. Prior year adjustment`

This relate to changes due to transition to IFRSs especially IFRS 9, misstatement of the prior year cash and bank balances, payables, accrued expenses, and Equity shares investments.