MEGA AFRICAN CAPITAL LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2022

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CORPORATE INFORMATION

Directors:	Christine Dowuona-Hammond - **Chairperson** Kwesi Amonoo-Neizer - **Managing Director** Edward Ntim-Addae - **Executive Director** Eugene Addison – **Non-Executive Director**
Registered office:	The Alberts No. 23 Sunyani Avenue Kanda Estates, Accra
Auditors:	IAKO CONSULT P. O. Box 617 Teshie - Nungua Estates Accra
Bankers:	Societe Generale Ghana Limited
Company Secretary	Dorcas Akyeneba Vandyck
Registrar	Central Securities Depository Company Limited 4th Floor, Cedi House, Accra P. O. Box 134, Accra
Registration Number	PL000282017
Tax Identification Number	C000931380X

REPORT OF THE DIRECTORS

The Directors are pleased to submit their report on the financial statements of Mega African Capital Limited for the year ended 31 December 2022.

Directors' Responsibility Statement

The Directors are responsible for the preparation of the financial statements that give a true and fair view of Mega African Capital Limited Company, comprising the statements of financial position at 31 December 2022 and the statements of comprehensive income, changes in equity and cash flows for the year ended and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and the Companies Act, 2019 (Act 992). In addition, the Directors are responsible for the preparation of the Report of the Directors.

The Directors are also responsible for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have assessed the ability of the Company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The Auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Nature of Business

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

Directors and their Interest

The Directors name below held the following number of shares in the company as at 31 December 2022

	Number of Shares
Kwesi Amonoo-Neizer	533,939
Eugene Addison	2,500
Total	**536,439**

Financial Results

The financial results of the Company for the year ended are set out in the financial statements, highlights of which are as follows:

Figures in thousands of Ghana Cedis	2022 Company GHC	2021 Company GHC
Profit for the year (attributable to equity holders)	6,224,380	5,106,284
Prior Year Adjustments	-	1,097,005
Added to the Opening Balance of retained earnings	51,848,503	45,645,214
	58,072,883	51,848,503
Out of which is transferred		
Investment Revaluation	-	-
Leaving a balance to be carried forward on retained earnings of	**58,072,883**	**51,848,503**

Dividend

During the year, the Company did not pay any dividend per share in respect of year ended 31 December 2022.

Related Party Transactions

The Board ensures that transactions with related parties are reviewed to assess its risk and are subject to appropriate restrictions by requiring that such transactions be conducted on non-preferential terms.

Information regarding Directors' interests in ordinary shares of the Company and remuneration is disclosed in the financial statements.

Biographical Information of Directors

No.	Name	Profession	Nationality
1.	Christine Dowuona - Hammond	Lawyer	Ghanaian
2.	Kwesi Amonoo-Neizer	Investment Banker	Ghanaian
3.	Eugene Addison	Engineer	Ghanaian
4.	Edward Ntim-Addae	Financial Controller	Ghanaian

The Directors are responsible for the long-term success of the Company, determining the strategic direction of the Company and reviews operating, financial and risk exposures of the Company. There is a formal schedule of matters reserved for the Board of Directors, including approval of the Company's annual business plan, the Company's strategy, acquisitions, disposals, and capital expenditure projects above certain thresholds, all guarantees, treasury policies, the financial statements, the Company's dividend policy, appointments to the Board, alterations to the regulations, legal actions brought by or against the Company and the scope of delegation to Board committees.

Particulars of entries in the Interests Register during the financial year

No Director had any interest in contracts and proposed contracts with the Company during the year under review, hence there were no entries recorded in the Interests Register as required by 194(6), 195(1)(a) and 196 of the Companies Act, 2019 (Act 992).

Internal Control System

The Directors have overall responsibility for the Company's internal control systems and annually review their effectiveness, including a review of financial, operational, compliance, and risk management controls. The implementation and maintenance of the risk management and internal control systems are the responsibility of the Directors and other senior management.

The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. The Directors have reviewed the effectiveness of the internal control systems, including controls related to financial, operational, and reputational risks as of the reporting date, and found no significant failings or weaknesses during this review.

Auditor

The Auditor, IAKO CONSULT, has expressed willingness to continue in office in accordance with Section 139(5) of the Companies Act, 2019 (Act 992).

Included in the profit for the year is the agreed auditor's remuneration of GH¢35,000 (2021: GH¢ 50,000).

Going Concern

The Directors believe that the Company has adequate financial resources to continue in operation for the foreseeable future and accordingly, the financial statements have been prepared on a going concern basis. The Directors have satisfied themselves that the Company is in a sound financial position. The Directors are not aware of any new material changes that may adversely impact the Company. The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation that may affect the Company.

The Directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with applicable laws, give a true and fair view of the Company's financial position, performance and cash flows; and
- the state of the Company's affairs is satisfactory.

Approval of the financial statements

The financial statements set out on pages 13 to 39 which have been prepared on the going concern basis, were approved by the Board of Directors on **09 June 2023** and were signed on its behalf by:

By Order of the Board

Name: EDWARD NTIM-ADDAE

Signed: ....

Name: KWESI AMONOO-NEIZER

Signed: Kwesi Amonoo Neizer

CORPORATE GOVERNANCE STATEMENT

Dear Shareholders,

We are pleased to present our 2022 Corporate Governance Statement.

This Statement describes our approach to corporate governance and the governance practices in place at Mega African Capital Limited (The Company). The Company's purpose, vision, and values are supported by good Corporate Governance Principles.

The Company is committed to fulfilling its Corporate Governance obligations and responsibilities in the best interests of the shareholders, and other stakeholders.

Mega African Capital Limited is committed to best practice and laws of Ghana such as the Company Act, 2019 (Act 992). It is our concern to guarantee that good corporate governance and its associated standards are entrenched in the ideas and business practices driven by the Board.

The Board (the Governing Body)

The role of the Board is to provide leadership and strategic guidance for the Company. The Board is the highest decision-making body of the Company and provides strategic direction and guidance for our business and represents the interests of our shareholders through the creation of sustainable value. The Board continues to focus on our customers, our people, the communities and environment in which we operate and in doing so enhances long-term shareholder returns.

The Board ensures that the Company's governance processes align with regulators' directives and framework. The Board aligns strategies with goals embedded with high levels of ethics and integrity, defining roles and responsibilities, and managing risk effectively.

Roles and Responsibilities

The role of the Board is to provide leadership to the Company within the boundaries of risk appetite and a framework of prudent and effective controls which enable risks to be identified, assessed, measured, and controlled. The Board sets the Company's strategic aims and risk appetite to support the strategy, ensuring that the necessary financial and human resources are in place for the Company to meet its objectives.

Separation of the Chairperson and Managing Director Roles

Our Board Chairperson, Christine Dowuona-Hammond is an Independent Non-Executive Director.

The separation of authority is set out in writing and agreed by the Board. This enhances independent oversight of the Executive Management by the Board and helps to ensure that no one individual on the Board has autonomous power, influence, or authority.

Board Composition

The Board consist of four Directors, including two Non-Executive Directors who are Independent Directors in-line with the Board Charter. Both Executive and Non-Executive Directors have clearly defined roles within our Board structure.

The Board has a rich blend of skills and knowledge, combined with the extensive experience required to guide our business in Governance, Banking and Finance, Accountancy, Information Technology, Marketing, Entrepreneurship and Management.

Independence of Board of Directors

All Directors are expected to bring independent and unfettered judgment to the Board's deliberations.

The number of Non-Executive Directors on the Board makes the Board more independent and allows it to provide higher level of Corporate Governance to shareholders. It also satisfies our criteria for independence, which aligns with the guidance and recommendation provided in the Board Charter.

Each Director is expected to disclose any business or other relationship that he or she has directly, or as a partner, shareholder or officer of a Company or other entity that has an interest in the Company or a related entity. The Board considers information about any such interests or relationships, including any related financial or other details, when it assesses the Director's independence.

Board Balance and Independence

The composition of the Board of Directors and its Committees is regularly reviewed to ensure that the balance and mix of skills, independence, knowledge, and experience is maintained. The Board considers the Chairman to be independent. Non-Executive Directors are independent as it pertains to the management of the Company. The continuing independence and objective judgment of the non-Executive Directors have been confirmed by the Board of Directors.

Effectiveness of the Board

The Board is structured to ensure that the Directors provide Mega African Capital Limited with the appropriate balance of skills, experience, and knowledge as well as independence. Given the nature of Mega's business, experience of investment banking and financial services, it is clearly of benefit that the Company has a number of Directors with the right skill and experience mix. The Board also derives some benefits from Directors with experience in other fields.

Board Committees

There are two (2) Committees that assist the Board in carrying out its responsibilities. In deciding the committee memberships, the Board endeavours to make the best use of the range of skills and experience across the board and share responsibility. Membership of the Committees is reviewed as and when the need arises.

To ensure effective oversight leadership, the Board receives the minutes/reports of all Committees' meetings at the Board meeting for ratification and approval.

The Company Secretary

The Company Secretary provides advice and support to the Board, and is accountable to the Board, through the Chairman, for all matters relating to the proper functioning of the Board and its Committees. The Company Secretary is responsible for advising the Board on governance matters and ensuring compliance with the Board and Board Committee framework, terms of reference, and procedures.

The Company Secretary was appointed by the Board.

The Company Secretary performs the following duties among others:

a) Serves as an interface between the Board and Management and supports the Board chair in ensuring the smooth functioning of the Board;
b) Ensures that Board procedures are followed and reviewed regularly;
c) Ensures that the applicable rules and regulations for the conduct of the affairs of the Board are complied with;
d) Provides the Board as a whole and individual Directors with detailed guidance as to how their responsibilities should be properly discharged in the best interest of The Company and on good governance;
e) Keeps abreast of, and inform the Board of current corporate governance thinking and practice;
f) In charge of the Secretariat that maintains the following statutory records in accordance with legal requirement from the Companies Act 2019 (Act 992):

- Interest Register
- Register of Holdings of Directors – Shares and debentures
- Register of Directors and Secretary
- Related Party Transaction Register

Board Activities and Development
Board Development

The Board encourages Directors to undertake continuing education and training to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

Code of Ethics for the Board and Company Employees

Code of Ethics for the Board is reviewed annually for adoption.

The Code of Ethics for Board and employees describe the standards of conduct expected of the Board, Management and Staff.

The Principles making up the Code are:

- acting with honesty, integrity, due skill, care and diligence;
- complying with laws and with our policies;
- respecting confidentiality and not misusing information;
- placing importance on our professionalism;
- working as a team; and
- managing conflicts of interest responsibly.

The Code's guiding principles help the Company to make the right decisions, ensuring that the reputation of the Company is upheld.

As Directors of the Company, we are also committed to creating greater accountability, transparency and trust with our customers and the broader community. With that in mind, the principles within our Code also reflect the community's expectations of us.

Board Meetings and Attendance

The Board met on a regular basis in 2022. The Board had two regular meetings scheduled. The Board Committees have delegated authority to meet from time to time to undertake specific extra duties on behalf of the Board.

Below is the table of attendance for Board and Committee Meetings in the year 2022.

Name of Director	Board	Investment	Audit & Compliance
Christine Dowuona – Hammond	1/1	1/1	-
Kwesi Amonoo - Neizer	1/1	1/1	-
Eugene Addison	1/1	1/1	1/1
Edward Ntim - Addae	1/1	1/1	1/1

Directors' Remuneration

Determining the remuneration of the Directors is subject to shareholders' approval. The Board Chairman and other Non-Executive Directors were paid sitting allowances per meeting.

Internal Controls System

The Company's internal controls framework covers financial, operational, compliance, legal and information technology controls, as well as risk management policies and systems.

The Board supported by the Audit and Compliance Committee oversees the Company's system of internal controls and risk management. The Company has three lines of defence when it comes to risk taking where each line of defence has a clear responsibility.

Our business units are our first line of defence for risk. This includes identification and management of risks inherent in their businesses and ensuring that we remain within approved boundaries of our risk appetite and policies.

Corporate oversight and control functions such as risk and compliance is the second line of defence. They are responsible for the design and maintenance of the internal control frameworks covering financial, operational, compliance and information technology.

Internal Audit forms the third line of defence. It provides an independent assessment and assurance on the reliability, adequacy, and effectiveness of our system of internal controls, and risk management procedures.

IAK CONSULT
Chartered Accountants

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MEGA AFRICAN CAPITAL LIMITED

Opinion

We have audited the financial statements of Mega African Capital Limited (the Company), which comprise the statement of financial position as at December 31, 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes as set out on pages 15 to 41. In our opinion, the accompanying financial statements present fairly, in all material respects, (or give a true and fair view of) the financial position of the Company as at December 31, 2022, and (of) its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by The Companies Act, 2019, (Act992) and any other relevant local legislation.

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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors as required by the Companies Act, 2019 (Act 992), Corporate Information and Supplementary Information but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Responsibilities of The Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs *and in the manner required by The* Companies Act, 2019.

(Act992) *and any other relevant local legislation*, and for such internal control as The Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, The Board of Directors is 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 skepticism throughout the audit. We also:

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

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by The Board of Directors.

• Conclude on the appropriateness of The Board of 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with The Board of 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 identify during our audit.

We also provide The Board of Directors 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.

From the matters communicated with The Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication".

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 have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit. We confirm that:

The Company has kept proper books of account, so far as it appears from our examination of those books. The Company's financial position and its statement of profit or loss and other comprehensive income are in agreement with the books of account and returns.

We hereby state that:

I. the accounts give a true and fair view of the state of affairs of the Company and their results for the year under review;
II. we were able to obtain all the information and explanations required for the efficient performance of our duties as auditors; and
III. the Company transactions were within its powers;
IV. We are independent of the Company under audit pursuant to Section 143 of the Companies Act, 2019 (Act 992).
V. The engagement partner on the audit resulting in this independent auditor's report is [Arnold Tetteh Okai].

A. W. Ca

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Signed by: Arnold Okai (ICAG/P/1077)
For and on Behalf of:
IAKO CONSULT (ICAG/F/2023/003)
CHARTERED ACCOUNTANTS
32 Samora Machel Road, Asylum Down
P. O. Box TN 617
Accra

STATEMENT OF FINANCIAL POSITION

	Notes	2022 GH¢	2021 GH¢
ASSETS			
Non-Current Assets			
Property, Plant & Equipment	15	10,488	12,202
Investment Properties	10	20,154,802	14,115,176
Equity Investment through OCI	9a	72,845,841	70,968,538
		93,011,131	**85,095,916**
Current Assets			
Receivables	7	227,741	769,638
Financial Assets	9b	104,510,697	69,911,274
Corporate Tax	14	41,530	41,530
Deferred Tax asset	14b	11,924	14,593
Cash and Bank Balances	8	69,075	10,794
		104,860,967	**70,747,829**
		197,872,098	**155,843,745**
LIABILITIES AND SHAREHOLDERS FUNDS			
Current Liabilities			
Accounts Payable & Accruals	11	652,871	699,139
Deposits	13	117,649,615	80,939,621
		118,302,486	**81,638,760**
Equity			
Stated Capital	12	22,356,482	22,356,482
Retained Earnings		13,173,324	39,885,565
Revaluation Reserve		44,039,806	11,962,938
SHAREHOLDERS FUNDS		**79,569,612**	**74,204,985**
TOTAL LIABILITIES AND SHAREHOLDERS FUNDS		**197,872,098**	**155,843,745**

The Board of Directors approved these financial statements on **09 June 2023**

Kwesi Amonoo-Neizer
DIRECTOR

DIRECTOR

The accompanying notes on pages 13 to 39 from part of these financial statements and should be read in conjunction therewith.

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2022	2021
		GH¢	**GH¢**
Investment & Operating Income	3a	564,730	247,324
Total Revenue		**564,730**	**247,324**
Expenses			
Admin. legal & professional expenses	6	(1,359,167)	(614,022)
Staff Cost	5	(257,394)	(356,861)
Depreciation	15	(3,873)	(4,344)
Total Operating Expenses		**(1,620,434)**	**(975,227)**
Profit before finance cost & tax		**(1,055,704)**	**(727,901)**
Finance Costs	4	(25,653,869)	(6,143,345)
Net Profit/(Loss) before Taxation		**(26,709,573)**	**(6,871,246)**
Corporate Tax	14a	(2,668)	14,593
Net Income attributable to shareholders		**(26,712,241)**	**(6,856,653)**
Other Comprehensive Income			
Changes in market value of investments	3b	**32,076,868**	**11,962,938**
Total Comprehensive Income		**5,364,627**	**5,106,285**

STATEMENT OF CASH FLOWS

	Notes	2022	2021
Operating Activities		**GH¢**	**GH¢**
Profit		**5,364,627**	**5,106,284**
Adjustments for:			
Depreciation		3,873	4,344
Decrease / (Increase) in Receivables		541,897	12,362
Deferred Tax		2,668	(14,593)
(Decrease) / Increase in Payables & Accruals		(46,268)	10,586
Prior Year Adjustment		-	1,097,005
Net Cash Generated from Operating Activities		**5,866,797**	**6,215,988**
Taxation			
Taxation		-	-
Cash Flow Included in Investing Activities:			
Financial Assets		(34,599,423)	(6,344,322)
Equity Investments		(1,877,303)	(7,107,442)
Investment Properties		(6,039,625)	(577,900)
Purchase of Property and Equipment		(2,160)	(4,139)
Net Cash From Investing Activities		**(42,518,511)**	**(14,033,803)**
Cash Flows From Financing Activities			
Deposits		36,709,995	7,497,528
Net Cash Used In Financing Activities		**36,709,995**	**7,497,528**
Net Increase/(Decrease) in Cash and Cash Equivalents		**58,281**	**-320,287**
Cash and Cash Equivalents at Beginning of Year		**10,794**	**331,081**
Cash and Cash Equivalents at End of Year		**69,075**	**10,794**

STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Revaluation Reserve	Retained Earnings	Total
	GH¢	GH¢	GH¢	GH¢
Year Ended 31 December 2022				
At The Beginning of The Year	22,356,482	11,962,938	39,885,565	**74,204,985**
Profit/(Loss) For the Period	-	-	(26,712,241)	**(26,712,241)**
Revaluation	-	32,076,868	-	**32,076,868**
At The End of The Year	22,356,482	44,039,806	13,173,324	**79,569,612**
Year Ended 31 December 2021				
At The Beginning of The Year	22,356,482	-	45,645,214	**68,001,696**
Profit/(Loss) For The Period	-	-	(6,856,653)	**(6,856,653)**
Revaluation	-	11,962,938	-	**11,962,938**
Prior Year Adjustment	-	-	1,097,005	**1,097,004**
At The End of The Year	22,356,482	11,962,938	39,885,565	**74,204,985**

NOTES TO THE FINANCIAL STATEMENTS

1.0 CORPORATE INFORMATION

NATURE OF COMPANY

Mega African Capital Limited is a Public Limited Liability Company incorporated in Ghana under the Companies Act 2019, Act 992. The Company is domiciled in Ghana with its registered office at The Alberts, No. 23 Sunyani Avenue, Kanda Estates, Accra.

The Company is authorized to undertake the following:

(i) Development, Purchase, Sales and Rental of Real Estates
(ii) Investment In Equities
(iii) Fixed Income Investments and
(iv) Any other Financial Services

Judgments and Estimates

The presentation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affects 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 the underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates 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 and future periods.

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 the note 3

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Changes In Accounting Polices and Discclosures

i) New standards, amendments and interpretations adopted by the Company

The following amendments and International Financial Reporting Interpretation Committee (IFRIC) interpretations were adopted by the Company for the first time for the financial year beginning on 1 January 2022.

- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

- Onerous Contracts – Cost of Fulfilling a Contract – Amendments to IAS 37
- Annual Improvements to IFRS Standards 2018-2020, and
- Reference to the Conceptual Framework – Amendments to IFRS 3

(ii) New standards, amendments and interpretations adopted by the Company(continued)

The Company also elected to adopt the following amendments early:

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12, and
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(iii) Standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

These amendments and clarifications are effective for reporting periods beginning on or after 1 January 2023.

Revised Conceptual Framework for Financial Reporting

The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:

(a) increasing the prominence of stewardship in the objective of financial reporting.

(b) reinstating prudence as a component of neutrality.

(c) defining a reporting entity, which may be a legal entity, or a portion of an entity.

(d) revising the definitions of an asset and a liability.

(e) removing the probability threshold for recognition and adding guidance on derecognition.

(f) adding guidance on different measurement basis; and

(g) stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events, or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 July 2021. These entities will need to consider whether these accounting policies are still appropriate under the revised Framework.

The above amendments did not have any material impact on the results or the financial position of the Company for the year ended 31 December 2022:

(ii) New standards, amendments and interpretations not yet adopted by the Company:

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.0 ACCOUNTING POLICIES

BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for sale financial assets and financial assets and financial liabilities (including derivatives instruments) at fair value through profit or loss.

Significant Accounting Estimates, Assumptions & Judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policy. Key areas in which judgment is applied include:

Statement of Compliance

These financial statements of Mega African Capital Limited have been prepared in accordance with International Financial Reporting Standards (IFRS). IFRS has been applied in preparing these financial statements. This is in conformity with the directives of the Institute of Chartered Accountants (ICAG) in collaboration with other regulatory bodies like the Securities and Exchange Commission.

Functional and Presentation Currency

The financial statements are presented in Ghana Cedis, which is the Company's functional and presentation currency.

Foreign currencies

Foreign currency transactions are recorded in the functional currency using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are restated into the functional currency at rate of exchange ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the restatement of monetary assets and liabilities denominated in foreign currencies at year end are recognized in the income statement under the heading "other operating income or "other operating expenses".

The effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the cash flow statements as part of the reconciliation of cash and cash equivalent at the beginning and end of the period. This amount is presented separately from cash flows from operating, investing and financing activities and includes the differences, if any, had those cash flows been reported at end of period exchange rates.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is provided on the depreciable amount of each component on a straight-line basis over the anticipated useful life of the asset. The depreciable amount related to each asset is determined as the difference between the cost and the residual value of the asset. The residual value is the estimated amount, net of disposal costs that the Company would currently obtain from the disposal of an asset in similar age and condition as expected at the end of the useful life of the asset.

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

	%
Furniture, fixtures and fittings	20
Office machine and equipment	20

Costs associated with routine servicing and maintenance of assets are expensed as incurred. Subsequent expenditure is only capitalized if it is probable that future economic benefits associated with the item will flow to the Company.

The carrying values of property and equipment are reviewed for indications of impairment annually, or when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Residual values, useful lives and methods of depreciation for property and equipment are reviewed, and adjusted if appropriate, at each financial year end.

Investment Property

Comprises of properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Company. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at cost, including related transaction costs and (where applicable) borrowing costs

After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

It may sometimes be difficult to determine reliably the fair value of investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

. The provisions of the construction contract.

. The stage of completion.
. Whether the project/property is standard (typical for the market) or non-standard.
. The level of reliability of cash inflows after completion.
. The development risk specific to the property.
. Past experience with similar constructions.
. Status of construction permits.

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.

Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed. 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 the income statement within net gain from fair value adjustment on investment property.

Gain or loss arising from the retirement or disposal of an investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

When an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

Intangible assets

Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over 3 years.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain the expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, 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. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Contingent liabilities and contingent assets are not recognized in the financial statements but are disclosed.

Employee Benefits

Social Security & Provident Funds

The Company contributes to the national pension fund (defined contribution) governed by the Social Security & National Insurance Trust Fund law on behalf of employees. All employer contributions are charged to the income statement as incurred and are included under staff costs.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable or received for services provided and goods delivered, net of discounts and Value Added Taxation (VAT) and where there is reasonable expectation that the income will be received and all attaching conditions will be complied with. The following specific recognition criteria are met before revenue is recognized.

A **capital gain** is a profit that results from a disposition of a capital asset, such as stock, bond or real estate, where the amount realized on the disposition exceeds the purchase price. The gain is the difference between a higher selling price and a lower purchase price. Conversely, a capital loss arises if the proceeds from the sale of a capital asset are less than the purchase price.

A **dividend** is a payment made by Company to its shareholders, usually as a distribution of profits. When a Company earns a profit or surplus, it can re-invest it in the business (called retained earnings), and pay a fraction of this reinvestment as a dividend to shareholders.

Rent, is recognized when it is received. Rent is also recognized when is due. The advanced payment of rent or fees received must be recognized as deferred income. The advance payment of rent to terminate a lease early must also be recognized in the year in which it is received.

Revenue is recognized when the Company's right to receive money is established.

Rendering of Services

When the outcome of a transaction involving the rendering of services can be estimated reliable, revenue associated with the reference to the stage of completion of the transaction at the Statement of Financial Position date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

The amount of revenue can be measured reliably;

(a) It is probable that the economic benefits associated with the transaction will flow to the Company;
(b) The stage of completion of the transaction at the reporting date can be measured reliably;
(c) The costs incurred for the transaction and the cost to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Income tax
(a) Current Income Tax

Current income tax assets and liabilities for the current and prior period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

(b) Deferred Income Tax

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Value added tax

Revenues, expenses and assets are recognized net of the amount of values added tax except.

(a) where the value added tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(b) Receivables and payables are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Investments

Investments are recognised and derecognised on the trade date when the Company commits itself to purchase or sell an asset and are initially measured at fair value plus, in the case of investments other than trading securities, transaction costs. At each balance sheet date, the Company assesses whether there is any objective evidence that an investment or Company of investments is impaired. Investments are further categorised into the following classifications for the measurement after initial recognition.

a. Trading securities

Investments in securities held for trading are classified as trading securities included in current assets and are stated in the balance sheet at fair value. Any attributable transaction costs and gain or loss on the fair value changes of trading securities are recognised in profit or loss.

b. Held-to-maturity investments

Investment in debt securities with fixed or determinable payments and fixed maturity that the Company has the positive intention and ability to hold to maturity are classified as held-to-maturity investments, which are measured at amortised cost using the effective interest method, less impairment losses, if any.

Impairment losses on held-to-maturity investments are recognised in profit or loss when there is objective evidence that an impairment loss has been incurred and are measured as the difference between its carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at its original effective interest rate, i.e. the effective interest rate computed at initial recognition.

c. Available-for-sale financial assets

Investments other than those held for trading and held to maturity are classified as available-for-sale financial assets and are stated in the balance sheet at fair value. Gain or loss on the fair value changes of available-for-sale financial assets is recognised directly in equity in the fair value reserves, except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses which are recognised directly in profit or loss.

When the available-for-sale financial assets are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where the available-for-sale financial assets are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.
When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in profit or loss even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from equity and recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in profit or loss.

d. Unquoted Equity Instruments Carried at Cost

Investments in unquoted equity instruments whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, is measured at cost less impairment losses, if any.

If there is objective evidence that an impairment loss has been incurred on such instrument, the amount of impairment loss is measured as the difference between its carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar instrument. Such impairment losses are not reversed.

e. Fair Value

Fair value of an investment on initial recognition is normally the transaction price, unless it is estimated by using a valuation technique when part of the consideration given or received is for something other than the investments.

After initial recognition, the fair value of an investment quoted in an active market is based on the current bid price and, for investments not quoted in an active market: the Company establishes the fair value of such investment by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same,discounted cash flow analysis and option pricing models.

FINANCIAL ASSETS
Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

Assets in this category are classified as current assets if expected to be settled within 12 months, otherwisethey are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards ofbownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gain or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'Other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of other income when the Company's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as 'Gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the statement of comprehensive income as part of other income. Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive income as part of other income when the Company's right to receive payments is established.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

Assets carried at amortised cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate. the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

Assets classified as available for sale

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Company uses the criteria referred to in (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in profit or loss. Impairment losses recognized in the consolidated statement of comprehensive income on equity instruments are not reversed through the consolidated statement of comprehensive income.

If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the consolidated statement of comprehensive income.

Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

Trade and other receivables

Trade and other receivables are initially measured at fair value and, after initial recognition, at amortized cost less impairment losses for bad and doubtful debts, if any, except for the following receivables:

a. Interest-free loans made to related parties without any fixed repayment terms or the effect of discounting being immaterial, that are measured at cost less impairment losses for bad and doubtful debt, if any; and
b. Short-term receivables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount less impairment losses for bad and doubtful debt, if any.

At each reporting date, the Company assesses whether there is any objective evidence that a receivable or Company of receivables is impaired. Impairment losses on trade and other receivables are recognized in profit or loss when there is objective evidence that an impairment loss has been incurred and are measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at its original effective interest rate, i.e. the effective interest rate computed at initial recognition. The impairment loss is reversed if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, bank overdrafts which are repayable on demand form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in reserves. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in the cumulative impairment losses attributable to the application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of the impaired available-for-sale equity security is recognised in other comprehensive income.

Impairment of financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there us objective evidence that it is impaired. A financial asset 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, an that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would consider otherwise, indications that a debtor or issuer will enter into bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for security. The Company considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity investment securities) at both a specific asset and collective level. All individually significant assets are assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by accompanying together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends if the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

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 cash flows discounted at the assets original effective interest rate. Deficits are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

FINANCIAL LIABILITIES
Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Borrowings

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

State Capital - Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Interest-bearing borrowings

Interest-bearing borrowings, mainly bank loans and overdrafts, are measured initially at fair value less transaction costs and, after initial recognition, at amortised cost, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

Related parties

For the purposes of these financial statements, a party is considered to be related to the Company if:

a) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Company, has an interest in the Company that gives it significant influence over the Company, or has joint control over the Company;

b) the party is an associate of the Company;

c) the party is a joint venture in which the Company is a venture;

d) the party is a member of the key management personnel of the Company or its parent;

e) the party is a close member of the family of any individual referred to in (a) or (d);

f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

g) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

3. Income

a) Investment & Operating Income

	2022 GH¢	2021 GH¢
Dividend Income from Ghana	262,546	45,403
Rental Income	302,184	201,921
	564,740	**247,324**

b) Changes in market value of investments

	2022 GH	2021 GH¢
Realised Gain/Loss	-	(8,126,009)
Unrealised Gain	71,140,310	19,844,703
Unrealised Loss	(20,492,202)	-
	50,648,108	**11,718,694**
Other attributable Income		
Other Income	155,000	58,397
Exchange loss	(33,163,128)	-
Exchange gain	14,436,888	185,847
	(18,571,240)	**244,244**
	32,076,868	**11,962,938**

4. Finance Cost

	2022 GH¢	2021 GH¢
Interest Expense	25,653,869	6,143,345
	25,653,869	**6,143,345**

5. Staff Cost

	2022 GH¢	2021 GH¢
SSF	38,399	40,364
Staff Medical Insurance	43,920	43,920
Staff Salaries	175,075	273,577
	257,394	**356,861**

6. Admin, Legal and Professional Exp.

	2022 GH¢	2021 GH¢
Accounting Services Fees	38,000	-
Auditors Remuneration	35,000	50,000

Bad Debt	614,294	-
Bank Charges	2,444	3,807
Board Fees	32,400	36,800
Cleaning and Sanitation	-	2,457
Communication	15,793	30,011
Corporate Finance and Advisory Costs	54,054	109,411
Generator Running Expenses	160,576	28,039
Investment property management Exp.	37,952	175,547
Legal and Compliance	13,140	18,860
Listing Expenses	19,500	24,267
Office Supplies	3,316	8,609
Other Expenses	131,886	2,250
Printing and Stationery	3,562	4,452
Repairs and Maintenance of Assets	1,113	2,992
Subscriptions	22,873	18,786
Tax Advisory Fee	7,283	-
Travel and Transport	60,221	13,258
Utilities	-	30,290
Donation	4,750	8,500
Consultancy Fees	-	45,686
Property Management Fee	101,010	-
	1,359,167	**614,022**

7. Receivables

	2022 GH¢	2021 GH¢
Trade Receivables	214,058	757,855
Other Receivables	13,683	11,783
	227,741	**769,638**

8. Cash and Cash Equivalents

	2022 GH¢	2021 GH¢
Banks		
Foreign Currency Accounts	7,893	5,699
Local Cedi Account	61,139	5,047
	69,032	10,746
Cash	43	48
	69,075	**10,794**

9. Financial assets designated at fair value through profit or loss	**2022 GH¢**	**2021 GH¢**
a) Investment & Operating Income		
Equity securities traded in active markets	241,346	80,852
Equity securities not traded in active markets	72,604,495	70,887,686
Total Dividend & Interest Income	**72,845,841**	**70,968,538**

b) Other financial assets held for trading	**2022 GH¢**	**2021 GH¢**
Commercial paper	104,510,696	69,911,274
	104,510,696	**69,911,274**
Total Financial Assets	**177,356,537**	**140,879,812**

10. Investment Properties	**2022 GH¢**	**2021 GH¢**
Investment Properties	20,154,802	14,115,176
	20,154,802	**14,115,176**

11. Accounts Payable & Accruals	**2022 GH¢**	**2021 GH¢**
Board Fees	15,095	12,250
Other payables	426,688	390,039
Accounting Fees	73,821	93,821
Audit Fees	38,105	50,000
PAYE	4,616	3,630
Social Security	13,358	2,567
Management Fees	-	11,160
Staff Medical Costs	39,040	63,295
Staff Salaries	3,242	-
Withholding tax payable	6,546	12,998
Rent Deposit	32,360	59,380
	652,871	**699,140**

12. Stated Capital

		2022	**2021**
Authorized Shares	10,000,000		
Issued Shares	**No. of Shares**	**GH¢**	**GH¢**
Ordinary Shares	9,948,574	22,356,482	22,356,482
Total	**9,948,574**	**22,356,482**	**22,356,482**

There are no calls or installments unpaid in respect of any shares and there are no treasury shares

13. Tenured Deposits	**2022**	**2021**
	GH¢	**GH¢**
Client Deposits	49,895,028	50,082,207
Interest Payable	67,754,588	30,857,414
	117,649,616	**80,939,621**

14a. INCOME TAX EXPENSE	**2022**	**2021**
	GH¢	**GH¢**
Current Income Tax	-	-
Deferred Tax	2,668	(14,593)
	2,668	**(14,593)**

14b. Deferred Tax

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 25%. The movement on the deferred income tax account is as follows:

DEFERRED TAX Asset/(Liability)	**2022**	**2021**
	GH¢	**GH¢**
At start of year	14,593	-
Income statement (credit)/charge	(2,668)	14,593
Balance at December 31	**11,924**	**14,593**

15. Property, Plant & Equipment

Cost/Valuation	**Generator Set**	**Office Equipment**	**Furniture & Fittings**	**Total**
		GH¢	**GH¢**	**GH¢**
Balance as at 1st Jan 2022	-	16,339	71,876	88,215
Additions for the year	-	2,160	-	2,160
Balance as at 31st Dec 2022	-	**18,499**	**71,876**	**90,375**
Depreciation				
Balance as at 1st Jan 2022	-	4,419	71,595	76,014
Charge for the year	-	3,592	281	3,873
Balance as at 31st Dec 2022	-	**8,011**	**71,876**	**79,887**
Net Book Value 2022	-	**10,488**	**-**	**10,488**

Cost/Valuation	Generator Set	Office Equipment	Furniture & Fittings	Total
		GH¢	GH¢	GH¢
Balance as at 1st Jan 2021	-	12,200	71,876	84,076
Additions for the year	-	4,139	-	4,139
Balance as at 31st Dec 2021	-	**16,339**	**71,876**	**88,215**
Depreciation				
Balance as at 1st Jan 2021	-	1,390	70,279	71,669
Charge for the year	-	3,028	1,316	4,344
Balance as at 31st Dec 2021	-	**4,418**	**71,595**	**76,013**
Net Book Value 2021	-	**11,921**	**281**	**12,202**

16. Financial Risk Management

The Company has exposure to the following risks from its use of financial instruments:

Credit risk
Liquidity risk
Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk Management Framework

The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit and Finance Committee is responsible for monitoring compliance with the Company's risk management policies and procedures, and for reviewing the adequacy of risky management framework in relation to the risks faced by the Company. This committee is assisted in these functions by a risk management structure in all the units of the Company which ensures a consistent assessment of risk management control and procedures.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2022 GH¢	2021 GH¢
Receivables	1,102,494	769,638
Financial Assets	104,510,697	69,911,274
Cash and Cash Equivalents	69,075	10,794
	105,682,266	**70,691,706**

Liquidity Risk

Liquidity risk is the risk that the Company either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access them only at excessive cost. The Company's approach to managing liquidity is to ensure that it will maintain adequate liquidity to meet its liabilities when due.

Market Risks

Market risk is the risk that changes in the money and capital market such as interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on investments.

Operational Risk

Operational risk is the exposure to financial or other damage arising through unforeseen events or failure in operational processes and systems. Examples include inadequate controls and procedures, human error, deliberate malicious acts including fraud and business interruption. These risks are controlled and monitored through system controls, segregation of duties, exception and exposure reporting, business continuity planning, reconciliations, and timely and reliable management reporting.

17. Fair Values

Fair values versus carrying amounts. The fair values of financial assets and liabilities together with carrying amount shown in the balance sheet are as follows:

	31 December 2022		31 December 2021	
	Carrying Amount GH¢	Carrying Amount GH¢	Carrying Amount GH¢	Fair Value GH¢
Assets				
Investment Properties	20,154,801	20,154,801	14,115,176	14,115,176
Receivables	227,741	227,741	769,638	769,638
Equity Invest. Through OCI	72,845,841	72,845,841	70,968,538	70,968,538
Financial Assets	104,510,697	104,510,697	69,911,274	69,911,274
Cash and Cash Equivalents	69,075	69,075	10,794	10,794
	197,808,155	**197,808,155**	**155,775,240**	**155,775,240**
Liabilities				
Accounts Payable	652,871	652,871	699,139	699,139
Tenured Deposits	117,649,615	117,649,615	80,939,621	80,939,621
	118,302,486	**118,302,486**	**81,638,760**	**81,638,760**

18. Event after the reporting period

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

19. Commitments

There were no capital expenditure commitments at the balance sheet date as at 31 December 2022.