

***THE GOLD MONEY MARKET FUND LIMITED***

***FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31<sup>ST</sup> DECEMBER 2015***

**THE GOLD MONEY MARKET FUND LIMITED  
FINANCIAL STATEMENTS**

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**THE GOLD MONEY MARKET FUND**  
**BOARD OF DIRECTORS, OFFICIALS AND REGISTERED OFFICE**

**BOARD OF DIRECTORS**

Abaka H. Jackson  
Benjamin Afreh  
Kwame Ofori Asomaning  
Yvonne Nduom (Mrs.)  
Joseph Cudjoe  
Emmanuel Dei-Tumi

**REGISTERED OFFICE**

Gold Money Market Fund  
No. 5 Mozambique Link  
(Opposite Royal Netherlands Embassy)  
P. O. Box GP 17187  
Accra, Ghana

**MANAGERS**

Gold Coast Fund Management  
2<sup>nd</sup> Floor, C625/3 Farrar Street  
Osu Clotney, Asylum Down  
P. O. Box GP 17187  
Accra, Ghana

**CUSTODIANS**

Standard Chartered Bank Limited  
P. O. Box 768  
High Street  
Accra, Ghana

**SOLICITORS**

Addae Twum & Company  
Legal Practitioners  
Awudome Estates  
P. O. Box AN 7805  
Accra- North

**AUDITORS**

**Baker Tilly Andah + Andah**  
Chartered Accountants  
C645/3, 4<sup>th</sup> Crescent  
Asylum Down  
P. O. Box 5443  
Cantonments, Accra

**BANKERS**

GN Bank  
Standard Chartered Bank Limited

**THE GOLD MONEY MARKET FUND**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Companies Act, 1963 (Act 179) requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the statement of operations for that period. In preparing those financial statements the directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company which enable them to ensure that the financial statements comply with the Companies Act, 1963 (Act 179), the Securities Industry Law, 1993 (PNDCL 333), and the Unit Trusts & Mutual Funds Regulations, 2001, L.I. 1695. The Directors 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.

The above statements, which should be read in conjunction with the statement of the Auditor's responsibility set out on pages 5 - 6, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and the auditor in relation to the Financial Statements.

**REPORT OF THE DIRECTORS  
TO THE MEMBERS OF  
THE GOLD MONEY MARKET FUND**

The Directors present their report and the financial statements of the company for the year ended 31<sup>st</sup> December 2015.

**Financial Statements**

The results for the period are as set out in the financial statements.

**State of Affairs**

The Directors consider the state of the company's affairs to be satisfactory.

**Corporate Status**

The Gold Money Market Fund is a fund Services Company incorporated in Ghana. The company operates under the Companies Act, 1963 (Act 176), Securities Industry Law 1993 and Unit Trusts & Mutual Funds Regulations, 2001, L.I. 1695PNDCL 333.

**NATURE AND COMMENCEMENT OF BUSINESS**


There was no change in the nature of business of the company during the year.

**Auditors**

Messrs Baker Tilly Andah + Andah have indicated their willingness to continue in office as auditors of the Company and in accordance with section 134(5) of the Companies Act, 1963 (Act 179) they so continue.

**Events after Balance Sheet Date**

The Directors confirm that no matters have arisen since 31<sup>st</sup> December, 2015, which materially affect the financial statements of the Company for the year ended on that date. (2014: NIL).

  
.....)  
)  
.....) **DIRECTORS**  
.....)  
.....)  
.....) **7th October.....2016**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS  
OF THE GOLD MONEY MARKET FUND**

We have audited the financial statements of The Gold Money Market Fund for the year ended 31<sup>st</sup> December 2015 which comprise the Statement of Financial Position as at December 31, 2015 and the Statement of Comprehensive Income, the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes set out on pages 11 to 29. The financial reporting framework that has been applied in their preparation is International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

This report is made solely to the company's members, as a body in accordance with Section 133 of the Companies Act, 1963 (Act 179). Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

**Scope of the Audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

**Opinion on Financial Statements**

In our opinion the financial statements:

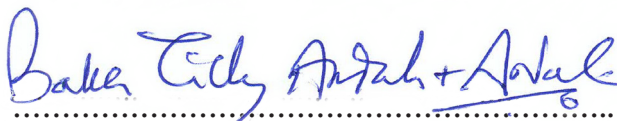
- give a true and fair view of the state of the Fund's Net Assets as at 31<sup>st</sup> December 2015 and of its Fund Account for the twelve months then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRS);
- comply with the Companies Act, 1963 (Act 179), the Securities Industry Law, 1993 (PNDCL333), and the Unit Trusts and the Mutual Fund Regulations, 2001 (L.I. 1695).

## Report on Other Legal and Regulatory Requirements

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

We confirm that:

- 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;
- in our opinion proper books of account have been kept by the Fund, so far as appears from the examination of those books; and
- the Fund's Statement of Financial Position and Statement of Comprehensive Income are in agreement with the books of account.



.....  
**K. B. ANDAH (ICAG/P/1098)**

For and on behalf of Baker Tilly Andah + Andah (ICAG/F/2016/122)

Chartered Accountants

C645/3, 4<sup>th</sup> Crescent

Asylum Down, Accra

Accra

11th October  
.....2016

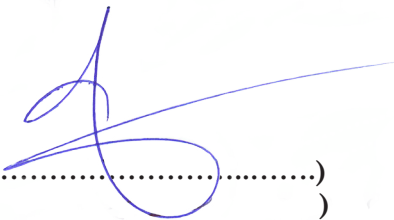
**GOLD MONEY MARKET FUND  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2015**

	Note	2015 GH¢	2014 GH¢
<b>INVESTMENT INCOME</b>			
Interest Income	5	6,219,885 -----	1,306,246 -----
<b>EXPENSES</b>			
Management Fees		(644,831)	(102,052)
Custodian Fees		(69,065)	(3,487)
General and Administrative Expenses	6	(146,026) -----	(49,810) -----
<b>TOTAL EXPENSES</b>		<b>(859,922)</b> -----	<b>(155,349)</b> -----
<b>Net Investment Income for the year</b>		<b>5,359,963</b>	<b>1,150,897</b>
Other Comprehensive Income		- -----	- -----
<b>Total Comprehensive Income for the year</b>		<b>5,359,963</b> =====	<b>1,150,897</b> =====



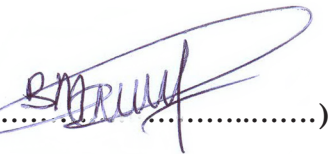
**THE GOLD MONEY MARKET FUND LIMITED  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2015**

	Note	2015 GH¢	2014 GH¢	1 JAN 2014
<b>ASSETS</b>				
Cash and Cash Equivalent	7	637,023	326,227	115,994
Held to Maturity Securities	8	82,161,851	5,871,349	3,986,442
Trade and Other Receivables	9	367,057	28,280	-
		-----	-----	-----
<b>TOTAL ASSETS</b>		<b>83,165,931</b>	<b>6,225,856</b>	<b>4,102,436</b>
		=====	=====	=====
 <b>LIABILITIES</b>				
Trade and Other Payables	10	1,076,735	405,144	183,289
		-----	-----	-----
<b>TOTAL LIABILITIES</b>		<b>1,076,735</b>	<b>405,144</b>	<b>183,289</b>
		-----	-----	-----
 <b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS</b>		 <b>82,089,196</b>	 <b>5,820,712</b>	 <b>3,919,147</b>
		=====	=====	=====

.....)  


.....)  


**DIRECTORS**

.....)  


**FUND MANAGER**

..... 7th October 2016

**THE GOLD MONEY MARKET FUND LIMITED  
STATEMENT OF CHANGES IN NET ASSETS  
ATTRIBUTABLE TO UNIT HOLDERS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2015**

	<b>2015 GH¢</b>	<b>2014 GH¢</b>
Net Assets Attributable to Unit Holders – January 1	5,820,712	3,919,147
Proceeds from Issue of Shares	73,258,509	1,194,762
Shares Redeemed	(2,349,988)	(444,094)
Net Increase in Capital Transaction	----- 70,908,521	----- 750,668
Increase in Net Assets Attributable to Unit Holder	5,359,963	1,150,897
Net Assets Attributable to Unit Holders – December 31	----- 82,089,196 =====	----- 5,820,712 =====

**THE GOLD MONEY MARKET FUND LIMITED**  
**STATEMENT OF CASH FLOWS AS AT 31<sup>ST</sup> DECEMBER 2015**

	Note	2015 GH¢	2014 GH¢
<b>Cash Flows from Operating Activities</b>			
Net Investment Income for the year		5,359,963	1,150,897
<b>Changes in Working Capital</b>			
Increase in Trade and Other Receivables		(338,777)	(28,280)
Decrease in Trade and Other Payables		671,591	221,855
		-----	-----
<b>Net Cash Flows from Operating Activities</b>		<b>5,692,777</b>	<b>1,344,472</b>
		-----	-----
<b>Cash Flows from Investing Activities</b>			
Purchase of Held-to-Maturity Securities		(76,290,502)	(1,884,907)
		-----	-----
<b>Net Cash Flows from Investing Activities</b>		<b>(76,290,502)</b>	<b>(1,884,907)</b>
		-----	-----
<b>Cash Flows from Financing Activities</b>			
Proceed from Capital Transactions		73,258,509	1,194,762
Shares Redeemed		(2,349,988)	(444,094)
		-----	-----
<b>Net Cash Flows from Financing Activities</b>		<b>70,908,521</b>	<b>750,668</b>
		-----	-----
Net Increase in Cash and Cash Equivalents		310,796	210,233
Cash and Cash Equivalents at the beginning of the year		326,227	115,994
		-----	-----
<b>Cash and Cash Equivalents at the end of the year</b>	7	<b>637,023</b>	<b>326,227</b>
		=====	=====

**THE GOLD MONEY MARKET FUND LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2015**

**1. GENERAL INFORMATION**

The Gold Money Market Fund Limited is a limited liability company incorporated in Ghana. The address of its registered office and principal place of business is No. 5 Mozambique Link (Opposite Royal Netherlands Embassy) Accra.

**Description of the Fund**

The Gold Money Market Fund Limited is a Money Market Mutual Fund Scheme established under the license of the Securities Exchange Commission. The Fund was formally incorporated as Rider Fund Limited and was changed by a special resolution and approval by the Registrar of Companies on the 15<sup>th</sup> of April 2011.

The Fund's objective is to invest in diverse money market instruments and aims to provide opportunity for investors seeking relatively safe, liquid and good returns on their investment.

The Manager of the Fund is Gold Coast Fund Management licensed as a dealing member of the Ghana Stock Exchange. As Managers, they have exclusive discretion over the Fund's Assets, provide administrative services and also provide unit holder service to the Fund.

The Funds custodian is Standard Chartered Bank.

**2. BASIS OF PREPARATION AND ACCOUNTING POLICIES**

**2.1. Statement of compliance**

This is the first set of financial statements prepared by The Gold Money Market Fund Limited in conformity with International Financial Reporting Standards (IFRSs) issued by International Accounting Standards Board. These financial statements have been prepared in accordance with requirements of first time adoption of IFRS as set out in IFRS 1 *First-time Adoption of International Financial Reporting Standards*.

**2.2 Basis of measurement**

The financial statements are prepared on the historical cost basis. Under historical cost basis, assets and liabilities are recorded at the value when they were first acquired with modification in respect to financial assets and liabilities which are presented at fair value. The financial statements have been presented in Ghana Cedis (GH¢) which is the functional currency of the company.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**3.1. Fair value measurement**

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 and

liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date.

Valuation techniques are applied to determine the fair value if significant movement occurs in fair value close to the end of the reporting period. A significant event is any event that occurs after the last market price for the security or close of market but before the fund's valuation time that materially affects the integrity of the closing prices of the instrument.

The fair value of financial assets and liabilities that are not traded in an active market is also determined using valuation techniques. The fund uses a variety of methods and make a lot of assumptions that are based on market conditions existing at each reporting date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

### **3.2. Revenue recognition**

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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

#### **3.2.1. Interest Income**

Interest income is recognised on time-proportionate basis using the effective interest method. It includes interest income from cash and cash equivalents and on debt securities at fair value through profit or loss. All interest income are recognised in the statement of comprehensive income for all interest-bearing financial instruments.

#### **3.3.1 Withholding taxes**

Under current tax laws of Ghana, mutual funds are not subject to taxes on income or capital gains, nor to any taxes on income distributions.

Thus the interest income are not subject to withholding tax deducted at the source of the income. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income.

### **3.4 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The specific initial recognition and measurement basis of financial assets and liabilities are dependent on the category of instrument being measured.

#### **3.4.1 Financial assets**

##### **3.4.1.1 Initial recognition and measurement**

Financial assets are generally classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the asset.

##### **3.4.1.2 Subsequent measurement**

For purposes of subsequent measurement of financial assets of The Gold Money Market Fund Limited, investments are classified as held- to-maturity investments or cash and cash equivalents.

#### **Held-to-maturity investments**

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Fund has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the Effective Interest Rate (EIR), less impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss as finance costs.

##### **3.4.1.3 Derecognition of financial assets**

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either
  - i. the Company has transferred substantially all the risks and rewards of the asset, or
  - ii. the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Fund continues to recognise the transferred asset to the extent of the Fund’s continuing involvement. In that case, the Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Fund has retained.

#### **3.4.1.4 Impairment of financial assets**

The Fund assesses, at each reporting date, whether there is objective evidence that a financial asset is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the debtors or a third party borrower is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial re-organisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

### **3.4.2 Financial liabilities**

#### **3.4.2.1 Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Fund's financial liabilities include trade and other payables.

#### **Subsequent measurement**

The measurement of financial liabilities mainly the company's trade and other payables are subsequently measured at amortised cost using the effective interest method.

#### **3.4.2.2 Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

### **3.4.3 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

## **3.5 Unit holders' capital**

The Fund issues redeemable shares which are redeemable at the holder's option. Redeemable shares are put back to the Fund at dealing date for cash equal to the proportionate share of the Fund's net share class.

The redeemable shares are carried at the redemption amount that is payable at the statement of financial position date if the holder exercises the right to put the share back to the Fund.

Redeemable shares are issued and redeemed at the holder's option at prices based on the Fund's net asset value per share at the time of issue or redemption. The Fund's net assets value per share is calculated by

dividing the net assets attributable to the holders of each class of redeemable shares with the total number of outstanding redeemable shares for each respective class.

The shares of the Fund are not listed on the Stock Exchange.

### 3.6 Cash and Short-term Deposits

Cash and short-term deposits in the statement of financial position comprise cash and short-term deposits with maturities of three months or less.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding Fund overdrafts.

### 3.7 Accrued Expenses

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

### 3.8 Events after the Reporting Period

Events subsequent to the reporting period are reflected only to the extent that they relate directly to the financial statements and the effect is material.

### 3.9 New Standards and interpretations not yet adopted

There are new or revised accounting standards and interpretation in issue that are not yet adopted and have not been applied in the preparation of these financial statements. Except for those listed below, other new standards and amendments, will not have any impact on the company's financial statements.

	<b>Standard/ Interpretation</b>	<b>Effective Date</b>
IFRS 9	<i>Financial Instruments</i>	1 January, 2018
IFRS 15	<i>Revenue from contracts with customers</i>	1 January, 2018
IFRS 16	<i>Leases</i>	1 January, 2019
IAS 16 and IAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)</i>	1 January, 2018
IAS 1	<i>Disclosure Initiative (Amendments to IAS 1)</i>	1 January, 2016
2012-2014 cycle	<i>Annual Improvements to IFRSs</i>	1 January, 2016

#### **IFRS 9 Financial Instruments**

In July 2014, the IASB issued the final version of IFRS 9 *Financial Instruments* which reflects all phases of the financial instruments project and replaces IAS 39 *Financial Instruments: Recognition and Measurement* and all previous versions of IFRS 9.

The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. It introduces a single model that has initially only two classification categories: amortised cost and fair value. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash characteristics of the financial asset. All other debt and equity instruments, including investments in complex debt instruments and equity instruments, must be recognised at fair value.

IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory.



Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but no impact on the classification and measurement of the Company's financial liabilities.

### **IFRS 15 Revenue from Contracts with Customers**

IFRS 15 was issued in May 2014 as the new standard for revenue recognition. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The standard establishes a five-step process that must be applied before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied

Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

### **IFRS 16 Leases**

IFRS 16 was published in January 2016. It sets out the principles of recognition and measurement and presentation and disclosure of leases for both parties to the contract, i.e. the customer (lessee) and supplier (lessor).

IFRS 16 replaces the previous leasing standard IAS 17 Leases and related interpretations. IFRS 16 introduces one model for leases which will result in the inclusion of almost all leases in the statement of financial position. No significant changes are however included for lessors.

The standard is effective for annual periods beginning on or after 1 January, 2019 with early adoption permitted only if the entity also adopts IFRS 15. The transitional requirements are different for lessees and for lessors.

### **Amendment to IAS 1 Disclosure Initiative**

The amendments to IAS 1 Presentation of Financial Statement clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- i. The materiality requirement in IAS 1: An entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance
- ii. Line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance.
- iii. The entities have flexibility as to the order in which they present the notes to the financial statements
- iv. The share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are

effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have impact on Gold Money Market Fund.

#### **Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation**

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Company given that the Company has not used a revenue-based method to depreciate its non-current assets.

#### **Annual improvements to IFRSs 2012-2014 cycle- IFRS 7**

Specific guidance is provided for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute 'continuous involvement' and therefore whether the asset qualifies for derecognition.

Additional disclosures relating to off-setting financial assets and liabilities only need to be included in interim reports if required by IAS 34.

## **4 CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements in conformity with IFRS requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets, 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 judgement 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 estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the notes to the financial statements. The estimates that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities in the financial year include:

### **4.1 Determination of Fair Values**

A number of the company's accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities. The company regularly reviews significant unobservable inputs and valuation judgements.

When measuring the fair value of an asset or a liability, the company uses market observable data as far possible.

### **4.2 Contingencies**

The assessment of contingencies inherently involves the exercise of significant judgement as the outcome of the future events cannot be predicted with certainty. The company, based on the availability of latest information, estimates the value of contingent assets and liabilities which may differ on the occurrence/non-occurrence of the uncertain future event(s).

### **4.3 Capital risk management**

The capital of the Fund is represented by the net assets attributable to holders of redeemable units. The amount of net assets attributable to holders of redeemable shares can change significantly on a weekly basis, as the fund is subject to daily subscriptions and redemptions at the discretion of shareholders, as well as changes resulting from the fund's performance.

The Fund's objective for managing capital is to protect the Fund's ability to continue as a going concern in order to provide returns for shareholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of investment activities of the fund.

In order to maintain the capital structure, the Fund's policy is to perform the following:

-Monitor the level of daily subscriptions and redemptions relative to the assets it expects to be able to liquidate within seven days and adjust the amount of distributions the fund pays to redeemable shareholders.

-Redeem and issue new shares in accordance with constitutional documents of the fund which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

The Board of Directors and Investment Manager monitor capital on the basis of the value of net assets attributable to redeemable shareholders. The investment manager reviews the capital structure on a monthly basis and as part of the review, the Investment Manager considers the cost of capital and the risks associated with each class of capital.

### **4.4 Transition to IFRS**

As stated in notes 2.1, these are the first financial statements prepared in accordance with IFRSs. The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in the financial statements for the year ended 31 December 2014 and in the preparation of an opening IFRS statement of financial position as at 1 January 2014.

In preparing its opening IFRS statement of financial position, the company has adjusted amounts reported in previous financial statements prepared in accordance with Ghana National Accounting Standards (GNAS). An explanation of how the transition from GNAS to IFRS has affected the company's financial position, financial performance and cash flows is set out below with its accompanying notes.

a) Reconciliation of equity reported under GNAS to equity reported under IFRS as at 1 January 2014 (date of transition to IFRS)

	Note	GNAS GH¢	Reclassification GH¢	IFRS GH¢
<b>ASSETS</b>	i			
Cash and Cash Equivalent		-	115,994	115,994
Held to Maturity Securities		-	3,986,442	3,986,442
Total Investments		4,101,828	(4,101,828)	-
Income and Other Receivables		608	(608)	-
		-----	-----	-----
<b>TOTAL ASSETS</b>		4,102,436	-	4,102,436
		=====	=====	=====
<b>EQUITY</b>	ii			
Capital		2,576,331	(2,576,331)	-
Income Distribution		1,342,816	(1,342,816)	-
Net Assets-Unit Holders		-	3,919,147	3,919,147
		-----	-----	-----
<b>TOTAL EQUITY</b>		3,919,147	-	3,919,147
		-----	-----	-----
<b>LIABILITIES</b>	iii			
Management Fees		138,879	(138,879)	-
Custody Fees		108	(108)	-
Accrued Audit Fee		7,325	(7,325)	-
Other Payables		-	-	-
Other Accrued Liabilities		36,977	(36,977)	-
Trade and Other Payable		-	183,289	183,289
		-----	-----	-----
<b>TOTAL LIABILITIES</b>		183,289	-	183,289
		-----	-----	-----
<b>TOTAL EQUITY AND LIABILITIES</b>		4,102,436		4,102,436
		=====	=====	=====

b) Reconciliation of equity reported under GNAS to equity reported under IFRS as at 31<sup>st</sup> December 2014 (comparative)

	Note	GNASB GH¢	Reclassification GH¢	IFRS GH¢
<b>ASSETS</b>				
	i			
Cash and Cash Equivalent		-	326,227	326,227
Held to Maturity Securities		-	5,871,349	5,871,349
Trade and Other Receivables		-	28,280	28,280
Total Investments		6,197,315	(6,197,315)	-
Income and Other Receivables		28,541	(28,541)	-
		-----	-----	-----
<b>TOTAL ASSETS</b>		6,225,856	-	6,225,856
		=====	=====	=====
<b>EQUITY</b>				
	ii			
Capital		3,326,999	(3,326,999)	-
Income Distribution		2,493,713	(2,493,713)	-
Net Assets-Unit Holders		-	5,820,712	5,820,712
		-----	-----	-----
<b>TOTAL EQUITY</b>		5,820,712	-	5,820,712
		-----	-----	-----
<b>LIABILITIES</b>				
	iii			
Management Fees		231,962	(231,962)	-
Custody Fees		9,500	(9,500)	-
Accrued Audit Fee		2,245	(2,245)	-
Other Payables		119,496	(119,496)	-
Other Accrued Liabilities		41,941	(41,941)	-
Trade and Other Payable		-	405,144	405,144
		-----	-----	-----
<b>TOTAL LIABILITIES</b>		405,144	-	405,144
		-----	-----	-----
<b>TOTAL EQUITY AND LIABILITIES</b>		6,225,856	-	6,225,856
		=====	=====	=====

c) Reconciliation of the Statement of Comprehensive Income under GNAS to statement of comprehensive reported under IFRS for the year ended 31<sup>st</sup> December 2014

	Note	GNASB GH¢	Reclassification GH¢	IFRS GH¢
Interest Income		1,306,246	-	1,306,246
Management Fee		(102,052)	-	(102,052)
Custody Fees		(3,487)	-	(3,487)
Other Expenses		(49,810)	49,810	-
General and Administrative Expenses	iv	-	(49,810)	(49,810)
Profit for the Year		----- 1,150,897 =====	----- - =====	----- 1,150,897 =====

## **d) Notes To The Financial Statements – First – Time Adoption Of IFRS**

### **i. Reclassification of Financial Instruments**

Under the Ghana National Accounting Standards, all investments were reported as a single line item of investment in the statement of financial position. Under the International Financial Reporting Standards (IFRSs), Investments held by the entity has been reclassified into their respective classes either as Held- to-Maturity or cash and cash equivalent, depending on the type, purposes and maturity of holding the investment.

### **ii. Presentation of Equity**

The components of equity have been appropriately classified to show the capital of the unit holders and the reserve available for distributable to equity holders.

### **iii. Reclassification of Liabilities**

Under Ghana National Accounting Standards, details of liabilities were presented on the face of the statement of financial position, under the IFRS the details have been summarised as a line item and referenced to its corresponding note as part of the notes to the financial statement.

### **iv. Reclassification of Expenses**

Expense items have been reclassified to their appropriate headings under IFRS.

### **v. Statement of Cash Flows**

The transition from Local GAAP to IFRS has not had a material impact on the statement of cash flows.

	<b>2015</b>	<b>2014</b>
	<b>GH¢</b>	<b>GH¢</b>
<b>5. INTEREST INCOME</b>		
Interest on Certificates of Deposit	6,191,212	1,305,189
Interest on Call Accounts	28,673	1,057
	-----	-----
	6,219,885	1,306,246
	=====	=====

	<b>2015</b> <b>GH¢</b>	<b>2014</b> <b>GH¢</b>
<b>6. GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Postage	-	1,500
Printing of Annual Report	21,660	10,170
Advertising	18,000	5,000
AGM Hosting	10,000	11,800
License Renewal	-	500
Bank Charges	245	263
Auditor's Remuneration	28,000	10,400
Directors Remuneration	48,519	9,008
Professional Fees	18,800	-
Miscellaneous Expenses	802	1,169
	-----	-----
	146,026	49,810
	=====	=====

**7. CASH AND CASH EQUIVALENTS**

Cash at Bank	360,589	303,933
Cash in Call Account	276,434	22,294
	-----	-----
	637,023	326,227
	=====	=====

**8. HELD TO MATURITY SECURITIES**

91 Day Certificates of Deposits	3,022,737	5,018,642
182 Day Certificates of Deposit	79,139,114	852,707
	-----	-----
	82,161,851	5,871,349
	=====	=====

**9. TRADE AND OTHER RECEIVABLES**

Due from Related Parties	152,481	20,277
Other Receivables	214,576	8,003
	-----	-----
	367,057	28,280
	=====	=====



	<b>2015</b>	<b>2014</b>
	<b>GH¢</b>	<b>GH¢</b>
<b>10. TRADE AND OTHER PAYABLES</b>		
Management Fees	541,595	231,962
Audit Fees	28,000	9,500
Custody Fees	49,570	2,245
Other Payables	8,551	-
Management Current Account	-	119,496
Printing	18,000	9,500
Advertising	21,838	15,000
Postage	6,500	6,500
AGM	19,741	9,741
License Renewal	1,000	1,000
Professional Fes	18,800	-
Due to Related Parties	363,140	200
	-----	-----
	1,076,735	405,144
	=====	=====

The Fund has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. (Refer to note 13) for details of financial risk management.

#### **11. UNIT HOLDERS CAPITAL**

A reconciliation of the number of shares outstanding at the beginning and at the end of each of the reporting periods is provided below.

a). Number of shares issued and redeemed during the year is disclosed below:

	<b>2015</b>	<b>2014</b>
	<b>Number of Shares</b>	<b>Number of Shares</b>
Shares in Issue at Beginning of Period	28,849,899	24,805,927
Issued during the year	299,277,988	6,633,966
Redeemed during the year	(9,574,539)	(2,589,994)
	-----	-----
Shares in Issue at December 31	318,553,348	28,849,899
	=====	=====

## **12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The fund's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risks limits and other controls. The process of risk management is critical to the Fund's continuing probability. The Fund is exposed to market risk (interest rate risk), credit risk and liquidity risk arising from the financial instruments it holds.

### **12.1 Risk Management Structure**

The Fund's Investment Manager is responsible for identifying and controlling risks. The Board of Directors supervises the Investment Manager and is ultimately responsible for the overall risk management of the Fund.

### **12.2 Risk Measurement and Reporting Structure**

The Fund's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses that are an estimate of the ultimate actual loss based on statistical models. The models make use of the probabilities derived from historical experience, adjusted to reflect the economic environment.

Monitoring and controlling risks is primarily set up to be performed based on limits established by the Board of Directors. These limits reflect the business strategy including the risk that the Fund is willing to accept and the market environment of the Fund. In addition, the Fund monitors and measures the overall risk in relation to the aggregate risk exposure across all risks type and activities.

### **12.3 Market Risk**

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices. The Fund is not however affected by foreign exchange rates and equity prices.

### **12.4 Interest Rate Risk**

Interest rate risk arises from the probability that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Board of Directors have established limits on the interest gaps for stipulated periods.

The sensitivity of the profit or loss for the year is the effect of the assumed changes in interest rates on:

- The net interest income for one year, based on the floating rate of financial assets held at the end of the reporting period
- Changes in fair value of investments for the year, based on revaluing fixed rate of financial assets and liabilities at the end of the reporting period.

The sensitivity analysis impact on equity is the same as the impact on profit or loss.

### **Maturity Analysis of Financial Liabilities**

Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities.

The table below analyses the financial liabilities into the relevant maturity grouping based on the remaining period at the reporting date to the contractual maturity date.

<b>Less than one year</b>	<b>2015 GH¢</b>	<b>2014 GH¢</b>
Trade and Other Payables	367,057 =====	28,280 =====

## **12.5 Liquidity Risk**

Liquidity risk is defined as the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities or redeem its shares earlier than expected. The Fund is exposed to cash redemptions of its shares on a regular basis. Shares are redeemable at the holder's option based on the Fund's NAV per share at the time of redemption, calculated in accordance with the Fund's scheme particulars.

The Fund's policy is to satisfy redemption requests by the following means (in decreasing order of priority)

- Searching for new investors
- Withdrawal of cash deposits
- Disposal of highly liquid assets (i.e., short-term, low-risk debt investments)
- Either disposal of other assets or increase of leverage

The Fund invests primarily in marketable securities and other financial instruments which, under normal market conditions, are readily convertible to cash. In addition, the Fund's policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.

## **12.6 Credit Risk**

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Fund by failing to discharge an obligation. The Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within financing relationships, derivatives and other transactions. It is the Fund's policy to enter into financial instruments with reputable counterparties.

The Investment Manager's policy is to clearly monitor the creditworthiness of the Fund's counterparties (e.g. third party borrowers, brokers, custodian and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

The carrying value of interest bearing investments, The Gold Money Market Fund and similar securities, loan to related party, trade and other receivables and cash and cash equivalents, as disclosed in the statement of financial position represents the maximum credit exposure, hence no separate disclosure is provided.

## **12.7 Fair Value of Financial Instruments**

### **Fair value of financial instruments carried at amortised cost**

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

Financial Assets	Carrying	Fair Value	Carrying	Fair Value
	Amounts		Amounts	
	2015	2015	2014	2014
	GH¢	GH¢	GH¢	GH¢
Cash and cash equivalents	3,659,760	3,659,760	5,344,869	5,344,869
Held-to-maturity securities	79,139,114	79,139,114	852,707	852,707
Trade and other receivables	367,057	367,057	28,280	28,280
	-----	-----	-----	-----
	83,165,931	83,165,931	6,225,856	6,225,856
	=====	=====	=====	=====
<b>Financial Liabilities</b>				
Trade and other payables	1,768,234	1,768,234	405,144	405,144
	=====	=====	=====	=====

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 13. RELATED PARTY TRANSACTIONS

The following parties are considered related parties of the Fund:

#### **Investment Manager- Gold Coast Fund Managemnt**

Gold Coast Fund Management (the Investment Manager) is entitled to receive a management and advisory fee for its respective services. The fees chargeable for any period may not exceed 2.5% of net assets. The fees charged for the reporting period amount to an aggregate of 2% per annum calculated on the daily net assets of the Fund. Management fees are payable monthly in arrears. Total management fees for the year amounted to GH¢ 644,831 (2014: GH¢ 102,052)

#### **Custodian – Standard Chartered Bank Ghana Limited**

Standard Chartered Bank Ghana Limited is the custodian of the Fund. The custodian carries out the usual duties regarding custody, cash and securities deposits without any restriction. This means that the custodian is, in particular, responsible for the collection of interest and proceeds of matured securities, the exercise of options and, in general, for any other operation concerning the day-to-day administration of the securities and other assets and liabilities of the Fund.

The custodian is entitled to receive from the Fund, fees payable monthly, not exceeding 0.5% per annum calculated on the daily net assets of the Fund. The fees charged for the reporting period amount to an aggregate of 0.2% per annum calculated on the daily net assets of the Fund. Custodian fees are payable monthly in arrears. The total custodian and administration fee for the year amounted to GH¢ 69,065 (2014: GH¢ 3,487), the custodian and administration fee payable as at 31 December 2015 is GH¢ 49,570 (2014: GH¢ 2,245).

### Transactions with related parties

A number of transactions take place with related parties in the normal course of business. These include transactions and balances among related parties.

### Investments made by related parties

The following related parties have investments with the fund:

	<b>2015</b> <b>GH¢</b>	<b>2014</b> <b>GH¢</b>
GN Bank	1,500,000	1,500,000
Ghana Growth Fund Company	1,785,000	1,785,000
Hords Ltd	1,500,000	-
GN Life Assurance Company	19,256,355	-
GN Reinsurance Company	48,908,242	-
GN Investments	10,000	-
	-----	-----
	72,959,597	3,285,000
	=====	=====

The Fund also makes investment in the related companies. As at the end of the reporting period the total investment in fixed deposit of the Fund in related companies include:

	<b>2015</b> <b>GH¢</b>	<b>2014</b> <b>GH¢</b>
Gold Coast Fund Management	3,143,444	2,357,919
GN Bank	68,582,376	2,643,295
	-----	-----
	71,725,820	5,001,214
	=====	=====

The outstanding balances on such related party transactions are as follows:

### Amounts due from related parties

Gold Fund Unit Trust	-	20,277
	=====	=====

### Amounts due to related parties

Gold Fund Unit Trust	362,940	-
	=====	=====

### Transactions with Directors and Key Management Personnel

Directors and key management personnel refer to those personnel with authority and responsibility for planning, directing and controlling the business activities of the Fund. These personnel are the Executive Directors of the Company.

During the year, there were no significant related party transactions with companies or customers of the Fund where a Director or any connected person is also a director or key management members. Fund did not make provision in respect of loans to Directors or any key management member during the period under review.

	<b>2015</b>	<b>2014</b>
	<b>GH¢</b>	<b>GH¢</b>
Directors Fees	48,519	9,008
	=====	=====

### Directors Shareholdings

The following directors held the following number of shares in the company at December 31, 2015 as shown below: -

<b>Name</b>	<b>No. of Units</b>	<b>Amount (GH¢)</b>
Kwame Ofori Asomaning	12,440	300
Benjamin Kofi Afreh	260	50
	-----	-----
	12,700	800
	=====	=====

### 14. EVENT AFTER THE REPORTING PERIOD

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