



ANNUAL REPORT

& FINANCIAL STATEMENTS 2023

MANAGED BY

CIDAN 
Investments Ltd
...building a successful future

OMEGA INCOME FUND LIMITED

**ANNUAL REPORT &
FINANCIAL STATEMENTS**

31ST DECEMBER, 2023

Contents

- 4 Notice
- 5 Corporate Information
- 6 Chairman's Report
- 8 Fund Manager's Report
- 15 Custody Report
- 18 Director's Report
- 19 Auditor's Report
- 20 Auditor's Responsibilities
- 22 Statement of Financial Position
- 23 Statement of Comprehensive Income
- 24 Statement of Changes in Net Assets Attributable to Fund Investors
- 25 Statement of Cash Flow Notes forming part of the Financial Statement
- 26 Notes to Financial Statements
- 36 Proxy Form

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF 7TH ANNUAL GENERAL MEETING OF OMEGA INCOME FUND PLC TO BE HELD AT 14:00HRS (GMT) ON TUESDAY, 28TH MAY 2024 VIA TELECONFERENCE.

OMEGA INCOME FUND

NOTICE IS HEREBY GIVEN that the VIRTUAL 7th Annual General Meeting of Omega Income Fund PLC ('the Fund') will be held on Tuesday, 28th May 2024 at 14:00hrs GMT to transact the following business:

Ordinary Business:

1. To receive and consider the Reports of the Directors, Auditor and the Audited Financial Statements for the year ended 31st December 2023.
2. To approve the remuneration of the Directors for the year ending 31st December 2024.
3. To authorise the Directors to fix the remuneration of the Auditor for the year ending 31st December 2024.

BY ORDER OF THE BOARD



BOARD SECRETARY

ACCRA: Dated this 1st day of March 2024

Distribution

All Members, All Directors and the External Auditor

Note:

- i. A member entitled to attend and vote at the AGM may appoint a proxy to attend (via online participation) and vote on his/her behalf. Such a proxy need not be a member of the Company. The appointment of a proxy will not prevent a member from subsequently attending and voting at the meeting (via online participation). Where a member attends the meeting in person (participates online), the proxy shall be deemed to be revoked.
- ii. Completed proxy forms may be sent via email to info@cidaninvestments.com to reach us not later than 48 hours before the appointed time of the meeting (14:00hrs GMT on 28th May 2024). A Form of Proxy is annexed to this notice.

Members are to visit <https://www.cidaninvestments.com/> to register and receive their ZOOM log-in credentials as well as further information on proxy votes.

CORPORATE INFORMATION

DIRECTORS, OFFICERS AND REGISTERED OFFICE

BOARD OF DIRECTORS

Prof. Christine Dowuona-Hammond
Mrs. Irene Ofoley Bebaako-Mensah
Rev. Emmanuel Dugbatey Kitcher
Rev. Kofi A. Ankama-Asamoah

FUND MANAGER

CIDAN Investments Ltd
House Number 261
Haatso, North Legon
P. O. Box CT 7991, Cantonments- Accra

AUDITOR

Trust Assurance
(Chartered Accountants & Tax Consultants)
P.O. Box MD 699
Madina- Accra.

CUSTODIAN

Republic Bank Ghana Limited
356th Avenue, North Ridge
P. O. Box CT 4603, Accra.

RECEIVING BANKERS

Zenith Bank Ghana Limited
Republic Bank Ghana Limited

OFFICE LOCATION

House No. 261
(Off the Atomic - Kwabenya Road)
Haatso – North Legon, Accra
P. O. Box CT 7991, Cantonments, Accra

CHAIRMAN'S REPORT

Distinguished Shareholders, Fellow Board Members, Ladies and Gentlemen!

I am highly honoured and privileged to welcome you to the 7th Annual General Meeting of Omega Income Fund at which your Directors will present to you the Annual Report and Statement of Accounts for the Financial Year ended 31st December 2023.

The 2023 Financial Year was quite eventful with numerous challenges but we managed to improve the performance of your fund and stabilized it. We also ensured that the Omega Income Fund was governed based on clear goals, strategies and values. Before presenting the details of your Fund's performance, may I touch on the economic and financial environment within which your Fund operated.

Global Economic Review

The global economy witnessed some recovery in 2023 in the wake of the COVID-19 pandemic and geopolitical tensions. The recovery was however lackluster and unevenly distributed. There were persistent inflationary pressures and supply chain difficulties over the year. Consequently, the International Monetary Fund forecasts a deceleration in global growth from 3.5% in 2022 to 3.0% in 2023.

Domestic Economic Review

Despite persistent economic hurdles, Ghana made strides in 2023 with the Domestic Debt Exchange Program and IMF support, achieving relative macroeconomic stability.

Ghana's inflation eased from 54.1% in December 2022 to 23.2% in December 2023, offering significant relief to consumers. This welcome decline stemmed from eased currency volatility, lower food costs, reduced energy prices and the implementation of a tight monetary policy by the Bank of Ghana.

Yields on short-term Government of Ghana treasury securities recorded sharp increases after recording steep declines in the first quarter of the year. The upward trend in the treasury rates was due to the Government's sustained borrowings in the primary market to bridge its financing gap. The 91-day, 182-day and 364-day Treasury bills ended the year 2023 with rates of 29.24%, 31.88% and 32.49% respectively, compared to last year's rates of 35.36%, 35.98%, and 35.89% respectively. In its quest to anchor inflationary pressures, the Monetary Policy Committee of the Bank of Ghana (BoG) cumulatively hiked its policy rate from 27% in December 2022 to 30% in December 2023.

Economic growth is projected to remain subdued and is largely dependent on the Government's ability to conclude negotiations with the Official Creditor Committee (OCC) to unlock the third tranche of the International Monetary Fund (IMF) disbursement. The Government has projected a conservative GDP growth rate of 2.8% for the year 2024.

Headline inflation is expected to slow down in 2024, which could boost the pace of economic recovery in 2024, provided that the Government will be disciplined in its spending on the back of the upcoming elections.

Fund Performance

On the Fund's performance, your Fund posted a return of 6.01% for the year 2023 with a net assets value of GH¢9,415,572.79.

Valued Shareholders, despite the expected macroeconomic challenges ahead, we are optimistic about improving returns on the Fund through effective marketing strategies and an enhanced governance of the Fund. We shall continue with our receivables restructuring efforts to enhance liquidity and support growth in 2024. We are hopeful for positive outcomes, but acknowledge the need for continued vigilance and risk management.

On behalf of the Board, I wish to extend our heartfelt thanks to you once again for your trust in this fund. We recognize that your investment makes a difference, and it fuels our commitment to excellence. We also extend our deepest gratitude to the Regulator, Fund Manager, Custodian and all other service providers who continue to support our efforts in growing the Fund.

Thank you.



Prof. Christine Dowuona-Hammond

(Board Chair, Omega Income Fund PLC)

FUND MANAGER’S REPORT

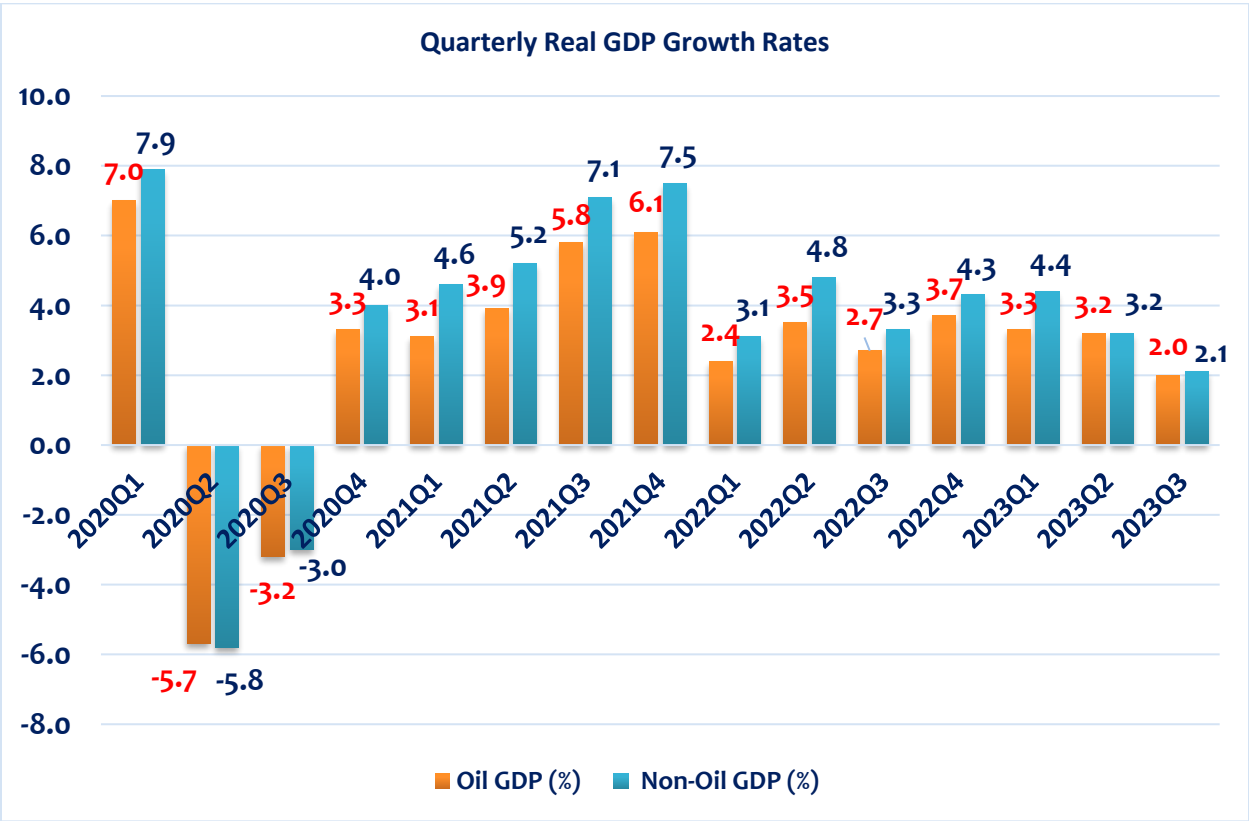
Distinguished Shareholders,

I am pleased to present the Fund Manager’s report on the Omega Income Fund for the year ended December 31, 2023. Our report covers an overview of the macro-economic environment, the performance of your Fund and an outlook for your Fund in the coming year.

The Domestic Economy

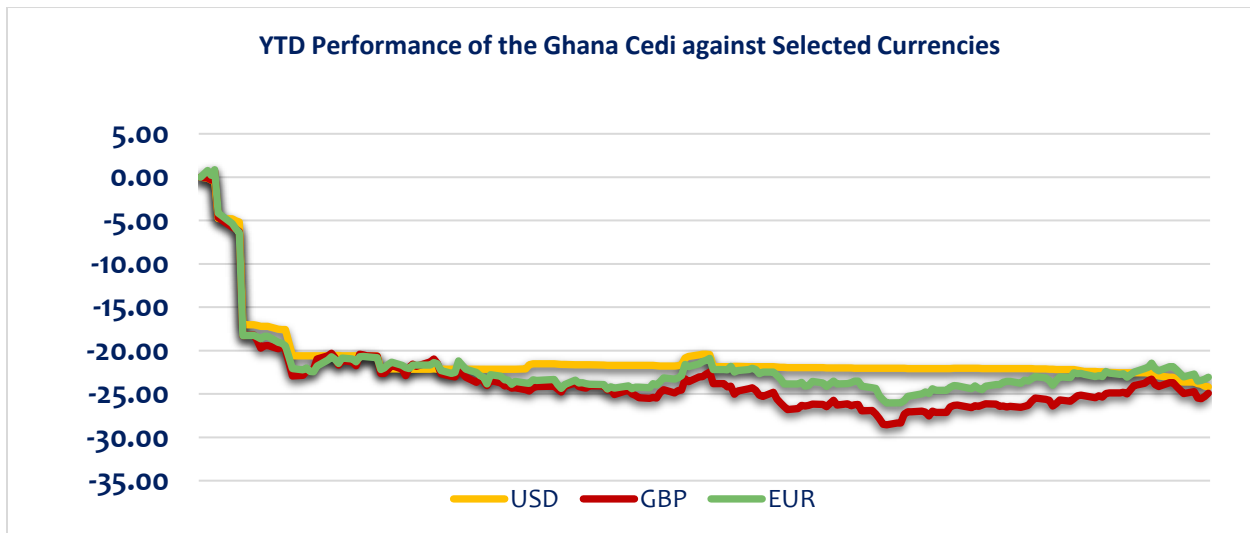
Ghana’s economy showed signs of recovery in 2023, on the back of the completion of the Domestic Debt Exchange Program (DDEP) and the approval and subsequent disbursement of the first two tranches of \$600 million out of the country’s \$3 billion bailout program by the International Monetary Fund (IMF).

Overall economic activity witnessed an improvement for the year on the back of the implementation of the reforms incorporated in the IMF bailout program. Average Real GDP growth for 2023 stood at 2.87% as of Q3, 2023 against a full-year growth target of 1.5%, compared with 2.27% during the same period in 2022. The Bank of Ghana’s real composite index of economic activity contracted at a slower pace by 0.4% year-on-year (y/y) in September 2023, compared with a sharper contraction of 1.2% for the same period in 2022, indicating a gradual improvement in economic activity for the period.



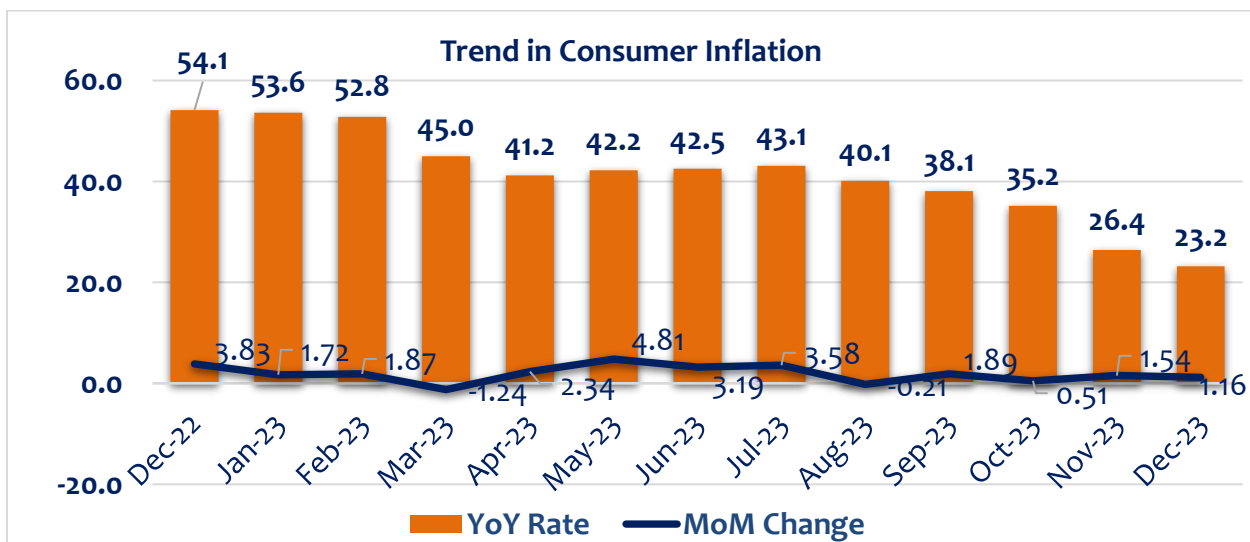
Exchange Rates Development

The pressure on the Ghana Cedi continued in the review year, resulting in depreciation of 27.81%, 31.86% and 30.33% against the USD, GBP and the Euro respectively. In 2022, the depreciation rates were 29.97%, 21.19% and 25.34% against the USD, GBP, and Euro respectively. These depreciation rates showed an improvement in the USD segment but a deterioration in the GBP and Euro zones



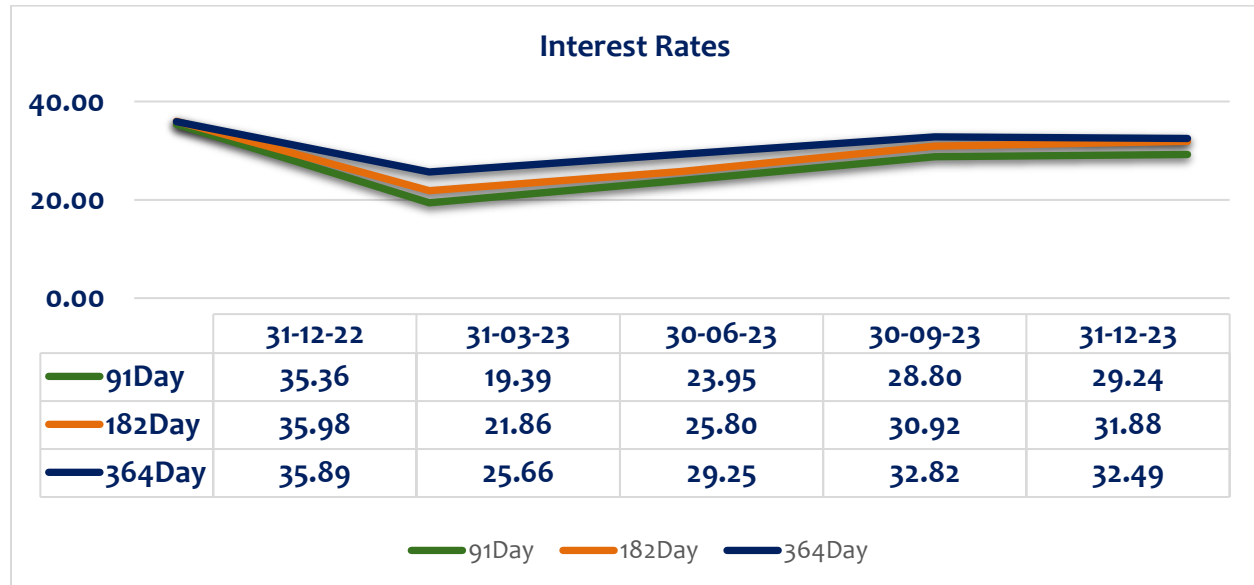
Inflation Developments

Headline inflation dropped to a 20-month low of 23.2% in December 2023, from 53.6% in January. Despite the significant drop in inflation in Dec 2023 the average inflation rate for 2023 remained elevated at 40.28%, representing an 8.81% increase compared to the 2022 average rate of 31.36%.



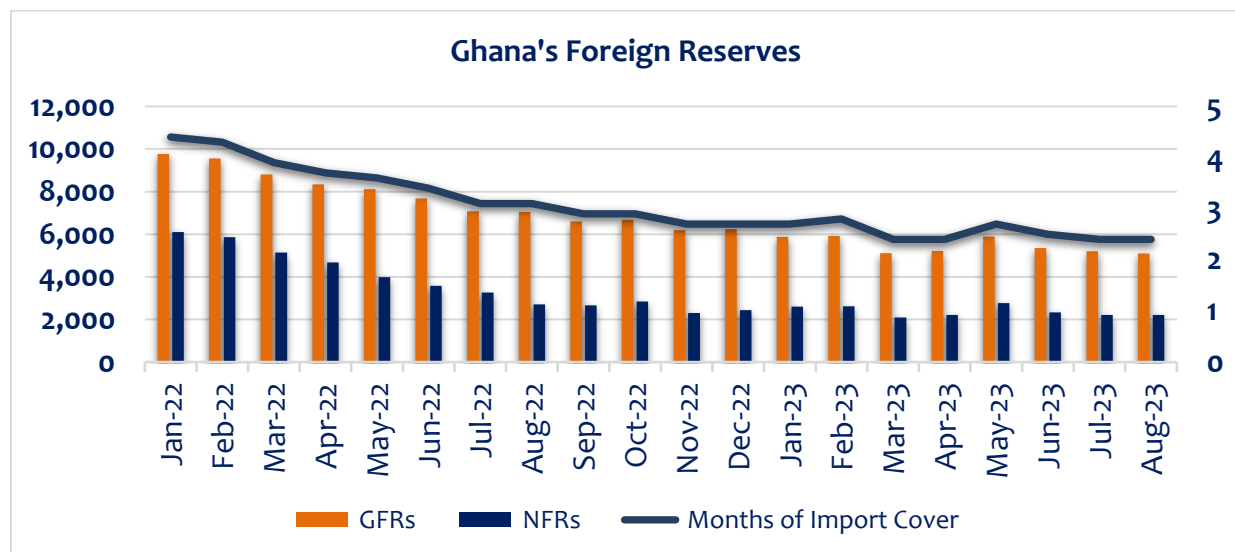
Interest Rate Developments

Yields on short-term Government securities recorded sharp increases after recording steep declines in the first quarter of the year. The 91-day, 182-day and 364-day Treasury bills ended the year with rates of 29.24%, 31.88% and 32.49% respectively.



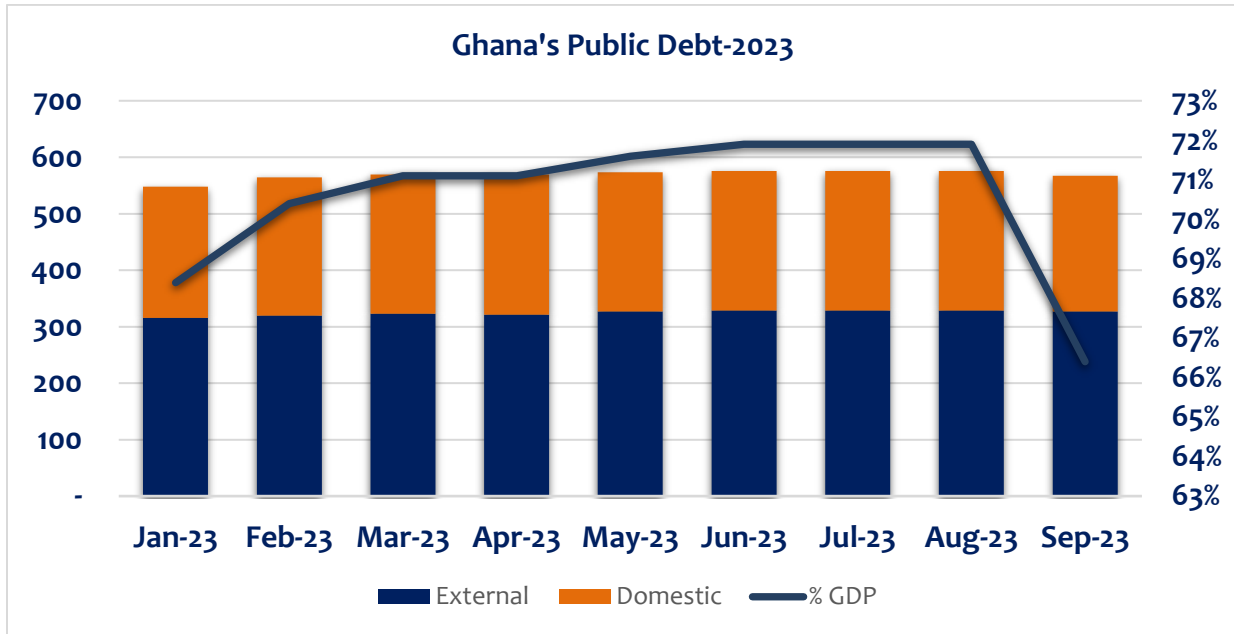
Foreign Reserves

Gross International Reserves (excluding encumbered assets and petroleum funds) improved to US\$3.7 billion equivalent to 1.1 months of import cover as of December 2023, compared with US\$1.5 billion (0.6 months of import cover) recorded at the end of December 2022.



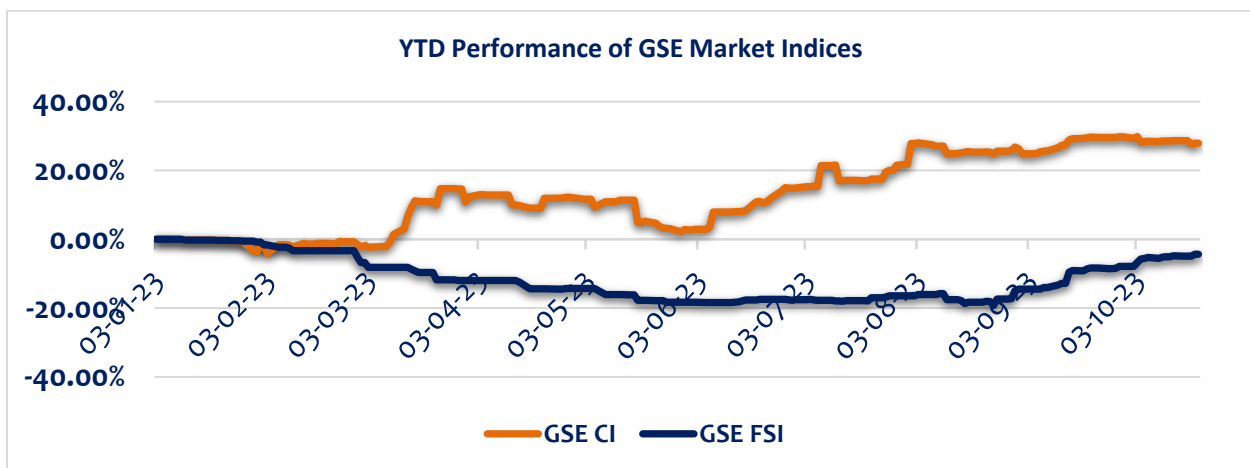
Public Debt

Public debt increased by 21.62% from GH¢473.2 billion at the beginning of 2023 to GH¢567.3 billion (66.4% of GDP), as of September 2023.



Stock Market Performance

Ghana's stock market closed on a positive note for the year on the back of price gains in nine (9) counters. The Ghana Stock Exchange Composite Index (GSE-CI) posted a gain of 28.08% as of the end of the year 2023 compared with a loss of 12.38% in 2022. The Ghana Stock Exchange Financial Stocks Index (GSE-FSI) however posted a loss of 7.36%, compared with a gain of 4.61% a year ago.



Industry Review

The securities industry continued to be faced with relatively huge redemption requests on the back of challenging economic conditions and difficulties in the industry. The Securities and Exchange Commission (SEC) has come out with a Risk Classification and Colour Coding (RCCC) Framework to enable the Commission to deploy appropriate risk-based supervisory methodologies for Fund Managers to avoid or eliminate potential risk exposures carried by Fund Managers.

The year 2023 saw the full-year adoption of the mark-to-market (MTM) valuation for securities, initially introduced in late 2022. This transition posed significant challenges for fund managers and negatively impacted the competitiveness of collective investment schemes throughout the year. Two primary factors contributed to these difficulties.

Firstly, a substantial drop in bond prices throughout the year caused significant losses for funds with high bond exposure. Secondly, the official MTM valuation source, the Ghana Fixed Income Market trading platform, experienced high intra-day price volatilities, causing discrepancies between the day's end price and the actual value of the funds throughout the day. These combined challenges hampered the marketing of collective investment schemes to both existing and potential investors, leading to an increase in redemption requests from clients.

Economic Outlook for 2024

On the economic outlook for 2024, we expect further easing of headline inflation in the first quarter of 2024 due to the base effect coupled with an expected tight monetary policy. However, the implementation of some tax measures in the 2024 Budget Statement could curtail the downward trajectory in headline inflation.

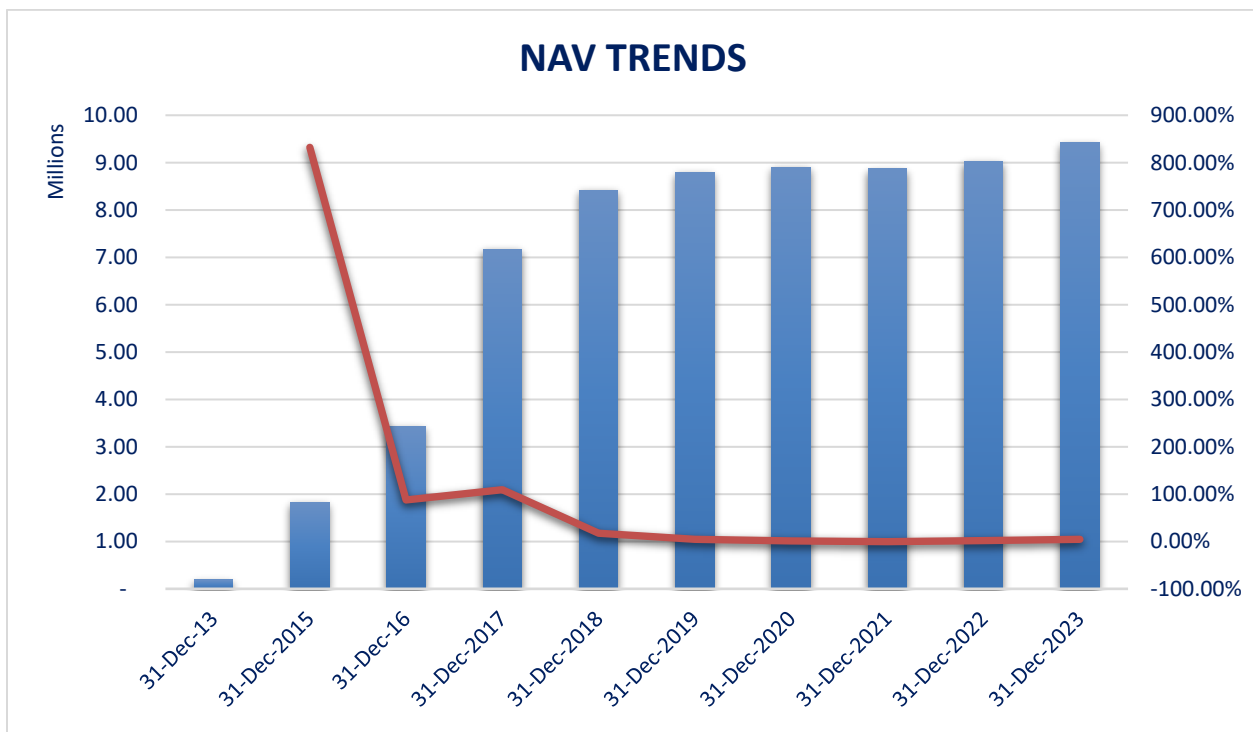
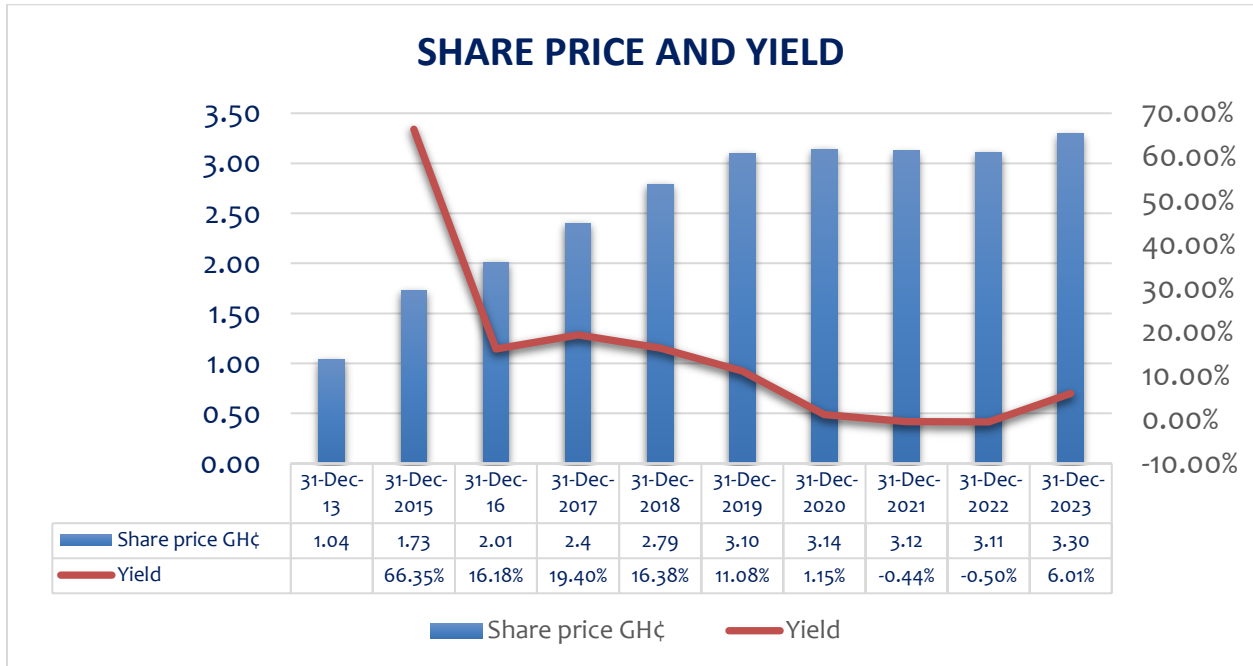
We also expect the Government to finalize negotiations with external creditors on the restructuring of Ghana's debt in the first half of the year to ensure a successful program with the International Monetary Fund and to aid the country's recovery process. We however expect election-related spending to dominate the year, which could derail the country's effort at fiscal consolidation and subsequent recovery.

Fund Performance

Distinguished Shareholders, at the end of the year 2023, your Fund posted a return of 6.01% which compares favourably to the return of negative 0.50% recorded in 2022.

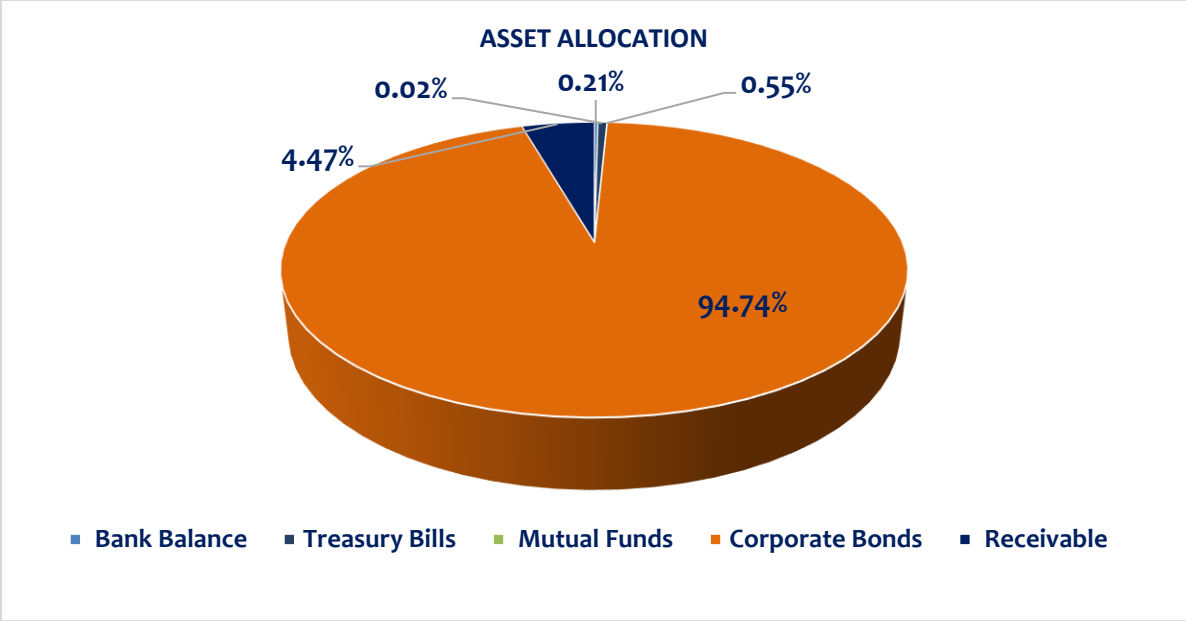
Net Assets Value (NAV) of the Fund recorded a year-on-year growth of 4.25%, from GH¢9,027,809.16 in 2022 to GH¢9,411,073 in 2023. Investors in the Fund remained unchanged at 829 shareholders. Additional funds of GH¢78,581.03 came in as deposits for the period under review.

Fund Statistics



Asset Allocation

As at the end of the year 2023, Treasury Bills constituted 0.55% of the Fund's assets while Mutual Funds constituted 0.21%. Corporate Bonds and Cash constituted 94.74% and 0.21% respectively of the total Portfolio. The Fund had 4.47% of its assets in Receivables.



Strategic Direction for 2024

As part of measures to grow the Fund, the Fund Manager will intensify its regular follow-ups on issuers of the challenged corporate debt securities for recovery of the outstanding indebtedness. It is important to note that the efforts by the Fund Manager on the restructured receivables are bearing results as some monies have come in from the defaulting issuers. The recovery proceeds, maturity proceeds and coupons will be reinvested in a diversified portfolio of short-term high-yield securities to boost investment income, liquidity and competitiveness. Further, the Fund Manager will intensify its marketing of the Fund to retail and institutional clients, through social media platforms, one-on-one presentations, direct debit and standing orders to ensure consistent monthly inflows from existing and potential clients.

Conclusion

Distinguished Shareholders, the Fund Manager remains committed to ensuring competitive returns and capital preservation and will continue to strategically invest in diversified instruments to optimize returns for Shareholders.

Thank you.

The Fund Manager

CUSTODIAN'S REPORT



Monday, January 15, 2023.

The Board of Trustees Omega
Income Fund Limited Accra.

REPORT OF THE CUSTODIAN TO THE INVESTORS OF OMEGA INCOME FUND LIMITED

We refer to the Unit Trust and Mutual Funds Regulations, 2001 L.I 1695 and attached a statement of holdings of securities in custody with Republic Bank Custody Services for the above fund as at December 31, 2023.

Respective Investment Restrictions imposed on the Fund and the Responsibility of Custodians

The fund's regulations specify the fund's investment restrictions and our responsibility is to express an independent opinion on the statement of holdings based on our audit.

Opinion

In our opinion, the statement of holdings is in agreement therewith and gives a true and fair view of the state of affairs of the Fund as at December 31, 2023, and the manager has managed the fund for the year ended December 31, 2023, in accordance with,

- (a) The limitations imposed on the investment and borrowing powers of the managers, and
- (b) Provisions pursuant to the above-mentioned regulations

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Audrey Smith Dadzie".

Audrey Smith Dadzie
Head, Republic Bank Custody Services

A handwritten signature in blue ink, appearing to read "Gerald Quansah".

Gerald Quansah
Operations Manager

Portfolio Valuation

Account Code : SKP71-OIFL Account Name : HFCN/ OMEGA INCOME FUND LIMITED Report Date : 31/Dec/2023
Mailing Address : Omega Capital Reported in GHS
no. 45 Westaiport Road,
airport Residential Area
Accra, Ghana

Security	Holdings	Book Cost GHS	Market Price	Price Cov	Market Value GHS	% Total Mkt Value
Exchange Traded Funds						
Umb Ideal Sika Fund Shares	10,000.00	10,000.00	0.22	GHS	2,171.00	0.02
	10,000.00	10,000.00			2,171.00	0.02
Total Funds	10,000.00	10,000.00			2,171.00	0.02
Finance						
5yr Edendale Prop Plc Us Dollar Pref Shs@ 10% Due 03.08.2021	5,063.00	99,994.25	1.00	GHS	0	0.06
	5,063.00	99,994.25			0	0.06
Total Equities	5,063.00	99,994.25			0	0.06
Insurance						
2 YEAR FXR EDENDALE NOTE @ 27% DUE 22.12.2018	0	0	27.00	22/Dec/2016	1652	
	0	0				
Total Bonds	0	0				
Cash						
Other bank		0.00			GHS	1,494.14
002-0022500378011 HFCN/ OMEGA INCOME FUND LTD-COLLECTIONS		5,031.00	5,031.00	GHS	5,031.00	0.06
002-0022500378027 HFCN/ OMEGA INCOME FUND LTD- TXN ACCT		0.00	0.00	GHS	0.00	0
002-0022500378038 HFCN/ OMEGA INCOME FUND LTD- CALL ACCT		13,952.35	13,952.35	GHS	13,952.35	0.16
	0.00	18,983.35			20,477.49	2.66
Total Cash at Bank	0.00	18,983.35			20,477.49	2.66
GOVT /CORP BONDS						
91DAY GOVT TBILL AT 29.70PER DUE 12.02.2024	55,000.00	51,237.45	29.70	15/Nov/2023	16	1,964.90
3YR EDENDALE DUE 31.12.2025		5,730,218.09				257,775.26
3YR EDENDALE DUE 31.12.2025		3,305,114.29				164,802.96
	0.00	9,031,332.38				9,161,112.94
Total	0.00	9,031,332.38				9,161,112.94

Security	Book Cost	Market Price	Price Ccv	Market Value GHS	% Total Mkt Value
Receivables/Payables					
002-0022500378011 Receivable	0.00			430,052.69	0.36
FEE5 PAYABLES	0.00			(198,241.34)	10.18
002-0022500378038 Fixed Deposit Interest	0.00			0	0.64
002-0022500378011 Fixed Deposit Redemption	0			0	4.01
002-0022500378027 Fixed Deposit Redemption	0			0	71.28
002-0022500378038 Fixed Deposit Redemption	0			0	9.09
	0.00	0		231,811.35	95.56
Total Receivables	0.00	0		231,811.35	95.56
Total Portfolio	15,063.00	9,064,315.73		9,415,572.78	100.00

Summary Report

Assets	Book Cost	Market Value
Bonds	0.00	0.00
Cash at Bank	236,529.18	20,477.49
GOVT /CORP BONDS	9,035,332.38	9,161,112.94
Equities	0.00	0.00
Receivables	0.00	231,811.35
Funds	10,000.00	2,171.00
Total:		9,415,572.78

-----End of Report-----

REPORT OF DIRECTORS

The Directors submit the audited financial statement for the year ended December 31, 2023, which discloses the state of affairs of the company.

1. Statement of Directors' Responsibilities

The Directors are responsible for the preparation of the Company's financial statement for each financial year, which gives a true and fair view of the state of affairs of the company and of the Profit and Loss and Cash Flows for that period. In preparing these financial statements, the Directors have selected suitable accounting policies and then applied them consistently, made judgments and estimates that are reasonable and prudent and followed the Companies Act, 2019 (Act 992), International Financial Reporting Standards (IFRS) and the securities Industries Act, 2016 (Act 929). The Directors are responsible for ensuring that the company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the company. The Directors are also responsible for safeguarding the assets of the company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

2. Principal Activities

The principal activity of the company is to run a collective investment scheme by:
 (1) Investing members' monies for their mutual benefit and
 (2) hold and arrange for the management of securities and other properties acquired with the monies.

3. Results and Dividend

The Directors, have the pleasure of submitting to the shareholders the financial results of the company:

	2023	2022
	GH¢	GH¢
The year's trading results were;		
Increase in net assets attributable to Fund investors from operations.	598,560	(108,785)

4. Appointment of Auditors

Messrs. Trust Assurance has been appointed as auditors to the fund for the ensuing year in accordance with the provision of Section 139 (5a) of the Companies Act, 2019 (Act 992) (as amended). The Directors hereby recommend their re-appointment. The financial statement on pages 22 to 35 was approved by the Board on and signed on its behalf by:



Prof. Christine Dowuona-Hammond



Mrs. Irene Ofoley Bebaako- Mensah

INDEPENDENT AUDITOR'S REPORT

To the members of Omega Income Fund LTD

Opinion

We have audited the financial statements of Omega Income Fund, which comprises the statement of financial position as at December 31, 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies set out on Pages 19 to 35.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the company as at December 31, 2023, and its financial performance and its cash flows for the year ended in accordance with the Companies Act, 2019 (Act 992), International Financial Reporting Standards (IFRS) and the Securities Industries Act, 2016 (Act 929).

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 Code of Ethics for Professional Accountants (Including International Independence Standards) (code)

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

Responsibilities of The Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements under the Companies Act, 2019 (Act 992), International Financial Reporting Standards (IFRS) and the Securities Industries Act, 2016 (Act 929), 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.

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 high-level assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect 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 ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

ii) Obtain an understanding of the internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the Scheme's Internal Control.

iii) Evaluate the appropriateness of the 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 Scheme'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 Scheme to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, and whether the financial statement represents 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 directors with a statement that we have complied with the relevant ethical requirements regarding independence and have communicated 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 directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and

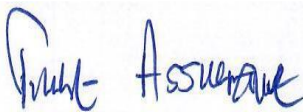
are, therefore, key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

- i. We have obtained all the information and explanations which to the best of our knowledge and believe were necessary for the purposes of our audit;
- ii. In our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
- iii. The statement of financial position, income statement and statement of changes in Equity of the company are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is **Kweku Assane (ICAG/P/1095)**



For and on behalf of **Trust Assurance (ICAG/F/2024/134)**
(Chartered Accountants & Auditors)
No. C/11 Christian Village
Accra - Ghana

27 - 02 - 2024



STATEMENT OF FINANCIAL POSITION

As At 31st December, 2023

	Note	2023 GH¢	2022 GH¢
ASSETS			
Bank Balance	4	20,477	252,831
Investment held in Amortized Cost	5	9,493,692	-
Fair Value through Profit and Loss	6	2,171	2,171
Receivables	7	97,474	8,772,807
TOTAL ASSETS		9,613,814	9,027,809
LIABILITIES			
Other payables and accrued expenses	13	202,741	278,543
TOTAL LIABILITIES		202,741	278,543
TOTAL ASSETS LESS LIABILITIES		9,411,073	8,749,266
Represented By:			
NET ASSETS ATTRIBUTABLE TO FUND INVESTORS		9,411,073	8,749,266

COMPREHENSIVE INCOME STATEMENT

For The Year Ended 31st Dec. 2023

	Note	2023 GH¢	2022 GH¢
Investment Income	10	884,035	12,779
Total Investment Income		884,035	12,779
Expenses			
Management Fees	11	238,936	116,564
Administrative Expenses	12	46,039	5,000
Total Operating Expenses		284,975	121,564
Increase in Net Assets attributable to Fund Investors from Operations		599,060	(108,785)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO FUND INVESTORS

For The Year Ended 31st December, 2023

	Note	2023 GH¢	2022 GH¢
Net Assets Attributable to Fund Investors as at 1st January		8,749,266	8,857,851
Shareholders' Capital	8	78,581	200
Withdrawal	9	(15,834)	-
Increase/(Decrease) in Net Assets attributable to Fund Investors from Operations		599,060	(108,785)
Net Assets Available For Benefits As At 31st December		9,411,073	8,749,266

STATEMENT OF CASHFLOW

For The Year Ended 31st December 2023

	2023 GH¢	2022 GH¢
Net investment income	599,060	(108,785)
Adjusted for: Investment Income (Non-Cash)	(767,124)	-
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase/(Decrease) in Payables	(75,802)	121,563
Increase/(Decrease) in Receivables	8,675,333	-
Net Cash Generated from Operating Activities	8,431,467	12,778
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Corporate Bond	(8,675,331)	-
Purchase of Treasury Bill	(51,237)	-
Redemption of Treasury Bond	-	93,444
Net Cash Used in Investing Activities	(8,726,568)	93,444
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions from Fund Investors	78,581	200
Withdrawal	(15,834)	-
Net Cash Used in Financing Activities	62,747	200
Net Increase (Decrease) in Cash and Cash Equivalents	(232,354)	106,422
Cash and Cash Equivalents as at 1st Jan	252,831	146,409
Cash and Cash Equivalents as at 31st December	20,477	252,831

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended December 31, 2023

1. Scheme Information

Omega Income Fund Limited is a company incorporated in Ghana under the Companies Act 2019, (Act 992). Its registered office and place of business are disclosed in the introduction of this report on page 3.

2. Basis of Preparation

The financial statements have been prepared on the historical cost basis except for the following assets and liabilities that are stated at their values: financial instruments that are at fair value through profit or loss; financial instruments classified as available-for-sale.

a) Statement of Compliance

The financial statements of the Scheme have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)

b) Foreign Currency Translation

i) Functional & Presentational Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Ghana cedi (GH¢), which is the functional presentation currency.

ii) Transactions & Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit or loss account. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit or loss within finance income or cost'. All other foreign exchange gains and losses are presented in the profit and loss within 'other (losses)/gains - net'.

iii) Use of Estimates and Judgments

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 policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in Note 4 to 11.

c) Fair Value of Financial Instruments

Where the fair value of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these

models are derived from observable market data where possible, but if this is not available, judgment is required to establish fair value. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under IFRS 13 are described as follows: Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Fund can access. Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability;
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

d) Impairment

i) Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset. IFRS 9 requires the recognition of Expected Credit

Losses on all financial assets at amortized or at fair value through other comprehensive income (other than equity instruments), lease receivables and certain loan commitments and financial guarantee contracts. The Expected Credit Losses (ECL) is the present value measure of the credit losses expected to result from default events that may occur during a specified period of time. ECLs must reflect the present value of cash shortfalls. ECLs must reflect the unbiased and probability-weighted assessment of a range of outcomes. The ECL must also consider forward-looking information to recognize impairment allowances earlier in the lifecycle of a product. IFRS 9: Financial Instruments, consequently, is likely to increase the volatility of allowances as the economic outlook changes, although cash flows and cash losses are expected to remain unchanged.

The IFRS standard introduces a three-stage approach to impairment as follows:

Stage 1 – the recognition of 12-month expected credit losses (ECL), that is the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, if credit risk has not increased significantly since initial recognition;

Stage 2 – lifetime expected credit losses for financial instruments for which credit risk has increased significantly since initial recognition;

Stage 3 – lifetime expected credit losses for financial instruments which are credit impaired.

In contrast, the IAS 39 impairment allowance assessment was based on an incurred loss model, and measured on assets where there was objective evidence that loss had been incurred, using information as of the balance sheet date. The Fund currently assesses impairment for its financial assets based on the three-stage approach by IFRS 9 and undertakes impairment provisions. All impairment losses are recognized in the income statement. An

impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

ii) Non- Financial Assets

The carrying amounts of the company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated.

iii) Financial Assets

Initial Recognition and measurement of financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or derivatives designated as hedging instruments in an effective hedge, as appropriate. The Trustees of the Scheme determine the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus transaction costs, in the case of assets not at fair value through profit or loss. Purchases or sales of financial assets that require delivery of assets within a time frame established by the regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the company commits to purchase or sell the assets.

Due- recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- i) The rights to receive cash flows from the asset have expired.
- ii) The Company has transferred its rights to receive cash flows from the asset or has assumed obligation to pay the received cash

flows without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) 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 company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognized to the extent of the Company's continuing

involvement in it. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

(e) Cash and Cash Equivalent

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

(f) Held-to-Maturity Investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the company has a positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investment is measured at amortized cost using the effective interest

method, less impairment. Amortized 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 amortization is included in finance income in the income statement. The losses arising from impairment are recognized in the income statement in finance costs.

(g) Available-for-sale Financial Investments

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those, neither classified as held-for-trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period and which may be sold in response to needs for liquidity or in response to changes in the market conditions. After initial measurement, available-for-sale financial investments are subsequently measured at fair value with the unrealized gains or losses recognized as other comprehensive income in the available-for-sale reserve until the investment is derecognized, at which time, the cumulative gain or loss is recognized in other operating income, or determined to be impaired, at which time the cumulative loss is reclassified to the income statement in finance costs and removed from the available-for-sale reserve. Interest income on available-for-sale debt securities is calculated using the effective interest method and is recognized in profit or loss.

Financial Liabilities

Initial Recognition and Measurement Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the

classification of its financial liabilities at initial recognition.

3. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

3.1. Revenue Recognition Revenue is recognized to the extent that the economic benefits will probably flow to the fund and revenue can be reliably measured, as and when the fund satisfies a performance obligation. Under IFRS 15, the revenue recognition process involves:

1. Identification of the contract with the customer,
2. Identification of performance obligation in the contract,
3. Determination of the transaction price,
4. Allocation of the transaction price to the performance obligation in the contract,
5. Recognition of the revenue when (or as) the entity satisfies a performance obligation

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment exclusive of taxes or duty.

3.2 Interest Revenue and Expense

Interest revenue and expense are recognized in the statement of Comprehensive Income for all interest-bearing financial instruments using the effective interest rate method.

3.3 Non-Derivative Financial Instruments

These comprise investment in shares, treasury bills, cash and cash equivalents, trade and other receivables, loans and borrowings and trade and other payables.

3.4 Financial Assets

Initial Recognition and Measurement Financial assets within the scope of IAS 39 are classified 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. The Trustees of the Scheme determine the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus transaction costs, in the case of assets not at fair value through profit or loss.

3.5 Classification and Measurement

For purposes of classification and measurement, financial assets are classified into three categories:

3.5.1 Financial Assets at Amortized Cost

Investments held at amortized cost are non-derivative financial assets with fixed or determinable payments and fixed maturity. In determining the classification of financial assets to the above class, two test criteria are applied; Business model test: The objective of the entity's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument before its contractual maturity to realize its fair value changes). Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The Directors have assessed the business model of the Fund and cash flow characteristics of its fixed-income investments and elected to classify all fixed-income instruments under amortized cost.

3.5.2 Financial Assets at Fair Value through Profit or Loss

Fair value through profit or loss is the classification of instruments that are held for trading or for which the entity's business model is to manage the financial asset on a fair value basis i.e. to realize the asset through sales as opposed to holding the asset to collect contractual cash flows. Upon initial recognition as a financial asset or financial liability, it is designated by the Directors at fair value through profit or loss except for investments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. The Directors have elected to classify all investments in equity under FVTP&L.

3.5.3 Financial Assets at Fair Value through Other Comprehensive Income (OCI)

Financial assets at FVOCI are those that are neither classified as financial assets at amortized cost nor designated at fair value through profit or loss. Financial Assets are intended to be held and sold in response to needs for liquidity or in response to changes in the market conditions. After initial measurement, financial assets at FVOCI are subsequently measured at fair value with unrealized gains or losses recognized in OCI and recognized in the financial assets at FVOCI reserve until the investment is derecognized, at which time the cumulative gain or loss is recognized in other operating income, or the investment is determined to be impaired when the cumulative loss is reclassified from the financial assets at FVOCI reserve to the statement of profit or loss in finance costs. Interest earned whilst holding financial assets at FVOCI is reported as interest income using the EIR method.

Notes to the financial statements cont.

4. BANK BALANCE

	2023 GH¢	2022 GH¢
Bank Account	20,477	252,831
Total Bank Balance	<u>20,477</u>	<u>252,831</u>

5. INVESTMENTS HELD AT AMORTISED COST

	2023 GH¢	2022 GH¢
Corporate Bonds	9,440,490	-
Treasury Bills	53,202	-
Total Investments Held at Amortized Cost	<u>9,493,692</u>	<u>-</u>

6. FAIR VALUE THROUGH PROFIT AND LOSS

	2023 GH¢	2022 GH¢
Ideal Sika Fund	2,171	2,171
Total Fair Value Through Profit and Loss Investments	<u>2,171</u>	<u>2,171</u>

7. RECEIVABLES

	2023 GH¢	2022 GH¢
Maturities yet to be received	97,474	8,772,807
Total Receivables	<u>97,474</u>	<u>8,772,807</u>

Notes to the financial statements cont.

8. SHAREHOLDERS' CAPITAL

	2023 GH¢	2022 GH¢
Contributions Received	78,581	200
Total Shareholders' Capital	<u>78,581</u>	<u>200</u>

9. WITHDRAWAL

	2023 GH¢	2022 GH¢
Withdrawal	15,834	-
Total Shareholders' Capital	<u>15,834</u>	<u>-</u>

10. INVESTMENT INCOME

	2023 GH¢	2022 GH¢
Interest on Corporate Bonds	865,158	-
Interest on Treasury Bill	15,677	-
Interest on Treasury Bond	-	8,943
Interest on Bank Deposits	2,092	3,836
Redemption of benefits	1,108	-
Total Investment Income	<u>884,035</u>	<u>12,779</u>

11. MANAGEMENT FEES

	2023 GH¢	2022 GH¢
Custodian Fees	18,063	17,697
Fund Management Fees	220,873	98,867
Total Management Fees	<u>238,936</u>	<u>116,564</u>

Notes to the financial statements cont.

12. ADMINISTRATIVE EXPENSES

	2023 GH¢	2022 GH¢
Audit Fees	7,000	5,000
Fund Registration Fee	1,150	-
Board of Directors Fees	31,631	-
Bank Charges	20	-
AGM Expenses	1,838	-
Board Expenses	4,400	-
	<hr/>	<hr/>
Total Administrative Expenses	<u>46,039</u>	<u>5,000</u>

13. OTHER PAYABLES AND ACCRUED EXPENSES

	2023 GH¢	2022 GH¢
Custodian Fees Payable	33,645	61,575
Fund Management Fees Payable	147,596	185,600
Audit Fees Payable	7,000	20,000
Directors Fees Payable	14,500	11,368
	<hr/>	<hr/>
Total Other Payables and Accrued Expenses	<u>202,741</u>	<u>278,543</u>

14. Financial risk management

Overview

The Board of Directors has overall responsibility for the establishment and oversight of the Fund's risk management framework. The Directors is responsible for monitoring compliance with the Fund's risk management policies and procedures, and for reviewing the adequacy of the risk management framework concerning the risk faced by the Fund. The Fund's risk management policies are established to identify and analyze the risk faced by the Fund, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The objective of the Fund is to provide the investing public with a highly liquid money market fund that offers competitive investment returns while making funds available to Shareholders within a few hours when they need it. The Fund has been exposed to the following risks from its use of financial instruments:

- i. Credit risk
- ii. Liquidity risk
- iii. Market risk
- iv. Foreign Exchange
- v. Operational risk

i) Credit Risk

Credit risk is the risk of financial loss to the Fund if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Domestic Debt exchange programmed by the ruling NPP government would result in a reduction or loss of principal and interest on Government of Ghana Bonds held by Institutions. This may have a significant impact on the AUM of the fund.

ii) Liquidity Risk

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

iii) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters while optimizing the return.

iv) Foreign Exchange Risk

Foreign exchange risk is the risk that the value of recognized monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in the foreign exchange rate.

v) Operational Risk

Operational risk is the risk of direct or indirect loss due to an event or action resulting from the failure of internal processes, people and systems, or external events. The Fund seeks to ensure that key operational risks are managed in a timely and effective manner through a framework of policies, procedures and tools to

identify, assess, monitor, control and report such risks.

vi). Going Concern

The Directors believe that the Fund has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Directors have satisfied themselves that the Fund is in a sound financial position and that revenue from the assets under management would be enough to meet its foreseeable cash requirements. The Directors are not aware of any new material changes that may adversely

impact the Fund. The Directors are also not aware of any material non-compliance with **statutory** or regulatory requirements or of any pending changes to legislation which may affect the Fund.

vii). Contingent Liabilities and Commitments

i) Contingent Liabilities

Pending legal suits:

There were no contingent liabilities as of the balance sheet date.

ii) Capital Expenditure Commitments

There were no capital commitments as of the balance sheet date.

PROXY FORM

I/We being a member of the above-named Fund hereby appoint or failing him/her, the Chairman of the meeting as my/our proxy to vote for me on my/Our behalf at the 7th Annual General Meeting of the Company to be held on, **Tuesday, 28th May 2024** and at any adjournment thereof.

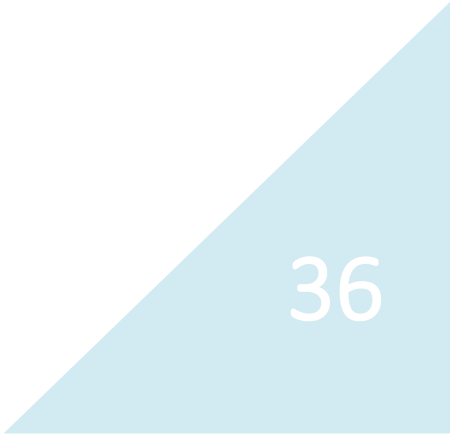
Please indicate with an "X" in the spaces below how you wish your votes to be cast.

Resolution	For	Against
1. That the Directors' Report, Profit and Loss Account and Balance Sheet ("the Annual Report and Financial Statements") for the year ended 31 st December 2023 be received and adopted.		
2. That a maximum amount of Forty-Two Thousand Ghana Cedis (GHS42,000.00) be approved as Directors' remuneration for the financial year ending 31 st December 2024.		
3. That the Directors are authorized to determine the remuneration of the Auditors for the financial year ending 31 st December 2024.		

Signed:

Name:

Date:



MANAGED BY



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