DALEX
VISION FUND

# ANNUAL REPORT

## & FINANCIAL STATEMENTS 2023

*MANAGED BY*

CIDAN
Investments Ltd
...building a successful future

# DALEX VISION FUND PLC

*Annual Financial Statements for the year Ended December 31, 2023*

# TABLE OF CONTENT

# NOTICE OF
# ANNUAL GENERAL MEETING

***NOTICE OF 9TH ANNUAL GENERAL MEETING OF DALEX VISION FUND PLC TO BE HELD AT 10:00HRS (GMT) ON TUESDAY, 4TH JUNE 2024 VIA TELECONFERENCE.***

**DALEX VISION FUND**
**NOTICE IS HEREBY GIVEN** that the **VIRTUAL** 9th Annual General Meeting of Dalex Vision Fund PLC ('the Fund') will be held on **Tuesday, 4th June 2024** at **10:00hrs GMT** to transact the following business:

**Ordinary Business:**

1. To receive and consider the Reports of the Directors, Auditors and the Audited Financial Statements for the year ended 31st December 2023.
2. To re-elect Mr. Papa Kwabla Pavis-Djre as a Director.
3. To approve the Directors' remuneration for the year ending 31st December 2024.
4. To authorise the Directors to fix the remuneration of the Auditors for the year ending 31st December 2024.

**BY ORDER OF THE BOARD**

Vantage.

**VANTAGE GOVERNANCE LTD**
***COMPANY SECRETARY***

ACCRA: Dated this 10th day of May 2024

**Distribution**
All Members, All Directors, External Auditors

***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* ***clientservices@vantagecorpservices.com*** *to arrive not later than 48 hours before the appointed time of the meeting (10:00hrs GMT on 4th* ***June 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

| | |
|---|---|
| **BOARD OF DIRECTORS** | Abraham Nii Allotey Addison – Chairman<br>Papa Kwabla Pavis -Djre – Member<br>Kweku Assane – Member |
| **SECRETARY** | Vantage Governance Limited<br>9 Abidjan Street, East Legon<br>Accra |
| **AUDITORS** | Audax Consult<br>Chartered Accountants<br>P.O. Box 1903<br>Mamprobi - Accra. |
| **CUSTODIAN** | Cal Bank Ghana Limited<br>23 Independence Ave.,<br>Accra. |
| **RECEIVING BANKERS** | Ecobank, Roman Ridge Branch,<br>Olusegun Obasanjo Highway<br>Accra. |
| **OFFICE LOCATION** | CIDAN House No. 261<br>Atomic Haatso Road, Adjacent GCB Bank<br>North, Legon<br>Accra |
| **FUND MANAGER** | CIDAN Investments Limited<br>House No. 261<br>Atomic Haatso Road, Adjacent GCB Bank<br>P.O. Box CT 7991 Cantonments Accra |

# CHAIRMAN'S REPORT

Dear Valued Shareholders,

It is an honour to welcome you all to the 9th Annual General Meeting of Dalex Vision Fund for the year 2023. On behalf of the Board of Directors of the Fund and all service providers to the Fund, I wish to thank you shareholders for your immense patience and support as we strive to restructure and grow your fund.

Permit me now, ladies and gentlemen to present a brief overview of the general economy, and the performance of your Fund for the year under review and conclude with an outlook for the year 2024.

## The Global Economic Environment

The global recovery from the COVID-19 pandemic and Russia's invasion of Ukraine remains slow and uneven as major economies continue to grapple with spillover effects from supply chain disruptions. Despite economic resilience earlier this year with a reopening rebound and progress in reducing inflation from last year's peaks, economic activity still fell short of its pre-pandemic path, especially in emerging markets and developing economies.

## The Domestic Economic Environment

On the domestic front, Ghana's economy showed signs of recovery and relative stability in 2023 following the completion of the Domestic Debt Exchange Program (DDEP) and disbursement of the first two tranches totaling USD600 million out of the country's $3 billion bailout program by the International Monetary Fund (IMF). Despite the relative stability, the economy was still challenged by high inflation, high interest rates, depreciating currency, declining reserves and unsustainable debt levels.

## Inflation Developments

Headline inflation remained high despite ending the year at the lowest rate since March 2022 and below the Government's end-of-year inflation target. Headline inflation closed the year at 23.2%, from 54.1% in December last year compared with the end-of-year inflation target of 31.3%. The decline in headline inflation could be attributed to a tight monetary policy stance, exchange rate stability and favorable base drifts.

## Interest Rate Developments

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 on the back of the Government's sustained borrowing appetite in the primary market to retire maturing securities in an attempt to bridge its financing gap. The 91-day, 182-day and 364-day Treasury bills ended the year with rates of 29.24%, 31.88% and 32.49% respectively. Compared to last year, these short-term securities ended the year with rates of 35.36%, 35.98%, and 35.89% respectively.

In its quest to tame inflationary pressures on the economy, the Monetary Policy Committee of the Bank of Ghana (BoG) maintained a high policy rate throughout the year. The MPC increased the rate from 27% in December 2022 to 30% by the end of 2023.

### Outlook for 2024

The economy is expected to consolidate the gains made in 2023 for the year 2024 but this will be dependent on the successful implementation of the IMF bailout program in respect of the restructuring of the bilateral and commercial components of the country's external debt. The Government has projected a conservative GDP growth rate of 2.8% for the year 2024, which is above the projected end-of-year GDP growth rate target of 1.5%. Inflation is expected to slow down in 2024, which could boost the pace of economic recovery. Notwithstanding, the Government needs to be disciplined in its spending on the back of the upcoming elections.

### Fund's Performance

Distinguished Shareholders, your Fund posted a return of 7.53% for the year, compared with a return of 8.13% in 2022.

### Closing Remarks

Distinguished Shareholders, despite the challenging macroeconomic conditions, we remain cautiously optimistic about the Fund's performance in 2024. The Fund Manager, together with the Board of Directors have restructured a significant portion of the Fund's huge receivables and therefore hope to unlock liquidity and make competitive returns to grow the Fund in 2024.

On behalf of the Board, I wish to express our gratitude to you, once again, for investing in this Fund. I would also like to express my sincere gratitude to the Fund Manager and other service providers for their hard work and diligence in their quest to drive the Fund to higher heights. I wish you the very best for the rest of the year.

Thank you very much.

**Abraham Addison**

.........................................................

**(Board Chair, Dalex Vision Fund PLC)**

# FUND MANAGER'S REPORT

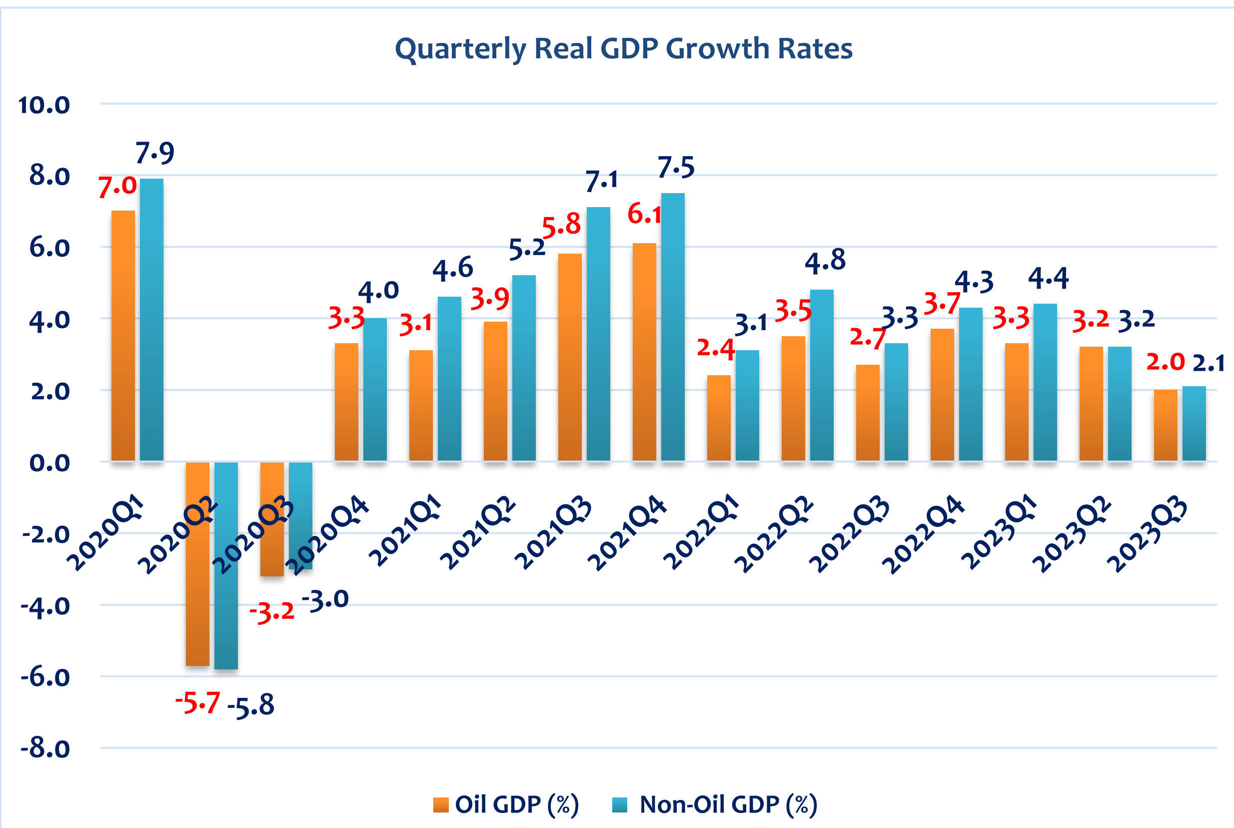
**Distinguished Shareholders,**

I am pleased to present our report, as Fund Managers of the Dalex Vision 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

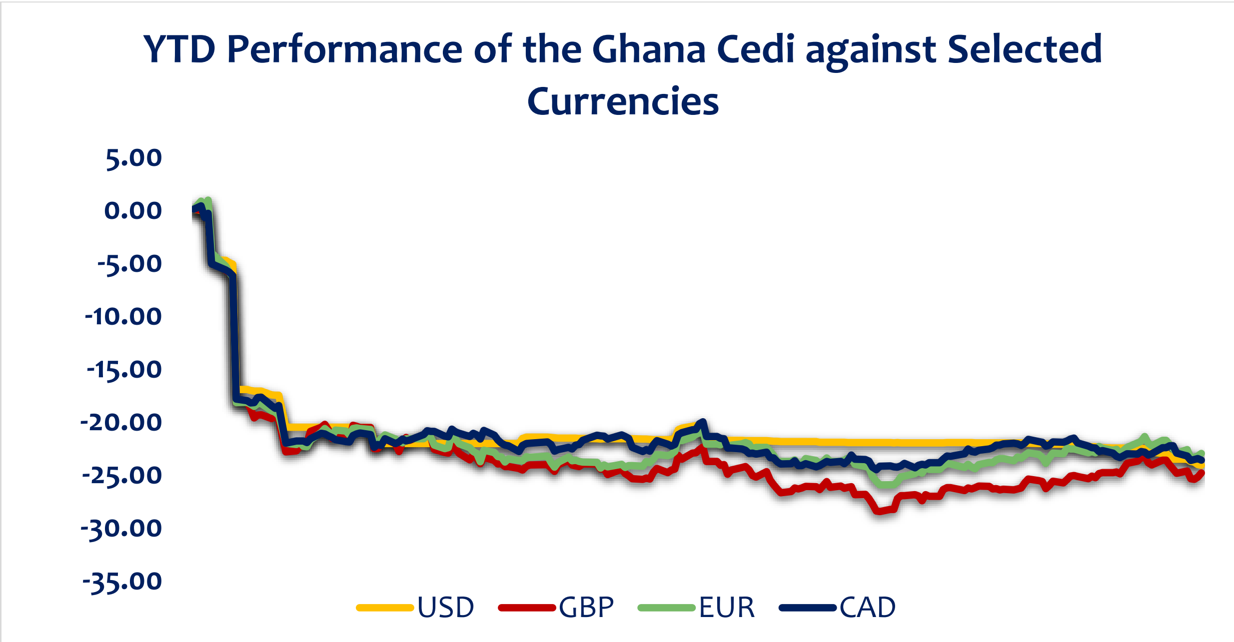
Ghana's economy showed signs of recovery in 2023, on the back of the completion of the Domestic Debt Exchange Program (DDEP) and the approval and subsequent disbursement of the first two tranches totalling USD600 million out of the country's $3 billion bailout program by the International Monetary Fund (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 2.9% against a full-year growth target of 1.5% and an average growth rate of 3.6% for 2022. The Bank of Ghana's real composite index of economic activity contracted at a slower pace by 0.4% 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.



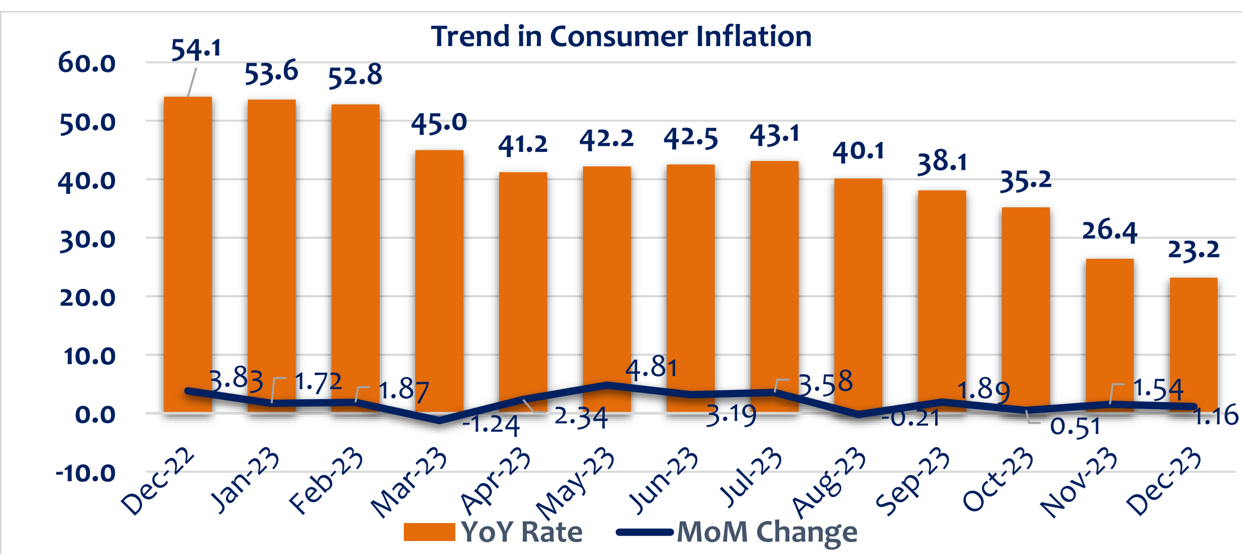
## Exchange Rates Development

The pressure on the Ghana Cedi continued in the review year, resulting in depreciations of 27.81%, 31.86% and 30.33% against the USD, GBP and the Euro respectively. This is compared with depreciations of 29.97%, 21.19% and 25.34% against the USD, GBP, and Euro respectively in 2022.



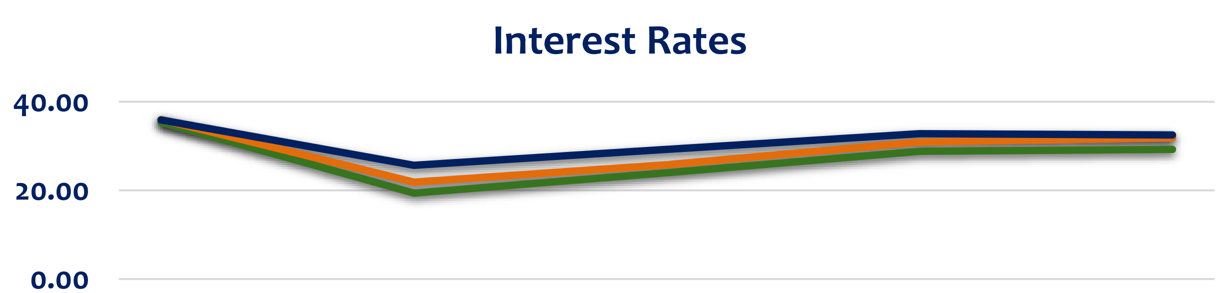

## Inflation Developments

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



## Interest Rate Developments

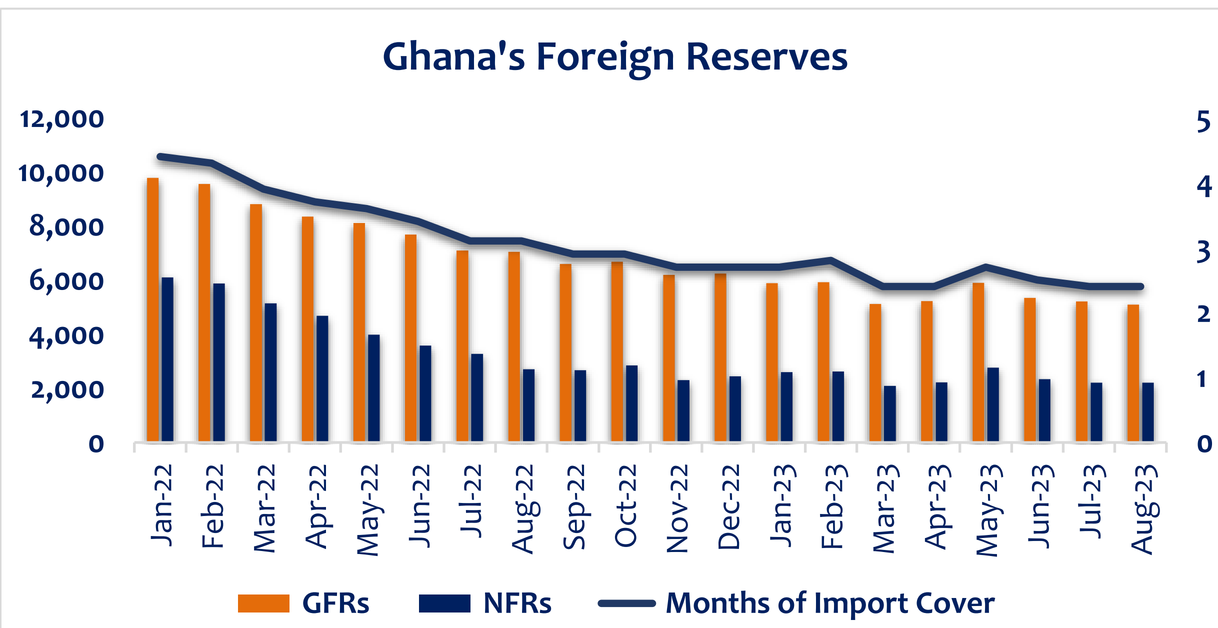
Yields on short-term Government securities recorded sharp increases after recording steep declines in the first quarter of the year. The 91-day, 182-day and 364-day Treasury bills ended the year with rates of 29.24%, 31.88% and 32.49% respectively.




| | 31-12-22 | 31-03-23 | 30-06-23 | 30-09-23 | 31-12-23 |
|---|---|---|---|---|---|
| 91Day | 35.36 | 19.39 | 23.95 | 28.80 | 29.24 |
| 182Day | 35.98 | 21.86 | 25.80 | 30.92 | 31.88 |
| 364Day | 35.89 | 25.66 | 29.25 | 32.82 | 32.49 |

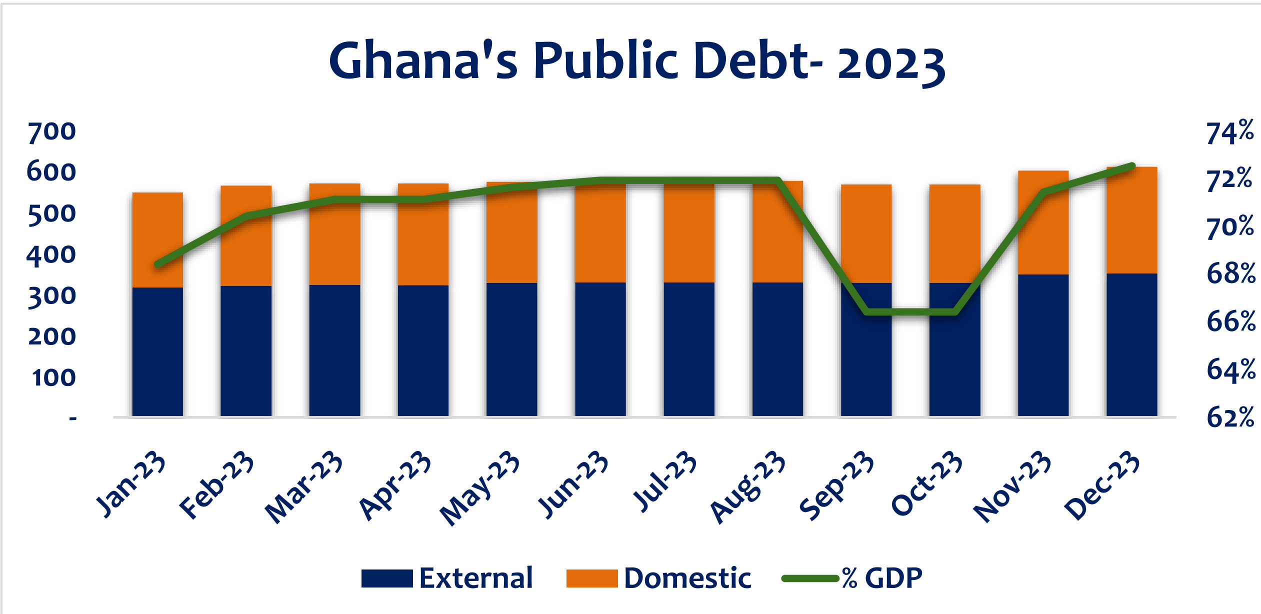
## Foreign Reserves

Gross International Reserves (excluding encumbered assets and petroleum funds) stood at 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.



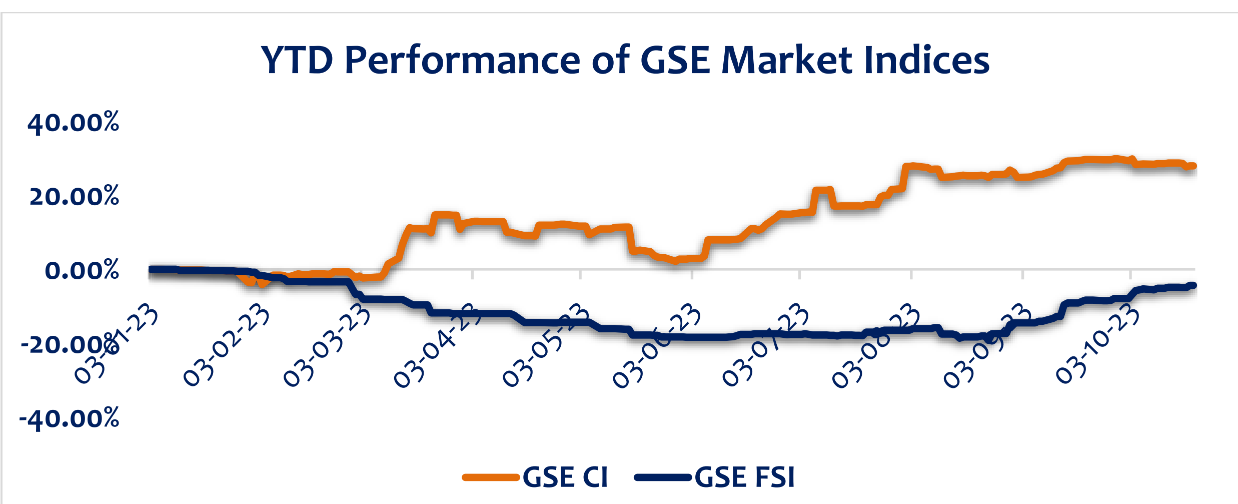
### Public Debt

Public debt increased by 28.91% from GH¢473.2 billion at the beginning of 2023 to GH¢610 billion (72.5% of GDP), as of December 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 continues to be faced with relatively huge redemption requests on the back of the present 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.

## 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.

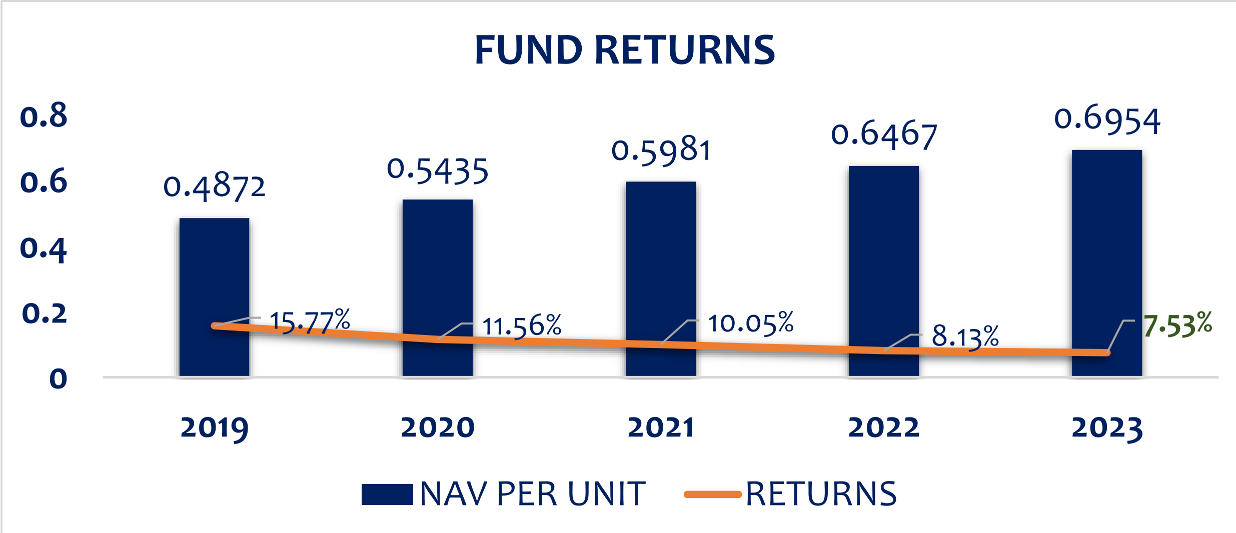
We also expect the Government to finalize negotiations with external creditors on the restructuring of Ghana's debt in the first half of the year to ensure a successful program with the International Monetary Fund and to aid the country's recovery process. We however expect election-related spending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

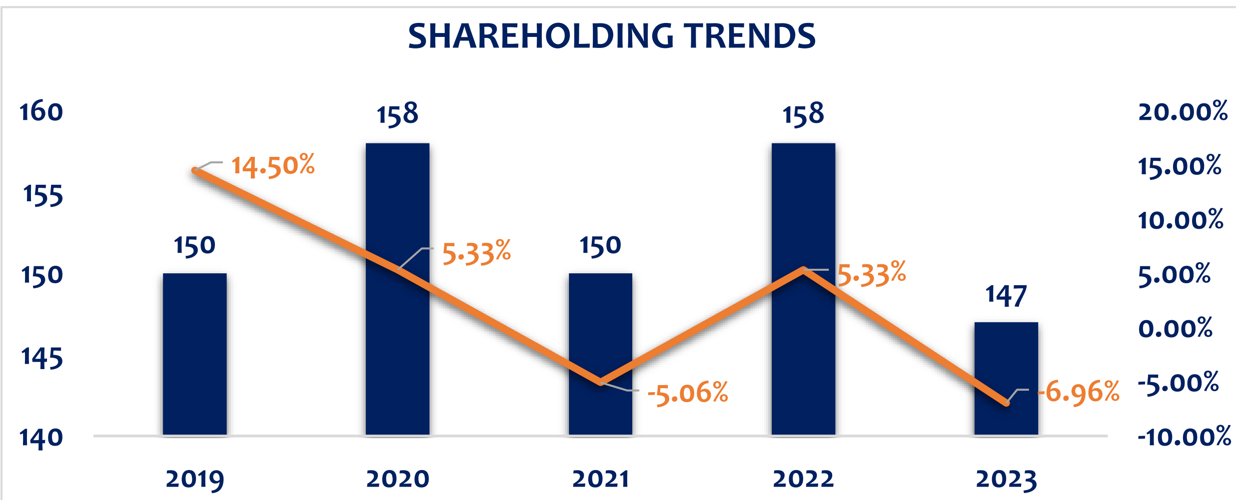
## Fund Performance

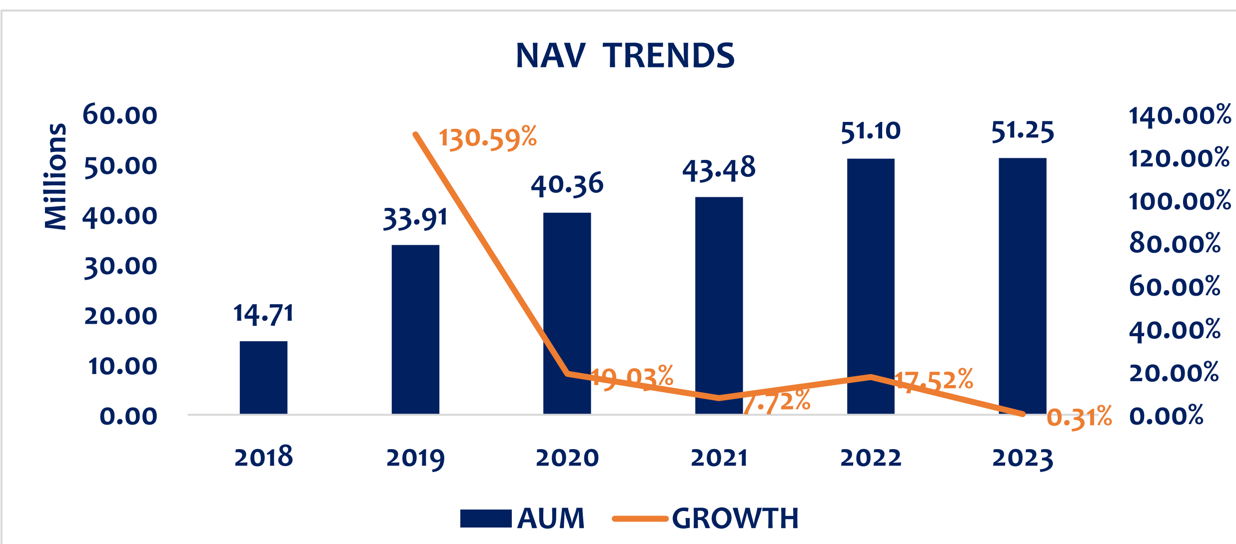
Distinguished Shareholders, at the end of the year 2023, your Fund posted a return of 7.53% which compares with a return of 8.13% recorded in 2022. The return was adversely impacted by the fact that 83% of the total Fund assets were in receivables and thus, no interest was accrued on those instruments.

The Net Assets Value (NAV) of the Fund recorded a marginal year-on-year growth of 0.31%, from GH¢51,095,357.69 in 2022 to GH¢51,253,216.02 in 2023. This marginal growth was on the back of reduced inflows and the significantly reduced returns recorded for the year. Your Fund recorded a decline of 6.96% in Shareholders during the period under review. Investors in the Fund decreased from 158 Shareholders in 2022 to 147 Shareholders at the end of December 2023. Additional funds of GH¢5,111.00 came in as deposits while an amount of GH¢14,165.66 was paid out as redemptions.

## Fund Statistics

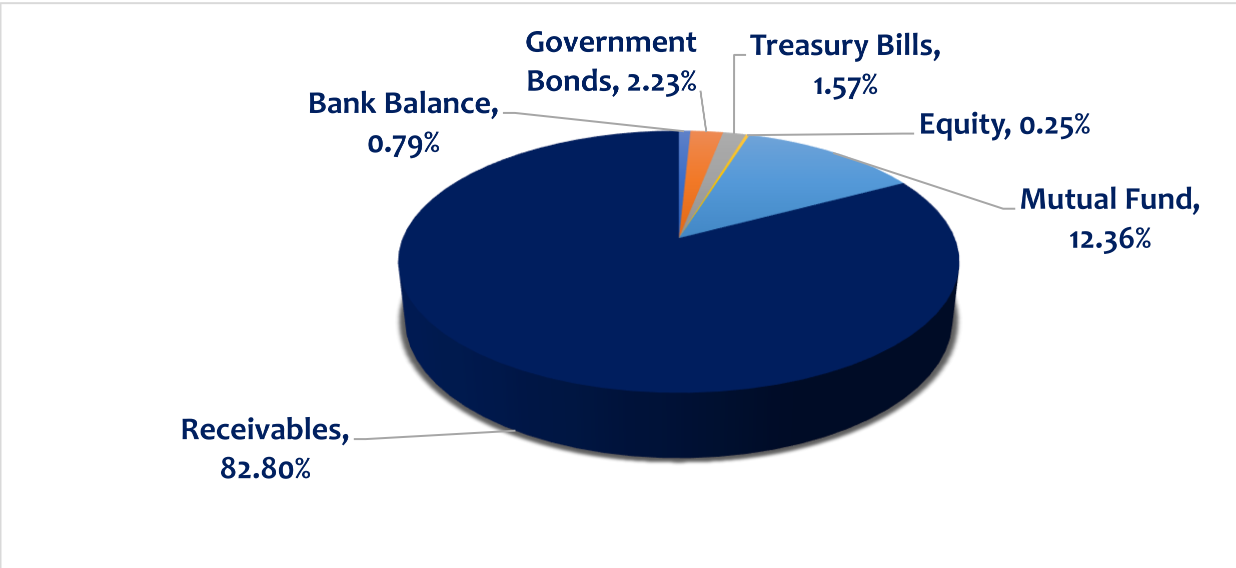


## Asset Allocation

As of the end of the year 2023, Government securities constituted 2.23% of the Fund's Portfolio while Mutual Funds constituted 12.36%. Listed Equities and Cash constituted 0.25% and 0.79% respectively of the total Portfolio. The Fund had 82.80% of its assets in Receivables.




## Strategic Direction for 2024

Going forward into the new year and as part of measures to grow the Fund, the Fund Manager will identify the remaining issuers of corporate debt securities that are yet to be traced to recover/ restructure their debt to the Fund through regulatory channels. The Fund Manager will also 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.

Furthermore, the Fund Manager will intensify its marketing of the active component of the Fund (Fund 2) to retail and institutional clients, through social media platforms and one-on-one presentations and create additional collection platforms i.e., 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

## CAL BANK CUSTODY SERVICES

### Portfolio Valuation Report

Page 1 of 3

Client A/c: CBN/DALEX VISION FUND
As on Date: 31/12/2023
Valuation Currency: GHS

User Id: DAKOWOAH
Date: 12/01/2024
Time: 01:17:15

Classification: CASH

| Security Name | Symbol | Nominal | Market Price | Cost | Valuation | % of Total |
|---|---|---|---|---|---|---|
| CBN/DALEX VISION FUND CALL A/C | 021016528721 | 411,072.29 | | 411,072.29 | 411,072.29 | 100.0000 |
| Classification Total: | | | | 411,072.29 | 411,072.29 | |

Classification: EQUITIES

| Security Name | Symbol | Nominal | Market Price | Cost | Valuation | % of Total |
|---|---|---|---|---|---|---|
| GCB LIMITED | GCB | 10,300.00 | 3.4000 | 44,831.29 | 35,020.00 | 26.9518 |
| SOGEGH | SOGEGH | 13,533.00 | 1.5700 | 20,986.84 | 21,246.81 | 16.3518 |
| CAL BANK LIMITED | CAL | 15,000.00 | 0.4800 | 9,560.00 | 7,200.00 | 5.5412 |
| UNILEVER GHANA LIMITED | UNIL | 900.00 | 8.1100 | 12,453.00 | 7,299.00 | 5.6174 |
| FAN MILK LIMITED | FML | 1,200.00 | 3.2500 | 21,240.00 | 3,900.00 | 3.0015 |
| ENTERPRISE GROUP LIMITED | EGL | 13,000.00 | 2.3900 | 50,525.00 | 31,070.00 | 23.9118 |
| ECOBANK GHANA LIMITED | EGH | 4,400.00 | 5.5000 | 30,200.00 | 24,200.00 | 18.6246 |
| Classification Total: | | | | 189,796.13 | 129,935.81 | |

Classification: GOVT. BONDS AND NOTES

| Security Name | Symbol | Nominal | Market Price | Cost | Valuation | % of Total |
|---|---|---|---|---|---|---|
| AUC1838 GOG 5YR BOND @10% VD 21.2.23 MT 15.8.28 | GHGGOG069681 | 560,173.00 | 1.0363 | 560,173.00 | 580,486.97 | 50.0000 |
| AUC1838 GOG 4YR BOND @10% VD 21.2.23 MT 17.8.27 | GHGGOG069673 | 560,173.00 | 1.0363 | 560,173.00 | 580,486.97 | 50.0000 |
| Classification Total: | | | | 1,120,346.00 | 1,160,973.94 | |

Classification: LOCAL GOVERNMENT AND STATUTORY AGENCIES

| Security Name | Symbol | Nominal | Market Price | Cost | Valuation | % of Total |
|---|---|---|---|---|---|---|
| T6175 3YR COCOA BOND @13% VD 4.9.23 MT 31.8.26 | GHGCMB071672 | 32,321.00 | 1.0425 | 32,321.00 | 33,694.64 | 25.0002 |
| T6175 4YR COCOA BOND @13% VD 4.9.23 MT 30.8.27 | GHGCMB071664 | 32,321.00 | 1.0425 | 32,321.00 | 33,694.64 | 25.0002 |
| T6175 5YR COCOA BOND @13% VD 4.9.23 MT 28.8.28 | GHGCMB071656 | 32,321.00 | 1.0425 | 32,321.00 | 33,694.64 | 25.0002 |
| T6175 2YR COCOA BOND @13% VD 4.9.23 MT 1.9.25 | GHGCMB071763 | 25,857.00 | 1.0425 | 25,857.00 | 26,955.92 | 20.0003 |
| T6175 1YR COCOA BOND @13% VD 4.9.23 MT 2.9.24 | GHGCMB071771 | 6,463.00 | 1.0425 | 6,463.00 | 6,737.68 | 4.9991 |
| Classification Total: | | | | 129,283.00 | 134,777.52 | |

Classification: MUTUAL FUND

| Security Name | Symbol | Nominal | Market Price | Cost | Valuation | % of Total |
|---|---|---|---|---|---|---|
| CRYSTAL WEALTH FUND | CRST WLT | 2,200,052.04 | 2.3684 | 3,410,000.00 | 5,210,603.25 | 81.6414 |
| CRYSTAL ENTERPRENEUR FUND | CRYST-ENT | 1,522,980.69 | 0.6348 | 560,000.00 | 966,786.14 | 15.1479 |
| OCTANEDC BOND FUND | OCT BNDF | 139,071.02 | 1.0954 | 170,000.00 | 152,338.40 | 2.3869 |
| OCTANEDC MONEY MARKET FUND | OCT MNY | 24,901.25 | 1.5489 | 30,000.00 | 38,569.55 | 0.6043 |
| FINANCIAL INDEPENDENCE MUTUAL FUND | FINDP | 10,000.00 | 1.4005 | 10,000.00 | 14,005.00 | 0.2194 |
| Classification Total: | | | | 4,180,000.00 | 6,382,304.34 | |

Classification: TREASURY BILLS

| Security Name | Symbol | Nominal | Market Price | Cost | Valuation | % of Total |
|---|---|---|---|---|---|---|
| AUC1882 GOG 182DTB @31.95% VD 25.12.23 MT 24.6.24 | GHGG0G073016 | 782,000.00 | 0.8675 | 676,605.95 | 678,372.33 | 100.0000 |
| Classification Total: | | | | 676,605.95 | 678,372.33 | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Client Total: | | | | 6,707,103.37 | 8,897,436.23 | |

Client A/c: CBN/DALEX VISION FUND
As on Date: 31/12/2023
Valuation Currency: GHS

User Id: DAKOWOAH
Date: 12/01/2024
Time: 01:17:15

## Summary

| Description | Nominal | Cost | Market Value | % of Total |
|---|---|---|---|---|
| TREASURY BILLS | 782,000.00 | 676,605.95 | 678,372.33 | 7.6244 |
| GOVT. BONDS AND NOTES | 1,120,346.00 | 1,120,346.00 | 1,160,973.94 | 13.0484 |
| EQUITIES | 58,333.00 | 189,796.13 | 129,935.81 | 1.4604 |
| CASH | 411,072.29 | 411,072.29 | 411,072.29 | 4.6201 |
| MUTUAL FUND | 3,897,005.00 | 4,180,000.00 | 6,382,304.34 | 71.7319 |
| LOCAL GOVERNMENT AND STATUTORY AGENCIES | 129,283.00 | 129,283.00 | 134,777.52 | 1.5148 |
| Total: | | 6,707,103.37 | 8,897,436.23 | 100.0000 |

## 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, in submitting to the shareholders the financial statements of the company.

| | 2023<br>GH₵ | 2022<br>GH₵ |
|---|---|---|
| The year's trading results were | | |
| Increase in net assets attributable to Fund Investors | 219,595 | 10,698,389 |

## 4. Appointment of Auditors

Messrs.' Audax Consult are willing to continue in office as auditors to the fund for ensuing years 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 statements on pages 19 to 46 were approved by the Board on April 26, 2024, and signed on its behalf by:

**ABRAHAM NII ALLOTEY ADDISON** **PAPA KWABLA PAVIS -DJRE**

# INDEPENDENT AUDITOR'S REPORT

### *TO THE MEMBERS OF DALEX VISION FUND PLC*

## Opinion

We have audited the financial statements of Dalex Vision Fund Plc, which comprise the statement of financial position as of December 31, 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year that ended, and notes to the financial statements, including a summary of significant accounting policies set out on Pages 19 to 46.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the company as of December 31, 2023, and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRS) with the IAS 29 directive issued by the Institute of Chartered Accountants Ghana (ICAG) and in the manner required by the Companies Act,2019(Act 992) 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) (the 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.

## Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. They are matters to be addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

1. There was a huge disparity of GH¢4,470,429 in the valuation of receivables by the Fund Manager and the Fund Custodian which we consider a key audit matter.

**How the matter was addressed in our audit:**

1. Reconciliation of the principals and the interests was carried out by both parties, however, there was disagreement in the valuation of the interest on receivables resulting in the recorded disparity. The Fund Manager nonetheless was able to provide evidence of all the interest on the said receivables and hence the auditor used the receivables amount provided by the Fund Manager.

## 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 based on 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 control.

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.

iv) 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 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 belief were necessary for the purpose 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 and statement of comprehensive income agree with the books of account.

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

Samuel Amarkwei Amartey (**ICAG/P/2023/1391)**

AUDAX CONSULT
Chartered Accountant, Tax &
Management Consultants
P. O. Box 1903, Mamprobi-Accra

Audax Consult (**ICAG/F/2023/310)**

Chartered Accountants
Guggisberg Avenue, Opposite Indafa Park Mamprobi
P.O. Box 1903, Mamprobi
Accra, Ghana

**April 26, 2024**

# STATEMENT OF COMPREHENSIVE INCOME

*FOR THE YEAR ENDED DECEMBER 31, 2023*

| | Note | 2023 GH₵ | 2022 GH₵ |
|---|---|---|---|
| Income | 6 (ii) | 489,832 | 2,775,040 |
| **Total Income** | | **489,832** | **2,775,040** |
| **Expenses** | | | |
| Administrative Expenses | 8 | (60,714) | (89,238) |
| Other net changes in fair value of financial assets at fair value through profit or loss | 7(ii) | (3,420) | 889,618 |
| Management fees | 9 | (206,103) | (1,161,420) |
| Impairment | 11 | - | 8,284,389 |
| **Total Operating Expenses** | | **(270,237)** | **7,923,349** |
| **Increase/ (Decrease) in Net Assets Attributable** | | | |
| **to Fund Investors from Operations** | | **219,595** | **10,698,389** |

# STATEMENT OF FINANCIAL POSITION

## FOR THE YEAR ENDED DECEMBER 31, 2023

| | Note | 2023<br>GH₵ | 2022<br>GH₵ |
|---|---|---|---|
| **ASSETS** | | | |
| Bank Balance | 4 | 413,001 | 259,197 |
| Held-to-maturity | 5 | 1,975,567 | 4,572,738 |
| Receivables | 6(i) | 43,090,348 | 40,427,322 |
| Available-for-sale Investment | 7(i) | 6,560,848 | 6,564,267 |
| **TOTAL ASSETS** | | **52,039,764** | **51,823,524** |
| **LIABILITIES** | | | |
| Other Payables and Accrued Expenses | 10 | 786,461 | 764,071 |
| **TOTAL LIABILITIES** | | **786,461** | **764,071** |
| **TOTAL ASSETS LESS LIABILITIES** | | **51,253,303** | **51,059,453** |
| **REPRESENTED BY:** | | | |
| **NET ASSETS ATTRIBUTABLE TO FUND INVESTORS** | | **51,253,303** | **51,059,453** |

# STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE

## TO FUND INVESTORS FOR THE YEAR ENDED DECEMBER 31, 2023

| | 2023<br>GH₵ | 2022<br>GH₵ |
|---|---|---|
| Net Assets Attributable to Fund Investors as at 1st January | 51,059,453 | 36,455,751 |
| Unit Holders' Capital | 5,111 | 4,014,481 |
| Withdrawals | (14,063) | (109,168) |
| Prior Year Adjustment | (16,793) | - |
| Increase/(Decrease) in Net Assets Attributable to Fund Investors from Operations | 219,595 | 10,698,389 |
| **Net Assets Available to Fund Investors as at 31st December** | **51,253,303** | **51,059,453** |

# STATEMENT OF CASH FLOW

*FOR THE YEAR ENDED DECEMBER 31, 2023*

| | 2023 GH₵ | 2022 GH₵ |
|---|---|---|
| Increase/ (Decrease) in Net Assets for the year | 219,595 | 10,683,761 |
| Adjustment for: Investment Income (Non-Cash) | (45,912) | (1,306,608) |
| **Cash flow from operating activities** | | |
| Increase/ (Decrease) in Receivables | (2,663,026) | (31,300,971) |
| Increase/ (Decrease) in Payables | 22,390 | 604,083 |
| **Net Cash Generated from Operating Activities** | **(2,466,953)** | **(21,319,735)** |
| **Cash flow from investing Activities** | | |
| Redemption | 6,011,877 | 22,114,690 |
| Purchase of Fixed Deposits, Corporate Bonds & Treasury Bills | (3,365,376) | (4,582,734) |
| **Net Cash flow from Investing Activities** | **2,646,501** | **17,531,956** |
| **Cash flow from financing activities** | | |
| Contributions from Fund Investors | (8,952) | 3,905,313 |
| Directors Account | - | - |
| **Net Cash Flow from Financing Activities** | **(8,952)** | **3,905,313** |
| Increase in/ (Decrease in) in Cash & Equivalents | 170,597 | 117,534 |
| Balance b/f - Cash & Cash Equivalents | 259,197 | 141,663 |
| Prior year Adjustment | (16,793) | - |
| **Cash and Cash Equivalent as at 31st December** | **413,001** | **259,197** |

# NOTES TO THE FINANCIAL STATEMENTS

*FOR THE YEAR ENDED DECEMBER 31,2023*

## 1 Scheme Information

Dalex Vision Fund Limited is a company incorporated in Ghana on the 17th of August 2020 under the Companies Act 2019, (Act 992). It is 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 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.

#### 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 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 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; and

**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

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.

### DE 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 Equivalents

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 the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortized. cost using the effective interest method, less impairment. Amortized cost is calculated by considering 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.

### (h) 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 it is probable that the economic benefits will 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, considering 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 investments 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 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 prior to 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.

## New Standards and Interpretations not yet adopted

### 1 IFRS 16 LEASES

Effective for annual periods beginning on or after 1 January 2019.

The scope of IFRS 16 includes leases of all assets, with certain exceptions. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

IFRS 16 requires leases to account for all leases under a single on-balance sheet model in a similar way to finance leases under IAS 17 Leases. The standards include two recognition exemptions for leases - leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lease will recognize a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-to-use asset.

Lessees will be required to re-measure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, or a change in future lease payments resulting from a change in an index or rate used to determine those payments). The Lessee will generally, recognize the amount of the re-measurement of the lease liability as an adjustment to the right-to-use asset.

Lessor accounting is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

### Impact

The lease expense recognition pattern for lessees will generally be accelerated as compared to today. Key balance sheet metrics such as leverage and finance ratios, debt covenants and income statement metrics, such as earnings before interest, taxes, depreciation and amortization (EBITDA), could be impacted.

Also, the cash flow statement for lessees could be affected as payments for the principal portion of the lease liability will be presented within financing activities. Lessor accounting will result in little change compared to today's lessor accounting. The standard requires lessees and lessors to make more extensive disclosure than under IAS 17.

Given the significant accounting implication, lessees will have to carefully consider the contracts they enter into to identify any that are or contain leases. This evaluation will also be important for lessors to determine which contracts (or portion of contracts) are subject to a new revenue recognition standard.

### 2 Prepayment Features with Negative Compensation Amendments to IFRS 9

Effective for annual periods beginning on or after 1st January 2019

Under IFRS 9, a debt instrument can be measured at amortized cost or fair value through other comprehensive income, provided that the contractual cash flows are ' solely payments of principal and interest on the principal outstanding' (SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The basis for the conclusion to the amendments clarified that early termination can result from a contractual term or an event outside the control of the parties of the contract, such as a change in law or regulation leading to the early termination of the contract.

### Impact

The amendments are intended to apply where the prepayment amount approximates too unpaid amounts of principal and interest plus or minus an amount that reflects the change in a benchmark interest rate. This implies that prepayments at current fair value or at an amount that includes the fair value of the cost to terminate an associated hedging instrument will normally satisfy the SPPI criterion only if other elements of the change in fair value, such as the effects of credit risk or liquidity, are small. Most likely, the costs to terminate a 'plain vanilla' interest rate swap that is collateralized, to minimize the credit risks for the parties to the swap, will meet this requirement.

### Modification or exchange of a financial liability that does not result in DE recognition

In the basis for the conclusion to the amendments, the IASB also clarified that the requirements in IFRS 9 for adjusting the amortized cost of financial liability, when a modification (or exchange) does not result in DE recognition, are consistent with those applied to the modification of a financial asset that does not result in DE recognition.

This means that the gain or loss arising on modification of a financial liability that does not result in DE recognition, calculated by discounting the change in contractual cash flows at the original effective interest rate, is immediately recognized in profit or loss.

The IASB made this comment in the basis for the conclusions to the amendments as it believes that the existing requirements in IFRS 9 provided an adequate basis for the entities to account for modifications and exchange of financial liabilities and that no formal amendments to IFRS 9 were needed in respect of this issue.

### Impact

The IASB stated specifically that this clarification relates to the application of IFRS 9. As such, it would appear that this clarification does not need to be applied to the accounting for modification of liabilities under IAS 39 Financial Instruments: Recognition and Measurement. Any entities that have not applied this accounting under IAS 39 are therefore likely to have a change in accounting on transition. As there is no specific relief, this change needs to be made retrospectively.

### IFRS 17 Insurance Contracts

Effective for annual periods beginning on or after 1 January 2023.

### Background

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts.

In June 2020, the IASB issued amendments to IFRS 17. These amendments included changing the effective date to 2023.

In September 2017, the Board established a Transition Resource Group (TRG) for IFRS 17 to analyze implementation-related questions. The TRG met four times and while no further meetings have been scheduled, the TRG submission process remains open for stakeholders to send in questions they believe meet the TRG submission criteria.

### Scope

IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

### Key requirements

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers.

In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)

- A simplified approach (the premium allocation approach) mainly for short-duration contracts. the main features of the new accounting model for insurance contracts are as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows)

• A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profit of the insurance contracts to be recognised in profit or loss based on insurance contract services provided over the coverage period.

• Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognized in profit or loss over the remaining coverage period

• The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice • The presentation of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period

• Amounts that are paid to a policyholder in all circumstances, regardless of whether an insured event occurs (non-distinct investment components) are not presented in the income statement but are recognised directly on the balance sheet

• Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense

• A loss-recovery component of the asset for the remaining coverage of a group of reinsurance contracts held is determined and recorded in profit or loss when an entity recognizes a recovery of a loss on initial recognition of an onerous group of underlying issued contracts as well as for subsequent measurement of the recovery of those losses

• Entities should present separately in the statement of financial position, the carrying amounts of portfolios of insurance contracts issued that are assets and those that are liabilities, with the same requirement applying to portfolios of reinsurance contracts held

• Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts 7 IFRS Update of standards and interpretations in issue on 31 March 2023 Transition IFRS 17 is effective for reporting periods starting on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 Financial Instruments on or before the date it first applies IFRS 17. The Board decided on a retrospective approach for estimating the CSM on the transition date. However, if a full retrospective application, as defined by IAS 8 for a group of insurance contracts, is impracticable, an entity is required to choose one of the following two alternatives:

• Modified retrospective approach - based on reasonable and supportable information available without undue cost and effort to the entity, certain modifications are applied to the extent full retrospective application is not possible, but still with the objective to achieve the closest possible outcome to retrospective application

• Fair value approach - the CSM is determined as the positive difference between the fair value determined under IFRS 13 Fair Value Measurement and the fulfilment cash flows (any negative difference would be recognised in retained earnings at the transition date) Both the modified retrospective approach and the fair value approach provide transitional reliefs for determining the grouping of contracts. If an entity cannot obtain reasonable and supportable information necessary to apply the modified retrospective approach, it is required to apply the fair value approach. Impact IFRS 17, together with IFRS 9, will result in profound changes to the accounting in IFRS financial statements for insurance companies. This will have a significant impact on data, systems and processes used to produce information for financial reporting purposes. The new model is likely to have a significant impact on the profit and total equity of some insurance entities, resulting in increased volatility compared to today's models. Key performance indicators will also likely be affected.

**Disclosure of Accounting Policies** - Amendments to IAS 1 and IFRS Practice Statement 2

Effective for annual periods beginning on or after 1 January 2023.

**Key requirements**

In February 2021, the Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), which provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

• Replacing the requirement for entities to disclose their 'significant accounting policies' with a requirement to disclose 'material accounting policy information'

And

• Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

Replacement of the term 'significant' with 'material' In the absence of a definition of the term 'significant' in IFRS, the Board decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in IFRS and is widely understood by the users of financial statements, according to the Board.

In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and their nature.

Examples of circumstances in which an entity is likely to consider accounting policy information to be material have also been added.

### Disclosure of standardized information

Although standardized information is less useful to users than entity-specific accounting policy information, the Board agreed that, in some circumstances, standardized accounting policy information may be needed for users to understand other material information in the financial statements. In those situations, standardized accounting policy information is material, and should be disclosed.

The amendments to the PS also provide examples of situations when generic or standardized information summarizing or duplicating the requirements of IFRS may be considered material accounting policy information.

### Disclosure of immaterial information

The amendments to IAS 1 require that if an entity decides to disclose accounting policy information that is not material, it needs to ensure that this immaterial information does not obscure material information.

Illustrative examples

The amended PS provides two examples to illustrate how an entity makes materiality judgments about accounting policy information disclosures.

### Transition

Earlier application of the amendments to IAS 1 is permitted as long as this fact is disclosed. Since the amendments to the PS provide non-mandatory guidance on the application of the definition of material to accounting policy information, the Board concluded that transition requirements and an effective date for these amendments were not necessary.

### Impact

The amendments may impact the accounting policy disclosures of entities. Determining whether accounting policies are material or not requires the use of judgment. Therefore, entities are encouraged to revisit their accounting policy information disclosures to ensure consistency with the amended standard.

Entities should carefully consider whether ’standardized information, or information that only duplicates or summarizes the requirements of the IFRSs’ is material information and, if not, whether it should be removed from the accounting policy disclosures to enhance the usefulness of the financial statements.

## Definition of Accounting Estimates - Amendments to IAS 8

Effective for annual periods beginning on or after 1 January 2023.

Key requirements

In February 2021, the Board issued amendments to IAS 8, in which it introduced a new definition of ‘accounting estimates.

The amendments clarify the distinction between changes in accounting estimates changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

### Changes in accounting estimates

The amended standard clarifies that the effects on an accounting estimate of a change in input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the Board.

Illustrative examples

The amendments include two illustrative examples to help stakeholders understand how to apply the new definition of accounting estimates.

### Transition

The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. Earlier application is permitted.

### Impact

The amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies. Although the amendments are not expected to have a material impact on entities’ financial statements, they should provide helpful guidance for entities in determining whether changes are to be treated as changes in estimates, changes in policies, or errors.

### Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

Effective for annual periods beginning on or after 1 January 2023.

#### Key requirements

In May 2021, the Board issued amendments to IAS 12, which narrowed the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

Determining the tax base of assets and liabilities

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

Changes to the initial recognition exception

Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.

Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.

#### Transition

An entity should apply the amendments to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, it should also recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

*Notes to the financial statements cont.*

| | 2023 GH₵ | 2022 GH₵ |
|---|---|---|
| **4. Bank Balance** | | |
| Call Accounts | 411,072 | 257,077 |
| Current Accounts | 1,929 | 2,120 |
| | **413,001** | **259,197** |
| **5. Held-to-maturity Investment** | | |
| Fixed Deposits | - | 1,771,794 |
| Treasury Bills, Notes and Bonds | 1,975,567 | 1,955,430 |
| 2-Year Corporate Bonds | - | 845,514 |
| **Total Interest Income** | **1,975,567** | **4,572,738** |
| **6i. Receivables** | | |
| Maturities yet to be received | 43,090,348 | 40,427,322 |
| **Total Receivables** | **43,090,348** | **40,427,322** |
| **6(ii) Investment Income** | | |
| Interest on Corporate Bonds | 1,046 | 1,105,047 |
| Interest on Fixed Deposit | 133,736 | 1,349,615 |
| Interest on Call Accounts | 18,732 | 21,454 |
| Interest on Treasury Notes | 125,549 | 205,097 |
| Interest on Treasury Bills | 209,802 | 83,025 |
| Dividend | 967 | 10,579 |
| **Total Investment Income** | **489,832** | **2,775,040** |
| **6(iii) Other Income** | | |
| Early Redemption Charge | - | 224 |
| **Total Other Income** | | **224** |

*Notes to the financial statements cont.*

## 7(i) Available-for-sale Investment

**Portfolio summary as at 31st December 2023**

| EQUITY | No. of Shares 31/12/2023 | Market Value 31/12/2023 GH₵ | Market Value 1/1/2023. GH₵ | Sale During the Year GH₵ | Cap Gain /(Loss) GH₵ |
|---|---|---|---|---|---|
| Cal Bank | 15,000 | 7,200 | 9,762 | | (2,561.96) |
| GCB | 10,300 | 35,020 | 39,884 | | (4,864) |
| Crystal W. Fund | 2,200,538 | 5,269,345 | 3,410,000 | - | 1,859,345 |
| Fin. Ind. Mgt. Fund | 10,000 | 15,260 | 10,000 | - | 5,260 |
| Crystal Ent. Fund | 1,522,153 | 966,263 | 560,000 | | 406,263 |
| Octane DC Bond Fund | 139,071.01 | 152,324 | 170,000 | | (17,676) |
| Octane DC Money Market Fund | 24,901.25 | 27,720 | 30,000 | | (2,280) |
| EGH | 4,400 | 24,200 | 33,794 | - | (9,594) |
| EGL | 13,000 | 31,070 | 51,384 | - | (20,314) |
| SOGEGH | 13,533 | 21,247 | 22,895 | - | (1,648) |
| UNIL | 900 | 7,299 | 12,697 | - | (5,398) |
| FML | 1,200 | 3,900 | 21,643 | - | (17,743) |
| | | 6,560,848 | 4,372,058 | - | 2,188,790 |

| | |
|---|---|
| Realised Capital Gain/ (Loss) | |
| Unrealised Capital Gain/ (Loss) | **2,188,790** |

## 7(ii) Other Changes in fair value on financial assets at fair value through profit or loss

| | 2023 GH₵ | 2022 GH₵ |
|---|---|---|
| Unrealised Gain/ (Loss) on Investment | 2,188,790 | 2,192,210 |
| | **2,188,790** | **2,192,210** |

*Notes to the financial statements cont.*

## 8. Administrative Expenses

| | 2023 GH₵ | 2022 GH₵ |
|---|---|---|
| Directors’ Fees | 41,871 | 50,000 |
| Fund Registration Fees | 1,150 | - |
| Commissions | 200 | 504 |
| Bank Charges | 192 | 528 |
| AGM Expenses | 3,423 | 4,552 |
| Special Audit Fees | - | 21,465 |
| | **46,836** | **77,048** |
| Audit Fees | 13,878 | 12,190 |
| | **60,714** | **89,238** |

## 9. Management Fees

| | 2023 GH₵ | 2022 GH₵ |
|---|---|---|
| Custodian Fees | 7,927 | 44,650 |
| Scheme Administration Fees | 39,635 | 223,774 |
| Fund Manager Fees | 158,541 | 892,996 |
| | **206,103** | **1,161,420** |

## 10. Other Payables and Accrued Expenses

| | | |
|---|---|---|
| Custodians Fee | 97,356 | 95,363 |
| Scheme Administration Fees | 130,494 | 128,365 |
| Directors’ Fees | 16,793 | 16,793 |
| Accrued Expenses | 2,091 | - |
| Fund Manager Fees: Old Fund Manager | 511,360 | 511,360 |
| CIDAN Investment Ltd. | 13,739 | - |
| Audit Fee | 14,628 | 12,190 |
| | **786,461** | **764,071** |

## 11. 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 about 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 Dalex Vision Fund Limited 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 exposure 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 programme 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 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.

## 12. Contingent Liabilities and Commitments

### i) Contingent Liabilities

Pending legal suits:
There were pending legal suits involving the fund as of the balance sheet date.

### ii) Capital Expenditure Commitments

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

## 13. Events after the reporting period

Events subsequent to the balance sheet date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effects are material.

## 14. Related Parties

### Transactions with Key Management Personnel

The Directors are not aware that Key management personnel and their immediate relatives transacted business with the Fund during the year.

### Transactions with Directors

The Board of Directors did not transact business with the Fund during the year. We are unable to determine the extent of any immediate relatives transacted business with the Fund.

### Transactions with Other Employees

The Directors are not aware that other employees transacted business with the Fund during the year.

# 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 Annual General Meeting of the Company to be held on, **Tuesday, 4th June,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 31st December 2023 be received and adopted. | | |
| 2. That Mr. Papa Kwabla Pavis-Djre be re-elected as a Director of the Fund. | | |
| 3. That a maximum amount of Sixty Thousand Ghana Cedis (GHS60,000.00) be approved as Directors' remuneration for the financial year ending 31st December 2024. | | |
| 4. That the Directors are authorised to determine the remuneration of the auditors for the financial year ending 31st December 2024. | | |

Signed: ………………………………………………………………

Name: ………………………………………………………………

Date: ………………………………………………………………

*MANAGED BY*

CIDAN Investments Ltd

...building a successful future