

EDC GHANA MONEY MARKET UNIT TRUST

ANNUAL FINANCIAL
REPORT 2019

EDC GHANA MONEY MARKET UNIT TRUST

FINANCIAL STATEMENTS

31 DECEMBER 2019

REPORTS AND FINANCIAL STATEMENTS

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING (AGM)

Ecobank Head Office Building, 2nd Floor
2, Morocco Lane, Off the Independence Avenue
P.O. Box AN 16746
Accra- Ghana
Tel: (233) 0302634165 / 0302634150
Email: edc-clientservice@ecobank.com

Notice is hereby given that the **3rd Annual General Meeting** of the Unit Holders of **EDC Ghana Money Market Unit Trust** will be held virtually and streamed live online on <https://www.edcghanaagm.com> on **Wednesday September 16th, 2020 at 12:00 p.m.** for the following purposes:

Ordinary Business:

1. To receive the Report of the Fund Manager for the year ended December 31, 2019;
2. To receive and consider the Audited Financial Statements together with the reports of the Trustees and Auditors for the year ended December 31, 2019;
3. To authorize the Directors of EDC Investments Limited (EIL) to determine the fees of the Auditors for the year 2020.

NOTES

General:

1. In compliance with imposition of Restriction Act 2020 (Act 1012), the Registrar General's Department and Securities and Exchange Commission directives and guidelines on holding virtual Annual General Meeting (AGM) and as part of measures to contain COVID-19, attendance and participation by Unit Holders or their proxies in this year's AGM of the Unit Trust, shall be strictly virtual (by online participation).
2. A Unit Holder is entitled to attend and vote or may appoint a proxy to attend (via online participation) and vote on his or her behalf either online or by post. Such proxy need not be a Unit Holder. For a proxy to be valid for the purposes of the meeting, it must be completed and submitted via **trust@umbcapital.com** or deposited at **Universal Merchant Bank, SSNIT Emporium Building, Airport, 2nd Floor Corporate Banking – Custody Service** not less than 48 hours before the meeting.
3. A copy of the Proxy Form can be downloaded from <https://www.edcghanaagm.com> and may be filled and sent via email to **trust@umbcapital.com** not less than forty-eight (48) hours before the commencement of the meeting.
4. The appointment of the proxy will not prevent a Unit Holder from subsequently attending and voting at the meeting (via online participation). Where a Unit Holder attends the meeting in person (participates online), the proxy appointment shall be deemed to be revoked.

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING (AGM) - (cont'd)

5. An electronic version of the Unit Trust's Annual Report consisting the Financial Statement, Directors', Portfolio Managers and Trustee and Auditors Reports for the year ended 31st December 2019 may be accessed at the company's dedicated AGM website at <https://www.edcghanaagm.com>.
6. Unit Holders are also encouraged to send in any questions in advance of the AGM by mailing them to trust@umbcapital.com. Answers to the questions will be provided at the AGM.
7. In accordance with SEC guidelines Unit Holders are hereby informed that the Fund Manager shall amend its Constitution and the Trust Deed of the Unit Trust to provide for the holding of all meetings including Annual General Meetings by virtual means where the Directors of EIL deem it necessary so to do.

Accessing and Voting at the Virtual AGM

8. To access and vote at the Virtual AGM, a unique token number will be sent to Unit Holders by email and/or SMS from **September 1st, 2020** to give access to the meeting. Unit Holders who do not receive this token can contact **our client care team** on: edc-clientservice@ecobank.com or call **0302634165 / 0302634150** to be sent the unique token any time before the date of the AGM.
9. To gain access to the Virtual AGM, Unit Holders must visit <https://www.edcghanaagm.com> and input their unique token number on the portal to join in and vote electronically during the meeting.
10. Further assistance on accessing the meeting and voting electronically can be found on <https://www.edcghanaagm.com>.

Dated this 13th day of August, 2020

BY ORDER OF THE BOARD

Lawfields Consulting

Secretary

CONTENT

Notice of Annual General Meeting (AGM)	3
Officials, Registered Office, Etc.	6
Report of the Directors	7
Report of the Auditors	8
Portfolio Manager's Report	11
Report of Trustees	14
Statement of Net Assets	15
Statement of Financial Position	16
Statement of Comprehensive Income	17
Accumulated Net Investment Income	17
Statement of Movement in Net Assets	18
Statement of Changes in Equity	19
Statement of Movement in Issued Shares	19
Statement of Cashflow	20
Notes to the Financial Statements	21
Proxy Form	35

**PARTICULARS OF SERVICE PROVIDERS
OF EDC GHANA MONEY MARKET UNIT TRUST**

DIRECTORS OF FUND MANAGER

Paul-Harry Aithnard
Marcel Yondo-Nkembe
Rosemary Yeboah
Mr. Paul Mante

FUND MANAGER

EDC Investments Limited
2 Morocco Lane
Off Independence Avenue
2nd floor
P. O. Box AN 16746
Accra
Ghana

TRUSTEE

Universal Merchant Bank
SSNIT Emporium Building
Airport
2nd Floor Corporate Banking- Custody Service

AUDITORS

John Kay and Co.
Chartered Accountants
7th Floor, Trust Towers
Farrar Avenue, Adabraka
P.O. Box 16088
Airport, Accra

BANKERS

Ecobank Ghana Limited
Ring Road Central
Accra

REPORT OF DIRECTORS OF THE FUND MANAGER TO THE MEMBERS OF EDC GHANA MONEY MARKET UNIT TRUST

The Board of Directors of EDC Investment Limited presents the report and audited financial statements of EDC Ghana Money Market Unit Trust for the year ended 31 December 2019.

FINANCIAL STATEMENTS

The results for the year ended 31 December 2019 are set out in the attached financial statements.

The Board of Directors of the Fund Manager considers the state of the affairs of the Unit Trust to be satisfactory.

NATURE OF BUSINESS

EDC Ghana Money Market Unit Trust is a unit trust registered in Ghana. It is licensed by the Securities and Exchange Commission of Ghana and authorized to operate as a Unit Trust, in line with the Unit Trust and Mutual Fund

Regulation, 2001 (L.I. 1695).

EDC Ghana Money Market Unit Trust is an open-ended Unit Trust that is offered to investors who are seeking to preserve capital and to maintain a high degree of liquidity. The Unit Trust's objective is to outperform short term interest rates being offered on Government securities. The Unit Trust shall be wholly invested in a well diversified portfolio of short term money market securities.

DIVIDEND DISTRIBUTION POLICY

The Distribution Policy Unit Holders have the right to Receive their distributions or authorize the Fund Manager to reinvest their distributions.

Distributions will be paid out to or reinvested for unit Holders quarterly.

Total investment as at 31 December is made up as follows:

	2019 GH¢	2018 GH¢
Government Notes and Bonds	2,150,400	2,380,161
Fixed Deposits	155,992	1,059,878
Treasury Bills	1,264,898	-
Cash and cash equivalent	226,879	1,002,013
Receivables	33,600	20,183
	-----	-----
Total Investments in Financial Assets	3,831,769	4,462,235
	=====	=====

iii. Below are the Asset allocation percentages for the year ended:

	2019 %	2018 %
Government Notes and Bonds	56	53
Fixed Deposits	4	24
Treasury Bills	33	-
Cash	6	22
Receivables	1	1
	----	----
Total Financial Assets	100	100
	===	===

APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the unit trust were approved by the Directors of the Fund Manager EDC Investment Ltd on 15th June, 2020 and signed on its behalf by:



.....
DIRECTOR



.....
DIRECTOR

**John Kay & Co.**7th Floor, Trust Towers
Farrar Avenue, Adabraka
P. O. Box 16088
AirportTel: +233 (0) 302 235 406
+233 (0) 302 238 370
Fax: +233 (0) 302 238 371
E-mail: jkayal@yahoo.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDC GHANA FIXED INCOME UNIT TRUST

OPINION

We have audited the accompanying financial statements of EDC Ghana Money Market Unit Trust, which comprise the statement of financial position at 31 December 2019, the statement of comprehensive income and the statement of movement in net assets for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 20 to 32.

In our opinion, the financial statements give a true and fair view of the financial position of EDC Ghana Money Market Unit Trust as at December 31, 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), and Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695)

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 Unit Trust in accordance with the International Code of Ethics for Professional Accountants 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 EDC INVESTMENTS FOR THE FINANCIAL STATEMENTS

The fund manager is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act 2019, (Act 992) of Ghana, Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695) and for such internal control

as the Board of EDC investments determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The fund manager is also responsible for overseeing the Unit Trust's financial reporting process.

In preparing the financial statements, the Fund manager is responsible for assessing the Unit Trust'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 Trustee either intends to liquidate the Unit Trust or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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



John Kay & Co.

7th Floor, Trust Towers
Farrar Avenue, Adabraka
P. O. Box 16088
Airport

Tel: +233 (0) 302 235 406
+233 (0) 302 238 370
Fax: +233 (0) 302 238 371
E-mail: jkayal@yahoo.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDC GHANA FIXED INCOME UNIT TRUST - (cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Unit Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustee.
- Conclude on the appropriateness of the Fund manager's 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 Unit Trust'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 Unit Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

KEY AUDIT MATTER

In accordance with ISAs, this part of our report is intended to describe the matters communicated with those charged with governance that we have determined, in our professional judgement, were most significant in the audit of the financial statements. We determined that, there are no matters to report under key audit matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Compliance with the requirements of Section 133 of the Companies Act, 1963 (Act 179) of Ghana

- 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.
- In our opinion, proper books of accounts have been kept by the Unit Trust so far as it appears from our examination of those books.
- The Unit Trust's Statement of Assets and liabilities and income and Distribution Accounts are in agreement with the books of Account

JOHN ARMSTRONG YAO KLINOGO (ICAG/P/1116)

For and on behalf of John Kay & Co. (ICAG/F/2020/128)

Chartered Accountants

Accra.

15th June, 2020

EDC Investments limited

Secure the future you want

Invest in the EDC Ghana Money Market Unit Trust
Start with as little as GH¢ 50.

Contact us on: 2nd Floor, New Ecobank Head Office,
2 Morocco Lane, Off the Independence Avenue
Telephone: 0302634165
Email: edc-clientservice@ecobank.com



Terms and Conditions Apply

ecobank.com/swam



Ecobank
The Pan African Bank

PORTFOLIO MANAGER'S REPORT

THE ECONOMIC ENVIRONMENT IN 2018

The Ghanaian economy realized increased economic activities by closing the year with a growth of 6.5% compared to 6.3% in 2018. Growths were realized in the 3 main sectors of the economy as the Services sector increased on a year on year basis by 7.6% followed by the Industry and Agriculture sectors which expanded by 6.4% and 4.5% respectively. Growth indicators also measured by the central bank's Composite Index of Economic Activities recorded increases of 18.3% as against 11.3% in 2018. On a sub-sectorial level, the main drivers of growth were Information & Communication, Real Estate, Education, Mining and Quarrying and Crops while negative contributors to the GDP growth were the Forestry (-0.6%) and Water Supply, Sewerage, Waste Management & Remediation Activities (-1.3%).

Though missing revenue targets by 0.05%, Government outperformed its revenue collection of GHS 47 Billion recorded in 2018 by posting 2019 Total Revenue and Grants of GHS 53 Billion. Expenses however increased, albeit 0.7% below target, on the back of increased employee compensation bringing year-end figures to GHS 68.5 Billion as against 2018 total expenses of GHS 53.4 Billion. As such a fiscal deficit of 4.8% was posted, 0.1% above the target of 4.7% of GDP but well below the 5% fiscal rule. The nation recorded 3.4% of GDP trade surplus in 2019 compared to 2.8% in 2018, underpinned by growths in major export commodities. This together with inflow into the capital and financial account balance led to an overall balance of payment surplus of 2% compared to a 1% deficit in 2018.

The disinflation process continued in 2020 in line with government's attempt to improve economic fundamentals. Anchored within the BOGs target of 8.0%, headline inflation remained broadly in single digits trending downwards from 9.4% in 2018 to 7.9% in 2019, a 150bps reduction and the lowest level attained since 2013. The paramount factor that underscored the drop was lower food prices amidst stable non-food prices. The Monetary Policy Committee maintained the policy rate of 16% throughout the year considering the steady decline in headline and core inflation and other real sector indicators. This led to a recovery in private sector credit growth while enhancing financial intermediation and the economy.



The spillover effects of the strengthening of the US Dollar coupled with the increased domestic demand exerted pressure on the currency leading to a 12.9% depreciation of the Ghana cedi in comparison to 8.4% in the prior year. Gross International Reserves inched up providing cover for 4.0 months of imports of goods and services compared to 3.6 months of import cover year earlier.

“

Anchored within the BOGs target of 8.0%, headline inflation remained broadly in single digits trending downwards from 9.4% in 2018 to 7.9% in 2019, a 150bps reduction and the lowest level attained since 2013.

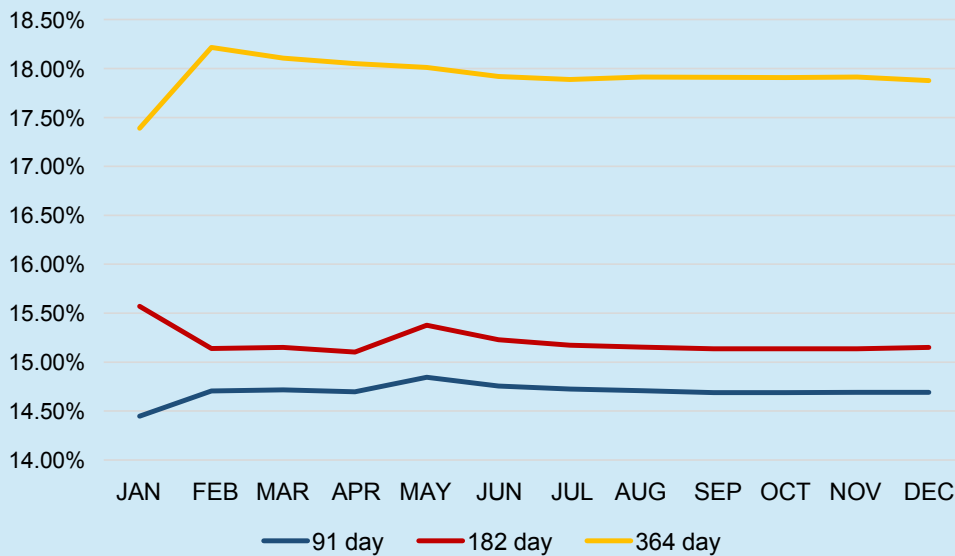
”

PORTFOLIO MANAGER’S REPORT - (cont’d)

THE MONEY MARKET IN 2019

Government securities issued in 2019 were largely skewed towards short term government papers (91-Day, 182-Day and 364-Day bill). The government raised a total of GHS 45 billion from its Treasury bill issuances higher than the GHS 30 billion raised in 2018 representing a 50% increment in the total issuance. 91day treasury bills accounted for 58% of the total issuance with the 182day treasury bills and 1year note accounting for 12% and 14% respectively. Yields on Money Market securities remained rather constant although there were some temporal spikes owing to the government’s debt restructuring efforts, declining inflation and the Central Bank’s monetary policy easing stance.

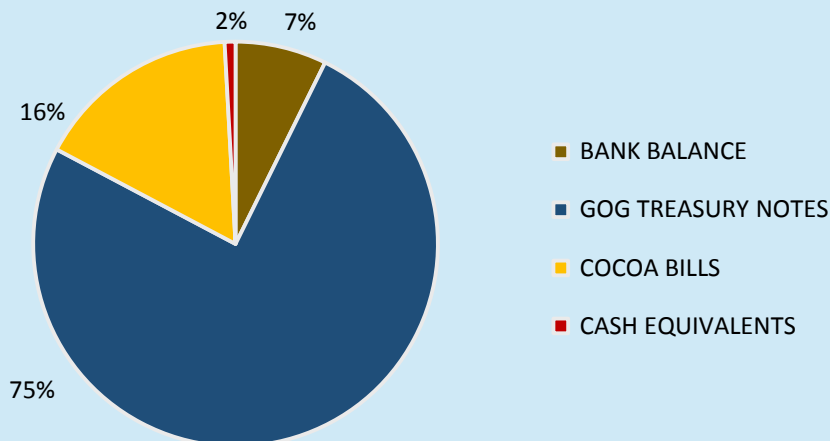
Trend in Short Term Yields



PORTFOLIO STRUCTURE

The Objective of the EDC Money Market Unit Trust seeks to maximize income in line with prevailing Ghanaian money market rates, while aiming to preserve capital and to maintain a high degree of liquidity by investing in a broadly diversified portfolio of short-term and high quality money market securities. 100% of the Trust’s assets are invested in well diversified portfolio of short-term money market securities.

Trend in Short Term Yields



PORTFOLIO MANAGER'S REPORT - (cont'd)

PORTFOLIO PERFORMANCE

The Trust returned 15.72% in 2019 outperforming a benchmark return of 10.1%. Since its inception in July 2016, the Trust has registered a cumulative return of 80.17% as against a benchmark return of 42.57%.

Performance %	1 Month	3 Month	6 Month	YTD	1 Year	Since Inception
EDC Ghana Money Market Trust	1.11	3.90	7.78	15.72	15.72	80.17
Benchmark	0.89	2.55	5.15	10.10	10.10	42.57

ASSET UNDER MANAGEMENT

The assets of the Trust at the end of 2019 decreased by 13% from GHS 4,462,235 in 2018 to GHS 3,888,803. The Trust registered a total subscription of GHS 2,119,698 and a total redemption of GHS 3,173,288 resulting in a net redemption of GHS 1,053,590 as against a net subscription of GHS 1,119,375 in 2018. The total number of clients at the end of December 2019 stood at 523.

OUTLOOK, STRATEGY AND THE COVID DEVELOPMENT

On the back of a strong growth in agriculture, a gradual shift towards industrialization, an expansion in credit to the private sector following recapitalization of the banking sector, and a strong investment in the oil sector to fund the development of new oil fields GDP, growth was expected to remain robust at 6.8% in 2020.

However, the emergence of COVID 19 Pandemic has led Government to reassess its macroeconomic targets and forecasts. GDP is thus expected to decline from 6.8% to 0.9% on the back of general lockdown restrictions, significant short falls in petroleum receipts, import duties and tax revenues. In addition, tight financing conditions and health related spending are expected to further increase the fiscal deficit. The total estimated impact is GHS 9.5 Billion, translating into 2.5% of GDP. This further translates into a fiscal deficit gap of 7.8% of GDP from an initial target of 4.7%. This could be exacerbated if the costs of cleaning the financial sector and COVID 19 impact turns out to be larger than expected.

With reduced pressure on the dollar for imports as a result of the closing of international ports and borders, the Cedi is likely to depreciate at a gradual pace that

can allow business to plan appropriately. In addition, the BOG's decision to pump about 715 Million USD into the market and the 3 Billion USD Eurobond are expected to further boost reserves and improve import cover. Inflation is expected to fall within the Central Bank's target band of 8%+/- 2% in 2020 on the back of tighter fiscal policies barring any unexpected price hikes.



The Trust registered a total subscription of GHS 2,119,698 and a total redemption of GHS 3,173,288 resulting in a net redemption of GHS 1,053,590 as against a net subscription of GHS 1,119,375 in 2018.



CONCLUSION

We continue to urge you our valued clients to continue to invest with confidence in the Trust. Your Fund will be well positioned to take advantage of the upside potential on Fixed Income instruments without compromising the Fund's objectives. We remain committed to enhancing the value of your investments. We remain committed to you and appreciate your custom and look forward to your continued support.

Paul Mante - Portfolio Manager

REPORT OF THE TRUSTEES TO THE UNIT HOLDERS OF THE EDC GHANA FIXED INCOME UNIT TRUST FOR THE YEAR ENDED 31ST DECEMBER 2019

In our opinion, according to the information made available to us and the explanations provided, we confirm that all in all material respects, the manager has managed the scheme during the year covered by these financial statements in accordance with the Trust Deed and all regulations for the time being in force under the Unit Trust and Mutual Funds Regulations, 2001, (L.I 1695)

Dated this 15th Day of June, 2020



For: **UNIVERSAL MERCHANT BANK LIMITED**

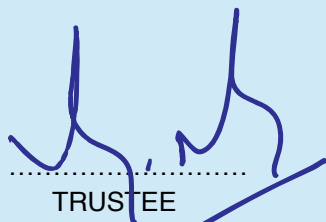
**STATEMENT OF FINANCIAL ASSETS DESIGNATED
THROUGH PROFIT OR LOSS AS AT 31 DECEMBER 2019**

FIXED INTEREST SECURITIES

	Market Value GH¢	Percentage of Net Asset (%)
<i>Treasury Bills</i>		
182 - Day Treasury Bills	637,685	16.72
91 - Day Treasury Bills	627,213	16.44
	-----	-----
	1,264,898	32.16
	-----	-----
<i>Treasury Notes & Bonds</i>		
1-Year GOG Note	-	-
2 -Year GOG Note	1,865,708	48.91
3-Year GOG Note	284,692	7.46
	-----	-----
	2,150,400	56.37
	-----	-----
<i>Certificates of Deposits</i>		
182 - Day Fixed Deposits	-	-
365 – Day Fixed Deposits	155,992	4.09
	-----	-----
	155,992	4.09
	-----	-----
<i>Receivables</i>		
	33,600	0.88
<i>Funds on Call</i>		
Cash	226,879	5.95
Call deposits	-	-
	-----	-----
	226,879	5.95
	-----	-----
TOTAL INVESTMENT IN FINANCIAL ASSETS	3,831,769	100.45
TOTAL FINANCIAL & OTHER LIABILITIES	(17,171)	(0.45)
	-----	-----
TOTAL FINANCIAL ASSETS	3,814,598	100
	=====	====

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

FINANCIAL ASSETS	Note (s)	2019 GH¢	2018 GH¢
Cash and cash equivalents	12	226,879	1,002,013
Financial assets designed as at fair value	13	3,604,890	3,460,222
Total Financial Assets		3,831,769	4,462,235
Represented by:			
Members' Fund	17	3,814,598	4,377,275
Financial & Other Liabilities			
Accounts payables	14	17,171	84,960
Total Members' Fund and Financial & Other Liabilities		3,831,769	4,462,235



TRUSTEE

15th June, 2020

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDING 31 DECEMBER 2019

<i>Revenue</i>	Note (s)	2019 GH¢	2018 GH¢
Interest Income	9	610,103	543,087
		-----	-----
Total Revenue		610,103	543,087
		-----	-----
Expenses			
Investment Management Fees		32,564	36,699
Trustee Fees		11,138	14,680
General Administrative Expenses	15	10,053	1,465
Audit Fees		8,400	7,000
		-----	-----
Total Operating Expenses		62,155	59,844
		-----	-----
Operating profit before tax		547,948	483,243
Taxation		-	-
		-----	-----
Increase in Net Assets Available for Redemptions		547,948	483,243
		=====	=====

ACCUMULATED NET INVESTMENT INCOME FOR THE YEAR ENDING 31 DECEMBER 2019

	2019 GH¢	2018 GH¢
Balance as at 1 January	960,426	477,183
Transfer from income and distribution statement	547,948	483,243
	-----	-----
Balance as at 31 December	1,508,374	960,426
	=====	=====

STATEMENT OF MOVEMENTS IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	GH¢	GH¢
<i>Change in Net Assets from Operations</i>		
Net Investment Income	547,948	483,243
	-----	-----
Net change in Net Assets from Operations	547,948	483,243
	-----	-----
Change in Net Assets from Capital Transactions		
Proceeds from Issue of Shares	2,062,663	2,502,721
Share Redemption	(3,173,288)	(1,383,346)
	-----	-----
Net Change in Net Assets from Capital Transactions	(1,110,625)	1,119,375
	-----	-----
Net Additions to Net Assets	(562,677)	1,602,618
	=====	=====
Analysis of Changes of Movements in Net Assets for the year		
At 1 January	4,377,275	2,774,657
Net Additions to Net Assets	(562,677)	1,602,618
	-----	-----
At 31 December	3,814,598	4,377,275
	=====	=====

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	CAPITAL TRANSACTION GH¢	INVESTMENTS GH¢	TOTAL GH¢
2019			
Balance at 1 January	3,416,849	960,426	4,377,275
Net income from operations	-	547,948	547,948
Units Issue	2,062,663	-	2,062,663
Units Redemption	(3,173,288)	-	(3,173,288)
	-----	-----	-----
At 31 December	2,306,224	1,508,374	3,814,598
	=====	=====	=====

	CAPITAL TRANSACTION GH¢	INVESTMENTS GH¢	TOTAL GH¢
2018			
Balance at 1 January	2,297,474	477,183	2,774,657
Net income from operations	-	483,243	483,943
Units Issue	2,502,721	-	2,502,721
Units Redemption	(1,383,346)	-	(1,383,346)
	-----	-----	-----
At 31 December	3,416,849	960,426	4,377,275
	=====	=====	=====

MOVEMENTS IN ISSUED SHARES (UNITS) FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 No. of Units	2018 No. of Units
Balance at 1 January	1,605,386	816,204
Issued during the year	2,340,049	2,152,717
Redemption during the year	(3,204,954)	(1,363,535)
	-----	-----
Balance at 31 December	740,481	1,605,386
	=====	=====

**STATEMENT OF CASHFLOW
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 GH¢	2018 GH¢
<i>Cash Flows from Operating Activities:</i>		
Interest in Net Assets Attributable to Unit Holders	547,948	483,243
Adjusted for		
Interest Receivable	(1,790)	(188,459)
Interest Income	(608,314)	(313,918)
Change in Liabilities	(67,789)	13,703
	-----	-----
	(129,945)	(5,431)
	-----	-----
<i>Cash Flow from Investing Activities</i>		
Purchase of financial assets	(142,878)	(546,612)
Proceeds from matured financial Assets	608,314	313,918
	-----	-----
	465,436	(232,694)
	=====	=====
<i>Cash Flow from Financing Activities</i>		
Proceeds from Issuance of Units	2,062,663	2,502,721
Amount Paid on Redemption Of Units	(3,173,288)	(1,383,346)
	-----	-----
	(1,110,625)	1,119,375
	-----	-----
Net Increase (Decrease) In Cash and Cash Equivalent	(775,134)	881,250
Cash and Cash Equivalent At 1 January	1,002,013	120,763
	-----	-----
Cash and Cash Equivalent At 31 December	226,879	1,002,013
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

NOTES TO FINANCIAL STATEMENTS

1. REPORTING ENTITY

EDC Ghana Money Market Unit Trust is a unit trust investment whose primary objective is to obtain contributions from members and invest same for their benefit. EDC Ghana Money Market Unit Trust is a Unit Trust registered and operating in the Republic of Ghana. The address and registered office of the promoters can be found on page 1 of the financial statements.

The Unit Trust is an open-ended investment Unit Trust primarily involved in investing members contribution in, investment-grade debt securities and derivatives, with the objective of providing members with above-average returns over medium to long term.

The investment activities of the Unit Trust are managed by EDC Investments Limited, and the trustee services of the Unit Trust is delegated to Universal Merchant Bank (Ghana) Limited.

2. BASIS OF ACCOUNTING

a. *Basis of preparation*

These financial statements have been prepared in accordance with the Unit Trust and Mutual Funds Regulations,

2001 (L.I. 1695) and comply with the International Financial Reporting Standards (IFRS).

b. *Functional and presentation Currency*

These financial statements are presented in Ghana cedi, which is the Fund's functional currency. All amounts have been stated in full.

c. *Use of judgements and estimates*

In preparing these financial statements, the Unit Trust's management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

3. ACCOUNTING POLICIES

The following principal accounting policies have been consistently applied during the year in the preparation of the Unit Trust's financial statements.

i. **Purchase of Share Units**

Applicants complete standard application forms which are sent to the office of the Manager. Telephone or electronic requests must be confirmed in writing. Application for units is at the discretion of the Board of Directors of the Fund Manager. Cheques are cleared first before the processing of applications by the Manager. Payments for units shall be made in Ghana Cedis; however, applicants can settle their payments with easily convertible currencies but bear the foreign exchange transaction cost.

ii. **Investment income recognition**

a. *Interest income*

Interest income, including interest income from non-derivative financial assets at Fair value through profit or loss (FVTPL), are recognised in profit or loss, using effective interest method. The effective interest is the rate that exactly discounts the estimated future cash payments or receipts, without consideration of future credit losses, over the expected life of the financial instrument or through to the next market-based re-pricing date to the net carrying amount of the financial instrument on initial recognition.

Interest received or receivable and interest paid or payable are recognised in the profit or loss as interest income or interest expense, respectively.

iii. **Financial Instruments**

a. *Non-derivative financial instruments*

Non-derivative financial instruments comprise loans and receivables, held-to-maturity and available-for-sale. The Fund Manager determines the appropriate classification of its financial assets and liabilities at initial recognition.

Non-derivative financial instruments are recognised initially at fair value plus, for instrument not at fair value through profit and loss, any directly attributable transaction cost. Subsequent to initial recognition non-derivative financial instruments are measured at amortised cost using the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 - (cont'd)

effective interest rate method, less impairment losses, if any.

Non-derivative financial instruments are derecognised when the rights to receive cash flows from the financial assets have expired or where the Unit Trust has transferred substantially all risks and rewards of ownership.

Non-derivative financial instruments are categorised as follows:

Loans, advances and receivables – these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than (a) those classified as held for trading and those that the Unit Trust on initial recognition designates at fair value through profit and loss; (b) those that the Unit Trust upon initial recognition designates as available-for-sale; or (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are carried at amortised cost using the effective interest rate method less appropriate allowances for doubtful receivables. Allowances for doubtful receivables represents the Unit Trust's estimate of incurred losses arising from the failure or inability of customers to make payments when due. These estimates are based on aging of customer's balances, specific credit circumstances, and the company's receivables historical experience. Regular way purchases and sales of loans and receivables are recognised on contractual settlement.

Available-for-sale – these are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates, or equity prices. Investment securities and treasury bills with a maturity of 182 days or less are classified as available-for-sale.

Available-for-sale financial assets are carried at fair value. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity until the financial asset is derecognised or impaired, at which time the cumulative gain or loss previously recognised in equity is recognised in the profit or loss account.

However, interest calculated using the effective interest method is recognised in the profit and loss account. Dividends on available-for-sale equity instruments are recognised in the profit and loss account when the Unit Trust's right to receive payment is established.

Regular way purchases and sales of available-for-sale financial assets are recognised on trade-date, i.e. the date on which the Unit Trust commits to purchase or sell the asset.

Held-to-maturity – Held-to-maturity assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. Were the Unit Trust to sell more than an insignificant amount of held-to-maturity assets, the entire category would have to be reclassified as available-for-sale. Treasury bills with an original maturity of more than 182 days, treasury notes and other government bonds are classified as held-to-maturity. Held-to-maturity assets are carried at amortised cost using the effective interest rate method. Regular way purchases and sales of financial assets held-to-maturity are recognised on trade-date, i.e. the date on which the Unit Trust commits to purchase or sell the asset.

(b) Derivative financial instruments

A derivative is a financial instrument that changes its values in response to changes in the underlying variable, requires no or little net initial investment and is settled at a future date. Derivatives are mainly used to manage exposures to foreign exchange, interest rate and commodity price risk. The classification of derivatives is determined upon initial recognition and is monitored on a regular basis.

Derivatives are initially recognised at fair value plus directly attributable transaction costs. These are subsequently measured at fair value on a regular basis and at each reporting date as a minimum. The fair values of exchange-traded derivatives are based on respective market prices, while the fair value of the over-the-counter derivatives are determined using accepted mathematical models based on market data and assumptions. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from changes in fair values of derivatives that do

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 - (cont'd)

not qualify for hedge accounting are recognised directly in the income statement.

(c) Financial Liabilities

Financial liabilities, other than trading liabilities and financial liabilities designated at fair value, are carried at amortised cost using the effective interest method. Financial liabilities are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost. Financial liabilities are derecognised when they are redeemed or otherwise extinguished.

(d) Off setting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Unit Trust has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

(e) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method, of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(f) Hedge Accounting

Hedge accounting is the method that recognises the proportionate offsetting effects of a hedging instrument on the changes in value of the hedged item. Hedge accounting applies only when a hedging relationship can be demonstrated between a hedged item and a hedging instrument. Such method generally applies for transactions that are carried out to eliminate or mitigate risks. The effectiveness of such hedges is demonstrated at inception and verified at regular intervals and at least on a quarterly basis, using prospective and retrospective testing.

Recognition of hedged transactions depends on the hedged categories.

Fair Value Hedges

Fair value hedges are used to mitigate foreign currency and interest rate risks of recognised assets and liabilities. The changes in fair values of hedging instruments are recognised in the income statement. Hedged items are also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the income statement.

The fair values of financial instruments are determined using market prices for quoted instruments and widely accepted valuation techniques for other instruments. Valuation techniques include discounted cash flows, standard valuation models based on market parameters and dealer quotes for similar instruments. When fair values of unquoted instruments cannot be measured with sufficient reliability, such instruments are carried at cost less impairments, if applicable.

Cash Flow Hedges

Cash flow hedges are used to mitigate foreign currency risks of highly probable forecast transactions, such as anticipated future export sales, purchases of equipment and raw materials, as well as the variability of expected interest payments and receipts. The effective part of the changes in fair value of hedging instruments is recognised against equity, while any ineffective part is recognised immediately in the income statement. When the hedged item results in the recognition of a non-financial asset or liability, the gains or losses previously recognised against equity are included in the measurement cost of the asset or the liability. Otherwise the gains or losses previously recognised against equity are removed from equity and recognised in the income statement at the same time as the hedged transaction.

(g) Effective Interest Rate

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 - (cont'd)

appropriate, a shorter period, to the net carrying amount on initial recognition.

(h) Determining fair value

Where the classification of a financial instrument requires it to be stated at fair value, this is determined by reference to the quoted bid price or asking price (as appropriate) in an active market wherever possible. Where no such active market exists for the particular asset, the Group uses a valuation technique to arrive at the fair value, including the use of prices obtained in recent arms' length transactions, discounted cash flow analysis, option pricing models or other valuation techniques commonly used by market participants.

(i) Impairment of financial assets

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

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Unit Trust about the following loss events:

- Significant financial difficulty of the borrower;
- A breach of contract, such as default or delinquency in interest or principal repayments;
- The Unit Trust granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that The Unit Trust would not otherwise consider;
- It becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be

identified with the individual financial assets including:

- ▶ Adverse changes in the payment status of borrowers; or
- ▶ National or local economic conditions that correlate with defaults on the assets of The Unit Trust.

The estimated period between losses occurring and its identification is determined by management for each identified portfolio. In general, the periods used vary between three months and twelve months. In exceptional cases, longer periods are warranted.

iv. Foreign Currency

Transactions in foreign currencies during the period are converted into cedis at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into cedis at exchange rates ruling at the financial year-end. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into cedis at the exchange rates at the date on which the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss as net foreign exchange losses, except for those arising on financial instruments at FVTPL, which are recognised as a component of net gains from financial instruments at FVTPL.

v. Transfer values

Transfer values represent the capital sums paid to and from the Unit Trusts on the basis of when the member liability is accepted or discharged.

vi. Cash and Cash Equivalents

Cash and cash equivalents comprises of deposits with banks and highly liquid financial assets with maturity of three months or less from the date of acquisition that are subject so an insignificant risk of changes in their value and are used by the Unit Trust in the management of short term commitment, other than cash collateral provided in respect of derivatives and security borrowing transactions.

vii. Fees and commission

Fees and commissions expenses are recognised in profit or loss as the related services are performed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 - (cont'd)

4. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

(a) IFRS 16 Leases

Impact of Initial Application of IFRS 16 Leases

In the current year, the Mutual Fund has not applied IFRS 16 (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in note 3(W).

The date of initial adoption is 1 January 2019, however IFRS 16 is not applicable to the Mutual Fund reporting

i. Impact of the New Definition of a Lease

The Company has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those contracts entered or modified before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4. The Company applies the definition of a lease and related guidance set out in IFRS 16 to all contracts entered into or changed on or after 1 January 2019. In preparation for the first-time application of IFRS 16, the Company has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease

for the Company.

ii. Impact on Lessee Accounting **Former Operating Lease**

IFRS 16 changes how the Company accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet. Applying IFRS 16, for all leases (except as noted below), the Company:

- Recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments;
- Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss;
- Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the statement of cash flows.

Lease incentives (e.g. rent-free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses generally on a straight-line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), the Company has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within 'other expenses' in profit or loss.

Former finance leases

The main differences between IFRS 16 and IAS 17 with respect to contracts formerly classified as finance leases is the measurement of the residual value guarantees provided by the lessee to the lessor. IFRS 16 requires that the Company recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17. This change did not have a material effect on the Company's financial statements.

iii. Impact on lessor accounting

IFRS 16 does not change substantially how a lessor

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 - (cont'd)

accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

Under IFRS 16, an intermediate lessor accounts for the head lease and the sub-lease as two separate contracts. The intermediate lessor is required to classify the sub-lease as a finance or operating lease by reference to the right-of-use asset arising from the head lease (and not by reference to the underlying asset as was the case under IAS 17).

These changes have had no impact on the financial statements on the Mutual Fund.

iv. Impact on the statement of cash flows

The application of IFRS 16 has an impact on the statement of cash flows of the Company. Under IFRS 16, lessees must present:

- Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability as part of operating activities;
- Cash paid for the interest portion of a lease liability as either operating activities or financing activities, as permitted by IAS 7 (the Company has opted to include interest paid as part of financing activities); and
- Cash payments for the principal portion for a lease liability, as part of financing activities.

The adoption of IFRS 16 did not have an impact on net cash flows.

(b) Amendments to IFRS 9 Prepayment features with negative compensation

The Mutual Fund has adopted the amendments to IFRS 9 for the first time in the current year. The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the solely payments of principal and interest (SPPI) condition, the party exercising the option may pay or receive reasonable compensation for

the prepayment irrespective of the reason for prepayment. In other words, financial assets with prepayment features with negative compensation do not automatically fail SPPI. The adoption of this amendment has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(c) Amendments to IAS 28 Long-term interests in associates and joint ventures

The Mutual Fund has adopted the amendments to IAS 28 for the first time in the current year. The amendment clarifies that IFRS 9, including its impairment requirements, applies to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture. The Fund applies IFRS 9 to such long-term interests before it applies IAS 28. In applying IFRS 9, the fund does not take account of any adjustments to the carrying amount of long-term interests required by IAS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28). The adoption of this amendment has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(d) Annual Improvements to IFRS Standards 2015-2017 Cycle Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs

The Fund has adopted the amendments included in the Annual Improvements to IFRS Standards 2015-2017 Cycle for the first time in the current year. The adoption of these amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements. The Annual Improvements include amendments to four Standards:

IAS 12 Income Taxes

The amendments clarify that the entities should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entities originally recognised the transactions

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 - (cont'd)

that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits.

IAS 23 Borrowing costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

IFRS 3 Business combinations

The amendments clarify that when the entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation.

IFRS 11 Joint arrangements

The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not remeasure its PHI in the joint operation.

(e) Amendments to IAS 19 Employee benefits plan Amendment, Curtailment or Settlement

The entity has adopted the amendments of IAS 19 for the first time in the current year. The amendments clarify that the past service cost (or of the gain or loss on settlement) is calculated by measuring the defined benefit liability (asset) using updated assumptions and comparing benefits offered and plan assets before and after the plan amendment (or curtailment or settlement) but ignoring the effect of the asset ceiling (that may arise when the defined benefit plan is in a surplus position). IAS 19 is now clear that the change in the effect of the asset ceiling that may result from the plan amendment (or curtailment or settlement) is determined in a second step and is recognised in the normal manner in other comprehensive income.

The paragraphs that relate to measuring the current service cost and the net interest on the net defined benefit liability (asset) have also been amended. The entity will now be required to use the updated assumptions from

this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. In the case of the net interest, the amendments make it clear that for the period post plan amendment, the net interest is calculated by multiplying the net defined benefit liability (asset) as remeasured under IAS 19:99 with the discount rate used in the remeasurement (also taking into account the effect of contributions and benefit payments on the net defined benefit liability (asset)).

The adoption of this amendment has not had any material impact on the disclosures or on the amounts reported in these financial statements.

(f) IFRIC 23 Uncertainty over income tax treatments

The entity has adopted IFRIC 23 for the first time in the current year. IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires the entity to:

- Determine whether uncertain tax positions are assessed separately or as a group; and
- Assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings:
- If yes, the entity should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
- If no, the entity should reflect the effect of uncertainty in determining its accounting tax position using either the most likely amount or the expected value method.

5. NEW AND REVISED STANDARDS IN ISSUE NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the entity has not applied the following new and revised IFRS Standards that have been issued but are not yet effective.

IFRS 17

Insurance Contracts

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 - (cont'd)

Conceptual Framework

Amendments to References to the Conceptual Framework

Amendments to IFRS 3

Definition of a Business

Amendments to IAS 1 and IAS 8

Definition of Material

IFRS 10 Consolidated Financial Statements and IAS 28 (amendments)

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the entity in future periods, except as noted below:

IFRS 17 Insurance Contracts

The new Standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

The Standard outlines a General Model, which is modified for insurance contracts with direct participation features, described as the Variable Fee Approach. The General Model is simplified if certain criteria are met by measuring the liability for remaining coverage using the Premium Allocation Approach.

The General Model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure the cost of that uncertainty, it takes into account market interest rates and the impact of policyholders' options and guarantees.

The implementation of the Standard is likely to bring significant changes to an entity's processes and systems, and will require much greater co-ordination between many functions of the business, including finance, actuarial and IT.

The Standard is effective for annual reporting periods beginning on or after 1 January 2021, with early application permitted. It is applied retrospectively unless impracticable,

in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application. The directors of the Company do not anticipate that the application of the Standard in the future will have an impact on the entity's financial statements.

Amendments to References to the Conceptual Framework

Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The amendments, where they actually are updates, are effective for annual periods beginning on or after 1 January 2020, with early application permitted.

Amendments to IFRS 3 Definition of Business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 - (cont'd)

to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of obscuring material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from could influence to could reasonably be expected to influence.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term material to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted.

IFRS 10 Consolidated Financial Statements and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture.

Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Mutual Fund anticipate that the application of these amendments may have an impact on the mutual Fund's financial statements in future periods should such transactions arise.

6. RELATED PARTIES AND KEY CONTRACTORS

a. Transaction with Trustee

The Trustee of the Unit Trust is Universal Merchant Bank Limited, a Bank incorporated in Ghana and duly licensed by the Security and Exchange Commission of Ghana as a unit trust fund trustee. Under the investment management agreement, the investment managers receive a management fee at an annual rate of 0.40% of the net asset value attributable to members of the Unit Trust. The total Trustees fees charged during the year amounted to GH¢11,138. Included in the payables were Trustees fee of GH¢2,531.

b. Managers Fund

EDC Investments Limited, an investment management company incorporated in Ghana and duly licensed by the Security and Exchange Commission of Ghana is the fund manager of the Unit Trust. It has the responsibility of implementing the investment strategy and objectives as stated in the Unit Trusts' investment management policy manual. Under the unit trust management agreement, the fund managers receive a management fee at an annual rate of 1% and 1.25% of the net asset value attributable to institutional and retail members of the Unit Trust respectively. The management fees incurred during the year amounted to GH¢32,564. Included in the payables as at 31 December 2019 were fund management fees payable of GH¢4,717.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 - (cont'd)**

7. CONTRIBUTION

	2019 GH¢	2018 GH¢
Balance as at 1 January	3,316,849	2,197,474
Contribution during the year	2,062,663	2,502,721
	-----	-----
	5,379,512	4,700,195
Redemptions paid	(3,173,288)	(1,383,346)
	-----	-----
	2,206,224	3,316,849
	=====	=====

8. REDEMPTIONS

	2019 GH¢	2018 GH¢
Redemption Paid	3,173,288	1,383,346
	-----	-----
	3,173,288	1,383,346
	=====	=====

9. INTEREST INCOME

	2019 GH¢	2018 GH¢
Cash and cash equivalents	81,502	42,673
Debt securities	286,250	129,032
Held to maturity	242,351	371,382
	-----	-----
	610,103	543,087
	=====	=====

10. FINANCIAL INSTRUMENTS

Analysis of Changes in Fair Value of Financial Instrument through Profit or Loss.

2019	Balance 1/1/19 GH¢	Purchase/ (Sales) at cost GH¢	Accrued interest GH¢	Change in fair value GH¢	Value at 31/12/19 GH¢
Ghana Government Securities	2,380,161	(230,247)	485	-	2,150,399
Treasury Bills	-	1,263,941	957	-	1,264,898
Fixed and time deposits	1,080,061	(890,817)	348	-	189,592
	-----	-----	-----	-----	-----
	3,460,222	(142,877)	1,790	-	3,604,889
	=====	=====	=====	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 - (cont'd)**

2018	Balance 1/1/18 GH¢	Purchase/ (Sales) at cost GH¢	Accrued interest GH¢	Change in fair value GH¢	Value at 31/12/18 GH¢
Ghana Government Securities	242,826	2,071,684	65,651	-	2,380,161
Treasury Bills	118,062	(118,062)	-	-	-
Fixed and time deposits	2,363,563	(1,406,309)	122,807	-	1,080,061
	2,724,451	547,313	188,458	-	3,460,222

11. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

31 December 2019	Note	Held for Trading GH¢	Designated at Fair Value GH¢	Loan and Receivables GH¢	Other Liability GH¢	Total GH¢
Cash and cash equivalents	12	-	226,879	-	-	226,879
Non-pledged financial assets at fair value through profit or loss	13	-	3,571,289	33,600	-	3,604,889
		-	3,798,168	33,600	-	3,831,768
Payables under service level agreements	14	-	-	-	17,171	17,171
Taxation	16	-	-	-	-	-
Other payables (Due to EDC)		-	-	-	-	-
		-	-	-	17,171	17,171
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-	-	-
		-	-	-		

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 - (cont'd)**

Payables under service level agreements	14	-	-	-	59,604	59,604
Taxation	16	-	-	-	-	-
Other payables (Due to EDC)		-	-	-	25,356	25,356
		---	---	-----	-----	-----
			-	-	84,960	84,960
		==	==	=====	=====	=====

12. CASH AND CASH EQUIVALENTS

	2019	2018
	GH¢	GH¢
Cash and Bank Balances	226,879	114,084
Call deposit	-	887,929
	-----	-----
	226,879	1,002,013
	=====	=====

13. FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019	2019
	GH¢	GH¢
Debt Securities	3,415,299	2,380,161
Held to Maturity Securities	189,591	1,080,061
	-----	-----
	3,604,890	3,460,222
	=====	=====

14. PAYABLE UNDER SERVICE LEVEL AGREEMENTS

	2019	2018
	GH¢	GH¢
Investment management fees	4,717	36,699
Trustee fees	2,531	14,680
Audit fees	8,400	7,000
Due to EDC	-	25,356
Other current liability	1,523	1,225
	-----	-----
	17,171	84,960
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019 - (cont'd)**

15. GENERAL ADMINISTRATIVE EXPENSES

	2019	2018
	GH¢	GH¢
Charges on transfers to customers	-	240
Other expenses	10,053	1,225
	-----	----
	10,053	1,465
	=====	===

16. TAXATION

Income of approved unit trust scheme or mutual fund is exempt from tax under the Income Tax Act, 2015 (Act 896) as amended by Act 2017 (Act 941)

The Fund currently withholding taxes on payment made to Directors and other service providers.

17. MEMBER'S FUND

	2019	2018
	GH¢	GH¢
Accumulated Net Investment Income	1,508,374	960,426
Stated Capital	100,000	100,000
Movement on Units Issued	2,206,224	3,316,849
	-----	-----
	3,814,598	4,377,275
	=====	=====

18. TRANSACTIONS THROUGH STOCK BROKERS

The Unit Trust's transactions were through EDC Stockbrokers Limited.

19. EVENT AFTER REPORTING PERIOD

It is envisioned that COVID 19 pandemic will most likely have an impact on the economy, and as a result the Expected Credit Loss (ECL) provisions relating to forward looking information will be impacted. The Fund is, however not able to produce a reliable estimate of this impact at this point.

The Directors are not aware of any other material events that have occurred between the date of the financial statement and the date of this report.

20. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Directors of the Fund Manager EDC Ghana Investment and authorized for issue on 15th June, 2020

We have many options to secure your future

Top ups through desired bank's internet banking platform, mobile money, cash and cheque deposits through the banks, scan to invest through our QR or Merchant ID and invest through the pay bill option on the Ecobank mobile app.



Kindly ensure to quote your unique EDC account number for every deposit. Deposits without a corresponding EDC account number cannot be invested.

EDC Ghana Money Market Unit Trust



25268685

EDC GHANA MONEY MARKET UNIT TRUST

Follow these steps to depositing via QR Code:

1. Select '**Pay Merchant**' on the Ecobank Mobile App dashboard
2. Select which merchant you wish to use (**Mastercard or Visa**)
3. Focus your camera on the QR code to scan
- 4.*Input the beneficiary account name and unique EDC account number (mandatory)
5. Input your amount and PIN and select **PAY**

Delivered by Ecobank Securities Wealth and Asset Management

The rendering of all Ecobank SWAM services is registered under EDC Investments Limited & EDC Stockbrokers Limited in Ghana, both members of the Ecobank Group.

Contact us:

2nd Floor, New Ecobank Head Office, 2 Morocco Lane, Off the Independence Avenue
Telephone: 0302634165 | Email: edc-clientservice@ecobank.com

ecobank.com/swam



Ecobank
The Pan African Bank

PROXY FORM

EDC Ghana Money Market Unit Trust
 Ecobank Head Office Building, 2nd Floor
 2, Morocco Lane, Off the Independence Avenue
 P.O. Box AN 16746
 Accra- Ghana
 Tel: (233) 0302634165 / 0302634150
 Email: edc-clientservice@ecobank.com

I/We of
 being a Unit Holder(s) of **EDC Ghana Money Market Unit Trust** (the "Unit Trust") hereby
 appoint.....of..... as my/our proxy
 to attend on my/our behalf, the **3rd Annual General Meeting of the Trust**, to be held at **https://www.edcghanaagm.com**
 on **Wednesday September 16th, 2020 at 12:30 p.m.** for the following purposes and to vote on my/our behalf on
 matters as directed below:

I/We direct that my/ our votes(s) be cast on the specified resolution as indicated by an 'X' in the appropriate space.

RESOLUTIONS	FOR	AGAINST
1. To receive the Report of the Fund Manager for the year ended December 31, 2019		
2. To receive and consider the Audited Financial Statements together with the reports of the Trustees and Auditors for the year ended December 31, 2019		
3. To authorize the Directors of EDC Investments Limited (EIL) determine the fees of the Auditors for the year 2020		

Unit Holder's Signature:Date2020

Notes

1. A proxy need not be a Unit Holder of the Unit Trust.
2. Unless otherwise instructed, the proxy will vote as he sees fit.
3. To be valid, this form must be signed and sent via email to **trust@umbcapital.com** not less than forty-eight (48) hours before the commencement of the meeting.
4. In the case of joint holders, the signature of only one of the joint holders is required.
5. In the case of a body corporate, the form must be under seal or under the hand of a duly authorized officer.
6. The completion of and return of a proxy form does not prevent a Unit Holder from attending the meeting and voting thereat.

EDC Investments Limited

Resolve your concerns quickly and effectively

Kindly reach out to us using the below channels for timely and appropriate responses to your concerns.

1. For enquiries and feedback kindly email **edc-clientservice@ecobank.com**
2. If you are not satisfied and wish to escalate your complaint kindly send email to **complaints-edcgh@ecobank.com**

To speak to a helpdesk representative, please call **+233 302 634154**

Visit: **ecobank.com/swam**



Delivered by Ecobank Securities Wealth and Asset Management

The rendering of all Ecobank SWAM services is registered under EDC Investments Limited & EDC Stockbrokers Limited in Ghana, both members of the Ecobank Group

ecobank.com



Ecobank
The Pan African Bank