kiddiFUND

MUTUAL FUND LIMITED

Financial Statements
31st December, 2020

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING

Notice is hereby given that the **8th Annual General Meeting** of shareholders of **kiddiFUND Mutual Fund Limited** will be held virtually via Zoom on **Wednesday, 16th June, 2021 at 10:00am** to transact the following:

1. To receive and consider the Reports of the Directors and Auditors for the year ended 31st December,2020.

2. To receive and consider audited Financial Statements for the year ended 31st December, 2020.

3. To appoint the following as directors of the Fund;
3.1. Dr. Andrews Adugudaa Akolaa
3.2. Mrs. Eugenia Basheer

4. To authorize the Directors to fix the remuneration of the Auditors for the year 2021.

5. To approve Directors' fees.

6. To transact any other business appropriate to be dealt with at any Annual General Meeting.

Special Business

To authorize the change of the name of the Fund to Tesah Future Fund Limited PLC.
Dated this 26th day of May, 2021

BY ORDER OF THE BOARD

ARZ Consult Ltd
(Company Secretary)

NOTES:

1. In compliance with the current restrictions on public gatherings in force pursuant to the Imposition of Restrictions Act, 2020 (Act 1012) and consequent regulatory directives, attendance and participation by all members and/or their proxies in this year's AGM shall be by online participation (Zoom).

2. A member of the Company entitled to attend and vote at the AGM is entitled to appoint a proxy to attend the virtual meeting and vote in his/her stead. Such a proxy need not be a member of the company.

3. 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 (i.e. participates online), the proxy appointment shall be deemed to be revoked.

4. A copy of the Proxy Form must be completed and emailed to ***arzconsultgh@gmail.com*** or deposited at Tesah Capital Limited's office, (Second Floor of the Allied Height Building, Olusegun Obasanjo Way, Abelenkpe), not later than 48 hours before the appointed time of the meeting. A proxy form is provided in the Annual Report.

5. An electronic version of the Company's Annual Report may be accessed at Tesah Capital Limited's website at www.tesahcapital.com.

REGISTERING FOR AND PARTICIAPTING IN THE AGM VIA ZOOM
To register for the AGM:

Shareholders who wish to participate in this year's AGM are to register through the following link:
https://us02web.zoom.us/meeting/register/tZEtf-qtqDwjE9fclNJbD6cWIciI0ShdYcII

After registering you will receive a confirmation email containing information about joining the AGM.

To participate in the AGM:

1. Raise your hand to either second a motion or ask a question.
• Click "Participants".
• Click "Raise hand" at the bottom of the participants' dialogue box.

On mobile:

• Tap the three dots labelled "More" on the far right of the controls bar.
• Tap "Raise hand" to raise your hand.

You will be unmuted to perform the action for which your hand was raised.

2. Use the polling feature to vote for or against a motion.

On PC and mobile:

• When it is time to vote, the poll will appear on your screen.
• Tap/click on your preferred option (FOR or AGAINST) to cast your vote.

When voting ends, the results will be shared on your screen.

kiddiFUND MUTUAL FUND LIMITED
FINANCIAL STATEMENTS

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kiddiFUND MUTUAL FUND LIMITED
CORPORATE INFORMATION

BOARD OF DIRECTORS	Mr. William Mensah Mr. Enoch Kofi Ampratwum Mrs. Sarah Brainoo Arhin Mrs. Rose Mawunyo Kley Gomez
REGISTERED OFFICE	No.11 Sunflower Road East Legon Accra Ghana
INVESTMENT MANAGER	Tesah Capital Limited Allied Height, Second floor 10 Olusegun Obasanjo Way Abelenkpe, Accra P. O. Box GP 2222 Accra – Ghana.
CUSTODIAN	Stanbic Bank (Ghana) Limited Stanbic Height Plot 215, South Liberation Road Airport City, Accra
AUDITORS	John Kay and Co. Chartered Accountants 7th Floor, Trust Towers Farrar Avenue, Adabraka P.O. Box 16088 Airport, Accra
BANKERS	Ecobank Ghana Limited GT Bank Ghana Limited Zenith Bank Ghana Limited Agricultural Development Bank

REPORT OF THE BOARD OF DIRECTORS TO THE MEMBERS OF kiddiFUND MUTUAL FUND LIMITED

In accordance with section 136 of the Companies Act, 2019 (Act 992), the Directors have the pleasure in presenting their report and the financial statements of the fund for the year ended 31 December 2020.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors is responsible for the preparation of the financial statements; including Statement of Assets and Liabilities and income and Distribution Accounts that give a true and fair view in accordance with International Financial Reporting Standards (IFRS), Unit Trust and Mutual Fund Regulations, 2001, (L.I. 1695) and in the manner required by the Companies Act,2019 (Act 992) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for overseeing the Fund's financial reporting process.

In preparing the financial statements, the Board of Directors is responsible for assessing the Fund'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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The directors have made an assessment of the fund's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

NATURE OF BUSINESS

kiddiFUND Mutual Fund Limited is a company registered and domiciled in Ghana. It is licensed by the Securities and Exchange Commission of Ghana to operate as an authorized mutual fund.

kiddiFUND Mutual Fund Limited ("The Fund") is an open-end mutual fund which shall invest primarily in equity securities listed on the Ghana Stock Exchange (GSE) and fixed income securities. kiddiFUND is a fund that seeks to achieve current income, liquidity and capital preservation for its shareholders.

INTEREST REGISTER

During the year under review, no interest was registered.

AUDITORS REMUNERATION

In accordance with Section 140 of the Companies Act, 2019 (Act 992), Messrs JOHN KAY & Co have agreed to continue in office as auditors of the fund. The auditors of the Fund agreed with the directors to charge a fee exclusive of VAT, NHIL and GET Fund. Refer to note 14 of this financial statement for the amount payable.

CORPORATE SOCIAL RESPONSIBILITY

The fund did not contribute to corporate social responsibility during the year under review.

BUILDING THE CAPACITY OF DIRECTORS

The details of the steps taken to build the capacity of the Directors to discharge their duties included a session to be trained on corporate governance.
The Board of Directors present the report and audited financial statements of kiddiFUND Mutual Fund Limited for the year ended 31 December, 2020.

FINANCIAL STATEMENT

The results for the year are set out in the financial statements from pages 22-37. The directors consider the state of the company's affairs to be satisfactory.
i. Investment distribution:

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

	2020	2019
	GH¢	GH¢
Equities	679,725	704,314
Government Notes and Bonds	1,152,099	1,348,007
Corporate Bonds	241,791	238,786
Non-sovereign bond	570,878	570,285
Fixed Deposits	70,649	332,044
Local Government Security	53,432	21,979
Cash	298,001	52,470
Total Investments	**3,066,575**	**3,267,885**

ii. Below are the asset allocation percentages for the year ended:

	2020	2019
	(%)	(%)
Equity/Shares	22	22
Government Notes and Bonds	38	41
Corporate Bonds	8	7
Non-sovereign bond	19	17
Fixed Deposits	2	10
Local Government Security-	2	1
Cash	9	2
	100	**100**

APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the company were approved by the Board of Directors on 29th April, 2021 and signed on its behalf by:

William Mensah
....
Director (Name)

....
Signature

Sarah B. Arhin
....
Director (Name)

....
Signature

CHAIRMAN'S STATEMENT TO SHAREHOLDERS OF KIDDIFUND MUTUAL FUND

Dear Valued Shareholders,

It is my pleasure to welcome you to the 8th Annual General Meeting of kiddiFUND for the year ended 31st December 2020.

On behalf of the Board of Directors, I wish to express our profound gratitude to all our shareholders who have been with us and entrusted their funds to us over the years. You have proven that you believe in the mission of kiddiFUND and we are determined to help you grow your wealth and create that solid foundation for your financial future.
I will begin my report with a brief overview of the macro-economic conditions in 2020, review the Fund's performance for the period, give members information about some important proposed changes to the Fund and conclude with a summary of our expectation for 2021.

GLOBAL ECONOMIC AND MARKET OVERVIEW

Global economic activities slowed in 2020, fueled mainly by the insurgence of the Covid-19 pandemic. The global economy contracted by 4.3% compared to a 2.76% growth in 2019. Global economic slowdown negatively affected stock market performance in developed markets.
Developed and emerging market equities, as measured by the MSCI All Country World Index which measures the performance of stocks on 23 developed markets and 27 emerging markets, posted a +16.82% total return for the year 2020 as against 27.67% in 2019.
Central banks reacted aggressively to the weaker economic activity. Over the course of the year, the US Federal Reserve, the European Central Bank (ECB), and central banks of large emerging markets cut interest rates and started asset purchases. These policies coupled with positive sentiment about successful trials of COVID-19 vaccines averted a deeper slowdown such that global equities began to rebound in November and December 2020.

REVIEW OF GHANA'S ECONOMY

In Ghana, the adverse effect of the pandemic caused stiff economic headwinds. The fiscal deficit deepened from 7.6% of GDP in 2019 to 11.7% of GDP in 2020 fueled by government's need to finance unplanned Covid-19 related expenditure amid inadequate revenue generation.
The economy grew by 0.4% in 2020 compared to a 6.7% growth in 2019. Inflation and exchange rates were relatively subdued throughout the year 2020. Headline inflation was relatively contained within the target bands of 8±2% ending the year at 10.4% from 7.9% in December 2019. Meanwhile, the cedi recorded a relatively lower depreciation at the end of 2020 depreciating by just 4.09% to the US dollar (versus 14.81% in 2019).
The GSE-CI lost 13.98% of its value in 2020 (2019: -12.25%) as many investors sold equities amid fears of a global economic slowdown due to the novel coronavirus (COVID-19) pandemic. Yields on treasuries eased in the period under review as investors moved into the relatively safer instruments. The benchmark, 91-day Treasury bill for instance reduced by 60 basis points to 14.10% (2019: 14.70%) at the end of 2020.

FUND PERFORMANCE

Globally, the year 2020 was characterized by significant socio-economic, and geopolitical challenges caused by the Covid-19 pandemic. This notwithstanding, your Fund recorded an improvement in its performance which in our view, reflects the underlying strength of the Fund and its ability to be responsive and resilient in challenging times.

KiddiFund returned 7.39% (versus 4.04% in 2019) in 2020. The Fund size was GHS 3,066,575 at the end of the year 2020 compared to GHS3,267,885 at the end of the year 2019. The share price of the Fund rose from GHS0.2659 at the end of the year 2019 to GHS 0.2727 at year end. We are confident that as we continue to create value for the Fund, shareholders will be rewarded with favorable movement in the share price.

STRATEGIC CHANGES - EXPANDED SCOPE AND VISION

Valued shareholders, as we all may be aware, our FUND, kiddiFUND has not grown over the years as we expected. One key reason for this was the unique way the fund was structured, where the Promoter was independent of the Fund Manager. The Board of Directors, together with the Fund Managers have therefore mapped out a new strategy to grow the Fund significantly over the next 3 years. Key among the strategic initiatives are:

1. Expanding the scope of the target group of the Fund to include all persons wishing to invest for the long term. Children, and the inculcation of investment habits in children will however continue to be of paramount importance to the Fund despite the expanded scope;
2. Investing in technology to enhance the investment experience of shareholders - visibility of your investments, easy and convenient investment deposit and withdrawal processes;
3. Rebranding and aggressively marketing the Fund.

NAME CHANGE

The implementation of the new strategy will require a renaming of the Fund. In view of this, we propose to you a change in the name of the Fund from KiddiFUND Mutual Fund Limited to Tesah Future Fund Limited PLC. This name is reflective of the new strategic direction of the Fund, i,e assisting not only children, but, young adults, adults and all investors to achieve their long terms investment goals.

CHANGE IN DIRECTORS

This year three of our directors who have tirelessly devoted their time to the setup and realization of the vision of kiddiFUND, are exiting the Board of Directors of the Fund. On behalf of the Board of Directors I wish to express sincere gratitude to Mr. Enoch Ampratwum and Mrs. Rose Gomez for their commitment and service to the Board of Directors since inception. Indeed, the history of this Fund can never be properly told without a reference to their role in bringing the vision of the Fund to fruition.

I, joined the Board of Directors of kiddiFUND in 2012 and become the chairman in 2018. It has been 8 years during which I have been exceedingly happy to have been a part of this vision to see the younger generation take an interest in investing at an early age. I, together with Mr. Enoch Kofi Ampratwum and Mrs. Rose Mawunyo Kley Gomez will be leaving the Board of Directors with effect from July 1, 2021.

We therefore wish to present to you for your approval the following nominees to the Board of Directors; Dr. Andrews Adugudaa Akolaa and Mrs. Eugenia Basheer. Their combined wealth of experience in investment and marketing will be of enormous benefit as the FUND embarks on this new strategic journey.

OUTLOOK FOR 2021

Looking ahead, uncertainty in 2021 about the ultimate toll of the Covid-19 pandemic on the global economy remains considerable. However, Covid-19 containment measures including vaccine rollouts are expected to aid global economic recovery. Ghana's economy is projected to recover in 2021, growing by 5.0% in 2021. We expect the Monetary Policy Committee (MPC) to maintain its accommodative stance in a quest to stimulate economic activities.

Risks to inflation are high, amid rising global inflation expectations and the significant expansion of the central bank's balance sheet. The inflation rate is however expected to end 2021 within the target band of 8±2% through policy intervention. The relative stability of the Cedi to the USD is expected to continue in 2021 attributable to market developments including the Bi-weekly Forex Forward Auctions and expected inflows of foreign investment. We forecast the Cedi to trade within a range of (GHS5.72 – GHS5.84) against the USD.

CLOSING REMARKS

We are optimistic about the future of the Fund and its performance in 2021 and beyond. With the implementation of the new strategy, we believe that the Fund is poised for accelerated growth in the year 2021. Therefore, we recommend all shareholders to support the new strategy. We will continue to work tirelessly with you to secure your child or ward's future and to grow your investments. I urge you not to relent, but to continue to invest in kiddiFUND Finally, as I exit, I take this opportunity to say thank you to the Board of Directors, the Fund Managers and to you our valued shareholder for your support to date. I also extend a warm welcome to our new shareholders. Akwaaba to kiddiFUND.

Thank you and remember to stay safe.

William Mensah
Chairman

FUND MANAGER'S STATEMENT TO SHAREHOLDERS OF kiddiFUND MUTUAL FUND

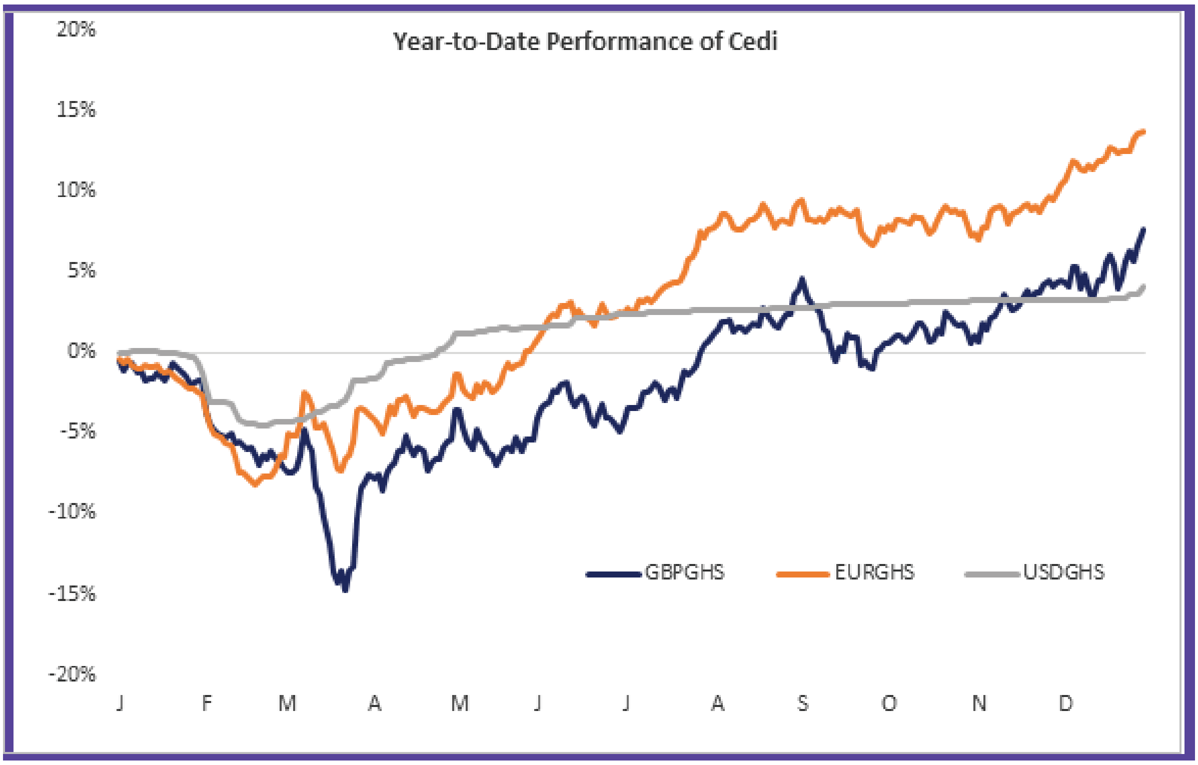
ECONOMIC ENVIRONMENT IN 2020

The economy grew by 0.4% in 2020 compared to 6.7% growth in 2019. The slow growth recorded is attributable to the general slowdown in economic activities as a result of the Covid-19 pandemic.

Inflation witnessed a steady decline after peaking at 11.4% in July on account of sharp price increases during the lockdown period, fueled mainly by supply chain disruptions. However, gradual lifting of restrictions accompanied by the ease in food price pressures caused inflation to moderate close to the government's target band of 8% ± 2% ending the year at 10.4% in December 2020.

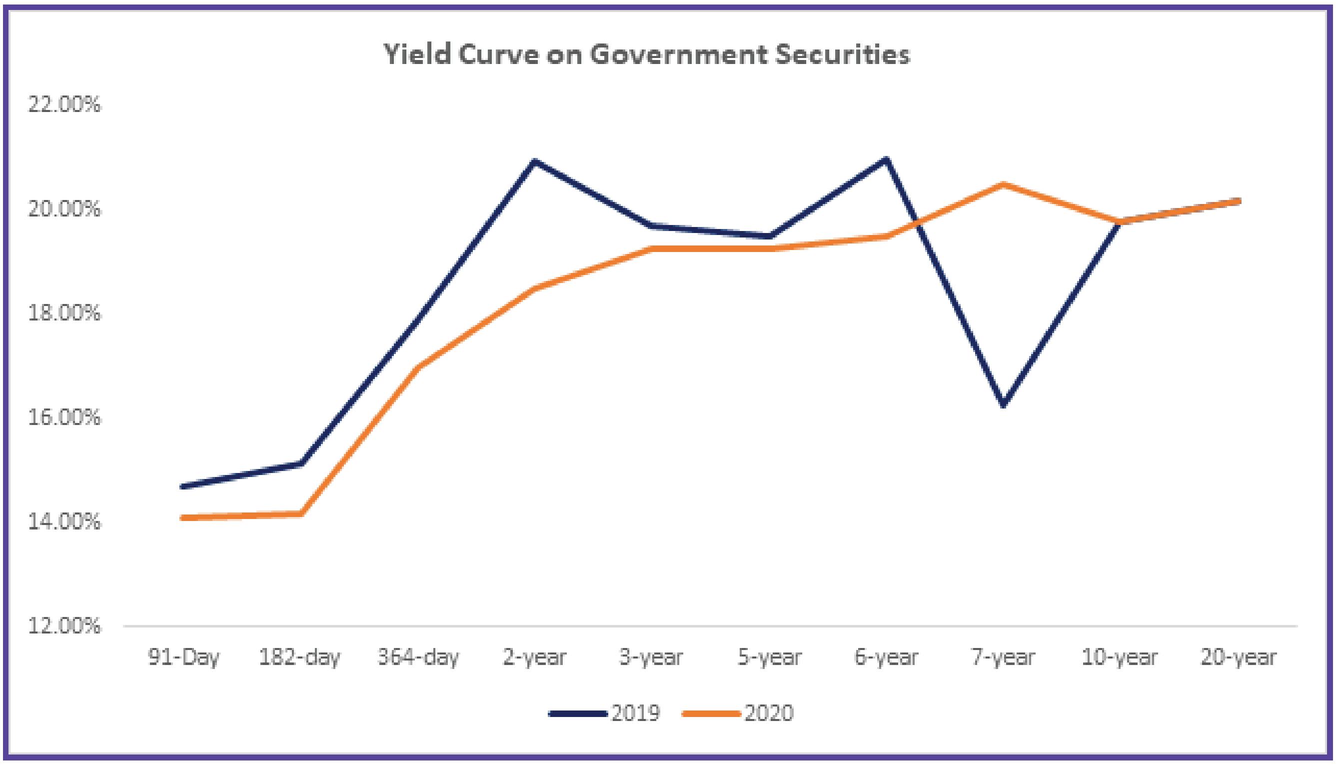
CURRENCY PERFOMRANCE IN 2020

The Ghana cedi recorded its best performance in (nine) 9 years against the US dollar after recording a relatively lower depreciation at the end of 2020. The Cedi depreciated by just 4.09% to the US dollar (versus 14.81% in 2019 and 9.16% in 2018). The cedi also depreciated by 7.62% and 13.73% to the Pound Sterling and Euro respectively. The relatively low level of depreciation compared to previous year is attributable to BoG's forward forex auction initiative, increasing gross international reserves (due to favorable gold prices and non-traditional exports) and a relatively poor performance of major currency counterparts.



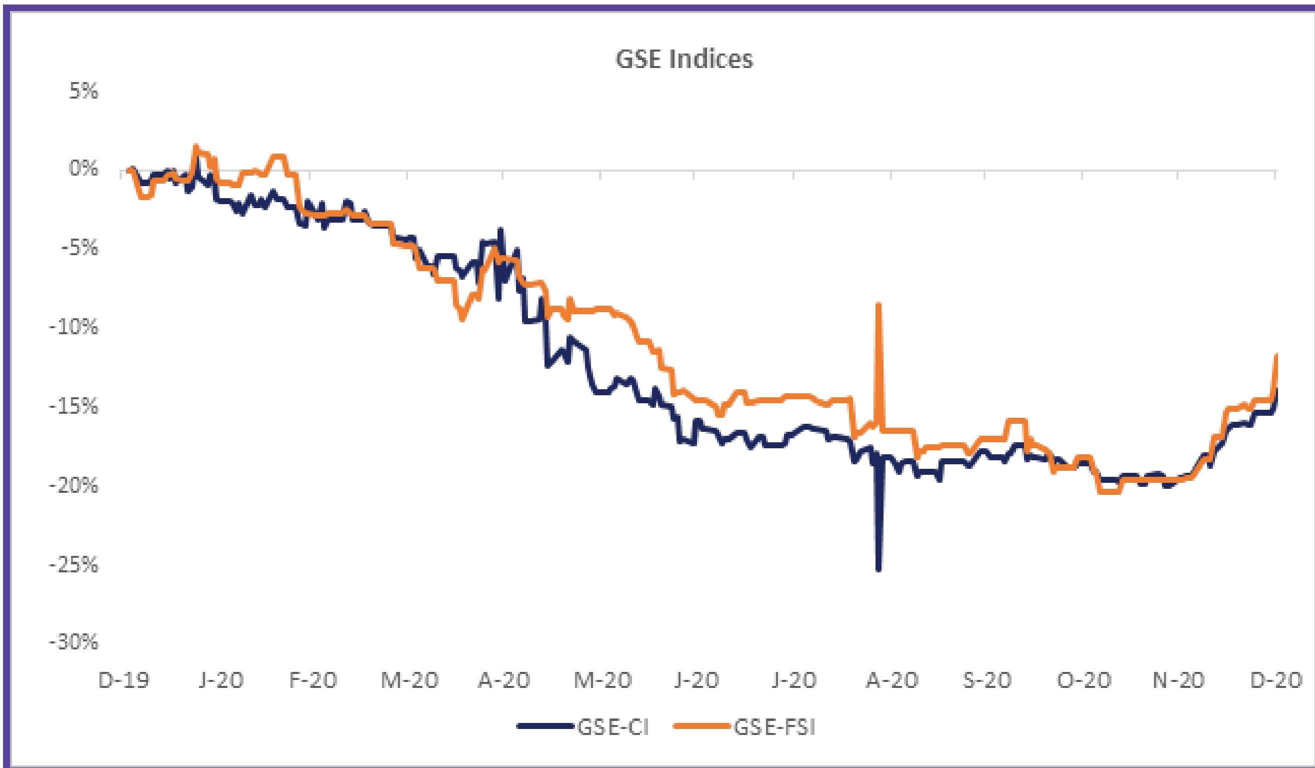
THE FIXED INCOME MARKET IN 2020

Ghana's fixed income market recorded a significant growth in volumes traded as a result of investor flight to safe havens (sovereign securities) amid the Covid-19 pandemic. Volumes traded surged by 95.14% to a record high of GHS 108.45million in 2020 (versus 46.7% to GHS 55.55 million for the year 2019).
Yields on short to medium term treasuries eased in the period under review. Interest rates on the 91-day, 182-day and 364-day bills declined by 57bps, 102bps and 87bps respectively at the end of 2020. Similarly, the interest rates on the 3-year, 5-year and 6-year bonds eased by 45bps, 25bps and 150bps respectively.



EQUITY MARKET IN 2020

The Ghana Stock Exchange experienced a bearish trend for most parts of the year fueled by investor capital flight to safety amidst the pandemic. The GSE-CI ended the year at 1,941.59 losing 13.98% of its value in 2020. Market activity as measured by volumes traded however improved during the year 2020. A total of 695 million shares valued at GHS 575 million exchanged hands.



FUND PERFORMANCE AND PORTFOLIO STRUCTURE

The objective of the kiddiFUND Mutual Fund is the preservation and enhancement of shareholders' wealth to meet medium and long term financial goals. The Fund remained heavily skewed towards fixed income securities which accounted for 78% of the Fund. This remained unchanged compared to the fixed income holdings in 2019. Investments were held in Treasury Bonds (38%), Non-Sovereign Bonds (19%) and Corporate Bonds (8%). Others included Fixed Deposits (2%), Local Government Security (2%), and Cash (9%).

Exposure to equities stood at 22% in 2020 and was spread across six sectors. These were; Banking Sector (16%), Insurance Sector (1%) and Food, Beverage and Household (1%). The other sectors were Agro-Processing (1%), Oil & Gas (2%) and Telecommunication (1%).

The Fund opened the year at a price of GHS 0.2659 and closed at a price of GHS 0.2727. This represented a 7.39% (versus 4.40% in 2019) return for the year and a cumulative return of 172.20% from the Fund's inception in 2012 to the end of 2020, representing an average annual return of 14.18% over the last eight (8) years. The Fund's Net Asset Value declined by 5.7% to GHS 3.02 million in 2020.

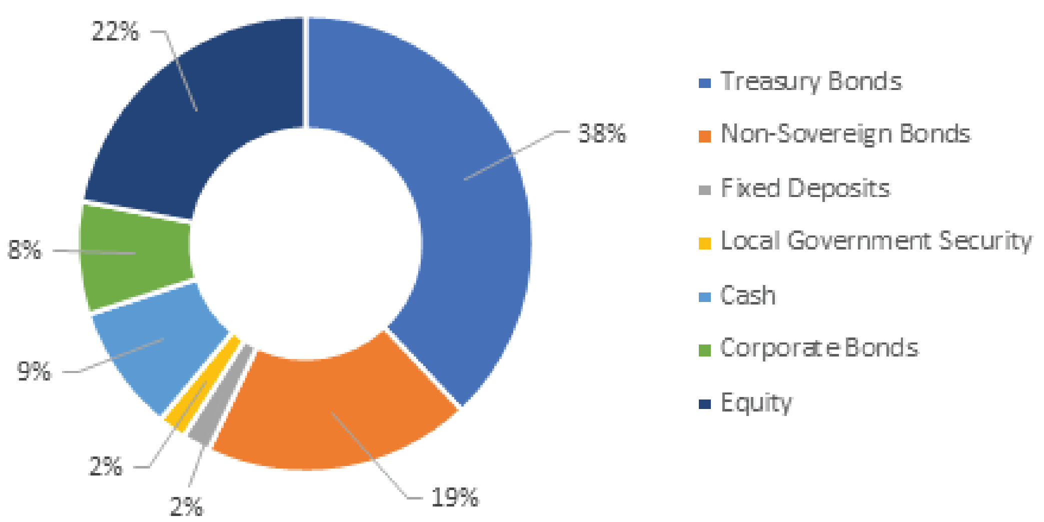
Despite the general decline in interest rates, the recovery in the equity market during the last quarter of the year contributed to the improvement in the Fund's performance.

Historical Performance								
Since Inception (2012 -2019)	2013	2014	2015	2016	2017	2018	2019	2020
172.20%	25.23%	17.97%	11.59%	14.40%	28.35%	4.09%	4.40%	7.39%

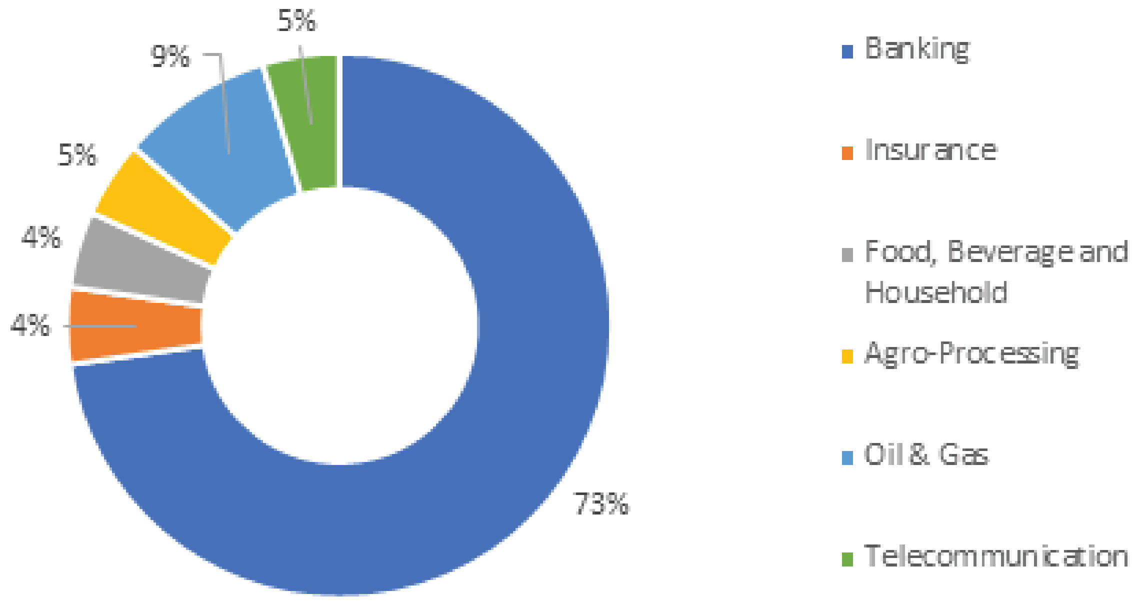
Top 10 equity holdings

Company Name	Sector	Exposure (% of Equity)	Exposure (% of NAV)
EGH	Financial	21.98	4.94
SCB	Financial	21.28	4.78
GCB	Financial	15.73	3.54
CAL	Financial	11.13	2.50
TOTAL	Oil & Gas	5.35	1.20
BOPP	Food, Beverage and Household Products	4.06	0.91
EGL	Insurance	3.71	0.83
MTNGH	Telecommunication	2.82	0.64
GOIL	Oil & Gas	2.34	0.53
PZ	Food, Beverage and HouseholdProducts	2.24	0.50

Asset Allocation as at 31st December, 2020



Sector Allocation (Equity Only)



ASSETS UNDER MANAGEMENT

The Net Asset Value of the Fund as at the end of 2020 stood at GHS 3,023,532 representing a decline of 5.7% from a value of GHS 3,206,911 at the end 2019. Total inflow was GHS 328,614 compared to outflow of GHS 915,463 representing net flows of GHS -586,849.

OULOOK AND STRATEGY FOR 2021

Macro-economic Indicators:

- Ghana's economy is projected to grow by 5.0% in 2021 as Covid-19 containment measures including vaccine rollouts is expected to aid economic recovery. Downside risks remain in the form of volatile commodity prices, vaccination delays and the possibility of a resurgence of the virus.
- The Monetary Policy Committee (MPC) is expected to maintain its accommodative stance in a quest to steer inflation back to its target band. Headline inflation is projected to trend close to the upper band of the target band in the short term emanating from the rising crude oil prices and the price effects of the revenue measures (including the covid-19 measures announced in the 2021 budget). We however forecast inflation to end 2021 within the target band of 8±2%.
- Relative stability of the Cedi is expected to continue in 2021 attributable to market developments including the Bi-weekly Forex Forward Auctions, expected inflows of foreign investment and reserve build of US$1.3 billion. We forecast the Cedi to trade within a range of (5.72 – 5.84) against the USD.

FIXED INCOME MARKET

Interest rates are forecasted to remain stable in 2020 attributable to a stable monetary policy outlook. Our expectation is supported by, investors' appetite for safe haven investments amid Covid-19 pandemic and foreign investors search for higher yields in emerging economies. The major risk to the current outlook is the rising domestic and external debt which could cause investors to demand for high yields. We forecast the nominal interest rate on primary issuances to trade between 12.0% - 20.0% across the maturity curve.

EQUITY MARKET

The stock market is expected to recover in 2021on the back of improving economic and market sentiments. We expect market forces that could adversely affect the stock market, such as inflation and rising interest rates, to stay at bay in 2021 as central banks globally look to maintain supportive and see economies to full recovery. We expect Banking and Telco stocks to remain recovery drivers of the market in 2021. In spite of this, the lingering signs of new strains and a resurgence of the Covid-19 virus poses threats to this outlook.

STRATEGY FOR 2021

Going forward, we maintain our view on equities as the most preferred asset class, while being overweight in medium term fixed income securities. Our strategy is based on a positive outlook on risk assets, which is supported by an improving economic recovery and central bank's accommodative policy. As Covid-19 vaccinations picks up throughout the year, we expect economic activity to pick up in 2021. On the equity front we intend to increase our equity portfolio target from end 2020F to 25% (from 22% in 2019)

Our preferred sectors are banking, oil and gas and telecommunication.

Harriet Mate-Kole

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Email: jkayal@yahoo.com

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF kiddiFUND MUTUAL FUND LIMITED

Opinion

We have audited the accompanying financial statements of kiddiFUND Mutual Fund Limited ("the Fund"), which comprise the statement of financial position at 31 December 2020, the statement of profit or loss and other 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 10 to 27.

In our opinion, the financial statements give a true and fair view of the financial position of kiddiFUND Mutual Fund Limited as at December 31, 2020 and of its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act 2019, (Act 992) of Ghana.

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 kiddiFUND Mutual Fund 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.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors 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 Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for overseeing the mutual fund financial reporting process.

In preparing the financial statements, the Board of Directors is responsible for assessing the mutual fund'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 Board of Directors either intends to liquidate the mutual fund 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.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF kiddiFUND MUTUAL FUND LIMITED (CONT'D)

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the mutual fund's internal control.

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

• Conclude on the appropriateness of 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 mutual fund'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 mutual fund to cease to continue as a going concern.

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 judgment, were most significant in the audit of the financial statements. Key audit matters identified during the audit have been communicated to those charged with governance in a separate management letter.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 137 of the Companies Act,2019 (Act 992) 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 Mutual fund so far as it appears from our examination of those books.

JOHN ARMSTRONG YAO KLINOGO (ICAG/P/1116)

John Kay & Co

For and on behalf of John Kay & Co. (ICAG/F/2021/128)
Chartered Accountants
Accra.
30/4/ 2021

STATEMENT OF FINANCIAL ASSETS DESIGNATED THROUGH PROFIT OR LOSS AS AT 31 DECEMBER 2020

EQUITY INVESTMENTS	SHARES	PRICE PER SHARE	MARKET VALUE	PERCENT OF NET ASSETS
		GH¢	GH¢	%
Banking				
Republic Bank Ghana Limited	10,000	0.41	4,100	0.14
Ecobank Transnational Incorporated	171,066	0.08	13,685	0.45
Ghana Commercial Bank	26,400	4.05	106,920	3.54
Standard Chartered Bank	8,867	16.31	144,620	4.78
CAL Bank	109,600	0.69	75,624	2.50
Ecobank Ghana Limited	20,750	7.20	149,400	4.94
Societe Generale Ghana Limited	23,333	0.64	14,933	0.49
Financial Services				
State Insurance Company	20,000	0.08	1,600	0.05
Enterprise Insurance	18,000	1.40	25,200	0.83
Food, Beverages & Household Products				
Guinness Ghana Breweries Ltd	2,075	0.90	1,867	0.06
Fan Milk Ltd	13,800	1.08	14,906	0.49
Patterson Zochonis Comp. Ltd	40,000	0.38	15,200	0.50
Unilever Ghana Limited	1,524	8.29	12,633	0.42
Agro-Processing				
Benso Oil Palm Plantation	13,800	2.00	27,600	0.91
Oil & Gas				
Total Petroleum	12,840	2.83	36,337	1.20
Ghana Oil Co Ltd	10,600	1.50	15,900	0.53
Telecommunication				
Scancom Limited	30,000	0.64	19,200	0.64
			679,725	22.47

FIXED INTEREST SECURITIES		
Debt securities		
Treasury Bonds		
2 -Year Fixed Rate Note	746,636	24.69
3 -Yr Fxd Rate Sec Note	299,442	9.90
5-Yr Fxd Rate Sec Note	54,236	1.79
7-Year Fixed Rate Note	51,785	1.71
	1,152,099	38.10

STATEMENT OF FINANCIAL ASSETS DESIGNATED THROUGH PROFIT OR LOSS AS AT 31 DECEMBER 2020 (CONT'D)

Non sovereign bond		
10 Yr ESLA Bond	570,878	18.88
Corporate Bond		
5 Yr Unsecured Fixed Rate Note	86,519	2.86
5 Yr Izwe Floating Rate Senior Secured Note	94,048	3.11
Afb 6 Yr Floating Rate Senior Unsecured Note	61,224	2.02
	241,791	8.00
Local Government Security		
182 Day CMB Bill	53,432	1.77
Fixed Deposit		
182 IZWE	70,649	2.34
Held-to-maturity securities		
Funds on call	298,001	9.86
Total investment securities	3,066,575	101.42
Total Liabilities	(43,043)	(1.42)
TOTAL NET ASSETS	3,023,532	100

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

Assets	Notes	2020 GH¢	2020 GH¢
Cash and Cash Equivalents	11	298,001	52,470
Financial Assets at Fair Value through Profit /Loss	12	2,768,574	3,215,415
Total Assets		3,066,575	3,267,885
Represented By:			
Members' fund	13	3,023,532	3,206,911
Liabilities			
Account payables	14	43,043	60,974
Total Members' Fund and Liabilities		3,066,575	3,267,885

William Mensah	*Sarah B. Arhin*
....	....
Director (Name)	*Director (Name)*
Signature	*Signature*

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 GH¢	2020 GH¢
Revenue			
Interest income	6	478,031	429,709
Dividend income		54,024	29,717
Other income		2,889	15,163
Fair value through profit and loss	8	(24,587)	(155,675)
Total Revenue		510,357	318,914
Expenses			
Fund management		75,034	79,567
Custodian fees		7,503	11,036
General expenses	15	17,850	21,340
Audit fees		6,500	6,000
Total operating expenses		106,887	117,943
Operating profit before tax		403,470	200,972
Provision for impairment loss		-	(2,412)
Increase in net assets available for benefits		403,470	198,560

ACCUMULATED NET INVESTMENT INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 GH¢	2020 GH¢
Balance as at 1 January	1,401,971	1,203,411
Transfer from Income and Distribution Statement	403,470	198,560
Balance at 31 December	1,805,441	1,401,971

STATEMENT OF MOVEMENTS IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 GH¢	2020 GH¢
Change in net assets from operations		
Change in:		
Net Investment Income	403,470	198,560
Net change in net assets from operations	403,470	198,560
Change in net assets from capital transactions		
Proceeds from Issue of Shares	328,614	430,360
Share Redemption	(915,463)	(843,219)
Net change in net assets from capital transactions	(586,849)	(412,859)
Net additions to net assets	(183,379)	(214,299)
Analysis of changes in cash and cash equivalents for the year		
At 1 January	3,206,911	3,421,210
Net additions to net assets	(183,379)	(214,299)
At 31 December	3,023,532	3,206,911

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

31 December 2020	Capital Transactions GH¢	Investments GH¢	Total GH¢
At 1 January	1,804,940	1,401,971	3,206,911
Net Income from Operations		403,470	403,470
Share Issue	328,614	-	328,614
Shares Redemption	(915,463)	-	(915,463)
At 31 December	1,218,091	1,805,441	3,023,532

31 December 2019	Capital Transactions GH¢	Investments GH¢	Total GH¢
At 1 January	2,217,799	1,203,411	3,421,210
Net Income from Operations	-	198,560	198,560
Share Issue	430,360	-	430,360
Shares Redemption	(843,219) -		(843,219)
At 31 December	1,804,940	1,401,971	3,206,911

KIDDIFUND MUTUAL FUND LIMITED
PORTOFOLIO SUMMARY AT 31 DECEMBER 2020

DESCRIPTION	POSITION AS AT 31.12.20 GH¢	VALUE AS AT 31.12.20 GH¢	PURCHASES AS AT 31.12.20 GH¢	SALES AS AT 31.12.20
Banking				
Republic Bank Ghana Limited	10,000	4,100	-	-
Ecobank Transnational Incorporated	171,066	13,685	-	-
Ghana Commercial Bank	26,400	106,920	-	-
Standard Chartered Bank	8,867	144,620	-	-
CAL Bank	109,600	75,624	-	-
Ecobank Ghana	20,750	149,400	128,016	-
Societe Generale Ghana Limited	23,333	14,933	-	-
Financial Services				
State Insurance Company	20,000	1,600	-	-
Enterprise Insurance	18,000	25,200	-	-
Food, Beverages & Household Products				
Guinness Ghana Breweries Ltd	2,075	1,867	-	-
Fan Milk Ltd	13,800	14,906	-	-
Patterson Zochonis Comp. Ltd	40,000	15,200	-	-
Uniliver	1,524	12,633	-	-
Agro-Processing				
Benso Oil Palm Plantation	13,800	27,600	-	-
Oil & Gas				
Total Petroleum	12,840	36,337	-	-
Ghana Oil Co Ltd	10,000	15,900	-	-
Telecommunication				
Scancom Limited	30,000	19,200	-	-
		679,725	**128,016**	**-**

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
Cash flow from operating activities	GHS	GHS
Increase in net assets attributable to unit holders	403,470	198,560
Adjusted for:		
Dividend	(54,024)	(29,717)
Interest Receivable	(96,984)	(120,048)
Interest income	(381,048)	(309,661)
Other Income	(2,889)	(15,163)
Net Realised (gain) / loss on investment	24,587	155,675
Provision for impairment loss	-	2,412
Change in liabilities	(17,931)	(12,742)
	(124,819)	**(130,684)**
Cash flow from investing activities		
Purchase of financial Assets	519,238	(146,437)
Proceeds from matured financial Assets	381,048	309,661
Dividend	54,024	29,717
Other income	2,889	15,163
Net Cash flow from investing activities	**957,199**	**208,104**
Cash flow from financing activities		
Proceeds from issuance of units	328,614	430,360
Amount paid on redemption of units	(915,463)	(843,219)
Net Cash flow from financing activities	**(586,849)**	**(412,859)**
Net increase (decrease) in cash and cash equivalent	**245,531**	**(335,439)**
Cash and cash equivalent at 1 January	**52,470**	**387,909**
Cash and cash equivalent at 31 December	**298,001**	**52,470**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. REPORTING ENTITY

kiddiFUND Mutual Fund Limited is a mutual fund investment company whose primary object is to obtain contributions from members and invest same for their benefit. kiddiFUND Mutual Fund Limited is a limited liability company and is incorporated and domiciled in the Republic of Ghana. The address and registered office of the company can be found on page 5 of the financial statements.

The Fund was established and operates in accordance with the Unit Trust and Mutual Fund Regulation (L.I.1695). The Fund shall be marketed as a "kiddiFUND", which means it will invest in a combination of listed equities, bonds, as well as other suitable fixed income securities to achieve its investment objective.

The investment activities shall be managed by Tesah Capital 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

3. SIGNIFICANT ACCOUNTING POLICIES

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 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 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.

3.SIGNIFICANT ACCOUNTING POLICIES

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 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 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 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:

I. Significant financial difficulty of the borrower;

II. A breach of contract, such as default or delinquency in interest or principal repayments;

III. 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;

IV. It becoming probable that the borrower will enter bankruptcy or other financial reorganization;

V. The disappearance of an active market for that financial asset because of financial difficulties; or

VI. 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

vi. Cash and Cash equivalents

Cash and cash equivalents comprise 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.

4. NEW AND AMENDED STANDARDS EFFECTIVE FOR THE CURRENT PERIOD

Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework published in March 2018, the IASB 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.

It was effective for Annual periods beginning on or after 1 January 2020.

Definition of a Business (Amendments to IFRS 3)

The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A. Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They:

- clarify that 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 to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

Applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020

Definition of Material (Amendments to IAS 1 and IAS 8)

The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.

It was effective for annual reporting periods beginning on or after 1 January 2020

Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

It was effective for annual reporting periods beginning on or after 1 January 2020

Covid-19-Related Rent Concessions (Amendment to IFRS 16)

The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

It was effective for Annual reporting periods beginning on or after 1 June 2020

5. NEW AND REVISED STANDARDS IN ISSUE NOT YET EFFECTIVE

IFRS 17 Insurance Contracts

IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.

Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4)

Amends IFRS 4 Insurance Contracts provide two options for entities that issue insurance contracts within the scope of IFRS 4:

• an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach;

• an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach.

The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

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

5. NEW AND REVISED STANDARDS IN ISSUE NOT YET EFFECTIVE (CONT'D)

Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

Effective for annual reporting periods beginning on or after 1 January 2022

Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Effective for annual reporting periods beginning on or after 1 January 2022

Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Effective for annual reporting periods beginning on or after 1 January 2022

Annual Improvements to IFRS Standards 2018–2020

Makes amendments to the following standards:

- **IFRS 1 –** The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
- **IFRS 9 –** The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- **IFRS 16 –** The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- **IAS 41 –** The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

These are effective for annual reporting periods beginning on or after 1 January 2022

5. NEW AND REVISED STANDARDS IN ISSUE NOT YET EFFECTIVE (CONT'D)

Amendments to IFRS 17

Amends IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 Insurance Contracts was published in 2017. The main changes are:

- Deferral of the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023
- Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk
- Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognised in a business acquired in a business combination
- Clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level
- Clarification of the application of contractual service margin (CSM) attributable to investment-return service and investment-related service and changes to the corresponding disclosure requirements
- Extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives
- Amendments to require an entity that at initial recognition recognises losses on onerous insurance contracts issued to also recognise a gain on reinsurance contracts held
- Simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts
- Additional transition relief for business combinations and additional transition relief for the date of application of the risk mitigation option and the use of the fair value transition approach

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

Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)

The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

Classification of Liabilities as Current or Non-current —Deferral of Effective Date (Amendment to IAS 1)

The amendment defers the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2023.

Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

Effective for annual reporting periods beginning on or after 1 January 2021

6. INCOME

	2020	2019
	GH¢	GH¢
Interest income from financial assets carried at amortized cost:		
Debt securities	306,891	380,722
Held-to-maturity	170,200	48,067
Cash and cash equivalents	940	920
	478,031	**429,709**

7. FINANCIAL INSTRUMENTS

Analysis of changes in fair value of financial instrument through profit or loss.

2020	*Balance 1/1/2020*	*Purchase/(Sales) at Cost*	*Accrued interest*	*Change in fair value*	*Value 31/12/2020*
	GH¢	GH¢	GH¢	GH¢	GH¢
Quoted Shares	704,313	-	-	(24,587)	679,725
GOG securities	1,348,007	(262,531)	66,624		1,152,099
Corporate Bonds	238,786	(94,183)	3,138		147,743
Non-Sovereign Bond	570,285	(16,322)	16,915		570,878
Treasury Bills	21,979	28,015	3,438		53,432
Fixed and Time Deposits	332,044	(174,216)	6,869		164,697
	3,215,414	(519,237)	96,984	(24,587)	2,768,574

2019	*Balance 1/1/2020*	*Purchase/(Sales) at Cost*	*Accrued interest*	*Change in fair value*	*Value 31/12/2020*
	GH¢	GH¢	GH¢	GH¢	GH¢
Quoted Shares	838,610	21,378	-	(155,675)	704,313
Ghana Government securities	924,954	366,473	56,580		1,348,007
Corporate Bonds	238,540	(6,952)	7,198		238,786
Non-Sovereign Bond	561,679	(7,716)	16,322		570,285
Treasury Bills	-	20,075	1,904		21,979
Fixed and Time Deposits	718,554	(424,554)	38,044		332,044
	3,282,337	31,296	120,048	155,675	3,215,414

8. UNREALIZED GAINS / (LOSSES) ON INVESTMENT

	2020 GH¢	2019 GH¢
Market value of investments	679,725	704,313
Cost of investments	(704,312)	(859,988)
	(24,587)	(155,675)

9. CAPITAL TRANSACTIONS

	2020 No. of shares	2019 No. of shares
Shares in issue at beginning	2,967,775	3,977,487
New issues	1,293,776	1,658,608
Redemptions	(2,605,474)	(2,668,320)
Shares (Withdrawn) / Issued	1,656,077	2,967,775

10. PURCHASE AND SALE OF LONG TERM SECURITIES

	2020 Purchases GH¢	2020 Sales GH¢	2019 Purchases GH¢	2019 Sales GH¢
Republic Bank Ghana Ltd	-	-	-	-
Ecobank Transnational Incorporated	-	-	-	-
Ghana Commercial Bank Ltd	-	-	-	-

Ecobank Ghana	128,016	-	-	-
Standard Chartered Bank	-	-	-	-
Cal Bank	-	-	-	-
State Insurance Company	-	-	-	-
Enterprise Insurance Company	-	-	-	-
Guinness Ghana Breweries Ltd	-	-	-	-
Fan Milk Ltd	-	-	-	-
Patterson Zochonis Company Ltd	-	-	-	-
Benso Oil Palm Plantation	-	-	-	-
Uniliver Ghana Limited	-	-	-	-
Total Petroleum	-	-	-	-
Ghana Oil Co Ltd	-	-	-	-
Societe Generale Ghana Limited	-	-	-	-
Scancom Limited	-	-	21,378	-
	128,016	-	21,378	-

11. CASH AND CASH EQUIVALENTS

	2020 GH¢	2019 GH¢
Cash and bank balances	298,001	52,470
	298,001	52,470

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT /LOSS

	2020 GH¢	2019 GH¢
Debt Securities	1,722,978	2,159,490
Held to Maturity Securities	365,871	354,023
Quoted Equity Investments	679,725	704,313
Provision for Impairment loss	-	(2,412)
	2,768,574	3,215,414

13. MEMBERS' FUNDS

	2020 GH¢	2019 GH¢
Accumulated Net Investment Income	1,757,844	1,401,971
Stated capital registered	100,000	100,000
Movement on shares issued	1,165,688	1,704,940
	3,023,532	3,206,911

14. PAYABLE UNDER SERVICE LEVEL AGREEMENTS

	2020 GH¢	2019 GH¢
Management fees	24,000	21,194
Audit fees	6,500	6,000
Custody fees	2,876	2,601
VAT	1,359	1,088

AGM Expenses	3, 128	-
Board Fees	1, 659	-
Secretarial fees	2,400	-
Other current liability	1,121	30,091
	43,043	**60,974**

15. General Expense	**2020**	**2019**
	GH¢	**GH¢**
Directors' Emolument	8,500	10,625
Board expenses	1,650	1,274
Interest on investment	46	1,387
Secretarial fee	3,133	1,540
Advertisement	-	1,365
Bank charges	34	27
AGM expenses	3,128	4,034
VAT	1,359	1,088
	17,850	21,340

16. Taxation

Income of approved unit trust scheme or mutual fund is exempt for tax from tax under the income tax act, 2015 (act 896) as amended.
The fund currently withholds taxes on payment made to directors and other service providers.

17. Provision for impairment loss

Provision for impairment loss of 1% was made on corporate bonds in accordance with international financial reporting standard 9.
However, in the current year, investment in the corporate bonds remains the same, hence no charge in the in the statement profit or loss for increase in impairment loss provisions.

18. Directors' Shareholding

kiddiFUND	Shares	Percent
Rose Gomez	101,675	3.39%
William Mensah	45,474	1.52%
Enoch Ampratwum	112,795	3.76%
Sarah Brainoo Arhin	20,000	0.67%

19. Transactions through stock brokers
The fund's transactions were through IC Securities (Ghana) Limited, GFX Brokers and Cal Brokers Limited.

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

21. Approval of the financial statements
The financial statements were approved by the Directors of the Fund and Authorized for issue

On 29th April, 2021

PROXY FORM

I/We.. of..

Being a member(s) of kiddiFUND ("the Company) hereby appoint..

of...

As my/our proxy to attend on my/our behalf, the Annual General Meeting of the Fund, to be held virtually by zoom on Wednesday, 16th June, 2021 and any adjournment thereof.

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

RESOLUTIONS	FOR	AGAINST
1. To consider the Reports of Directors and Auditors for the year ended 31st December, 2020		
2. To authorize the Directors to fix the remuneration of the Auditors.		
3. To appoint the following as directors of the Fund 3.1. Dr. Andrews Adugudaa Akolaa 3.2 Eugenia Basheer 4.		
5. To authorize the Directors to fix the remuneration of the Auditors.		
To approve Directors' fees		
6. To transact any other business appropriate to be dealt with at any Annual General Meeting.		
Special Business 1. To authorize the change of the name of the Fund to Tesah Future Fund Limited PLC.		

Shareholder's Signature...Date.............................2021

NOTES

1. A proxy need not be a member of the fund.

2. Unless otherwise instructed, the proxy will vote as he sees fit.

3. To be valid, this form must be signed and deposited at the Registered Office of the Secretary or the Fund Manager 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 shareholder from attending the meeting and voting thereat.