

REPORT OF INDEPENDENT AUDITORS

to the Members Mega African Capital Limited

We have audited the accompanying financial statements of Mega African Capital Limited which comprise the statement of financial position as at 31 December, 2015, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, together with the summary of significant accounting policies and other explanatory notes, and have obtained all information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

Directors' responsibility for the financial statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the Companies Act, 1963 (Act 179). These responsibilities include designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and

perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our audit opinion.

Opinion

In our opinion, the Company has kept proper accounting records and the financial statements are in agreement with the records in all material respects and report in the prescribed manner, information required by the Companies Act, 1963 (Act 179). The financial statements give a true and fair view of the financial position of the Company as at 31 December, 2015, and of its financial performance and statement of cash flow for the year then ended and are drawn up in accordance with the International Financial Reporting Standards, issued by the International Accounting Standards Board (IASB).

Report of Independent Auditors to the Members of Mega African Capital Limited (continued)

Report on other legal and regulatory requirements

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

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion proper books of account have been kept by the Company, so far as appears from our examination of those books; and
3. The statement of financial position and statement of profit or loss and other comprehensive income of the Company are in agreement with the books of account.



Emmanuel K.D. Abbey (ICAG/P/1167)
For and on behalf of UHYVoscon (ICAG/F/086)
Chartered Accountants
Accra, Ghana

Date: **30th March, 2016**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER, 2015

(All amounts are expressed in Ghana cedis unless otherwise stated)

	NOTE	2015	2014
Revenue			
Investment and operating income	3(a)	884,314	1,012,354
Gain/(loss) on investments at market value	3(b)	15,000,483	17,211,233
Total revenue		15,884,797	18,223,587
Expenses			
Administrative, legal and professional expenses	4	(1,897,691)	(1,692,357)
Net profit before finance costs and tax		13,987,106	16,531,230
Finance costs	5	(3,588,615)	1,837,808)
Net profit before tax		10,398,491	14,693,422
Corporate tax credit/expense	11	-	-
Profit for the year		10,398,491	14,693,422
Other comprehensive income			
Profit for the year		10,398,491	14,693,422
Total comprehensive income		10,398,491	14,693,422

Notes 1 to 22 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER, 2015

(All amounts are expressed in Ghana cedis unless otherwise stated)

Assets	NOTE	2015	2014
Non-current assets			
Investments assets			
Financial assets at fair value through profit or loss	6(a)	52,932,434	46,012,467
Investment property	6(c)	12,516,427	9,236,652
Total investments assets		65,448,861	55,249,119
Property, plant and equipment	7a	143,619	183,194
Total non-current assets		65,592,480	55,432,313
Current assets			
Financial assets at fair value through profit or loss	6(b)	28,214,131	6,400,863
Other accounts receivable	8	1,962,184	3,293
Cash and cash equivalents	9	445,248	3,120,328
Total current assets		30,621,563	9,524,484
Total assets		96,214,043	64,956,797
Current liabilities			
Accounts payable and accruals	10	3,541,150	8,643,705
Current taxation	11	(41,530)	(32,230)
Contract borrowings	12	37,884,648	16,817,524
Total current liabilities		41,384,268	25,428,999
Equity			
Stated capital	13	21,156,483	15,820,923
Retained earnings		33,673,292	23,706,875
Total equity		54,829,775	39,527,798
Total liabilities & equity		96,214,043	64,956,797

Kwesi Amonoo-Neizer



30th March, 2016

Christine Dowuona-Hammond



30th March, 2016.

Notes 1 to 22 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER, 2015

(All amounts are expressed in Ghana cedis unless otherwise stated)

For the year ended 31 December, 2015	Stated capital	Retained earnings	Total equity
Balance as at 1 January	15,820,923	23,706,875	39,527,798
Net profit for the year	-	10,398,491	10,398,491
Dividend paid	-	(432,074)	(432,074)
Right shares issued during year	5,335,560	-	5,335,560
Balance as at 31 December, 2015	<u>21,156,483</u>	<u>33,673,292</u>	<u>54,829,775</u>

For the year end 31 December, 2014	Stated capital	Retained earnings	Total equity
Balance as at 1 January	11,820,922	9,013,453	20,834,375
Net profit for the year	-	14,693,422	14,693,422
Shares issued during year	4,000,001	-	4,000,001
Balance as at 31 December	<u>15,820,923</u>	<u>23,706,875</u>	<u>39,527,798</u>

Notes 1 to 22 form an integral part of these financial statements

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER, 2015

(All amounts are stated in Ghana cedis unless otherwise stated)

	NOTE	2015	2014
Cash flow from operating activities	15	(17,929,063)	2,971,555
Tax paid		(9,300)	(135)
Cash flow from operating activities		(17,938,363)	2,971,420
Cash flow from investing activities:			
Purchase of property, plant and equipment		-	(220,187)
Additions to investment property		-	(220,645)
Purchase of financial assets		(24,841,605)	(33,433,088)
Sale of financial assets		14,134,278	19,420,632
Net cash flow used in investing activities		(10,707,327)	(14,453,288)
Net cash flow from financing activities:			
Capital contributions received from shareholders		5,335,560	4,000,001
Dividend paid		(432,074)	-
Tenured deposit		21,067,124	9,020,407
Net cash flow from financing activities		25,970,610	13,020,408
Net increase/ (decrease) in cash and cash equivalents		(2,675,080)	1,538,540
Cash & cash equivalents			
at beginning of the year		3,120,328	1,581,788
at end of the year		445,248	3,120,328

Notes 1 to 22 form an integral part of these financial statements.