



CCMF
ANNUAL
REPORT
2021





CHRISTIAN COMMUNITY MUTUAL FUND

VALUE CREATED BY VALUES

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**CORPORATE
INFORMATION**

BOARD OF DIRECTORS

Yaa Peprah Agyemen Amekudzi
Sam Okudzeto
Naa Odey Asante

REGISTERED OFFICE

4th Floor
The Rhombus
Plot No. 24 Kanda Estate
Accra

INVESTMENT MANAGER

Black Star Advisors
4th Floor
The Rhombus
Plot No. 24 Kanda Estate
Accra

CUSTODIAN

Standard Chartered Bank (Ghana) PLC
P.O. Box 768
High Street
Accra

AUDITORS

John Kay & Co
7th Floor, Trust Towers
Farrar Avenue
P. O. Box KIA 16088
Accra

BANKERS

ABSA Bank Ghana Limited
P.O. Box 69
Accra

Standard Chartered Bank (Ghana) PLC
P.O. Box 768
High Street
Accra

Access Bank Ghana PLC
Head Office
Ohene Djan Stadium
Accra

Guaranty Trust Bank (Ghana) Limited
P. M B CT 416,
Cantonments Accra

Zenith Bank (Ghana) Limited
P. M B CT 393,
Accra



NOTICE OF ANNUAL GENERAL MEETING (AGM)

NOTICE IS HEREBY GIVEN that the 10th Annual General Meeting (AGM) of the Christian Community Mutual Fund (CCMF) will be convened virtually at 10:00am on Friday, 3rd February, 2023 to transact the following business:

1. To receive and adopt the Audited Financial Statements together with the Reports of Directors, Fund Manager and Auditors for the year ended 31st December, 2021;
2. To re-elect Directors retiring by rotation
3. To authorize the Directors to fix the remuneration of the Auditors; and
4. To amend the scheme particulars in respect of asset allocation.

Notes

1. Members may join the meeting and participate by virtual means via Microsoft Teams. All members will be sent a registration link (via SMS) in order to permit those who wish to participate virtually to do so.
2. A member is entitled to attend and vote or may appoint a proxy to attend or participate virtually through the Microsoft Teams link. Such proxy need not be a member of the company. For a proxy to be valid for the purposes of the meeting, it must be completed and submitted via email to admin@lawfieldsconsulting.com or deposited at the **4th Floor, Rhombus building** not less than 48 hours before the meeting.
3. A copy of the Proxy Form can be downloaded from <https://www.blackstargroup.ai> and may be filled and sent via email to admin@lawfieldsconsulting.com not less than forty-eight (48) hours before the commencement of the meeting.
4. The appointment of the proxy will not prevent a member from subsequently attending and voting at the meeting or participating via online participation. Where a member attends the meeting in person or participates online, the proxy's appointment shall be deemed to be revoked.
5. An electronic version of the Company's Annual Report consisting of the Financial Statement and Auditor's Reports for the year ended 31st December 2021 may be accessed at the Company's dedicated AGM website at <https://www.blackstargroup.ai>



NOTICE OF ANNUAL GENERAL MEETING (AGM)

6. Members are also encouraged to send in any questions in advance of the AGM by mailing them to clientservices@blackstargroup.ai . Answers to the questions will be provided at the AGM.

#799/3, 5th Crescent
Asylum Down
Accra

Dated this 11th day of January 2022
BY ORDER OF THE BOARD

LAWFIELDS CONSULTING
No. 799/3, 5th Crescent
Asylum Down, Accra (off Ring Road)
PMB CT 244, Accra - Ghana

Lawfields Consulting
Company Secretary



CHAIRMAN'S STATEMENT

Ghana's Economic Performance

Ghana's real GDP grew by 7.0% in the fourth quarter of 2021, representing the fastest growth pace since the first quarter of 2020, bringing the overall annual GDP to 5.4% against the projected 4.4%. Non-oil GDP growth was captured at 7.6% in the fourth quarter relative to 5.7% for the same period in 2020.

The agriculture and services sectors showed robust growth from the third to the fourth quarter, moving from 7.6% to 8.2% and 8.1% to 13.6%, respectively. Ghana, however, realised a sharp contraction industry from 4.8% in the third quarter to -1.6% in the fourth quarter

Headline inflation in the first quarter of 2021 averaged 7.8%. It closed at 12.6% in December, well above the upper band of 10% set by the Bank of Ghana. These sharp movements reflected global supply chain disruptions and rising commodity prices post-COVID-19. In response to the inflation shocks, the Monetary Policy Committee (MPC) increased the policy rate from 13.5% in June to 14.5% in December after an initial rate reduction from 16.0% to 14.5% earlier in the year.

The country's public debt stock reached an aggressive 76.6% of GDP at the end of the year against suspected levels of 80.1%. The public debt stock was one of Fitch's many factors accounting for the negative credit rating actions. Fitch dropped the rating from "B" to "B-", reflecting the loss of the country's access to the international capital market in the second half of 2021.

Outlook for 2022

The emergence of new variants of the COVID-19 virus poses a threat to the global economy in 2022. Supply chain disruptions will continue to weigh on activities globally. The World Economic Organization estimates global growth to be 4.4% in 2022, below the 5.9% growth in 2021. The downward revision primarily reflects a markdown for the United States and China.

Inflation in the global economy is expected to remain elevated in the near term, averaging 3.9% in advanced economies and 5.9% in emerging and developing markets in 2022 before subsiding in 2023 (WEO).



CHAIRMAN'S STATEMENT

Outlook for 2022

The World Economic Organization estimates the Ghanaian economy to grow by 5.5% in 2022, influenced largely by the agriculture and services sectors. The organisation estimates that the industrial sector will also pick up its pace in the year to match growing demand. The government's 2022 budget sets an ambitious consolidation plan to raise government revenue to 20% against 16% in 2021, coupled with a projected expenditure cut of 20%. The government estimates to raise about US\$ 1 billion from its newly introduced E-Levy to shore up revenue. Inflation is expected to increase as world commodity prices continue to surge, coupled with global supply chain bottlenecks.

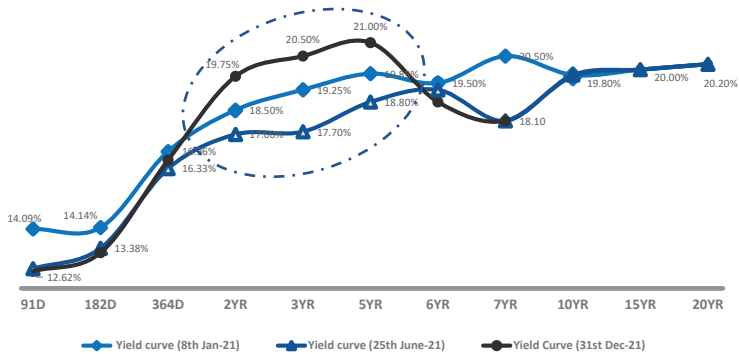
The Ghanaian economy's outlook remains positive, supported by higher prices of Key inputs and strong domestic demand (WBO).

FUND MANAGER'S REPORT

Fixed Income

After being hit by the pandemic, the fixed-income markets started to gain some traction following the government's institution of policies to narrow yields to reduce its cost of borrowing and the reduction in the Monetary Policy Rate and cash reserves back in 2020. Trading volumes on the primary market were oversubscribed mainly in the first half of the year by about 6.3 billion Ghana cedis over the target. In the year's second half, we saw a quick turn of events as investors' interest and confidence waned. Bids tendered came down to 27.92 billion Ghana Cedis, representing an 18% reduction in bids tendered against a target of 29.54 billion Ghana Cedis. At the start of the year, 91-day, 182-day, and 364-day bills were issued at 14.09%, 14.14%, and 16.96%, respectively, averaging about 15.06%. These levels tightened by mid-year at an average of 14.11%. Interest rates, however, surged in the second half of 2021, reflecting an increased risk within the local market, heightened inflation expectations, and high deficit figures. Yields on the 2-year, 3-year, and 5-year maturity papers blew out by about 230 basis points (2.3 percentage points) between June and December 2021, as indicated in figure 1 below.

FIGURE 1



Issuances within the year were skewed towards the short to medium end of the curve, raising about 22 billion Ghana Cedis and 40 billion Ghana Cedis, respectively. Additionally, the secondary markets saw volume trades at the end of the year increase by 93% compared to 2020 levels (Figure 2). Heavier volumes were seen in 1H21 with good traction in March, July, and June (Figure 3).

FUND MANAGER'S REPORT

FIGURE 2

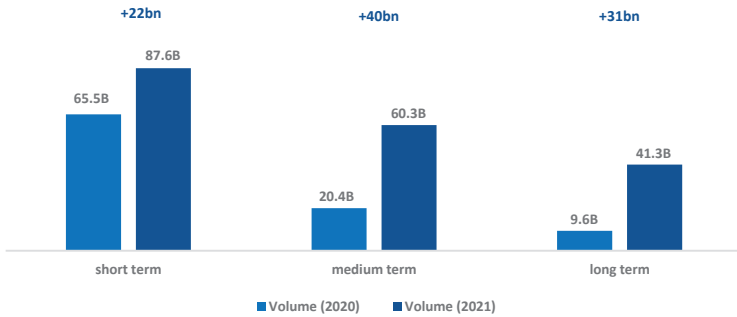
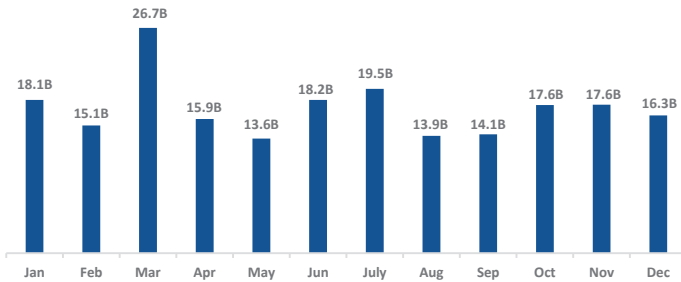


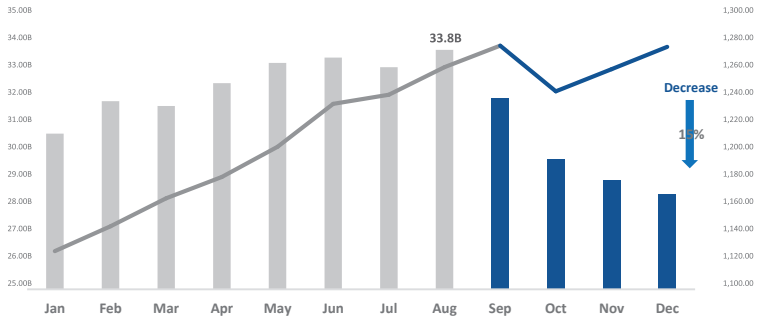
FIGURE 3



Cocoa bills also saw an uptick in interest as the volume traded reached 18.41 billion Ghana Cedis at the end of the year representing a 3.54x increase from 2020. The Eurobond markets recovered from COVID levels and peaked in August at 33.8 billion Ghana Cedis. The recovery, however, was not sustained as prices plummeted in the fourth quarter (Figure 4).

FUND MANAGER'S REPORT

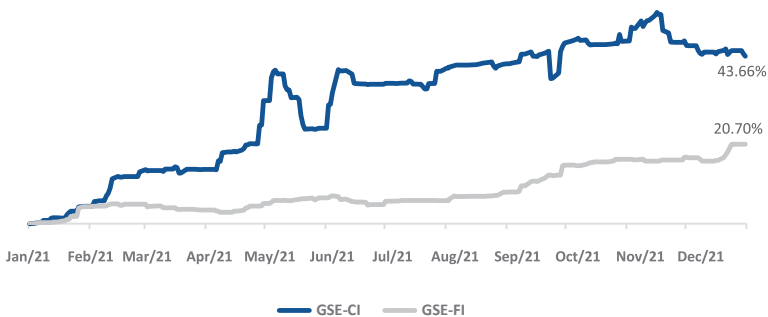
FIGURE 4



Equities

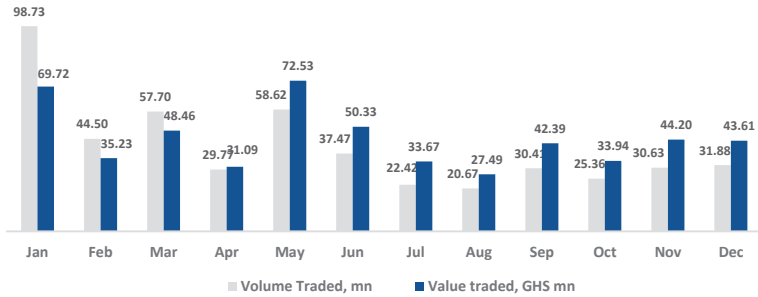
The Ghanaian equities market picked up its pace in 2021, closing the year as the second-best exchange in Africa. The GSE Composite Index closed the year at 43.66% return year-to-date, while the Financial Index closed at 20.37% (See figure 5). MTN Ghana anchored movements in the Composite Index. Fan milk, Benso Oil, and Guinness Ghana were the top three gainers closing the year at 270.37%, 232.50%, and 100% return year-to-date, respectively. Trading volumes dropped significantly in the year's second half after high trading levels in the first half. MTNGH led in volume and value traded during the year with 365.13 million Ghana Cedis and 345.84 million Ghana Cedis, respectively.

FIGURE 5



FUND MANAGER'S REPORT

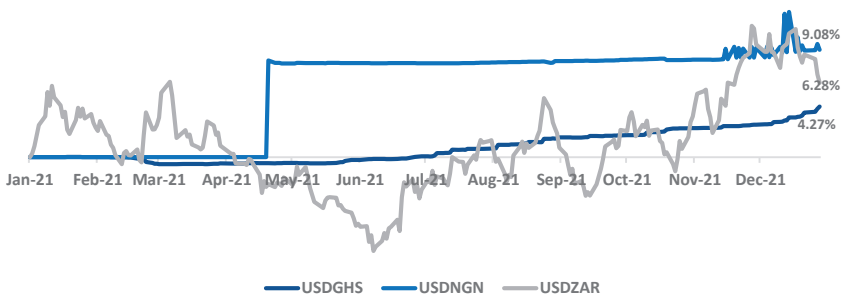
FIGURE 6



Currency

The Ghana Cedi remains the bull against the major trading currencies, USD, EUR, and GBP. It strengthened against the greenback in November while declining against GBP and EUR. It, however, performed better than its peers in Sub-Saharan Africa (Figure 7). At the end of the year, interbank rates had declined by 4.27%, whereas the spot market or real market rates had declined by 5.34%. The government expects its plan to auction \$450 million in the year's first half to help stabilise the Ghana Cedi against depreciation.

FIGURE 7



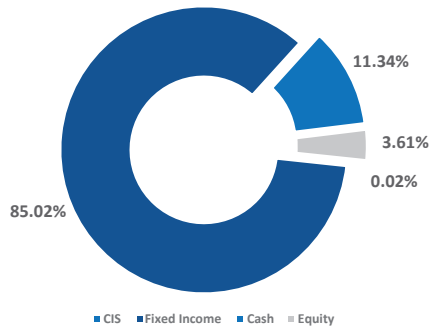
FUND MANAGER'S REPORT

The Fund

The Christian Community Mutual Fund grew significantly in 2021. The total Assets under management grew from GHS 3.158mn in 2020 to GHS 3.659mn in 2021. The Fund returned 18.62% to its shareholders in the year under review.

Asset Allocation

The Christian Community Fund maintained a good blend of Government and Local Government securities for the entire year but was biased to the government of Ghana securities in the last quarter of the year as yields widened. The Fund also added on some USD exposure to hedge against cedi depreciation against the US dollar.



Outlook & Recommendation for 2022

Government seeks to put in place a few things to stabilize the economy in 2022. These include a 20% cut in expenditure, enhanced revenue collection, and a steady effort to address the depreciation of the Ghana Cedi against the US Dollar. These are to ensure stability and growth in the Ghanaian economy.

Despite these efforts, we expect higher interest rates as domestic debt levels continue to rise to alarming levels, and the need for government to meet maturities and interest payments in 2022.

The risk of inflation still exists. Furthermore, exit by foreign investors and high demand for USD will pressure the cedi.

The above challenges and more have both direct and indirect effects on the performance of the Ghanaian fixed income market. The fund manager, taking cognizance of all the above risks, will structure the portfolio to withstand yield movement shocks, and minimize volatility in the portfolio.



REPORT OF DIRECTORS OF THE FUND TO THE MEMBERS OF CHRISTIAN COMMUNITY MUTUAL FUND LIMITED

In accordance with section 136 of the Companies Act, 2019 (Act 992), the directors have the pleasure of presenting their report and the financial statements of the company for the year ended 31 December 2021.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 31 December 2021, the statement of profit or loss, the statement of movement in net assets, and the statement of changes in equity for the period then ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992) of Ghana, Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695) and the Securities Industry Act, 2016 (Act 929).

The directors' responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these 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.

The directors have made an assessment of the company'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.

FINANCIAL STATEMENT AND DIVIDEND

The results for the year are set out in the financial statements from pages 9-14. The fund does not distribute dividends. All income earned is reinvested.

It is the policy of the Fund to re-invest all its investment income. Annual dividends shall neither be declared nor distributed. As such, individual investors should benefit from a growth in the Net Asset Value of each unit/share of the fund they hold.

NATURE OF BUSINESS

Christian Community Mutual Fund Limited is a mutual fund registered in Ghana, to invest the monies of its members for their mutual benefit and to hold and arrange for the management of money market securities acquired with such monies. The Company is licensed by the Securities and Exchange Commission to operate as an authorized mutual fund, in line with the Unit Trust and Mutual Fund Regulation, 2001 (L.I. 1695). The Fund's objective is to maximize total return, emphasizing current income, and to a lesser extent, providing opportunities for capital appreciation.



REPORT OF DIRECTORS OF THE FUND TO THE MEMBERS OF CHRISTIAN COMMUNITY MUTUAL FUND LIMITED

INTEREST REGISTER

During the year under review, no interest was registered.

AUDITOR'S REMUNERATION

In accordance with Section 140 of the Companies Act, 2019 (Act 992), Messrs.' John Kay & Co. agreed with the directors to charge a fee of GH¢ 8,347.50 inclusive of VAT, NHIL, COVID-19 Health Levy, and GET Fund.

CORPORATE SOCIAL RESPONSIBILITY

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

BUILDING THE CAPACITY OF DIRECTORS

The directors did not engage in any training on corporate governance.

Approval of financial statements

The financial statements of the company as indicated above were approved by the board of directors on 23/10/2022 and are signed on its behalf by:

Sam Okudzeto
Chairman

Yaa Peprah Agyemen Amekudzi
Director



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

Opinion

We have audited the financial statements of Christian Community Mutual Fund Limited, which comprise Statement of Financial Position as at 31st December 2021 and the Statement of profit or loss and Statement of movements in net assets for the period ended and a summary of significant accounting policies and other explanatory notes, as set out in pages 15 to 24.

In our opinion, the accompanying financial statements give a true and fair view of the financial transactions of the Fund as at 31 December 2021, and of its financial performance and its movement in net assets for the period then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act 2019, (Act 992) and Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695) and the Securities Industry Act, 2016 (Act 929).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Mutual Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements, the Directors are 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 management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.



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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is 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 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management'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 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.
- 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.



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

Key Audit Matters

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 have 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 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 Company so far as it appears from our examination of those books.

The engagement partner on the audit resulting in this Independent Auditor's Report is **Gilbert Adjetey Lomofio (ICAG/P/1417)**

John Kay & Co
.....

For and on behalf of John Kay & Co. (ICAG/F/2021/128)

Chartered Accountants

Accra

23/12/2022
.....2022



STATEMENT OF FINANCIAL ASSETS AS AT 31ST DECEMBER 2021

EQUITY INVESTMENTS

Banking

Republic Bank Ghana Limited

27

0.6

16

0.00

Cal Bank PLC

60,222

0.87

52,393

1.50

Insurance

Enterprise Group Limited

7,500

2.79

20,952

0.60

State Insurance Company Limited

57,000

0.08

4,560

0.13

Manufacturing

Fan Milk Ltd

3,000

4.00

12,000

0.34

Petroleum Products

Total Petroleum Ghana Ltd

4,600

5.02

23,092

0.66

Tullow Oil Ghana Ltd

1,000

11.92

11,920

0.34

Telecommunications

MTN Ghana

6,529

1.11

7,247

0.21

132,154

3.78

COLLECTIVE INVESTMENT SCHEMES

EDC Balanced Fund

1,080

0.8167

882

0.03

882

0.03

FIXED INTEREST SECURITIES

Debt securities

Government of Ghana Securities

5-year Bond

947,768

27.21

3-year Bond

452,703

12.96

2-year bond

255,077

7.30

1,655,548

47.40

Local Government Securities

182 Day Cocoa

315,546

9.04

315,546

9.04

STATEMENT OF FINANCIAL ASSETS AS AT 31ST DECEMBER 2021

FIXED INTEREST SECURITIES

Debt securities

Corporate Bond

7-year Bond

3-year Bond

Money Market

Funds on call

Others

Other receivables

Total investment securities

TOTAL LIABILITY

TOTAL NET INVESTMENT

SHARES

PRICE PER SHARE
SHARE GH¢

MARKET
VALUE GH¢

PERCENT OF
NET ASSETS %

409,821

11.73

717,274

20.54

1,127,095

32.27

415,248

11.89

415,248

11.89

8,988

0.26

8,988

0.26

3,655,461

104.67

(163,095)

(4.67)

3,492,364

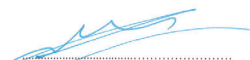
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STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31ST DECEMBER 2021

	Note(s)	2021 GH¢	2020 GH¢
Revenue			
Interest income	7	358,805	389,405
Dividend income	8	28,729	3,913
Other Income	9	14,390	39,611
Total Revenue		<u>401,924</u>	<u>432,929</u>
Expenses			
Fund Management Fees		82,081	35,594
Custodian Fees		9,183	8,257
General Expenses	11	35,486	5,682
Audit Expenses		7,000	5,000
Total operating expenses		<u>133,750</u>	<u>(82,997)</u>
Operating profit before tax		268,174	349,932
Gains/(Loss) on Investments at FVTPL	10	293,020	(14,201)
Operating profit after tax		<u>561,194</u>	<u>335,731</u>

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2021

	Notes	2021 GH¢	2020 GH¢
Assets			
Cash and cash equivalents	12	415,248	57,359
Investments at FVTPL	14	3,231,224	68,849
Investment at Amortized Cost	14	-	3,011,389
Receivables	16	8,988	7,777
Total Assets		<u>3,655,460</u>	<u>3,145,374</u>
Current Liabilities			
Account Payables	15	163,095	82,935
Net Total Assets		<u>3,492,365</u>	<u>3,062,439</u>
Represented By:			
Accumulated Income		1,617,576	1,056,382
Capital Account	17	1,874,789	2,006,057
Total Members' Fund and Liabilities		<u>3,064,268</u>	<u>1,518,514</u>



Sam Okudzeto
Chairman



Yaa Peprah Agyeman Amekudzi
Director

STATEMENT OF MOVEMENTS IN NET ASSETS FOR THE YEAR ENDED 31ST DECEMBER 2021

	2021 GH¢	2021 GH¢
Change in net assets from operations		
Change in:		
Net Investment Income	268,174	349,932
Unrealized Gains/(Loss)	293,020	(14,201)
Net change in net assets from operations	<u>561,194</u>	<u>335,731</u>
Change in net assets from capital transactions		
Proceeds from Issue of Shares	57,150	1,251,167
Share Redemption	(188,418)	(42,973)
Net change in net assets from capital transactions	<u>(131,268)</u>	<u>1,208,194</u>
Net additions to net assets	<u>429,926</u>	<u>1,543,925</u>
Analysis of movement in net asset for the year		
At 1 January	3,062,439	1,518,514
Net additions to net assets	429,926	1,543,925
At 31 December	<u>3,492,365</u>	<u>3,062,439</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2021

31 December 2021	Capital Account GH¢	Accumulated Income GH¢	Total GH¢
At 1 January	2,006,057	1,056,382	3,062,439
Net Income from Operations	—	561,194	561,194
Share Issue	57,150	—	57,150
Shares Redemption	(188,418)	—	(188,418)
At 31 December	<u>1,874,789</u>	<u>1,617,576</u>	<u>3,492,365</u>

31 December 2020	Capital Account GH¢	Accumulated Income GH¢	Total GH¢
At 1 January	797,863	720,651	1,518,514
Net Income from Operations	—	335,731	335,731
Share Issue	1,251,167	—	1,251,167
Shares Redemption	(42,973)	—	(42,973)
At 31 December	<u>2,006,057</u>	<u>1,056,382</u>	<u>3,062,439</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

NOTES TO FINANCIAL STATEMENTS

1. Reporting Entity

Christian Community Mutual Fund Limited (The Fund) is a mutual fund investment company registered and operating in the Republic of Ghana. The address and registered office can be found on page 2 of the financial report.

The objective of the fund is to maximize total return of shareholders.

2. Basis of Accounting

These financial statements have been prepared in accordance with the Unit Trust and Mutual Funds Regulations, 2001 (L.I. 1675) and comply with the International Financial Reporting Standards (IFRS).

3. Functional and Presentation Currency

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

4. Use of Judgements and Estimates

In preparing these financial statements, the Fund's management has made judgments, 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.

5. Accounting Policies

The following principal accounting policies have been consistently applied during the period in the

preparation of the Fund's financial statements

i. 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 recognized 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 recognized in the profit or loss as interest income or interest expense, respectively.

b) Pooled Investment Income

Income arising from the underlying investment of the pooled investment vehicles that is reinvested within the pooled investment vehicles is reflected in the unit price. Such income is reported within the change in market value.

ii. Financial Instruments

i. Financial Assets

The fund classifies its investments into the following categories: financial assets at fair value through profit or loss, and assets at amortized cost. The classification depends on the purpose for which the investments were acquired.

The Fund determine the classification of the



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

investments at the initial recognition and re-evaluates this at every reporting date.

ii. Financial Assets at Fair Value Through Profit or Loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified into this category at inception and is acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so, designated by Fund. The Fund has assessed the business model of the Mutual fund and cash flow characteristics of its fixed-income investments and elected to classify all fixed-income instruments under fair value through profit and loss.

iii. Investment Held at Amortized Cost

Investments held at amortised cost are non-derivative financial assets with fixed or determinable payments and fixed maturity. In determining the classification of financial assets to the above class, two test criteria are applied;

Business Model Test:

The objective of the entity's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

Cash Flow Characteristics Test:

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI)

on the principal amount outstanding.

iv. Initial Recognition of Financial Asset

Purchase and sales of financial assets held at fair value through profit or loss and liabilities are recognized on the date the Fund commit to purchase or sell the asset. Financial assets are initially recognized at fair value plus directly attributable transaction costs, except for financial assets at fair value through profit or loss.

v. Subsequent Measurement of Financial Asset

Financial Assets classified as fair value through profit or loss are subsequently measured at fair value with the resulting changes recognized in the Statement of Changes in Net Assets.

vi. De-Recognition

Financial assets are derecognized when the right to receive cash flows from the financial assets has expired or where the Scheme has transferred substantially all risks and rewards of ownership. Any interest in the transferred financial assets that is created or retained by the Scheme is recognized as a separate asset or liability.

Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expired.

vii. Amortized Cost Measurement

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayment, plus or minus the cumulative amortization using the



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

viii. Identification and Measurement of Impairment

A financial asset or a group of financial assets are impaired using the “expected credit loss” model, where the Fund calculate the allowance for credit losses by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes.

viii. Identification and Measurement of Impairment (Cont’d)

The Expected Credit Loss Model (ECL) is used in the recognition of impairment losses. The ECL means that on the day an entity recognizes (enters into an investment contract) a financial asset, it has to provide from day 1 credit losses up to 12 months expected credit loss even if the financial assets are not credit impaired. When the issuer’s credit risk worsens due to some observed conditions, then a lifetime ECL must be booked.

Objective evidence that financial assets are impaired can include default or delinquency by a debt issuer and other observable data that suggests adverse changes in the payment status of the debt issuer.

The Fund first assess whether objective evidence of impairment exists individually for financial

assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Fund determine that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized, are not included in a collective assessment of impairment.

Future cash flows in a group of financial assets that are collectively valued for impairment are estimated on the basis of the historical loss experience for assets with credit risk characteristics similar to those in the Scheme. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based, and to remove the effects of conditions in the historical period that do not exist currently. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the Statement of Changes in Net Assets.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

iii. Cash and Cash Equivalents

Cash and cash equivalents comprises 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 Trust in the management of short term commitment, other than cash collateral provided in respect of derivatives and security borrowing transactions.

iv. Redemption Payable

Redemption payables are included in the financial statements on an accrual basis where members become entitled to such benefits.

6. Transactions with Related Parties and Key Contractors

a) Fund Manager

The Fund's investment activities are managed by Blackstar Advisors Limited.

The fund manager receives a fee based on net asset value of 2.5% accrued daily and paid quarterly. The total management fee charged during the period amounted to GH¢ 64,058. The amount included in payables as at 31st December, 2021 amounted to GH¢ 69,452.

b) Custodian

Custodian of the Fund is Standard Chartered Bank Ghana Limited. The Custodian receives a fee based on total asset value of 0.25% accrued daily and paid quarterly. The total custodian fee charged during the period amounted to GH¢ 8,256. The amount included in payables as at 31st December, 2020 amounted to GH¢ 2,580.

7. Interest income

	2021 GH¢	2020 GH¢
Debt securities	358,805	216,026
Money Market	-	173,379
	<u>358,805</u>	<u>389,405</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

8. Dividend Income

	2021 GH¢	2020 GH¢
Dividend Received	28,729	3,913
	<u>28,729</u>	<u>3,913</u>

9. Other Income

	2021 GH¢	2020 GH¢
Credit Interest	7,356	20,215
Other Income	-	17,714
Exchange gain	7,034	1,682
	<u>14,390</u>	<u>39,611</u>

10. Financial Instruments

a. Analysis of changes in fair value of financial instruments at fair value through profit or loss

31 December 2021	Balance 1/1/20 GH¢	Purchases/ Disposal GH¢	Accrued Interest GH¢	Changes in Fair Value GH¢	Value 31/12/20 GH¢
Quoted Shares	68,849	(51,435)	-	114,740	132,154
GoG Bonds	2,035,950	(333,743)	(72,977)	26,317	1,655,547
Local Govt. & Stat. Agency Bonds	702,311	(537,452)	-	150,687	315,546
Corporate Bond	273,128	833,932	24,682	(4,646)	1,127,096
Collective Investment Scheme	-	(5,041)	3,528	5,922	881
	<u>3,080,238</u>	<u>(93,739)</u>	<u>(48,295)</u>	<u>293,020</u>	<u>3,231,224</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

31 December 2020	Balance 1/1/20 GH¢	Purchases/ Disposal GH¢	Accrued Interest GH¢	Changes in Fair Value GH¢	Value 31/12/20 GH¢
Quoted Shares	83,050	—	—	(14,201)	68,849
GoG Bonds	1,028,942	893,262	113,746	—	2,035,950
Local Govt. & Stat. Agency Bonds	117,435	560,250	24,626	—	702,311
Corporate Bond	329,440	(59,840)	3,528	—	273,128
	<u>1,558,867</u>	<u>1,393,672</u>	<u>141,900</u>	<u>(14,201)</u>	<u>3,080,238</u>

11. General Expenses

	2021 GH¢	2020 GH¢
Registration & License	—	500
AGM Cost	8,555	1,052
Bank Charges	—	113
Legal Fees	7,155	2,953
VAT	1,348	963
Trade Cost	18,428	
Postage & Delivery	—	101
	<u>35,486</u>	<u>5,682</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

12. Cash and Cash Equivalents

	2021 GH¢	2020 GH¢
Cash and Bank Balances	415,248	57,359

13. Financial Assets

	2021 GH¢	2020 GH¢
Debt Securities	3,099,071	2,309,078
Quoted Equity	132,154	68,849
Money Market	—	702,311
Money Market	882	—
	<u>3,080,238</u>	<u>3,080,238</u>

14. Classification of financial assets and financial liabilities

31 December 2021	Notes	Designated at fair value GH¢	Amortized Cost GH¢	Loan and receivable GH¢	Other Liabilities GH¢	Total GH¢
Cash and Cash equivalents	11	—	—	415,248	—	415,248
Investments at FVTPL		3,231,224	—	—	—	3,231,224
Investments at Amortized Cost		—	—	—	—	—
Other Receivables	16	—	—	8,988	—	8,988
		<u>3,231,224</u>	<u>—</u>	<u>424,236</u>	<u>—</u>	<u>3,655,460</u>
Payables Under Service Level Agreements		—	—	—	—	—
Due to Brokers	14	—	—	—	151,533	151,533
Other Payables	14	—	—	—	11,562	11,562
		<u>—</u>	<u>—</u>	<u>—</u>	<u>163,095</u>	<u>163,095</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

31 December 2020	Notes	Designated at fair value GH¢	Amortized Cost GH¢	Loan and receivable GH¢	Other Liabilities GH¢	Total GH¢
Cash and Cash equivalents	11	–	–	57,359	–	57,359
Investments at FVTPL		68,849	–	–	–	68,849
Investments at Amortized Cost		–	3,011,389	–	–	3,011,389
Other Receivables	16	–	–	7,777	–	7,777
		<u>68,849</u>	<u>3,011,389</u>	<u>65,136</u>	<u>–</u>	<u>3,145,373</u>
Payables Under Service Level Agreements						
Due to Brokers	14	–	–	–	69,452	69,452
Other Payables	14	–	–	–	13,483	13,483
		<u>–</u>	<u>–</u>	<u>–</u>	<u>82,935</u>	<u>82,935</u>

15. Accounts payable

	2021 GH¢	2020 GH¢
Fund management fees	151,533	69,452
Custody fees	2,410	2,580
General Expense	2,152	2,403
Audit Fees	7,000	8,500
	<u>163,095</u>	<u>82,935</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

16. Receivables

	2021 GH¢	2020 GH¢
Matured Investments	7,271	7,271
Overpayment of Audit Fees	1,000	—
Withholding Tax	717	506
	<u>8,988</u>	<u>7,777</u>

17. Capital Account

	Units	2021 GH¢	Units	2020 GH¢
Balance at 1 January	4,220,958	2,006,057	2,408,526	797,863
New Shares Issued	71,608	57,150	1,874,699	1,251,167
	<u>4,292,566</u>	<u>2,063,207</u>	<u>4,283,225</u>	<u>2,049,030</u>
Shares Redemption	(236,691)	(188,418)	(62,267)	(42,973)
Balance at 31 December	<u>4,055,875</u>	<u>1,874,789</u>	<u>4,220,958</u>	<u>2,006,057</u>

18. Risk Associated with Financial Instruments

The Fund's activities expose it to a variety of risks due to the nature of its activities. These risks include credit risk, liquidity risk and market risk (including interest rate risk and price risk). The Fund's objective in managing these risks is the protection and enhancement of shareholder value. The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of a loss being incurred on securities in custody as a result of the custodian's insolvency, negligence, misuse of assets, fraud, poor administration or inadequate record-keeping. Although an appropriate legal framework is in place that reduces the risk of loss of value of the securities held by the custodian, in event of its failure, ability of the fund to transfer the securities might be temporarily impaired.

The Fund's risk management policies are approved by the management of the Fund and seek to minimize the potential adverse effects of these risks on the Trust's financial performance. The risk



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

management system is an on-going process of identification, measurement, monitoring and controlling.

a) Credit Risk

Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Fund. At reporting date, financial assets exposed to credit risk include, cash and cash equivalents disclosed in note 11 and debt instruments disclosed in note 10 to the financial statements. It is the opinion of the fund managers that, the carrying amounts of these financial assets represent the maximum credit risk exposure at the reporting date.

Risk exposure arising from cash and cash equivalents: The Fund's cash and cash equivalents are mainly held by Standard Chartered Bank Ghana limited, Barclays Bank Ghana Limited and Access Bank Ghana limited.

Risk exposure to investment debt securities and concentration of credit risk is shown in the statement of financial assets designated at fair value through profit or loss on page 9 of the financial statements.

b) Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities. The Fund is exposed to daily cash redemption. The Fund's policy is to maintain 5% of its assets in short-term instruments for the purpose of handling redemption by unit holders.

c) Market Risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and market prices.

i. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund is exposed to interest rate risk as it invests its cash and cash equivalent in short term interest rates. The asset manager manages the Fund's exposure to interest rate on daily basis in accordance with the Fund's investment objectives and policies. The Fund's overall exposure to interest rate risk is monitored on a monthly basis by the management of Christian Community Mutual Fund Limited.

ii. Interest Rates Sensitivity

The sensitivity analysis reflects how net assets attributable to holders of units would have been affected by changes in relevant risk variable that were reasonably possible at the reporting date. Management has determined that fluctuation in interest rates of 20 basis points is reasonable considering the economic environment in which the Fund operates.

iii. Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Fund invests in securities denominated in United States Dollars. Accordingly, the value of the



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

fund's net assets may be affected favorably or unfavorably by fluctuations in currency rates and therefore the fund is subject to foreign exchange risk. Exchange risk exposures are managed within approved policy parameters.

iv. Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. The Fund is exposed to equity prices risk which arises from its investment in equity securities.

The investment manager manages the Fund's equity price risk on a daily basis in accordance with the Funds investment objectives and policies of 50 % (+/-10%). The Fund's overall market positions are monitored on quarterly basis by the Board of Directors.

19. Fair Value Measurement

The Fund classifies fair value measurement within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and lowest prices to unobservable inputs (Level 3). The levels of the fair value hierarchy are

Level 1

Quoted prices (unadjusted) in active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Inputs are observable for the assets or liabilities.

The determination of what constitutes "observable" requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that actively are involved in the relevant market.

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for asset or liability at measurement date. However, the fair value measurement objective remains the same. Therefore, unobservable inputs reflect the assumptions that market participants would use when pricing the assets or liability, including assumptions about risk.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

The following table provides an analysis of financial instruments measured at fair value at the period end date by the level in the fair value hierarchy into which the fair value measurement is categorized.

As At 31 December, 2021 Investments T FVTPL Quoted Securities	Level 1	Level 2	Level 3	Total
Equity	132,154	—	—	132,154
Debt Securities				
Government Bond	1,655,548	—	—	1,655,548
Corporate Bond	1,127,095	—	—	1,127,095
Local Government Securities	315,546	—	—	315,546
Collective Investment Schemes				
EDC Balanced Fund	882	—	—	882
Total Recurring Fair Value Measurement of Assets	<u>3,231,225</u>	<u>—</u>	<u>—</u>	<u>3,231,225</u>

There were no transfers between levels during the period.

20. Event After Reporting Period

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



PROXY FORM

I/We.....
of.....
being a member(s) of Christian Community Mutual Fund (“the Company”) hereby appoint
.....Or
failing him the duly appointed Chairman of the meeting as my/our proxy to vote for me/us on
my/our behalf at the 9th Annual General Meeting of the Company to be held at the Calvary Baptist
Church in Shiashie, Accra, on **Friday 3rd February, 2023**, at 10:00am prompt and any adjourn-
ment thereof.
I/We direct that my/our vote(s) be cast on the specified resolution as indicated by an X in the
appropriate space.

RESOLUTION	FOR	AGAINST	ABSTAIN
1. To received and adopt Report of Directors and Auditors.			
2. To receive and adopt the Financial Statements for the year ended 31st December, 2021.			
3. To re-elect the following Directors retiring by rotation; <ul style="list-style-type: none"> • Sam Okudzeto • Yaa Pephrah Agyeman Amekudzi (Mrs.) 			
4. To authorize the Directors to fix remuneration of the Auditors.			



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