IAK CONSULT

EDENDALE PROPERTIES PLC LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31 2018

Contents **Pages**

CORPORATE INFORMATION

Directors:	Terence Ronald Darko (Chairman) Kwesi Amonoo-Neizer Nana Kumapremereh Nketiah Sophia Obeng-Aboagye
Registered office:	The Alberts No. 23 Sunyani Avenue Kanda Estates, Accra
Auditors:	IAKO Consult P. O. Box 617 Teshie - Nungua Estates Accra
Bankers:	Access Bank Ghana Limited Barclays Bank Ghana Limited CAL Bank Limited
Company Secretary	Dorcas Akyeneba Vandyck

REPORT OF THE INDEPENDENT AUDITOR
TO MEMBERS OF
EDENDALE PROPERTIES LIMITED

Opinion

We have audited the consolidated financial statements of **Edendale Properties Limited (the Company)**, which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present *a true and fair view of* the financial position of the Company as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

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

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is 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.

Report on Other Legal and Regulatory Requirements

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

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit; and
ii) in our opinion, proper books of account have been kept by the Company, so far as it appears from our examination of those books.

....

Signed by: Arnold Tetteh Okai (ICAG/P/1077)

For and on Behalf of:

IAKO CONSULT (ICAG/F/2017/003)
CHARTERED ACCOUNTANTS
32 Samora Machel Road, Asylum Down
P. O. Box TN 617
Accra

Date 28/06/19

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2018 GH¢	2017 GH¢
Rental Income	4	4,200,203	3,152,532
Lease Rental on Operating Lease	5	-	-
Gross Margin		**4,200,203**	**3,152,532**
Other Income	6	10,659,507	6,637,791
Total Operating Income		**14,859,710**	**9,790,323**
Finance Cost	7	(15,990,030)	(14,389,552)
Other Operating Expenses	8	(1,734,511)	(1,056,323)
Depreciation	11	(60,748)	(19,331)
Total Operating Expenses		**(17,785,289))**	**(15,465,206)**
Net Profit/(Loss) Before Taxation		**(2,925,579)**	**(5,674,883)**
Taxation	10a	4,637	(5,145)
Net Profit/(Loss) After Taxation		**(2,920,942)**	**(5,680,028)**
Other Comprehensive Income			
Valuation Gain	9	5,478,802	6,602,500
Total Comprehensive Income		**2,557,860**	**922,472**

STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	2017	2017
Non-Current Assets		**GH¢**	**GH¢**
Property, Plant & Equipment	11	168,723	178,134
Investment Properties	12	166,558,464	159,671,539
Available for Sale – Assets	13	10,326	7,170
		166,737,513	159,856,843
Current Assets			
Loans and Receivables	14	9,266,272	5,204,435
Deferred Tax Assets	10b	17	-
Commercial Papers	15	21,866,934	17,700,354
Cash and Bank Balances	16	314,980	47,807
		31,448,203	22,952,596
		198,185,716	**182,809,439**
LIABILITIES AND SHAREHOLDERS FUNDS			
Current Liabilities			
Short Term Loans	17	32,007,283	31,453,350
Loan from Shareholder	19	25,723,119	24,027,305
Accounts Payable	20	1,046,964	1,041,004
Deferred Tax Liability	10b	-	4,620
		58,777,366	**56,526,279**
Non-Current Liabilities			
Medium Term Liabilities	18	44,324,423	33,757,093
TOTAL LIABILITIES		**103,101,789**	**90,283,372**
Equity			
Stated Capital	21	74,956,026	74,956,026
Income Surplus		20,127,901	17,570,041
SHAREHOLDERS FUNDS		**95,083,927**	**92,526,067**
TOTAL LIABILITIES AND SHAREHOLDERS FUNDS		**198,185,716**	**182,809,439**

The Board of Directors approved these financial statements on

Kwesi Amonoo-Neizer
....
DIRECTOR

....
DIRECTOR

The accompanying notes on pages 14 to 40 from part of these financial statements and should be read in conjunction therewith.

STATEMENT OF CASH FLOWS

	Notes	2017	2017
Operating Activities		**GH¢**	**GH¢**
Profit from Operations		**2,557,860**	**922,472**
Adjustments for:			
Depreciation		60,748	19,331
Decrease / (Increase) in Loan and Receivables		(4,061,837)	(2,632,486)
Deferred Tax		(4,637)	5,145
Revaluation Surplus			-
(Decrease) / Increase in Payables		5,960	377,831
Net Cash Generated from Operating Activities		**(1,441,906)**	**(1,307,707)**
Taxation			
Taxation		-	-
Cash Flow Included in Investing Activities:			
Investment Properties		(6,886,925)	8,755,617
Commercial Papers		(4,166,580)	(7,311,169)
Available for Sale Investment		(3,156)	-
Purchase of Property and Equipment		(51,337)	(196,913)
Net Cash From Investing Activities		**(11,107,998)**	**1,247,535**
Cash Flows From Financing Activities			
Shareholders Loan		1,695,814	15,577,256
Stated Capital		-	6,872,153
Medium Term Loans		10,567,330	(1,949,312)
Short Term Loans		553,933	(20,661,445)
Net Cash Used In Financing Activities		**12,817,077**	**(161,348)**
Net Increase/(Decrease) in Cash and Cash Equivalents		**267,173**	**1,662,330**
Cash and Cash Equivalents at Beginning of Year		47,807	269,327
Cash and Cash Equivalents at End of Year		**314,980**	**47,807**

STATEMENT OF CHANGES IN EQUITY

	Stated Capital	Income Surplus	Total
Year Ended 31 December 2018			
At The Beginning of The Year	74,956,026	17,570,041	**92,526,067**
Profit/(Loss) For The Period	-	2,557,860	**2,557,860**
Issuance of Ordinary Shares	-	-	**-**
At The End of The Year	74,956,026	20,127,901	**95,083,927**
Year Ended 31 December 2017			
At The Beginning of The Year	68,083,873	16,647,569	**84,731,442**
Profit/(Loss) For The Period	-	**922,472**	**922,472**
Issuance of Ordinary Shares	6,872,153	-	**6,872,153**
At The End of The Year	74,956,026	17,570,041	**92,526,067**

NOTES TO THE FINANCIAL STATEMENTS

1.0 CORPORATE INFORMATION

NATURE OF COMPANY

Edendale Properties Limited is a Public Limited Liability Company incorporated in Ghana under the Companies Code 1963, Act 179. The company is domiciled in Ghana with its registered office at the Alberts, No. 23 Sunyani Avenue, Kanda Estates, Accra.

The company is authorized to undertake the following:

(i) Property Development,
(ii) Real Estate Development
(iii) Building Construction and
(iv) Civil Engineering Works

Judgments and Estimates

The presentation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affects the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the note 3

Going concern

The company's management has made an assessment of the company's ability to continue as a going concern and is satisfied that the company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

New Standards and Interpretations not yet adopted

	Amendments/Improvements	Effective Date
IFRS 9	**Financial Instruments** IFRS 9 Introduce new requirements for classifying and measuring financial assets and financial liabilities Finalized version, incorporating requirements for classification and measurement, impairment, general hedge accounting and Derecognition	Effective for annual periods beginning on or after **1 January 2019** Note: IFRS 9 (2014) supersedes IFRS 9 (2009), IFRS 9 (2010) and IFRS 9 (2013), but these standards remain available for application if the relevant date of initial application is before 1 February 2015.
IFRS 11	**Joint Arrangements** IFRS 11 *Joint Arrangements* outlines the accounting by entities that jointly control an arrangement. Joint control involves the contractually agreed sharing of control and arrangements subject to joint control are classified as either a joint venture (representing a share of net assets and equity accounted) or a joint operation (representing rights to assets and obligations for liabilities, accounted for accordingly).	Effective for annual periods beginning on or after 1 **January 2019.** IFRS 11 **superseded** SIC-13 *Jointly Controlled Entities - Non-Monetary Contributions by Venturers*
IFRS 16	**Leases** It completes the IASB's long-running project to overhaul lease accounting. Leases will be recorded on the statement of financial position in the form of a right-of-use asset and a lease liability	IFRS 16 is effective from periods beginning on or after **1 January 2019** Note: IFRS 16 will replace IAS 17 and three related Interpretations.
IFRS 17	**Insurance Contracts** *Insurance Contracts* establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the	Effective for annual periods beginning on or after 1 **January 2021** IFRS 17 replaces the following standard: • IFRS 4 *Insurance Contracts*

entity's financial position, financial performance and cash flows. [IFRS 17:1]

IFRS 9

IFRS 9 *Financial Instruments* issued on 24 July 2014 is the IASB's replacement of IAS 39 *Financial Instruments: Recognition and Measurement*. The Standard includes requirements for recognition and measurement, impairment and general hedge accounting. The IASB completed its project to replace IAS 39 in phases, adding to the standard as it completed each phase.

The version of IFRS 9 issued in 2014 supersedes all previous versions and is mandatorily effective for periods beginning on or after 1 January 2018 with early adoption permitted (subject to local endorsement requirements). For a limited period, previous versions of IFRS 9 may be adopted early if not already done so provided the relevant date of initial application is before 1 February 2015.

IFRS 9 does not replace the requirements for portfolio fair value hedge accounting for interest rate risk (often referred to as the 'macro hedge accounting' requirements) since this phase of the project was separated from the IFRS 9 project due to the longer term nature of the macro hedging project which is currently at the discussion paper phase of the due process.

IFRS 11

A joint arrangement is an arrangement of which two or more parties have joint control. [IFRS 11:4]

A joint arrangement has the following characteristics: [IFRS 11:5]

- the parties are bound by a contractual arrangement, and
- the contractual arrangement gives two or more of those parties joint control of the arrangement.

A joint arrangement is either a joint operation or a joint venture. [IFRS 11:6]

Joint control

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. [IFRS 11:7]

Before assessing whether an entity has joint control over an arrangement, an entity first assesses whether the parties, or a group of the parties, control the arrangement (in accordance with the definition of control in IFRS 10 *Consolidated Financial Statements*). [IFRS 11:B5]

After concluding that all the parties, or a group of the parties, control the arrangement collectively, an entity shall assess whether it has joint control of the arrangement. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement. [IFRS 11:B6]

The requirement for unanimous consent means that any party with joint control of the arrangement can prevent any of the other parties, or a group of the parties, from making unilateral decisions (about the relevant activities) without its consent. [IFRS 11:B9]

IFRS 16

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 was issued in January 2017 and applies to annual reporting periods beginning on or after 1 January 2019.

IFRS 16 establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. [IFRS 16:1]

IFRS 16 *Leases* applies to all leases, including subleases, except for: [IFRS 16:3]

(i) leases to explore for or use minerals, oil, natural gas and similar non-regenerative resources;
(ii) leases of biological assets held by a lessee (see IAS 41 *Agriculture*);
(iii) service concession arrangements (see IFRIC 12 *Service Concession Arrangements*);
(iv) licences of intellectual property granted by a lessor (see IFRS 15 *Revenue from Contracts with Customers*); and
(v) rights held by a lessee under licensing agreements for items such as films, videos, plays, manuscripts, patents and copyrights within the scope of IAS 38 *Intangible Assets*

A lessee can elect to apply IFRS 16 to leases of intangible assets, other than those items listed above. [IFRS 16:4]

IFRS 17

IFRS 17 *Insurance Contracts* establishes the principles for the recognition, measurement, presentation and disclosure of Insurance contracts within the scope of the Standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. This information gives a basis for users of financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. [IFRS 17:1]

Scope

An entity shall apply IFRS 17 *Insurance Contracts* to: [IFRS 17:3] Insurance contracts, including reinsurance contracts, it issues;

(i) Reinsurance contracts it holds; and
(ii) Investment contracts with discretionary participation features it issues, provided the entity also issues insurance contracts.

Some contracts meet the definition of an insurance contract but have as their primary purpose the provision of services for a fixed fee. Such issued contracts are in the scope of the standard, unless an entity chooses to apply to them IFRS 15 *Revenue from Contracts with Customers* and provided the following conditions are met: [IFRS 17:8]

a) the entity does not reflect an assessment of the risk associated with an individual customer in setting the price of the contract with that customer;
b) the contract compensates the customer by providing a service, rather than by making cash payments to the customer; and
c) the insurance risk transferred by the contract arises primarily from the customer's use of services rather than from uncertainty over the cost of those services.

2.0 ACCOUNTING POLICIES

BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for sale financial assets and financial assets and financial liabilities (including derivatives instruments) at fair value through profit or loss.

Significant Accounting Estimates, Assumptions & Judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policy. Key areas in which judgment is applied include:

Statement of Compliance

These financial statements of Edendale Properties PLC have been prepared in accordance with International Financial reporting Standards (IFRS). IFRS has been applied in preparing these financial statements. This is in conformity with the directives of the Institute of Chartered Accountants (ICAG) in collaboration with other regulatory bodies like the Securities and Exchange Commission.

Functional and Presentation Currency

The financial statements are presented in Ghana Cedis, which is the Company's functional and presentation currency.

Foreign currencies

Foreign currency transactions are recorded in the functional currency using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are restated into the functional currency at rate of exchange ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the restatement of monetary assets and liabilities denominated in foreign currencies at year end are recognized in the income statement under the heading "other operating income or "other operating expenses".

The effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the cash flow statements as part of the reconciliation of cash and cash equivalent at the beginning and end of the period. This amount is presented separately from cash flows from operating, investing and financing activities and includes the differences, if any, had those cash flows been reported at end of period exchange rates.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is provided on the depreciable amount of each component on a straight-line basis over the anticipated useful life of the asset. The depreciable amount related to each asset is determined as the difference between the cost and the residual value of the asset. The residual value is the estimated amount, net of disposal costs that the Company would currently obtain form the disposal of an asset in similar age and condition as expected at the end of the useful life of the asset. The current annual depreciation rates for each class of property, plant and equipment are as follows:

	%
Furniture, fixtures and fittings	20
Office machine and equipment	20

Costs associated with routine servicing and maintenance of assets are expensed as incurred. Subsequent expenditure is only capitalized if it is probable that future economic benefits associated with the item will flow to the Company.

The carrying values of property and equipment are reviewed for indications of impairment annually, or when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Residual values, useful lives and methods of depreciation for property and equipment are reviewed, and adjusted if appropriate, at each financial year end.

Investment Property

Comprises of properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the Company. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at cost, including related transaction costs and (where applicable) borrowing costs

After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment properties under construction for which the fair value cannot be determined reliably, but for which the Company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed – whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

It may sometimes be difficult to determine reliably the fair value of investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

. The provisions of the construction contract.
. The stage of completion.
. Whether the project/property is standard (typical for the market) or non-standard.
. The level of reliability of cash inflows after completion.
. The development risk specific to the property.
. Past experience with similar constructions.
. Status of construction permits.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed. Where the Company disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.

Gain or loss arising from the retirement or disposal of an investment property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

When an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

Intangible assets

Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over 3 years.

Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain the expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

Contingent liabilities and contingent assets are not recognized in the financial statements but are disclosed.

Employee Benefits

Social Security & Provident Funds

The Company contributes to the national pension fund (defined contribution) governed by the Social Security & National Insurance Trust Fund law on behalf of employees. All employer contributions are charged to the income statement as incurred and are included under staff costs.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at fair value of the consideration received or receivable and represents amounts receivable or received for services provided and goods delivered, net of discounts and Value Added

Taxation (VAT) and where there is reasonable expectation that the income will be received and all attaching conditions will be complied with. The following specific recognition criteria are met before revenue is recognized.

A **capital gain** is a profit that results from a disposition of a capital asset, such as stock, bond or real estate, where the amount realized on the disposition exceeds the purchase price. The gain is the difference between a higher selling price and a lower purchase price. Conversely, a capital loss arises if the proceeds from the sale of a capital asset are less than the purchase price.

A **dividend** is a payment made by Company to its shareholders, usually as a distribution of profits. When a Company earns a profit or surplus, it can re-invest it in the business (called retained earnings), and pay a fraction of this reinvestment as a dividend to shareholders.

Rent, is recognized when it is received. Rent is also recognized when is due. The advanced payment of rent or fees received must be recognized as deferred income. The advance payment of rent to terminate a lease early must also be recognized in the year in which it is received.

Revenue is recognized when the Company's right to receive money is established.

Rendering of Services

When the outcome of a transaction involving the rendering of services can be estimated reliable, revenue associated with the reference to the stage of completion of the transaction at the Statement of Financial Position date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

The amount of revenue can be measured reliably;

(a) It is probable that the economic benefits associated with the transaction will flow to the Company;
(b) The stage of completion of the transaction at the reporting date can be measured reliably;
(c) The costs incurred for the transaction and the cost to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Income tax

(a] Current income tax

Current income tax assets and liabilities for the current and prior period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

(b} Deferred income tax

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Value added tax

Revenues, expenses and assets are recognized net of the amount of values added tax except.

- where the value added tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Investments

Investments are recognised and derecognised on the trade date when the Company commits itself to purchase or sell an asset and are initially measured at fair value plus, in the case of investments other than trading securities, transaction costs. At each balance sheet date, the Company assesses whether there is any objective evidence that an investment or Company of investments is impaired. Investments are further categorised into the following classifications for the measurement after initial recognition.

a. Trading securities

Investments in securities held for trading are classified as trading securities included in current assets and are stated in the balance sheet at fair value. Any attributable transaction costs and gain or loss on the fair value changes of trading securities are recognised in profit or loss.

b. Held-to-maturity investments

Investment in debt securities with fixed or determinable payments and fixed maturity that the Company has the positive intention and ability to hold to maturity are classified as held-to-maturity investments, which are measured at amortised cost using the effective interest method, less impairment losses, if any.

Impairment losses on held-to-maturity investments are recognised in profit or loss when there is objective evidence that an impairment loss has been incurred and are measured as the difference between its carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at its original effective interest rate, i.e. the effective interest rate computed at initial recognition.

c. Available-for-sale financial assets

Investments other than those held for trading and held to maturity are classified as available-for-sale financial assets and are stated in the balance sheet at fair value. Gain or loss on the fair value changes of available-for-sale financial assets is recognised directly in equity in the fair value reserves, except for impairment losses and, in the case of monetary items such as debt securities, foreign exchange gains and losses which are recognised directly in profit or loss.

When the available-for-sale financial assets are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where the available-for-sale financial assets are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.
When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity is removed from equity and recognised in profit or loss even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from equity and recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in profit or loss.

d. Unquoted Equity Instruments Carried at Cost

Investments in unquoted equity instruments whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, is measured at cost less impairment losses, if any.

If there is objective evidence that an impairment loss has been incurred on such instrument, the amount of impairment loss is measured as the difference between its carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar instrument. Such impairment losses are not reversed.

e. Fair Value

Fair value of an investment on initial recognition is normally the transaction price, unless it is estimated by using a valuation technique when part of the consideration given or received is for something other than the investments.

After initial recognition, the fair value of an investment quoted in an active market is based on the current bid price and, for investments not quoted in an active market; the Company establishes the fair value of such investment by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same,discounted cash flow analysis and option pricing models.

Financial Assets
Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term.

Assets in this category are classified as current assets if expected to be settled within 12 months, otherwisethey are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards ofbownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gain or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within 'Other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income as part of other income when the Company's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as 'Gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the statement of comprehensive income as part of other income. Dividends on available-for-sale equity instruments are recognised in the statement of comprehensive income as part of other income when the Company's right to receive payments is established.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

Assets carried at amortised cost

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or 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 the 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.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

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 recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

Assets classified as available for sale

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Company uses the criteria referred to in (a) above. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in profit or loss. Impairment losses recognized in the consolidated statement of comprehensive income on equity instruments are not reversed through the consolidated statement of comprehensive income.

If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the consolidated statement of comprehensive income.

Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

Trade and other receivables

Trade and other receivables are initially measured at fair value and, after initial recognition, at amortized cost less impairment losses for bad and doubtful debts, if any, except for the following receivables:

- Interest-free loans made to related parties without any fixed repayment terms or the effect of discounting being immaterial, that are measured at cost less impairment losses for bad and doubtful debt, if any; and

- Short-term receivables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount less impairment losses for bad and doubtful debt, if any.

At each reporting date, the Company assesses whether there is any objective evidence that a receivable or Company of receivables is impaired. Impairment losses on trade and other receivables are recognized in profit or loss when there is objective evidence that an impairment loss has been incurred and are measured as the difference between the receivable's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at its original effective interest rate, i.e. the effective interest rate computed at initial recognition. The impairment loss is reversed 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.

Cash and cash equivalents

Cash comprises cash on hand and at bank and demand deposits with bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.
For the purpose of statement of cash flows, bank overdrafts which are repayable on demand form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in reserves. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in the cumulative impairment losses attributable to the application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of the impaired available-for-sale equity security is recognised in other comprehensive income.

Impairment of financial assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there us objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, an that loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would consider otherwise, indications that a debtor or issuer will enter into bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for security. The Company considers evidence of impairment for financial assets measured at amortised cost (loans and receivables and held-to-maturity investment securities) at both a specific asset and collective level. All individually significant assets are assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by accompanying together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical trends if the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated cash flows discounted at the assets original effective interest rate. Deficits are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Financial liabilities

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

State capital - Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Interest-bearing borrowings

Interest-bearing borrowings, mainly bank loans and overdrafts, are measured initially at fair value less transaction costs and, after initial recognition, at amortised cost, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount.

Related parties

For the purposes of these financial statements, a party is considered to be related to the Company if:

a) directly, or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Company, has an interest in the Company that gives it significant influence over the Company, or has joint control over the Company;

b) the party is an associate of the Company;

c) the party is a joint venture in which the Company is a venture;

d) the party is a member of the key management personnel of the Company or its parent;

e) the party is a close member of the family of any individual referred to in (a) or (d);

f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

g) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

4. Income

	2018 GH¢	2017 GH¢
Rental Income	4,200,203	3,152,532
	4,200,203	**3,152,532**

5. Cost of Service

	2018 GH¢	2017 GH¢
Lease Rental on Operating Lease	-	-
	-	-

6. Other Income

	2018 GH¢	2017 GH¢
Forex Gain	6,891,336	3,903,749
Realised Gain	-	257,616
Interest Income	3,768171	2,476,426
	10,659,507	**6,637,791**

7. Finance Expenses

	2018 GH¢	2017 GH¢
Interest Expense	15,551,031	13,751,252
Exchange loss	423,260	611,808
Bank Charges	15,739	26,492
	15,990,030	**14,389,552**

8. Other Operating Expenses

	2018 GH¢	2017 GH¢
Audit fees	28,000	28,000
Cleaning and Sanitation	45,952	31,848
Insurance - Property	38,000	20,671
Internet Services	675	660
Listing Expenses	41,080	32,155
Management Fees	699,840	-
Printing and Stationery	600	600
Property Management Expenses	362,963	474,791
Legal & Professional Expenses	65,161	104,650
Registration and Licenses	0	-
Stamp Duty	46,560	18,000
Others	405,680	344,948
	1,734,511	**1,056,323**

9. Valuation gains on investments

	2018 GH¢	2017 GH¢
Gain on investment properties	5,478,802	6,602,500
	5,478,802	**6,602,500**

10a. INCOME TAX EXPENSE

	2018 GH¢	2017 GH¢
Current Income Tax	-	-
Deferred Tax	(4,637)	5,145
	(4,637)	**5,145**

Deferred Tax

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 25%. The movement on the deferred income tax account is as follows:

10b. DEFERRED TAX Asset/(Liability)

	2017 GH¢	2017 GH¢
At start of year	4,620	(525)
Income statement (credit)/charge	(4,637)	5,145
Balance at December 31	**(17)**	**4,620**

11. Property, Plant & Equipment

Cost/Valuation	**Generator Set**	**Office Equipment** **GH¢**	**Furniture & fittings** **GH¢**	**Total** **GH¢**
Balance as at 1st Jan 2018	177,213	21,550	-	198,763
Additions for the year	37,367	13,970	-	51,337
Disposal/Write Off		-	-	-
Balance as at 31st Dec 2018	**214,580**	**34,520**	**-**	**250,100**
Depreciation				
Balance as at 1st Jan 2018	15,831	4,798	-	20,629
Charge for the year	51,286	9,462	-	60,748
Disposal/Write Off				
Balance as at 31st Dec 2018	**67,117**	**14,260**	**-**	**81,377**

Cost/Valuation	Generator Set	Office Equipment	Furniture & fittings	Total
		GH¢	GH¢	GH¢
Balance as at 1st Jan 2017	-	1,850	3,332	5,182
Additions for the year	177,213	19,700	-	196,913
Disposal/Write Off	-	-	(3,332)	(3,332)
Balance as at 31st Dec 2017	**177,213**	**21,550**	**-**	**198,763**
Depreciation				
Balance as at 1st Jan 2017	-	1,653	2,977	4,630
Charge for the year	15,831	3,145	355	19,331
Disposal/Write Off	-	-	(3,332)	(3,332)
Balance as at 31st Dec 2017	**15,831**	**4,798**	**-**	**20,629**
Net Book Value 2017	**161,382**	**16,752**	**-**	**178,134**

12. Investment Properties

	2018 GH¢	2017 GH¢
Investment Property - Airport	80,641,882	73,877,668
Investment Property – Cantonments	61,910,138	62,965,352
Investment Property – East Legon	2,906,506	3,387,351
Investment Property – Lajoya	15,329,572	14,154,819
Investment Property – Ringway	5,770,366	5,286,349
	166,558,464	**159,671,539**

13. Financial Assets – FVTPL

	2018 GH¢	2017 GH¢
Omega Income Fund	4,125	3,621
Omega Equity Fund	6,201	3,549
	10,326	**7,170**

14. Loans and Receivables

	2018 GH¢	2017 GH¢
Taxation	25,300	12,000
Interest Receivables	5,660,734	4,300,000
Others	3,580,238	892,435
	9,266,272	**5,204,435**

15. Commercial Paper

	2018 GH¢	2017 GH¢
Commercial Papers	21,866,934	17,700,354
Valuation of Commercial Paper	-	-

		21,866,934	**17,700,354**

16.	**Cash and Bank**	**2018 GH¢**	**2017 GH¢**
	Cash Balances	-	-
	Bank Balances	314,980	47,807
		314,980	**47,807**

17.	**Short Term Loans**	**2018 GH¢**	**2017 GH¢**
	Tenured Deposits	29,859,380	29,266,378
	Interest Payable on Deposit	2,147,903	2,186,972
		32,007,283	**31,453,350**

The interest on these loans ranges from 12% to13% per annum. These loans are US dollar denominated loans. The durations of the loans ranges from 49 days to 365 days.

18.	**Medium Term Loans**	**2018 GH¢**	**2017 GH¢**
	Preference Shares	11,648,455	9,709,216
	Listed Bonds	32,675,968	24,047,876
		44,324,423	**33,757,092**

Listed bonds comprise of a three-year bonds listed on the Ghana Stock Exchange with variable interest rate of 182 Treasury bill rate plus 3% and 27% fixed rate. The purpose for the loans was to acquire new investment properties and pay off some outstanding balances on investment properties already purchased.

19.	**Loan from Shareholders**	**2018 GH¢**	**2017 GH¢**
	Acorn Properties Limited	25,280	14,792
	Mega Africa Capital Limited	25,590,781	23,950,166
	Rehoboth Capital Limited	107,058	62,347
		25,723,119	**24,027,305**

These are additional contributions from shareholders aside their Capital Contribution.

20.	**Accounts Payable**	**2018 GH¢**	**2017 GH¢**
	Tenants Deposit	264,137	996,703
	Management Fees	699,840	-

Staff Salaries	-	1,200
Accrued Professional Fees	58,162	39,387
Others	24,825	3,714
	1,046,964	**1,041,004**

21. Stated Capital

		2018	2017
Authorized Shares	100,000,000		
Issued Shares	**No. of Shares**	**GH¢**	**GH¢**
Ordinary Shares	8,799,033	74,956,026	74,956,026
Total	**8,799,033**	**74,956,026**	**74,956,026**

22. Related Party Transactions

The following transactions were entered into with other related companies during the year:

Investments from the following business

	2018 GH¢	2017 GH¢
Acorn Properties Limited	25,280	14,792
Mega Africa Capital Limited	25,590,781	23,950,166
Rehoboth Capital Limited	107,058	62,347
	25,723,119	**24,027,305**

Key management compensation

The compensation paid or payable to key management for employee services is shown below:

	2018 GH¢	2017 GH¢
Total key management compensation	**Nil**	**Nil**

23. Financial Risk Management

The Company has exposure to the following risks from its use of financial instruments:

Credit risk
Liquidity risk
Market risk
This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk Management Framework

The Company's risk management policies are established to identify and analyze the risk faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market in conditions, products and services offered. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit and Finance Committee is responsible for monitoring compliance with the Company's risk management policies and procedures, and for reviewing the adequacy of risky management framework in relation to the risks faced by the Company. This committee is assisted in these functions by a risk management structure in all the units of the Company which ensures a consistent assessment of risk management control and procedures.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2018	2017
	GH¢	GH¢
Loans and Receivables	9,266,272	5,204,435
Availalble for Sale - Assets	10,326	7,170
Commercial Papers	21,866,934	17,700,354
Cash and Cash Equivalents	314,980	47,807
	31,458,512	**22,959,766**

Liquidity Risk

Liquidity risk is the risk that the Company either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access them only at excessive cost. The Company's approach to managing liquidity is to ensure that it will maintain adequate liquidity to meet its liabilities when due.

Market Risks

Market risk is the risk that changes in the money and capital market such as interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on investments.

Operational Risk

Operational risk is the exposure to financial or other damage arising through unforeseen events or failure in operational processes and systems. Examples include inadequate controls and procedures, human error, deliberate malicious acts including fraud and business interruption. These risks are controlled and monitored through system controls, segregation of duties, exception and exposure reporting, business continuity planning, reconciliations, and timely and reliable management reporting.

Interest Risk

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	2018	2017
Fixed Rate Instruments	**GH¢**	**GH¢**
Loan from Shareholders	25,723,119	24,027,305
Short Term Loans	32,007,283	31,453,350
	57,730,402	**55,480,655**

24. Fair Values

Fair values versus carrying amounts. The fair values of financial assets and liabilities together with carrying amount shown in the balance sheet are as follows

	31 December 2018		**31 December 2017**	
	Carrying Amount	**Fair Value**	**Carrying Amount**	**Fair Value**
Assets	**GH¢**	**GH¢**	**GH¢**	**GH¢**
Investment Properties	166,558,464	166,558,464	159,671,539	159,671,539
Loans and Receivables	9,266,272	9,266,272	5,204,435	5,204,435
Available for Sale - Assets	10,326	10,326	7,170	7,170
Commercial Papers	21,866,934	21,866,934	17,700,354	17,700,354
Cash and Cash Equivalents	314,980	314,980	47,807	47,807
	198,016,976	**198,016,976**	**182,631,305**	**182,631,305**
Liabilities				
Loan from Shareholders	25,723,119	25,723,119	24,027,305	24,027,305
Short Term Loans	32,007,283	32,007,283	31,453,350	31,453,350
Accounts Payable	347,124	347,124	1,041,005	1,041,005
	58,077,526	**58,147,526**	**56,521,660**	**56,521,660**

25. Event after the reporting period

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

26. Commitments

There were no commitments capital expenditure at the balance sheet date as at 31 December 2018.

Financial Transparency and Other Disclosures

1. Objectives of the Company:

   Is to be the leading property and real estate Investment Company.

2. Board's responsibilities regarding financial communications:

   The Board recognizes the importance of two-way communication with the Company's shareholders. The Chair, and the CEO, meet regularly with major shareholders and report the views of such shareholders to the Board. As well as the Company giving a balanced report of financial results and progress at each AGM, all shareholders have an opportunity to ask questions in person.

3. The decision-making process for approving transactions with related parties.

   There is no decision-making process for approving transactions with related parties

4. Internal control systems.

   The Board is responsible for maintaining a sound system of risk management and internal control, and for regularly reviewing its effectiveness. It has delegated authority to the Audit Committee to assist it in fulfilling its responsibilities in relation to internal control and financial reporting

   The Board confirms that there is a robust process for identifying, evaluating and managing the principal risks to the achievement of Edendale's objectives. This has been in place throughout 2017 and up to the date of this Report and is regularly reviewed by the Board and accords with the Internal Control

5. Process for appointment of external auditors

   The procedure for the selection and appointment of external auditor is based on the following framework:

   (i) The Board is responsible for appointing the external auditor, subject to shareholder approval;
   (ii) If the role of external auditor becomes vacant, or if the Audit and Risk Committee otherwise considers it appropriate to do so, the Audit and Risk Committee will conduct a formal selective tendering process. Tenders will be evaluated in accordance with established criteria as appropriate at the time;
   (iii) The Committee shall ensure that prospective auditors are provided with sufficient information about the Company to develop an appropriate proposal and fee estimate;
   (iv) **Once the review process has taken place the Audit and Risk Committee provides the Board with information concerning the process adopted in undertaking the review, the recommended external auditor and the reasons for the recommendation;**

6. Process for interaction with external auditors.

   (i) Upon engagement, the external auditor will report to the Audit & Risk Committee, have unfettered access to management, staff, records, company facilities and will be permitted reasonable time to conduct its audit; and

(ii) The Audit and Risk Committee will annually review the external auditor's performance and independence.

7. Duration of currilent auditors.

4 yrs. Since 2014

8. Auditors' involvement in non-audit work and the fees paid to the auditors.

Our Auditors are not involved in non-audit work. The external auditor services are limited to the statutory audit.

9. Policy and performance in connection with environmental and social responsibility.

The company does have a Corporate Social Responsibilities Policy. But no CSR activity was conducted in 2018.

10. A Code of Ethics for all company employees.

Directors, officers, employees and contract staff are required to comply with the Company Code of Conduct, which is intended to help them put Company's business principles into practice. This code clarifies the basic rules and standards they are expected to follow and the behaviour expected of them.

We strive to maintain a healthy industrial relations environment in which dialogue between management and employees – both directly and, where appropriate, through employee representative bodies – is embedded in our work practices. On a quarterly basis, management briefs employees on our operational and financial results through various channels, including team meetings, face-to-face gatherings, and email from the Chief Executive Officer.

Strong employee engagement is especially significant in maintaining strong business delivery in times of great change. We promote safe reporting of views about our processes and practices.

11. Code of Ethics for the Board and waivers to the ethics code.

Members of the Board of Directors are committed to observing and promoting the highest standards of ethical conduct in the performance of their responsibilities on the board.

Board members pledge to accept this code as a minimum guideline for ethical conduct and shall:

Accountability

1. **Faithfully abide by the regulations, by-laws and policies of Edendale Properties PLC Ltd.**
2. **Exercise reasonable care, good faith and due diligence in organizational affairs.**
3. **Fully disclose, at the earliest opportunity, information that may result in a perceived or actual conflict of interest.**
4. **Fully disclose, at the earliest opportunity, information of fact that would have significance in board decision-making.**

5. **Strive to uphold these practices and assist members of the board in upholding the highest standards of conduct.**

12. Risk management objectives, system and activities

Objectives

- **To identify and prioritise potential risk events**
- **Help develop risk management strategies and risk management plans**
- **Use established risk management methods, tools and techniques to assist**
- **in the analysis and reporting of identified risk events**
- **Find ways to identify and evaluate risks**
- **Develop strategies and plans for lasting risk management strategies**

Management has overall responsibility for the management of risks, and for the implementation and maintenance of control systems in accordance with the Board's policies.

13. Types and duties of outside board and management positions.

Terence Darko-	**Board Chair - Ecobank Ghana Limited,** **Managing Director – Mechanical Lloyd** **President – Ghana Employers Association**
Kwesi Amonoo-Neizer	**(Managing Director- Mega African Capital,** **Director – Mechanical Llyod Company** **Director – Haradali Capital (Tanzania)** **Director – Omega Capital Limited** **Director – Easy Loans (Malawi)**
Nana Nketiah	**(Director, Omega Capital Limited** **Director, Omega Equity Fund** **Director, Kumapremereh Resources Limited** **Director, Acorn Properties Limited**
Sophia Obeng-Aboagye	**(Director – Omega Partners** **Director – Omega Money Market PLC** **Director – Man Capital Properties**

14. Qualifications and biographical information of board members.

Terence Darko	**– BA**
Kwesi Amonoo-Neizer	**– BSc, MSc, MBA**
Nana Nketiah	**– BSc, MBA**
Sophia Obeng-Aboagye	**– B.Com, MSc**

15. Professional development and training activities.

NONE

16. Composition of board of directors (executives and non-executives).

Terence Darko	**- Chairman**	**(Non-Executive)**
Kwesi Amonoo-Neizer	**- Director**	**(Executive)**
Nana Nketiah	**- Director**	**(Non-Executive)**
Sophia Obeng Aboagye	**- Director**	**(Executive)**

17. Performance evaluation process

NO

18. Role and functions of the board of directors and committees of the board.

ROLE OF DIRECTORS

The roles of the Chair, a non-executive role, and the CEO are separate, and the Board has agreed their respective responsibilities. The Chair is responsible for the leadership and management of the Board and for ensuring that the Board and its committees function effectively. One way in which this is achieved is by ensuring Directors receive accurate, timely and clear information.

The CEO bears overall responsibility for the implementation of the strategy agreed by the Board, the operational management of the Company and the business enterprises connected with it. He is supported in this by the Executive Committee which he chairs.

NON-EXECUTIVE DIRECTORS

Non-executive Directors are appointed by the Board or by shareholders at general meetings and, in accordance with the Code. Upon appointment, Nonexecutive Directors confirm they are able to allocate sufficient time to meet the expectations of the role.

The Non-Executive Directors bring a wide range and balance of skills and experience to the Company. Through their contribution to Board meetings and to Board committee meetings, they are expected to challenge constructively and help develop proposals on strategy and bring independent judgement on issues of performance and risk.

The Board recognises its collective responsibility for the long-term success of the Company. This includes: overall strategy and management; corporate structure and capital structure; financial reporting and control, oversight and review of risk management and internal control; significant contracts; and succession planning and new Board appointments.

19. Existence of procedure(s) for addressing conflicts of interest among board members.

CONFLICTS OF INTEREST

Certain statutory duties with respect to directors' conflicts of interest are in force under the Companies Act 1963 (the Act). In accordance with the Act and the regulations, the Board may authorise any matter that otherwise may involve any of the Directors breaching their duty to avoid conflicts of interest.

20. Checks and balances" mechanisms balancing the power of the CEO with the power of the board.

The roles of the Chair, a non-executive role, and the CEO are separate, and the Board has agreed their respective responsibilities. The Chair is responsible for the leadership and management of the Board and for ensuring that the Board and its committees function effectively. One way in which this is achieved is by ensuring Directors receive accurate, timely and clear information.

The CEO bears overall responsibility for the implementation of the strategy agreed by the Board, the operational management of the Company and the business enterprises connected with it. He is supported in this by the Executive Committee which he chairs.

The Management Committee operates under the direction of the CEO in support of his responsibility for the overall management of the Company's business. The CEO has final authority in all matters of management that are not within the duties and authorities of the Board or of the shareholders' general meeting.