



Accountants &
business advisers

GHANA SECURITIES INDUSTRY ASSOCIATION

FINANCIAL STATEMENTS

31 DECEMBER 2015

GHANA SECURITIES INDUSTRY ASSOCIATION
YEAR ENDED 31 DECEMBER 2015

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**GHANA SECURITIES INDUSTRY ASSOCIATION
MEMBERS, OFFICIALS & REGISTERED OFFICE
YEAR ENDED 31 DECEMBER 2015**

COUNCIL MEMBERS

Mr Reginald France	President
Rev Daniel Ogbarmey Tetteh	Vice President
Mr Winston Nelson Jr	Treasurer
Dr Sam Mensah	Member
Mr Ekow Afedzie	Member
Mr Alex Asiedu	Member
Mr Raziel Obeng-Okon	Member

EXECUTIVE SECRETARY

Ms Marian Dsane

AUDITOR'S

PKF
Chartered Accountants
P.O. Box 1219
Accra

REGISTERED OFFICE

C/O Ghana Stock Exchange
6th Floor, Cedi House, Liberia Road
P. O. Box 1849
Accra – Ghana

BANKERS

HFC Bank Ghana Limited

PRESIDENT'S REPORT

Dear Members, I greet you all well!

It is my pleasure once again to give a report of the Association's activities for the period ending 2015. The past year saw a lot of activity from the Association. Below are highlights of events over the period.

Annual General Meeting (AGM)

We started off the year with an AGM in March 2015. One of the key issues discussed was the Resolution regarding the issuance/ renewal of the Securities & Exchange Commission (SEC) licences to Market Operators in good standing with the Association. Members were reminded that the resolution tied the renewal of licences by the SEC to payment of annual dues.

Members at this meeting agreed to the proposed increase in 2015 membership subscription fees from GH¢1,800.00 to GH¢2,000.00. The expectation was that, to have a vibrant association that will enable us further the objective of developing the capital market in Ghana, members must engage fully on all fronts, especially making prompt payment of annual membership fees and participating in all GSIA activities.

Membership

Membership of the Association numbered 157 yet only 86 members paid their dues to the Association in 2015. The list of members in good standing for the year under review was published in the newspapers and the Governing Council intends to make this an annual affair.

Industry Data

As per industry reports, at the end of the 3rd quarter of 2015, there were approximately 236 capital market operators. The categories of companies & service providers licensed by the Securities & Exchange Commission (SEC) is as follows:

1	Broker-Dealers	23
3	Custodians	18
2	Investment Advisors	120
7	Registrars	4
5	Securities Depository	1
6	Stock Exchange	1
4	Trustees	5

Industry Assets under management as at September 2015 was GH¢11,386,657,977.90. Market capitalization of the Ghana Stock Exchange (GSE) as at December 2015 stood at GH¢57.12 billion. Currently, the number of listed companies on the bourse is 35. Also, featuring on the Ghana Alternative Market (GAX) are 3 corporate bonds.

Secondary Trades on the GSE as at Dec. 2015:
Volume traded - GH¢246, 428.362
Value Traded - GH¢247, 64 million
Primary Market- Money raised as at Dec. 2015
Equity - GH¢19, 06 million
Debt-Gh¢238,75 million

*Industry data credited to the SEC & GSE.

Publicity

GSIA recognizing the need to deepen our industry's presence sent out letters introducing the Association to select business groups. The idea is to create networking opportunities for the mutual exchange of ideas and best practise between GSIA and these groupings. We will keep you informed of any such exchanges.

Strategic Plans

As part of strategy the GSIA, sometime in June 2015, initiated plans to acquire land at the University of Ghana enclave to put up a multipurpose facility for GSIA. This has been stalled due to legal issues pending on the land. The GSIA will explore other options in the meantime.

Member Engagement/Communication

During the year we reached out to a cross section of members to get a sense of industry issues and expectations of the Association. Since then, GSIA has constantly engaged its constituents apprising them on pressing matters that affect them, also, ensuring that members are abreast on GSIA news, SECs circulars and other relevant information. For instance, circulating information on the draft **Securities Industry bill (SIL)**, the **data protection Act** and following up with a meeting at the Data Protection Commission on issues raised by some members on the automatic generation of fees.

GSIA Standing Committees

As a member- driven association representing various categories of the financial market, GSIA has seven (7) standing committees that assist with specific issues that arise.

1.	Broker Dealers Committee
2.	Committee of Service Providers
3.	Education and Training Committee
4.	Ethics and Professional Standards Committee
5.	Investment Advisors Committee
6.	Public Affairs Committee
7.	Regulatory and Legislative Affairs Committee

Not all of these committees have been as active as we would have wished. Some committee members suggested the merging of a number of the standing committees to allow for effective running.

The Professional Ethics committee (chaired by Mr. Ekow Afedzie) was reconstituted (GSE, EDC, Wealth Vision Financial Services, Liberty Asset Management, IFS Capital & UMB Trustees). At a meeting held on August 5, members discussed and agreed on a new terms of reference, and also assigned tasks on reviewing the code of Ethics & standard of practice for the GSIA and to recommend revisions if any.

The Broker-Dealer committee (Chaired by Winston Nelson Jnr) met regularly and before year end sent out invites to all Broker –dealers inviting new membership on this committee. The response was not very encouraging.

Capital Markets Training Institute- Update

As you are aware, we partnered the SEC and GSE and have successfully registered as co- initial shareholders of the Ghana Investment Securities Institute (GSI). Your GC has been involved in developing the curriculum for the Institute.

2015 Capital Market Week/Conference

GSIA participated in the 2015 capital market week & conference. Member firms committed funds to SEC towards the organization of the conference and Industry awards. The 2 day conference, under the theme, **“The Capital Market: An answer to Ghana’s economic development”** brought together professionals, industry leaders and policy makers who shared their perspectives on having a right policy mix and an optimal regulatory regime that will encourage private and public sectors to make better use of the capital market.

As part of the week’s activities GSIA also sponsored a public lecture delivered by the DG, SEC on Integration of West African Capital Markets. GSIA contributed a total of GH¢11,053.00. Additionally, the association has full responsibility for organising the capital market week in 2016 and in future periods.

Representation on Committees

GC member, Mr Alex Asiedu (MD, Stanlib Ghana), and Ms Marian Dsane, Executive Secretary, GSIA represented the Association on the steering committee for the 2nd National Capital Market Conference organized by SEC. Mr. Asiedu also represented the GSIA in Akosombo at the parliamentary review meeting on the Securities Industry bill.

On the Governing Committee of the Ghana Fixed Income Market (GFIM) GSIA was and continues to be ably represented by GC members, Messrs. Ekow Afedzie (Dep. MD of GSE) and Winston Nelson Jnr. (MD of African Alliance Securities).

Following the request for representation with the National Pensions Regulatory Authority (NPRA), the GSIA engaged with the Pensions regulator to have GSIA represented by a two-member team. To this end, GSIA’s representatives are Mr Kwabena Boamah, CIO of Stanlib Ghana and Mrs. Helena Kemetse, Head of Pensions, Databank.

Other committee and board representation are as follows:

- Board, Ghana Investment Securities Institute (GSI). Represented by GSIA Vice president, Rev. Dr Daniel Ogbarmey Tetteh (Executive Director, Databank Asset Management).
- Draft Companies Bill (2013) review committee. (Represented by Mr. Alex Asiedu (MD, Stanlib Ghana).
- Venture Capital Fund- (Represented by Mr. Clifford Mpare (CEO, Frontline Capital Advisors)

GSIA Secretariat

After operating from offices at West Airport, courtesy of Boulders Advisors for close to 5 years, we are happy to announce that the Secretariat on July 5, 2015 relocated to its new offices on the 6th Floor, Cedi house. The Ghana Stock Exchange (GSE) made available this office space and in addition, supported our capital expenditure with a sum of GH¢10,743.00. STANLIB Ghana similarly made a donation of GH¢2,000. The GSIA is truly appreciative of this kind gesture and appeals to other member firms to support with the income generation efforts of the GSIA.

MEETINGS /ADVOCACY WORK

Meetings

The Governing Council held quarterly meetings throughout the year on issues affecting the market and operators. The focus was on gearing our capital market towards more relevance in our economic environment. Further, on behalf of the securities industry, the GSIA engaged with policy makers, the regulator and in relevant stakeholder discussions to ensure that the peculiar concerns of the securities industry is considered when critical decisions that impact on the economy are being taken.

Advocacy and Policy Issues

Engagements with SEC on Guaranteeing Returns on Clients' Investments (GRI) :- A GSIA Governing Council team (Mr. Reggie France, Rev. Ogbarmey Tetteh, Mr Alex Asiedu Dr Sam Mensah and Dr Raziel Obeng-Okon) met with the Regulator, Securities and Exchange Commission (SEC) on four different occasions to deliberate on and discuss the Client Returns Issue, ensuring that decisions arrived at would not cripple the business of member firms yet professional ethics of the industry and client interest will be upheld.

After soliciting the views of members GSIA presented **Position papers on the GRI** to SEC in June and August 2015, proposing options to employ when using permissible guarantees. Subsequently, upon SEC's request, GSIA, in October 2015, submitted **draft Standard templates** on the options recommended for SECs consideration. The GC continues to engage with the regulator on this and will keep you informed on any further development.

Tax Matters

Tax Seminar and GSIA paper

Following the revision in the income Tax Act (Act 896), GSIA engaged a tax consultant and held a tax seminar on December 11, 2015 to discuss the potential impact of the revised income tax act on the securities industry. Members gained clarity on the new tax provisions from discussions and presentations made by the consultant and a team from the Ghana Revenue Authority (GRA). Following this seminar, a written submission was made to the GRA and Ministry of Finance on key policy and tax administration issues raised in the new Income tax Act. (ACT 896).

GSIA in its submission, highlighted the following major concerns; Taxation of collective investment schemes (CIS), Capital gains on Listed Securities, the 3 percentage points Corporate Tax rebate and Withholding Tax (WHT) for services at a rate of 15%.

- **Taxation of CIS** - GSIA advocated the need to;
Democratize investment, encourage a culture of savings and investments as a key consideration for capital mobilization and aiding the development agenda of the economy.

Retain the exemption status to promote investment vehicles as an option for raising long term capital. Referencing the conflict issue of the new Income tax Act as it relates to the Pensions (Act 766) and the potential impact on individual pensions.
- **Capital gains on listed Securities-**
The unattractiveness of Ghana as a market within the sub-region, given foreign investors constituting the bulk of investors in our market was highlighted. Attention was drawn to the existing challenges with the Ghanaian currency, size, cost, liquidity issues and market efficiency and a case made for favourable conditions to be created to make listing a bit more attractive to firms.
- **3 percentage Points corporate tax rebate-**
Among other considerations, GSIA noted that with the introduction of the GAX an encouraging number of firms had listed on the GSE and several others had shown an interest therefore the momentum and activity on the bourse had to be maintained or improved to deepen the market significantly.
- **Withholding Tax rate for services at the rate of 15%.**
In our engagements with the policy makers on the WHT issue there was indication that the rate of WHT on services will be addressed. We are happy to note that the rate of 15 (%) percent has since been reviewed to 7.5 (%) percent. (Presidential assent was given on 18 Feb 2016).

This is an achievement for all stakeholders, including the GSIA who strongly recommended that while there was a need for adjustments in the rate, any increase should be measured so that the working capital and operations of its members are not affected.

Collaborations

The GSIA is partnering ASOKO Insight, a sub Saharan reference provider for company information and analytics, with its data collection efforts in the Ghanaian Financial Services Industry. The company promotes a digital portal with in-house researched and vetted information on private companies operating in Africa, including Ghana. The data generated is used to support requests of its clients for investment opportunities and partners in Africa growth markets.

GSIA signed an MOU with the reference provider on November 3, 2015 and consequently furnished the company with a letter of introduction to all GSIA members requesting the patronage of all with the data collection efforts. With this collaboration, GSIA membership will receive among others, access to profiles generated on Ghanaian companies that are members to GSIA. We see this partnership to be potentially rewarding.

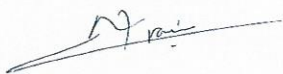
GSIA as GIPS Country Sponsor

As indicated at last year's AGM, we are adopting the GIPS standard to help us achieve greater standardization in performance measurement and reporting within the securities industry. We are happy to announce that our application for country sponsorship met with the approval of the CFA institute and GIPS Executive Committee. GSIA has therefore initiated discussions with Synercate Advisory about organizing a collaborative workshop for members in 2016. The goal is to implement the GIPS standards in 2017, after the workshop.

Conclusion/Appreciation

Overall, 2015 was a significant one for the GSIA and this would not have been possible without the valued and professional support of my fellow GC members, GSIA's standing committees, the Secretariat team, Ghana Stock Exchange, SEC and more importantly the positive engagement of our member firms. On behalf of the Governing Council, I thank you. We would like to assure all our stakeholders of the GSIA's continued efforts at ensuring investor participation in the market and through the strengthening of self-regulation. We look forward to achieving greater strides in 2016!

Best regards,



Reginald France
PRESIDENT

REPORT OF THE GOVERNING COUNCIL TO THE MEMBERS OF GHANA SECURITIES INDUSTRY ASSOCIATION

The Governing Council of Ghana Securities Industry Association (GSIA) presents its report and the financial statements of the Association for the year ended 31 December 2015.

NATURE OF BUSINESS

The GSIA is an industry association comprising firms regulated under the Securities Industry Law 1993 (PNDCL 333) as amended (investment dealers, investment advisors registrars and custodians), with associate membership provision for other financial institutions and the Ghana Stock Exchange.

The Association was incorporated as company limited by guarantee on 11 December 2003 and issued with certificate of incorporation number G12, 582.

The objects of the GSIA are to:

- Bring together companies in the securities industry and related fields for the mutual exchange of ideas;
- Encourage sound and ethical business practices among members;
- Enhance the promotion and strengthening of links between firms, institutions, and persons operating in the securities industry;
- Sponsor educational programs for the benefit of members; and
- Promote the collective interest of the association with public/private agencies in Ghana.

There was no change in the nature of business of the Association during the year.

GOVERNING COUNCIL'S RESPONSIBILITY FOR THE FINANCIAL STATEMENT

The governing Council is responsible for the fair presentation of this financial statement in accordance with International Financial Reporting Standards, the Companies Act 1963 (Act 179) and the Securities Industry Law 1993 (PNDCL 333). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

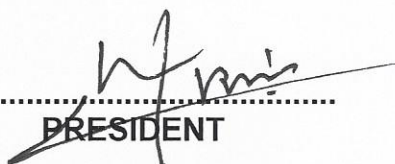
The council members have made an assessment of the Association's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

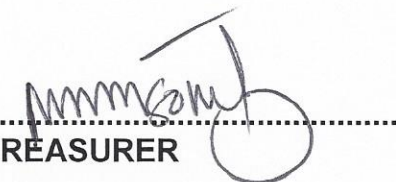
**REPORT OF THE GOVERNING COUNCIL
TO THE MEMBERS OF
GHANA SECURITIES INDUSTRY ASSOCIATION**

FINANCIAL STATEMENTS

The results for the year ended 31 December 2015 are as set out in the attached financial statements.

The Governing Council considers the state of the Ghana Securities Industry Association's affairs to be satisfactory


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PRESIDENT


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TREASURER

2016

2016



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GHANA SECURITIES INDUSTRY ASSOCIATION
ON THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 DECEMBER 2015**

Report on the Financial Statements

We have audited the accompanying Financial Statements of Ghana Securities Industry Association which comprise the statement of financial position as of December 31, 2015 and the statement of income and retained funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Governing Council's Responsibility for the Financial Statements

The Governing Council is responsible for the preparation and fair presentation of these Financial Statements in accordance with International financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179) and the Securities Industry Law 1993 (PNDCL Law 333) as amended. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Governing Council, as well as evaluating the overall presentation of the financial statements.

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


Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Ghana Securities Industry Association as of December 31, 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act, 1963 (Act 179) and the Securities Industry Law 1993 (PNDCL Law 333) as amended.

Report on Other Legal and Regulatory Requirements

The Companies Act, 1963, (Act 179) requires that in carrying out our audit we consider and report to you 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 purpose of our audit.
- ii) In our opinion proper books of accounts have been kept by the Association, so far it as appears from our examination of those books, and
- iii) The Association's financial position and statement of income and retained funds are in agreement with the books of accounts.


Signed by: F. Bruce-Tagoe (ICAG/P/1087)
For and on behalf of PKF (ICAG/F2016/039)
Chartered Accountants
20 Farrar Avenue
Accra


.....2016

GHANA SECURITIES INDUSTRY ASSOCIATION
STATEMENT OF INCOME AND RETAINED FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2015

	NOTES	2015 GH¢	2014 GH¢
INCOME FROM:			
Subscription	4	165,240	133,980
Donations & Sponsorship	5	12,743	3,800
Investment Income		19,444	0
		<u>197,427</u>	<u>137,780</u>
EXPENDITURE ON:			
General & Administrative Expenses	6	190,835	32,913
TOTAL EXPENDITURE		<u>190,835</u>	<u>32,913</u>
SURPLUS TRANSFERED TO RETAINED FUNDS		<u>6,592</u>	<u>104,867</u>
RETAINED FUNDS			
Balance as at 1 January		162,044	57,177
Surplus for the Year		6,592	104,867
Balance as at 31 December		<u>168,636</u>	<u>162,044</u>

GHANA SECURITIES INDUSTRY ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	NOTES	2015 GH¢	2014 GH¢	1 Jan 2014 GH¢
CURRENT ASSETS				
Bank and Cash Balances	7	38,522	171,661	67,177
Held to Maturity Investment	8	119,444	0	0
		<u>157,966</u>	<u>171,661</u>	<u>67,177</u>
NON-CURRENT ASSETS				
Other Investments	9	10,000	10,000	0
Property, Plant and Equipment	10	14,768	0	0
		<u>24,768</u>	<u>10,000</u>	<u>0</u>
LIABILITIES				
CURRENT LIABILITIES				
Trade Payables	11	14,098	19,617	10,000
		<u>14,098</u>	<u>19,617</u>	<u>10,000</u>
NET ASSETS				
		<u>168,636</u>	<u>162,044</u>	<u>57,177</u>
RETAINED FUNDS				
		<u>168,636</u>	<u>162,044</u>	<u>57,177</u>

Approved by the Council on.....*4th March*.....2016

.....*[Signature]*.....Member

.....*[Signature]*.....Member

GHANA SECURITIES INDUSTRY ASSOCIATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 GH¢	2014 GH¢
CASH FLOWS FROM OPERATING ACTIVITIES:		
SURPLUS FOR THE YEAR	6,592	104,867
Adjustments for:		
Depreciation Charge	<u>4,923</u>	<u>0</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	11,515	104,867
Change in Trade Payables	<u>(5,519)</u>	<u>9,617</u>
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	5,996	114,484
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	<u>(19,691)</u>	<u>0</u>
Purchase of Investments	<u>(119,444)</u>	<u>(10,000)</u>
NET CASH FLOW FROM INVESTING ACTIVITIES	(139,135)	(10,000)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(133,139)	104,484
Cash and Cash Equivalents at 1 January	<u>171,661</u>	<u>67,177</u>
Cash and Cash Equivalents at 31 December	<u>38,522</u>	<u>171,661</u>
CASH AND CASH EQUIVALENTS		
Bank and Cash Balances	<u>38,522</u>	<u>171,661</u>
	<u>38,522</u>	<u>171,661</u>

GHANA SECURITIES INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1. REPORTING ENTITY

The Ghana Securities Industry Association (GSIA) is an Industry Association comprising firms regulated under the Securities Industry Law 1993 (PNDCL 333) as amended (Broker Dealers, Investment Advisors, Registrars and Custodians). The locational address of the Association (Secretariat) is on the 6th Floor of the Cedi House, Liberia Road, Accra

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

a. Statement of Compliance

The financial statements of Ghana Securities Industry Association (GSIA) have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB). These are the Association's first set of financial statements prepared in accordance with IFRS and IFRS 1 has been applied. In accordance with the transitional requirements of these standards, the Association has provided full comparative information.

b. Basis of Measurement

The financial statements have been prepared under the historical cost convention as modified to include the fair valuation of certain financial assets and liabilities to the extent required or permitted under accounting standards and as set out in the relevant accounting policies.

c. Use of estimates and judgement

The preparation of financial statements in conformity with IFRS requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and the 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 judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

d. Functional and presentation currency

The financial statements are presented in Ghana Cedis (GH¢), which is the Association's functional and presentational currency.

GHANA SECURITIES INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

3. SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements and have been applied consistently by the company

a. Revenue Recognition

- i. GSIA's main income is derived from Subscription Income and Donation from Members. Revenues are accounted for on cash basis.
- ii. Interest income is recognized in the income on a time proportion basis.
- iii. Other revenues are recorded as earned or as the services are performed

b. Foreign Currency Translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of income and Retained Funds.

c. Property, Plant and Equipment

Property, plant and equipment are initially recorded at cost of purchase or construction and are depreciated on a straight line basis, except for land, which is not depreciated. Estimated useful lives of major classes of depreciable assets are as follows:

- | | |
|-------------------------|------|
| • Office Equipment | 25% |
| • Computers | 25 % |
| • Fixtures and Fittings | 25% |

Repairs and maintenance costs are recognised as expenses as incurred.

GHANA SECURITIES INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

d. Financial instruments

Financial instruments recognised in the balance sheet include cash and cash equivalents, available-for sale investments, Held to maturity, and trade payables. Financial instruments are initially valued at fair value. Financial assets are derecognised when the rights to receive cash flows from the asset have expired. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires. Subsequent to initial recognition, financial instruments are measured as set out below.

e. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand and short-term deposits with banks and similar institutions, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Short-term is defined as being three months or less. This definition is also used for the statement of cash flows.

f. Held-to-maturity

The Association classifies investments in Government securities as held-to-maturity. Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Association has the positive intent and ability to hold to maturity and which are not designated at fair value through profit or loss or available-for-sale. Held to maturity assets are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at amortized cost using the effective interest method. Any sale or reclassification of a significant amount of held to maturity asset not close to their maturity would result in the reclassification of all held to maturity assets as available-for-sale, and would prevent the Association from classifying investment securities as held-to-maturity for the current and the following two financial years. Differences between the carrying amount (amortized cost) and the fair value on the date of the reclassification are recognized in the statement of income and retained funds

g. Trade and other payables

Trade and other payables are recognised at amortised cost.

GHANA SECURITIES INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

h. Employee benefits

(i) Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted. The cost of short-term employee benefits are recognised as an expense in the period when the economic benefit is given, as an employment cost. Unpaid short-term employee benefits as at the end of the accounting period are recognised as an accrued expense and any short-term benefit paid in advance are recognised as prepayment to the extent that it will lead to a reduction in future payments.

(ii) Post-Employment Benefits

The Association makes the following contributions to:

Defined Contribution Plans

Social Security and National Insurance Trust (SSNIT)

Under a National Deferred Benefit Pension Scheme, the Association contributes 13.5% of employees' basic salary to SSNIT for employee pensions on behalf of its employees. The Association's obligation is limited to the relevant contributions, which are settled on due dates. The pension liabilities and obligations, however, rest with SSNIT.

i. Subsequent Events

Events subsequent to the statement of financial position date are reflected in the financial statement only to the extent that they relate to the year under consideration and the effect is material.

GHANA SECURITIES INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

j. New Standards and Interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2015, and have not been applied in preparing these financial statements. These are disclosed as follows:

- Amendments to IAS 16 and IAS 38 Clarification of acceptable methods of depreciation and amortisation. The amendment to these standards state that a revenue-based method is not an appropriate method for which to calculate depreciation or amortisation.
- IFRS 15 Revenue from contracts with customers IFRS 15 requires the recognition of revenue to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.
- Amendments to IFRS 11: Acquisition of an interest in a joint operation The amendment specifies that when an entity acquires an interest in a joint operation in which the activity of the joint operation constitutes a business, as defined in IFRS 3 Business Combinations, it should apply the relevant principles on business combinations accounting in IFRS 3 and other IFRSs and disclose the relevant information that is required in those IFRSs for business combinations.
- IFRS 9 Financial Instruments IFRS 9 introduced new requirements for the classification and measurement of financial assets and the classification and measurement requirements for financial liabilities along with the requirements for recognition and derecognising of financial assets and liabilities. IFRS 9 Financial Instruments has replaced IAS 39 Financial Instruments: Recognition and Measurement in its entirety.
- Amendments to IAS 27: Equity method in equity financial statements The amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate (parent only) financial statements.
- Amendments to IFRS 10 and IAS 28 The amendments clarify the accounting for transactions where a parent loses control of a subsidiary, that does not

**GHANA SECURITIES INDUSTRY ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

constitute a business as defined in IFRS 3 Business Combinations, by selling all or part of its interest in that subsidiary to an associate or a joint venture that is accounted for using the equity method.

- IFRS 12 Disclosure of Interests in Other Entities The standard requires a reporting entity to disclose information that helps users to assess the nature and financial effects of the reporting entity's relationship with other entities.

- Amendments to IAS 1 (Disclosure Initiative)

The amendments made changes to a number of aspects of IAS 1 Presentation of Financial Statements include:

- (a) Materiality – Aggregation or disaggregation should not obscure useful information. Materiality applies to each of the primary financial statements, the notes and each specific disclosure required by IFRSs.
- (b) Line items in primary financial statements – Additional guidance for line items to be presented in primary statements and new requirements regarding the use of subtotals.
- (c) Notes to the financial statements – Determination of the order of the notes should include consideration of understandability and comparability of financial statements.
- (d) Disclosure of Accounting policies – That are relevant in the preparation of the financial statements and understandability of the entity's operations.
- (e) Equity accounted investments – An entity's share of other comprehensive income would be split between those items that will and will not be reclassified to profit or loss, and presented in aggregate as single line items within those two groups.

The above new standards, interpretations and amendments are not expected to have any impact on financial statements.

GHANA SECURITIES INDUSTRY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

4. SUBSCRIPTION

The annual subscription for each member is Gh¢2,000 . However there is a 20% discount to each additional license applied .

MEMBERS IN GOOD STANDING AS AT 31ST DECEMBER 2015

BROKER-DEALERS

1	African Alliance Securities Limited	29	HFC Investment Services Limited
2	Bullion Securities Limited	30	Hydefield Capital Limited
3	CAL Brokers Limited	31	Ideal Capital Partners Limited
4	CDH Securities Limited	32	IFS Capital Management Limited
5	Databank Brokerage Limited	33	IGS Financial Services Limited
6	EDC Stockbrokers Limited	34	Legacy Financial Services Limited
7	First Atlantic Brokers Limited	35	Liberty Asset Management Limited
8	Firstbanc Brokerage Services Limited	36	Lifeline Asset Management Limited
9	GFX Brokers Limited	37	Man Capital Partners Limited
10	GN Investments Limited	38	McOttley Capital Limited
11	HFC Brokerage Services Limited	39	NDK Asset Management Limited
12	Liberty Securities Limited	40	New Generation Investment Services Limited
13	New World Securities Limited	41	New World Asset Management Limited
14	NTHC Securities Limited	42	Newcase Capital Limited
15	SBG Securities Ghana Limited	43	Nordea Capital Limited
16	SIC Brokerage Services Limited	44	Omega Capital Limited
17	Strategic African Securities Limited	45	Parkstone Capital Limited

INVESTMENT ADVISORS

1	Abraaj Ghana Advisers Limited	46	Premium Place Investment Limited
2	All-Time Capital Limited	47	QFS Securities Limited
3	ASN Investments Limited	48	SAS Investment Management Limited
4	Black Star Advisors Limited	49	SDC Capital Limited
5	Bora Capital Advisors Limited	50	SEM Capital Management Limited
6	Boulders Advisors Limited	51	SGL Royal Kapita Limited
7	Brooks Asset Management Limited	52	SIC Financial Services Limited
8	Bullion Financial Advisors Limited	53	Sirius Capital Limited
9	CAL Asset Management Limited	54	Stanlib Ghana Limited
10	Capstone Capital Limited	55	TTL Capital Limited
11	CDH Asset Management Limited	56	Unisecurities Limited
12	Cidan Investment Advisor's Limited	57	Verit Investment Advisory Services Limited
13	Cornerstone Capital Advisors Limited	58	Wealth Management Limited
14	Dalex Capital Management Limited	59	Wealth Vision Financial Services Limited
15	Databank Asset Management Services Limi		
16	Delta Capital Limited		
17	Ecobank Capital Advisors Limited		
18	EDC Investments Limited		
19	EM Capital Partners Limited		
20	Fidelity Securities Limited		
21	First Atlantic Asset Management Company		
22	Firstbanc Financial Services Limited		
23	Frontline Capital Advisors Limited		
24	Galaxy Capital Limited		
25	Gateway Wealth Management Limited		
26	Glico Financial Services Limited		
27	Glorygate Capital Limited		
28	Gold Coast Fund Management Limited		

CUSTODIANS

1	Access Bank Ghana Limited
2	CAL Bank Custody Services Limited
3	Ghana Commercial Bank Limited
4	Guaranty Trust Bank Ghana Limited
5	National Investment Bank Limited
6	Societe Generale Ghana
7	Standard Chartered Bank Ghana Limited
8	UT Bank Limited

SECURITIES DEPOSITORY

1	Central Securities Depository Limited
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STOCK EXCHANGE

1	Ghana Stock Exchange
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GHANA SECURITIES INDUSTRY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

4. SUBSCRIPTION (continued)

MEMBERS IN GOOD STANDING AS AT 31ST DECEMBER 2014

The annual subscription for each member is Gh¢1,800. However there is a 20% discount to each additional license applied.

BROKER-DEALERS

- 1 African Alliance Securities Limited
- 2 Bullion Securities Limited
- 3 CAL Brokers Limited
- 4 CDH Securities Limited
- 5 Databank Brokerage Limited
- 6 EDC Stockbrokers Limited
- 7 First Atlantic Brokers Limited
- 8 FirstBanc Brokerage Services Limited
- 9 GFX Brokers Limited
- 10 GN Investments Limited
- 11 HFC Brokerage Services Limited
- 12 Liberty Securities Limited
- 13 NTHC Securities Limited
- 14 SBG Securities Ghana Limited
- 15 SIC Brokerage Services Limited

INVESTMENT ADVISORS

- 1 Aureos Ghana Advisers Limited
- 2 Black Star Advisors Limited
- 3 Bora Capital Advisors Limited
- 4 Boulders Advisors Limited
- 5 Brooks Asset Management Limited
- 6 Bullion Financial Advisors Limited
- 7 CAL Asset Management Company Limited
- 8 Capstone Capital Limited
- 9 CDH Asset Management Limited
- 10 Cidan Investment Advisors Limited
- 11 Crystal Capital & Investment Limited
- 12 Dalex Capital Management Limited
- 13 Databank Asset Management Services Limited
- 14 Ecobank Capital Advisors Limited
- 15 Ecobank Development Corporation
- 16 EM Capital Partners Limited
- 17 Fidelity Securities Limited
- 18 First Atlantic Asset Management Company Limited
- 19 FirstBanc Financial Services Limited
- 20 Frontline Capital Advisors Limited
- 21 Galaxy Capital Limited
- 22 Gateway Wealth Management Limited
- 23 Glico Financial Services Limited
- 24 Gold Coast Fund Management Limited
- 25 HFC Investment Services Limited
- 26 Ideal Capital Partners Limited
- 27 IFS Capital Management Limited

- 28 IGS Financial Services Limited
- 29 Legacy Financial Services Limited
- 30 Liberty Asset Management Limited
- 31 Lifeline Asset Management Limited
- 32 Man Capital Partners Limited
- 33 McOttley Capital Limited
- 34 NDK Asset Management Limited
- 35 New World Securities Limited
- 36 Newcase Capital Limited
- 37 Newworld Asset Management Limited
- 38 Nordea Capital Limited
- 39 Omega Capital Limited
- 40 Premium Place Investment Limited
- 41 Prestige Capital Limited
- 42 QFS Securities Limited
- 43 Renaissance Africa Group Limited
- 44 SAS Investment Management Limited
- 45 SDC Capital Limited
- 46 SEM Capital Management Limited
- 47 SGL Royal Kapita Limited
- 48 Sirius Capital Limited
- 49 Soroma Capital Limited
- 50 Stanbic Investment Management Services Limited
- 51 Star Asset Management Limited
- 52 Strategic African Securities Limited
- 53 Tikowrie Capital Limited
- 54 UniSecurities Limited
- 55 Waxson Investment & Pension Management Limited
- 56 Wealth Management Limited

CUSTODIANS

- 1 Access Bank Ghana Limited
- 2 CAL Bank Custody Services Limited
- 3 Guaranty Trust Bank Ghana Limited
- 4 HFC Bank Custody Services Limited
- 5 Societe Generale Ghana
- 6 Standard Chartered Bank Ghana Limited

STOCK EXCHANGE

- 1 Ghana Stock Exchange

REGISTRAR

- 1 NTHC Registrars Limited

5. DONATION & SPONSORSHIP

2015

The following members supported with capital expenditure in the setting up of the Secretariat.

- 1 Ghana Stock Exchange
- 2 Stanlib Ghana Limited

2014

The following members sponsored the 2014 End of Year Cocktail Party.

- 1 Boulders Advisors Limited
- 2 African Alliance Securities Limited
- 3 NDK Asset Management Limited
- 4 Cidan Investment Advisors Limited
- 5 Ghana Stock Exchange
- 6 Databank Asset Management Services Limited
- 7 SEM Capital Management Limited

GHANA SECURITIES INDUSTRY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

	2015 GH¢	2014 GH¢
6. General & Administrative Expenses		
Audit Fees	6,000	5,000
Accountancy Fees	1,500	1,000
Bank Charges	392	172
Staff Cost	111,615	13,627
Publication	4,625	0
Fuel Allowance	12,480	0
Office Expenses	4,914	2,135
Tax Seminar	5,200	0
SEC Week Donation	11,053	0
Printing & Stationery	4,011	135
IT Services	1,985	2,240
Telephone Expenses	3,027	610
Legal & Professional Charges	3,500	0
Entertainment & Business Promotion	8,634	5,369
Internet Expenses	1,485	0
Penalty	4,441	0
VAT Expenses	1,050	2,625
Depreciation	4,923	0
	<u>190,835</u>	<u>32,913</u>
 7. BANK AND CASH BALANCES		
Cash in Hand	370	81
Bank Balances	38,152	171,580
	<u>38,522</u>	<u>171,661</u>
 8. HELD TO MATURITY INVESTMENT		
Treasury Bill Investments	119,444	0
	<u>119,444</u>	<u>0</u>

GHANA SECURITIES INDUSTRY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

9. OTHER INVESTMENTS

This represents amount advanced towards the acquisition of a 20% (twenty per cent) shareholding in the Ghana Investment Securities Institute.

10. PROPERTY, PLANT & EQUIPMENT

Cost	Office Equipment GH¢	Office Furniture GH¢	Computers GH¢	Total GH¢
Additions	1,045	9,286	9,360	19,691
Balance at 31 December	1,045	9,286	9,360	19,691
Depreciation				
Charge for the year	261	2,322	2,340	4,923
Balance at 31 December	261	2,322	2,340	4,923
NET BOOK VALUE- 31.12.15	784	6,964	7,020	14,768

11. Trade Payables

	2015 GH¢	2014 GH¢
Audit Fees	7,050	11,750
Sundry Creditors	7,048	7,867
	14,098	19,617

12. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 2015.

13. CAPITAL COMMITMENTS

There were no contract commitments and capital commitments at 31 December 2015. (2014: nil).

GHANA SECURITIES INDUSTRY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

14. GSIA has reported under Ghana Accounting Standards(GAS) in its previous financial statements for the year ended 31 December 2014. The analysis below shows a reconciliation of profit and net assets as reported under GAS as at 31 December 2014 to the revised net assets and profit reported under IFRS in these financial statements. In addition there is a reconciliation of net assets under GAS to IFRS at the transition date for this company which is 1 January 2014.

Reconciliation of Profit previously reported under GAS to that reported under IFRS as at 31 December 2014

	Notes	GAS GH¢	Effect of transition to IFRSs GH¢	IFRSs GH¢
INCOME FROM:				
Subscription		133,980	0	133,980
Donations		3,800	0	3,800
		<u>137,780</u>	<u>0</u>	<u>137,780</u>
EXPENDITURE ON:				
General & Administrative Expenses		<u>32,913</u>	<u>0</u>	<u>32,913</u>
TOTAL EXPENDITURE		<u>32,913</u>	<u>0</u>	<u>32,913</u>
SURPLUS TRANSFERED TO RETAINED FUNDS		<u>104,867</u>	<u>0</u>	<u>104,867</u>
RETAINED FUNDS				
Balance as at 1 January		57,177	0	57,177
Surplus for the Year		104,867	0	104,867
Balance as at 31 December		<u>162,044</u>	<u>0</u>	<u>162,044</u>

GHANA SECURITIES INDUSTRY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

14. TRANSITION TO IFRS (continued).

Reconciliation of equity previously reported under GAS to that reported under IFRS as at 1 January 2014.

	Notes	GAS GH¢	Effect of transition to IFRSs GH¢	IFRSs GH¢
CURRENT ASSETS				
Bank and Cash Balances		67,177	0	67,177
Held to Maturity Investment		0	0	0
		<u>67,177</u>		<u>67,177</u>
NON-CURRENT ASSETS				
Other Investments		0	0	0
Property, Plant and Equipment		0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>
LIABILITIES				
CURRENT LIABILITIES				
Trade Payables		10,000	0	10,000
		<u>10,000</u>	<u>0</u>	<u>10,000</u>
NET ASSETS				
		<u>57,177</u>	<u>0</u>	<u>57,177</u>
RETAINED FUNDS				
		<u>57,177</u>	<u>0</u>	<u>57,177</u>

GHANA SECURITIES INDUSTRY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

14. TRANSITION TO IFRS (continued).

Reconciliation of equity previously reported under GAS to that reported under IFRS as at 31 December 2014.

	Notes	GAS GH¢	Effect of transition to IFRSs GH¢	IFRSs GH¢
CURRENT ASSETS				
Bank and Cash Balances		171,661	0	171,661
Held to Maturity Investment		0	0	0
		<u>171,661</u>	<u>0</u>	<u>171,661</u>
NON-CURRENT ASSETS				
Other Investments		10,000	0	10,000
Property, Plant and Equipment		0	0	0
		<u>10,000</u>	<u>0</u>	<u>10,000</u>
LIABILITIES				
CURRENT LIABILITIES				
Trade Payables		19,617	0	19,617
		<u>19,617</u>	<u>0</u>	<u>19,617</u>
NET ASSETS				
		<u>162,044</u>	<u>0</u>	<u>162,044</u>
RETAINED FUNDS				
		<u>162,044</u>	<u>0</u>	<u>162,044</u>

