



**ACCRA HEARTS OF OAK  
SPORTING CLUB LIMITED**

ANNUAL REPORT AND FINANCIAL STATEMENTS 2018/19

*Phobia-Never Say Die!*



*Hearts of Oak players warming up for a friendly match.*



*Hearts Coach Kim Grant giving instructions to his players.*



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## COMPANY INFORMATION

<b>Directors</b>	Togbe Afede XIV (Board Chairman) Dr. Nyaho Nyaho-Tamakloe Frank Nelson Nwokolo Prof. Kofi Kumado Justice Ivy Heward-Mills Alhassan Andani Thomas Kwesi Easo Elvis Hermann Hesse Alhaji Amadu Moro Briamah Hon. Vincent Sowah Odotei Fredrick Moore – M D
<b>Auditors</b>	Prah-Ameyaw and Co. Chartered Accountants & Tax Consultants 7 Official Street, Adabraka – Accra P. O. Box GP4134 prahameyaw2020@yahoo.com Tel: 0289110134 / 0285077899 Fax: 302-257679
<b>Registered Office</b>	Phobia House No. 13 Sobukwe Road Farrar Avenue, Adabraka P. O. Box 2175, Accra, Ghana
<b>Registrars</b>	NTHC Limited Martco House P. O. Box KIA 9563 Accra, Ghana
<b>Bankers</b>	Bank of Africa Limited Stanbic Bank Limited Ghana Trust Bank
<b>Country of incorporation</b>	Ghana
<b>Company registration number</b>	52725
<b>Sponsors</b>	Ghana Oil Company Ltd



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Shareholders of Accra Hearts of Oak Sporting Club Limited will be held at the Civil Servant's Auditorium, Ministries - Accra on Wednesday, 15th August, 2020, at 9:00 a.m. to transact the following ordinary business.

Dated 20th September, 2019  
BY ORDER OF THE BOARD  
(Board Secretary)

### NOTE

A member of the company entitled to attend and vote may appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the company. A proxy form is provided in the Annual Report. For a form of proxy to be valid for the purpose of the meeting, it must be completed and deposited at the Registered Office of the Company or the Registrar's Office, NTHC Limited, Martco House, No. D542/4, Okai Mensah Link, Adabraka, Accra, P.O.Box 9563, Airport, Accra not less than 48 hours before the appointed time of the meeting.

### AGENDA

1. To receive the Financial Statements for the year ended 30th June, 2019, and the reports of the Directors and Auditor's thereon.
2. To approve the remuneration of the Directors.
3. To authorize the Directors to negotiate and determine the remuneration of the Auditors.



*The players walking onto the field in a match against kotoko*



# THE BOARD OF DIRECTORS

## PROFILE OF BOARD MEMBERS:



**Togbe Afede XIV (Executive Board Chairman)** – Togbe Afede XIV is the Agbogbomefia of the Asogli State and President of the National House of Chiefs, President of the Volta Regional House of Chfs and a member of Council of State.

Togbe Afede XIV is a business executive and the CEO of SAS Finance Group Limited and Strategic Initiative Limited. He is an investment banker with experience spanning over twenty five (25) year. He holds a Bachelor of Science Degree in Business Administration from the University of Ghana business school-Legon-Ghana. He holds an MBA from the prestigious Yale University of Management-USA. He serves on the Boards of African Fertilizer and Agribusiness partnership, Aluworks Limited, Accra World Trade Centre Limited, African World Airlines Limited, Ensign College of Public Health, Pioneer Kitchenware Limited, SAS Finance Group Limited, Strategic Initiative Limited, the SunonAsogli Power Limited and the National Investment Bank (NIB).



**Frank Nelson Nwokolo** – Frank Nelson is a renowned businessman with Technical knowledge in football and has supported the club in various capacities.

He first joined the Board in 2005 and played pivotal roles in all activities. In 2008/2009 he was the Vice Chairman of the Interim Management Committee (IMC) that won the Glo Premier League title. He was once in charge of the club’s Youth Development. He was once a member of the Executive Committee of the Ghana Football Association (GFA).



**Dr. Nyaho Nyaho-Tamakloe** – Dr. Nyaho-Tamakloe is a medical Doctor and a former CEO of Hearts of Oak. He was also the Chairman of the Ghana Football Association from 2004-2005. He was Ghana’s Ambassador to Serbia from 2006-2008 and represents council of patrons of Hearts of Oak on the Board. He has extensive experience and understanding of the game of football in Ghana and beyond.



**Hon. Vincent Sowah Odotei** – Hon. Sowah Odotei was Ghana’s deputy Communications Minister and a member of parliament (MP) for La Dade Kotopon Constituency from 2016 – 2020.

He is a football Administrator and has vast knowledge in Strategic Management and Finance. He owns Vallex Leasing Company Limited, a leading equipment Company in Ghana. He was the C E O of the Club in 2008.



**Alhaji Imoro Briamah** – Alhaji Imoro Briamah is a retired banker and the club’s representative on the Professional League Board (PLB) and a former National Chapters Committee Chairman.

He is a business investor and holds directorate roles in numerous companies which includes Prestime Investment Company Limited, Community Uplift (NGO), Skygipsy Travel & Tours and Skygipsy Construction Company Limited.



**Professor Kofi Kumado** – Professor Kofi Kumado is a Professor of Law at the University of Ghana and a former Vice Chairman of the Ghana Football Association (GFA). He has been on the Hearts Board since 2005.



**Ivy Heward Mills** – Ivy Heward Mills is a former member of the Ghana judiciary and a keen fan of the club. She was also a member of the Council of Patrons and a representative of the Hearts Ladies club on the Board. She plays various benevolent roles to keep the ladies club vibrant.



**Alhaji Alhassan Andani** – Alhaji Andani is the Managing Director of Stanbic Bank Ghana and once the chairman of the Savannah Accelerated Development Authority (SADA). Alhaji Andani holds a Bachelor of Science Degree from the University of Ghana, a Master's Degree in Banking & Finance from FINAFRAKA-Milan-Italy. He has held various responsible positions in various Banks in Ghana including Deputy Managing Director, Director, and Extended Coverage content for Barclays Bank Ghana and South Africa respectively.



**Thomas Kwesi Easo** – Thomas Easo joined the Strategic African Security in 2014 to oversee the operations of SAS investment Management and had broad responsibility to re-strategize the business operations of SAS Finance Group in general.

He has over 18 years working experience in auditing, accounting, taxation and investment banking. He worked with Databank Group of Companies for over 10 years. Thomas Easo is a chartered Accountant and holds an Executive MBA from the University of Ghana-Legon. He is currently the CEO of Beige Bank.



Mark Noonan is an American with experience in football administration. He became the Managing director of the Club in February, 2018 until he resigned in February, 2019 due to family issues.



**Frederick Moore** – Frederick Moore joined Hearts from AJS Consulting where he helped set up various business market platforms to support the retail industry and provided business advice to start-ups. He once worked as the CEO of the Institute of Chartered Accountants, Ghana between 2013 to 2016. He also worked in the financial industry in the United Kingdom for several years. He took over from Mark Noonan as the CEO in March, 2019.



**Elvis Herman Hesse Jnr** – Elvis Herman Hesse Jnr is an immigration officer and currently the Chairman of the club's supporter's wing, the National Chapters Committee (NCC). He represents the supporters on the Hearts Board.





## CHAIRMAN'S REPORT

### INTRODUCTION

On behalf of both the Board and Management of Accra Hearts of Oak SC, I wish to present to you Accra Hearts of Oak SC Annual Report and Financial Statements for the year ended June 30, 2018, to update shareholders on the current happenings and as well give you an insight into the future of the Club.

The 2017/18 Annual Report and Financial Statements are intended to inform all stakeholders of the company - shareholders, recognized groups, partners and supporters - about the current state of the Club and the major steps being taken by the Board of Directors to move the Club to the next phase of its development.

### REVIEW OF THE 2017/2018 FOOTBALL SEASON

Contrary to the GFA's plan to start every season from October to May the following year, the 2017/18 season delayed due to court cases against the GFA by some clubs. Despite that the top eight teams from the previous league engaged in what was referred to as "GHALCA Top 8" at the Cape Coast and Kumasi Sports Stadia. Our team painfully lost 1-2 to Dreams FC in the final match at the Cape Coast stadium. This was after it had beaten its bitterest rivals, Kumasi Asante Kotoko, 3-1 on aggregate in a two-legged "Ghana at 60" competition to emerge champions.

Following the court cases, the league delayed until March 2018 instead of October 2017. Despite the delay, the Board did well for the season. It, therefore, sanctioned the recruitment of new players to strengthen the team as they were poised to improve upon the team's marvelous performance in the previous year.

Players like Raddy Ovouka, a Congolese young talent, Christopher Bonney, a right full back from Dwarfs, Joseph Easo, also, a striker from

Dwarfs, Abubakar Traore, a Burkinabe striker and Camara Nguissan, also a midfielder from the Ivory Coast, were signed to beef up the team following the exit of Thomas Abbey, Kwame Kizito, Leonard Tawiah, who left the team after the expiration of their contracts.

The first round of the season ended in June 2018 but our team had one outstanding match with Aduana Football Club as the latter was participating in the 2018 CAF Champions League.

Before the GFA could fix a date for the outstanding match and the start of the second round, the Premier League was hit by a disaster, making its continuation impossible. A Ghanaian investigative journalist, Anas Aremeyaw Anas, released the results of an investigation he had conducted into our local league over some recent the past years. The upheaval resulting from his revelations necessitated the suspension of the second round of the league.

The Government wanted to dissolve the GFA but for the intervention of FIFA. Thus, a tussle between the Government and the GFA executives gave way to the formation of a Normalization Committee by FIFA, with an initial six-month mandate to steer the affairs of the GFA. The league was finally truncated after a long delay.

The Committee later organized a novelty league, dividing the sixteen Premier League teams into two groups, North and South, of eight clubs each. The objective was to select a representative for the country in the CAF Champions League for that year. Details of the competition will be captured in the 2018/19 AGM Report.

### THE TECHNICAL DEPARTMENT

The Board has remained relentless in its efforts towards building the foundations that will ensure the long term financial and technical sustainability of the club. It nonetheless



appreciates the desire of the fans and sympathizers of the club for success on the pitch year after year. It thus supported the then Head Coach of the Club, Francis Nutall, with all his logistical and human resource needs. However, the Club parted ways with Nutall before the start of the afore-mentioned league because of the latter's unpardonable breach of the Club's Code of Ethics. As a result, his assistant coach, Henry Wellington, took over the coaching of the team with assistance from Coach Edward Odoom who had just been recruited for the Club's junior team, Auroras Football Club.

Later, results were against the expectations of the Board which necessitated a change in the technical direction once again. The change saw Coach Seth Hoffman, who was coaching the Auroras team, replace Wellington as the Head Coach until the league was brought to a halt as a result of the 'Expose'.

#### **PREPARATION OF THE TEAM IN WAIT FOR THE 2017/18 PREMIER LEAGUE**

As indicated above, the 2017/18 league delayed due to court cases but the Board, as expected, ensured that the team prepared adequately for it in fulfillment of their commitment to raising the standard of the team's performance at all times.

They started their pre-season preparation under the then Head Coach, Francis Nutall, until he was relieved of his post. This led to the confirmation of his Assistant Coach, Henry Wellington, as the new Head Coach of the team. He was assisted by Coach Edward Odoom as indicated above.

Apart from the changes in the technical team, the team itself saw an improvement with the signings of the players afore-mentioned. The additions did not only improve the starting eleven but did provide the team with a strong bench. During the second window registration, William Dankyi was added from Liberty.

The team's performance after the start of the league lacked consistency until the league was truncated.

#### **THE JUNIOR TEAMS**

The most successful teams, worldwide, are those that have strong youth team development policies and programmes. Hearts cannot be an exception. The team boasts of both under 20 and under 17 teams. Well qualified technical handlers are in charge of these teams. Four (4) players of the U20 team were promoted to the senior team before the start of the season under review, some of whom became key to the side. They include Manaf Umar, Michelle Sarpong, James Serwonu and Selassi Bekai. Similarly, five (5) players of the U17 team were promoted to the U20 team last year. This is an indication of how seriously the youth teams are being managed. The U20 team currently plays in the B category of Greater Accra second division league.

#### **POBIMAN ACADEMY PROJECT**

One of the long-term goals of the Club is to build an academy for the youth teams to feed the senior team with skilled players, and also help generate revenue through sale of talented young players. It was reported in the previous AGM (2017) that the Club had signed a contract with a Turkish Construction Company to build a hostel facility for the Academy to start. The work has delayed but all necessary steps and logistics needed are underway to ensure that the project sees the light of day.

#### **RIGHTS ISSUE**

The major factor that has always hindered the efforts of the Board is the financial challenges facing the Club. Apart from monthly salaries which runs into thousands of Cedis, there are many other recurrent expenditures which are incurred on daily or weekly basis. These include



training expenses, fuel and transportation, camping and many others. However, the traditional sources of revenue for the Club are nothing to write home about as the fall way short of these expenditures. The financial statements over the past years do confirm this assertion.

To be able to overcome this financial constraint, we need to find other means of funding. Against this backdrop, the Board, at the previous AGM, asked for your support for its decision to raise GH¢60 million through a rights issue of shares. The Board was optimistic about this happening despite the delay. We are, therefore, appealing to all supporters to prepare towards this all important exercise to help finance the Pobiman project and many other investment plans of the Club.

#### FINANCIAL PERFORMANCE

Revenue for 2017/18 was GH¢1,017,492, about 21% less than that of 2016/17 financial year. Total Income decreased by 18.4% from GH¢1,281,075 in 2016/17 to GH¢1,045,352. General and Administrative Expenses also decreased from GH¢3,123,135 to GH¢2,592,326 representing 17% downward change. The fall in both revenue and expenditure was mainly due to the truncation of the 2017/18 league. Annual Finance Cost has been rising due to the capitalization of unpaid interest as well as additional loans. The cumulative effect of these was a loss of GH¢5,240,259 compared to GH¢4,507,953 during the 2016/17 financial year.

Total Assets stood at GH¢2,000,330 compared to GH¢1,486,476 at the end of 2016/17, a 34.6% increase. There was a 35.2% increase in Total Liabilities from GH¢16,382,640 at the end of 2016/17 to GH¢22,136,753 at the end of 2017/18. Total Shareholders' Funds decreased from (GH¢14,896,165) in 2016/17 to (GH¢20,136,423) at the end of 2017/18.

#### CONCLUSION

In conclusion, let me use this opportunity to thank all Board members, shareholders and supporters of the Phobian fraternity for your support in diverse ways. You have been with the Club through thick and thin and cannot be overlooked.

On behalf of the Board, I encourage all of us to come together in support of our glorious and beloved Club. We may not always be of the same mind, but we must always be from the same heart, working diligently in service to the Club knowing very well that we can achieve our common goal only if we are together.

Kindly accept, once again, my sincerest thanks for your continued support for your beloved Club, Accra Hearts of Oak SC.

Togbe Afede (XIV)  
Executive Chairman



# REPORT OF THE DIRECTORS

The Directors submit their report and audited financial statements of the Club for the year ended 30<sup>th</sup> June, 2019.

## DIRECTORS RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation of the Club’s financial statements for the financial year, which give a true and fair view of the state of affairs of the Club, the comprehensive income statement and cash flows for the year. In preparing these financial statements, the Directors have selected and applied consistently suitable accounting policies, made judgments and estimates that are reasonable and prudent and followed International Financial Reporting Standards. The Directors have made an assessment of the Club’s ability to continue as a going concern and have no reason to believe the Club will not be a going concern in the year ahead.

## SUMMARY OF FINANCIAL STATEMENTS

	GH¢
Loss for the period ended 30 <sup>th</sup> June, 2019 was	(7,427,498)
From which is deducted taxation of	—
Leaving a balance carried forward of	(7,427,498)
To which has been added the balance brought forward on Retained Earnings (Income Surplus) of	<u>(23,028,763)</u>
Leaving a balance carried forward on Retained Earnings (Income Surplus Account) of	(30,456,261)
	=====

The Directors do not recommend the payment of dividends.

## NATURE OF BUSINESS

The club has been registered to engage in the act of playing association football and other games or sporting activities, as well as, investing to generate income for the running of the Club.

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

## AUDITORS

In accordance with Section 134(5) of the Companies Code, 1963 (Act 179) the Auditors Messrs. Prah-Ameyaw & Co. will continue in office.

.....

**DIRECTOR**

.....

**DIRECTOR**



*McCarthy in control of the ball during a match*



*Players in a jubilant mood during a friendly match*



## CORPORATE SOCIAL RESPONSIBILITY

The Club could not live up to expectation in this regard but hope to deliver in the years ahead.

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*Fans enjoying an ongoing game*



*Patric Razak tears away from his marker in a game against Ashgold*



*Esso and his mates celebrate after scoring*



# INDEPENDENT AUDITOR'S REPORT

## Report on the Financial Statements

We have audited the financial statements of Accra Hearts of Oak Sporting Club Limited which comprise the statement of financial position as at 30<sup>th</sup> June, 2019, the statement of comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes as set out on pages **19 to 26**.

## Directors' Responsibility for the Financial Statements

The Club's Directors are 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 Code, 1963 (Act 179), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

## Auditor's Responsibility

**AUDITORSTOREVIEWTHEIRRESPONSIBILITY AND OPINION:** 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 management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Accra Hearts of Oak Sporting Club Limited as at 30<sup>th</sup> June 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179).

## Report on Other Legal and Regulatory Requirements

*Compliance with the requirements of Section 133 of the Companies Code, 1963 (Act 179).*

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, proper books of account have been kept, and the statements of financial position, the statement of comprehensive income and the retained earnings accounts are in agreement with the books of account. The Club's transactions were within its powers.

.....  
**Prah-Ameyaw And Co.**  
Chartered Accountants And Tax Consultants  
P.O. BOX GP 4134  
Accra



## FINANCIAL STATEMENTS

### **ACCRA HEARTS OF OAK SPORTING CLUB LIMITED** **STATEMENT OF COMPREHENSIVE INCOME** **FOR THE YEAR ENDED 30TH JUNE, 2019**

	NOTES	2019 GH¢	2018 GH¢
Revenue	13	1,604,811	1,017,492
Other Income	14	615	27,860
<b>Total Revenue</b>		<b>1,605,426</b>	<b>1,045,352</b>
General & administrative expenses	15	(3,753,370)	(2,592,326)
<b>Loss before interest &amp; tax</b>		<b>(2,147,944)</b>	<b>(1,546,974)</b>
Finance cost		( 5,279,554)	(3,693,285)
Income tax expense		-	-
<b>(Loss)/Profit after tax</b>		<b>(7,427,498)</b>	<b>(5,240,259)</b>
Other comprehensive income	16	-	-
<b>Total comprehensive income for the year</b>		<b>(7,427,498)</b>	<b>(5,240,259)</b>
Basic earnings per share	3(e)	(1.4518)	(1.0243)
Diluted earnings per share		(1.4518)	(1.0243)



**ACCRA HEARTS OF OAK SPORTING CLUB LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE, 2019**

	NOTES	2019 GH¢	2018 GH¢
<b>ASSETS</b>			
<b>Non-Current Assets:</b>			
Investment in Players	5	649,786	836,823
Property and Equipment	7	693,756	578,667
		<b>1,343,542</b>	<b>1,415,490</b>
<b>Current Assets</b>			
Cash and Bank Balances	4	138,292	60,955
Receivables	6	955,435	523,885
		<b>1,093,727</b>	<b>584,840</b>
		<b><u>2,437,269</u></b>	<b><u>2,000,330</u></b>
<b><u>EQUITIES &amp; LIABILITIES</u></b>			
<b>Liabilities</b>			
Payables	8	841,437	658,237
Loans	9	29,207,799	21,526,562
		<b>30,049,236</b>	<b>22,184,799</b>
<b>Capital &amp; Reserves:</b>			
Stated Capital	11	2,555,676	2,555,676
Retained Earnings		(30,456,261)	(23,028,763)
Capital Surplus	12	288,618	288,618
<b>TOTAL SHAREHOLDERS' FUND</b>		<b>2,437,269</b>	<b>2,000,330</b>

The financial statements were approved by the board of directors and signed on its behalf by:

.....  
Director

.....  
Director



**ACCRA HEARTS OF OAK SPORTING CLUB LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 30TH JUNE, 2019**

	NOTES	2019 GH¢	2018 GH¢
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit/(Loss) per Accounts		(7,427,598)	(5,240,259)
Depreciation		30,280	53,557
Amortization		261,637	505,475
<i>Working Capital Adjustments:</i>			
Increase/(Decrease) in receivables		(431,550)	(88,605)
Increase/(Decrease) in Payables		183,200	(789,726)
<b>Net Cash Inflow/ (Outflow) from operating activities</b>		<b><u>(7,383,931)</u></b>	<b><u>(5,559,558)</u></b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Property and Equipment Acquired	7	(145,369)	(39,765)
Investment in Players	5	(74,600)	(952,970)
<b>Net cash flow from investing activities</b>		<b><u>(219,969)</u></b>	<b><u>(992,735)</u></b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Loans		7,681,237	6,534,839
Bank Loans/Overdraft		-	-
<b>Net Cash Inflow from Financing Activities</b>		<b><u>7,681,237</u></b>	<b><u>6,534,839</u></b>
Net Increase/(Decrease) in Cash and Cash Equivalents		77,337	(8,454)
Cash and Cash Equivalents at the beginning of the period		60,955	<u>69,409</u>
<b>Cash and Cash Equivalents at the end of the period</b>		<b><u>138,292</u></b>	<b><u>60,955</u></b>
<b>CASH AND CASH EQUIVALENTS</b>			
Cash on hand		2,788	12,891
Bank Balances		<u>135,504</u>	<u>48,064</u>
<b>Cash and Cash Equivalents as stated</b>		<b><u>138,292</u></b>	<b><u>60,955</u></b>

.....  
Director

.....  
Director



## NOTES TO THE FINANCIAL STATEMENTS

### 1. REPORTING ENTITY

Accra Hearts of Oak Sporting Club Limited is a Limited Liability Company incorporated in Ghana. The address and registered office of the Company can be found on page 4 of this report.

### 2. BASIS OF PREPARATION

#### (i) Statement of Compliance

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and its interpretations as issued by the International Accounting Standards Board (IASB).

#### (ii) Basis of Measurement and Presentation

The Financial Statements are presented in Ghana Cedis (GH¢) and prepared on the historical cost basis, including the revaluation of certain fixed assets (Note 7 (b)).

#### (iii) Use of Estimates and Judgments

The preparation of Financial Statements in conformity with IFRS requires that management make judgments, assumptions and estimates that affect the application of policies and reported amounts of assets, 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 circumstances. Actual results may however differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognized in the period in which the estimates are revised or in a future period as appropriate.

### 3. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Club's Financial Statements.

#### a. Player Valuation

Players are valued at purchase price and inducement fee paid and amortized over the period of the contract. Old players are revalued based on age and performance.

#### b. Depreciation

Depreciation has been provided on the straight line basis at rates calculated to amortize the values of Fixed Assets to their estimated realizable values at the end of their useful lives.

The rates applicable are as follows:-

Freehold Land	..	Nil
Building	..	3% per annum



Motor Vehicle	..	20% per annum
Equipment	..	10% per annum
Computers	..	20% per annum

#### c. Stationery

Stationery is written off in the year of purchase.

#### d. Foreign Exchange Translation

Transactions denominated in foreign currencies are translated into Cedis at the rate of exchange ruling on the dates of the transactions. Balances on the Balance Sheet date are converted into Cedis at the rate of exchange ruling on that date. Gains or losses arising on such transactions are dealt with in the Income Statement.

#### e. Earnings Per Share

The Club presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the club by the weighted average number of ordinary shares outstanding during the year. The club has neither share options nor convertible notes which could potentially dilute its EPS and therefore the basic and diluted EPS are essentially the same.

4. Cash & Bank Balances	2019 GH¢	2018 GH¢
Current Account	135,504	48,064
Cash on Hand	2,788	12,891
	<b>138,292</b>	<b>60,955</b>
<b>5. Intangible Assets</b>		
Net Book Value b/f	836,823	389,328
Amount Invested in Acquisition of Players/Team during the year	74,600	952,970
Less: Utilised / Amortised during the year	(261,637)	(505,475)
<b>Net Book Value c/f</b>	<b>836,823</b>	<b>836,823</b>
<b>6. Receivables</b>		
Goil	192,500	80,000
Prepayments	756,885	35,020
Staff debtors	75,050	500
Sundry Debtors	0	51,965
Transfer Fees	356,400	356,400
	<b>935,435</b>	<b>523,885</b>



## Property and Equipment

7. Fixed Assets schedule	Freehold Land & Building	Motor Vehicles	Furniture & Equipment	Com- puters & Acces- sories	Total
	GH¢	GH¢	GH¢	GH¢	GH¢
<b>Cost/Revaluation 1/7/2018</b>	604,646	403,350	132,902	31,468	1,172,366
Additions	-	123,490	-	21,879	145,369
Disposals	-	-	-	-	-
<b>Cost/Revaluation 30/6/2019</b>	<b>604,646</b>	<b>403,350</b>	<b>132,902</b>	<b>31,468</b>	<b>1,317,735</b>
<b>Depreciation</b>					
Balance @ 1/7/2018	109,592	402,917	57,302	23,888	593,699
Charge for the year	23,460	433	93	6,294	30,280
Released on Disposals	-	-	-	-	-
<b>Balance @ 30/6/2019</b>	<b>133,052</b>	<b>403,350</b>	<b>57,395</b>	<b>30,182</b>	<b>623,756</b>
<b>Net Book Value 30/6/2019</b>	<b>471,594</b>	<b>123,490</b>	<b>75,507</b>	<b>23,165</b>	<b>693,756</b>
Net Book Value @ 30/6/2018	495,054	433	75,600	7,580	578,667

8. The Club's Secretariat and Pobiman Land were professionally revalued in 2006 by Tent Services and Land Valuation Board respectively. These revalued figures have been incorporated in the Club's financial statement since 31/08/06.

**9. Loan**

This represents outstanding loans owed to some Directors of the Club and Corporate Institutions. **29,159,753** **21,478,516**

**10. Payables**

Sundry Creditors	0	263,687
Accruals	<u>841,437</u>	<u>394,550</u>
	<b><u>841,437</u></b>	<b><u>658,237</u></b>



## 11. Stated Capital

The Club is registered with 100,000,000 (2014 - 100,000,000) Ordinary Shares of no par value out of which 5,116,033 (2017 - 5,116,033) have been issued as follows:

	No. of Shares	Value GH¢
Consideration for Cash	<b>5,116,033</b>	<b>2,555,676</b>

There are no shares in treasury.

## 12. Capital Surplus

	Club's	Pobiman	Total
	Secretariat GH¢	Complex GH¢	
Balance b/f	103,400	185,218	288,618
Balance c/f	<u>103,400</u>	<u>185,218</u>	<u>288,618</u>

The above represents surpluses accruing from the revaluation of the Club's Secretariat and Pobiman Complex.

## 13. Revenue

	2019 GH¢	2018 GH¢
Match Proceeds	414,050	292,268
Sponsorship	470,000	725,224
Less retransfer/Agency Fees	720,761	-
	<b>1,604,811</b>	<b>1,017,492</b>

## 14. Other Income

	615	27,860
	<b>615</b>	<b>27,860</b>

## 15. Included in General and Administrative Expenses are:

Directors Remuneration	425,671	171,976
Amortisation of Investments (Players)	261,637	505,475
Donation	17,900	29,711
Audit Fees	9,060	8,460
Depreciation	30,280	53,577
	<b>744,548</b>	<b>760,199</b>

**16. Other Comprehensive Income**

2018 GH¢	2017 GH¢
-	-

**17. STATEMENT OF CHANGES IN EQUITY**

	Retained Earnings GH¢	Capital Surplus GH¢	Stated Capital GH¢	Total GH¢
<b>2019</b>				
Balance as at 01/07/18	(23,028,763)	288,618	2,555,676	(20,136,423)
Change in Equity	(7,427,498)	-	-	(5,240,259)
<b>Balance as at 30/06/19</b>	<b>(30,456,261)</b>	<b>288,618</b>	<b>2,555,676</b>	<b>(27,515,875)</b>
<b>2018</b>				
Balance as at 01/07/17	(17,788,504)	295,668	2,555,676	(14,896,164)
Change in Equity	(5,240,259)	-	-	(5,240,259)
<b>Balance as at 30/06/18</b>	<b>(23,028,763)</b>	<b>288,618</b>	<b>2,555,676</b>	<b>(20,136,423)</b>



## SHAREHOLDERS' INFORMATION

### Details of Shareholders as at 30<sup>th</sup> June, 2019

No.	Name of Shareholder	Number of Shares	% of Holding
1	Strategic African Securities Ltd.	2,000,000	39.09%
2	Strategic Initiatives Ltd.	1,505,190	29.42%
3	Nwokolo Nelson Frank	401,785	7.85%
4	Ahwoi Ato Kwabena	397,200	7.76%
5	Estate of Nana Wereko Ampem II	100,000	1.95%
6	Amissah-Arthur Kwesi	40,000	0.78%
7	Commodore Mensah Emmanuel Martey	40,000	0.78%
8	Nii Ayi-Bonte II (Gbese Mantse)	40,000	0.78%
9	Crentsil Fred	30,500	0.60%
10	Adzroe Grace Francisca	20,000	0.39%
11	Addison Philip Kojo Addo	10,000	0.20%
12	Kumado Kofi	10,000	0.20%
13	Thompson Ernest	10,000	0.20%
14	Akweyey Stephen Bortey	10,000	0.20%
15	Adzroe Grace Francisca	10,000	0.20%
16	Dzamefe Emmanuel Kafui	10,000	0.20%
17	Akuley Frank	5,680	0.11%
18	Dr. Crenstil George Ben	5,000	0.10%
19	Accra Hearts of Oak Greater Accra Regional Chapter	4,200	0.08%
20	Addo Daniel Amuyaw	4,000	0.08%
	<b>Top 20 Total</b>	<b>4,653,555</b>	<b>90.96%</b>
	Others	462,478	9.04%
	<b>Total</b>	<b>5,116,033</b>	<b>100%</b>

Directors' shareholding	No of shares	% holding
Frank Nwokolo Nelson	401,785	7.85
Prof. Kofi Kumado	10,000	0.20
Alhassan Andani	4,000	0.08
Dr Nyaho Nyaho-Tamakloe	3,000	0.06
Thomas Esso	<u>700</u>	<u>0.01</u>
<b>Total</b>	<b>419,485</b>	<b>8.20</b>

### Shareholding Distribution

Holdings	No. of shareholders	No. of shares
1 - 1,000	1,553	353,720
1,001 - 5,000	50	121,958
5,001 -10,000	7	65,680
Over 10,000	<u>10</u>	<u>4,574,675</u>
	<b>1,620</b>	<b>5,116,033</b>



*Kim Grant talking to his players ahead of the training session*



*The players in the bench area as they join their mates*



## FIVE YEARS FINANCIAL SUMMARY

### Income Statement from 2014

	2019 GH¢	2018 GH¢	2017 GH¢	2016 GH¢	2,015 GH¢
<b>Revenue</b>	1,604,811	1,017,492	1,281,075	894,846	1,519,573
<b>Other Income</b>	615	27,860	-	-	-
<b>Total Revenue</b>	<b>1,605,426</b>	<b>1,045,352</b>	<b>1,281,075</b>	<b>894,846</b>	<b>1,519,573</b>
General & admin exps.	(3,753,370)	(2,592,326)	(3,123,135)	(2,912,273)	(3,544,095)
<b>Loss before interest &amp; tax</b>	<b>(2,147,944)</b>	<b>(1,546,974)</b>	<b>(1,842,060)</b>	<b>(2,017,427)</b>	<b>(2,024,523)</b>
Finance cost	(5,279,554)	(3,693,285)	(2,665,893)	(1,701,254)	(847,994)
Income tax expenses	-	-	-	-	-
<b>(Loss)/Profit after tax</b>	<b>(7,427,498)</b>	<b>(5,240,259)</b>	<b>(4,507,953)</b>	<b>(3,718,681)</b>	<b>(2,872,516)</b>
Other comprehensive income	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b><u>(7,427,498)</u></b>	<b><u>(5,240,259)</u></b>	<b><u>(4,507,953)</u></b>	<b><u>(3,718,681)</u></b>	<b><u>(2,872,516)</u></b>

### Income Surplus Account - 5 Years from 2015

	2019 GH¢	2018 GH¢	2,017 GH¢	2016 GH¢	2015 GH¢
Balance at 01/07 of each year	(23,028,763)	(17,788,504)	(13,280,551)	(9,561,870)	(6,689,354)
Profit/Loss for the period	(7,427,498)	(5,240,259)	(4,507,953)	(3,718,681)	(2,872,516)
<b>Balance at 30/06 of each year</b>	<b><u>(30,456,261)</u></b>	<b><u>(23,028,763)</u></b>	<b><u>(17,788,501)</u></b>	<b><u>(13,280,551)</u></b>	<b><u>(9,561,870)</u></b>



## Statement of Financial Position from 2015

<b>Assets</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2,015</b>
<b>Non-Current Assets:</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
Tangible fixed assets	693,756	578,667	592,459	612,265	616,212
Intangible fixed assets	649,786	836,823	389,328	346,250	457,400
	<b>1,343,542</b>	<b>1,415,490</b>	<b>981,787</b>	<b>958,515</b>	<b>1,073,613</b>
<b>Currents Assets:</b>					
Trade & other receivables	955,435	523,885	435,280	460,640	363,160
Cash & bank balances	138,292	60,955	69,409	30,180	187,807
	<b>1,093,727</b>	<b>584,840</b>	<b>504,689</b>	<b>490,820</b>	<b>550,967</b>
<b>Total Assets</b>	<b>2,437,269</b>	<b>2,000,330</b>	<b>1,486,476</b>	<b>1,449,335</b>	<b>1,624,580</b>
<b>Current Liabilities:</b>					
Trade & other payables	841,437	658,237	1,447,963	1,092,654	995,338
Short term loans	29,207,799	21,526,562	14,982,723	10,646,990	7,193,820
Bank overdraft	-	-	-	138,897	138,897
	<b>30,049,236</b>	<b>22,184,799</b>	<b>16,430,686</b>	<b>11,878,541</b>	<b>8,328,055</b>
<b>Net Assets</b>	<b>(27,611,974)</b>	<b>(20,184,469)</b>	<b>(14,944,210)</b>	<b>(10,429,206)</b>	<b>(6,703,476)</b>
<b>Equities &amp; Liabilities</b>					
<b>Capital &amp; Reserves:</b>					
Stated capital	2,555,676	2,555,676	2,555,676	2,555,676	2,555,676
Capital surplus	288,618	288,618	288,618	295,668	302,718
Retained Earnings	(30,456,261)	(23,028,763)	(17,788,504)	(13,280,551)	(9,561,870)
<b>Total shareholders fund</b>	<b>(27,611,967)</b>	<b>(20,181,469)</b>	<b>(14,896,164)</b>	<b>(10,429,206)</b>	<b>(6,703,476)</b>
<b>Total Liabilities and Equities</b>	<b>2,437,269</b>	<b>2,000,330</b>	<b>1,486,476</b>	<b>1,449,335</b>	<b>1,624,580</b>



## FIVE LEAGUE TABLES FOR THE PAST FOUR SEASONS

2016/17								
TEAM	M	P	W	D	L	GF	GA	GD
Aduana Stars	30	57	16	9	5	45	25	20
WAFA	30	51	15	6	9	40	19	21
<b>Hearts of Oak</b>	<b>30</b>	<b>48</b>	<b>13</b>	<b>9</b>	<b>8</b>	<b>42</b>	<b>33</b>	<b>9</b>
Dwarfs	30	44	12	8	10	39	33	6
Asante Kotoko	30	43	11	10	9	23	22	1
Wa All Stars	30	42	11	9	10	36	32	4
Elmina Sharks	30	42	12	6	12	29	29	0
Berekum Chelsea	30	42	12	6	12	37	35	2
Medeama SC	30	42	11	9	10	35	32	3
Bechem United	30	41	12	5	13	30	31	-1
Liberty	30	41	11	8	11	34	34	0
Ashanti Gold	30	41	12	5	13	38	36	2
Inter Allies	30	40	10	10	10	24	26	-2
Tema Youth	30	37	10	7	13	30	33	-3
Great Olympics	30	36	9	9	12	27	32	-5
Bolga All Stars	30	12	2	6	22	21	78	-57

2015/16								
TEAM	M	P	W	D	L	GF	GA	GD
Wa All Stars FC	30	51	15	6	9	31	22	9
Aduana Stars FC	30	49	14	7	9	42	24	18
<b>Hearts of Oak SC</b>	<b>30</b>	<b>48</b>	<b>12</b>	<b>12</b>	<b>6</b>	<b>31</b>	<b>26</b>	<b>5</b>
Medeama SC	30	46	13	7	10	34	31	3
Asante Kotoko SC	30	46	12	10	8	33	29	4
WAFA	30	42	11	9	10	31	22	9
Bechem United FC	30	42	12	6	12	31	34	-3
Dreams FC	30	40	11	7	12	30	34	-4
Dwarfs	30	40	11	7	12	31	31	0
Berekum Chelsea FC	30	40	12	4	14	26	27	-1
Ashanti Gold SC	30	40	8	16	6	32	31	1
Inter Allies FC	30	38	9	11	10	34	31	3
Liberty	30	38	10	8	12	33	30	3
Techiman City FC	30	37	10	7	13	30	39	-9
Sekondi Hasaacas	30	36	10	6	14	32	43	-11
New Edubiase	30	22	5	7	18	18	45	-27

**2014/15**

TEAM	P	W	D	L	GF	GA	GD	PTS
AshGold	30	15	7	8	35	26	9	52
Aduana Stars	30	14	4	12	23	25	-2	46
Berekum Chelsea	30	13	5	12	43	35	8	44
<b>Hearts of Oak*</b>	<b>30</b>	<b>11</b>	<b>10</b>	<b>9</b>	<b>36</b>	<b>31</b>	<b>5</b>	<b>43</b>
Liberty Professionals	30	12	7	11	28	28	0	43
Kotoko*	30	12	9	9	38	33	5	42
Inter Allies	30	11	9	10	27	21	6	42
Hasaacas	30	12	6	12	33	35	-2	42
NewEdubiase	30	11	9	10	38	41	-3	42
Wa All Stars	30	12	5	13	27	24	3	41
WAFA	30	11	8	11	27	26	1	41
Medeama SC	30	10	11	9	35	29	6	41
Bechem United	30	12	5	13	32	33	-1	41
Heart of Lions	30	11	7	12	36	38	-2	40
Olympics	30	11	7	12	33	34	-1	40
B.A united	30	4	7	19	20	54	-34	19

\* Pending the outcome of a protest lodged at the GFA

**2013/14**

TEAM	P	W	D	L	GF	GA	GD	PTS
Asante Kotoko	30	17	4	9	36	25	11	55
Heart of Lions	30	14	5	11	35	33	2	47
<b>Hearts of Oak</b>	<b>30</b>	<b>13</b>	<b>7</b>	<b>10</b>	<b>31</b>	<b>31</b>	<b>0</b>	<b>46</b>
AshGold	30	12	9	9	31	28	3	45
Bechem United	30	11	9	10	33	31	2	42
Inter-Allies	30	12	5	13	31	32	-1	41
Hasaacas	30	11	8	11	41	37	4	41
Wa All Stars	30	11	8	11	29	23	6	41
Medeama SC	30	10	10	10	27	28	-1	40
NewEdubiase	30	11	7	12	27	26	1	40
Aduana Stars	30	11	7	12	31	28	3	40
Berekum Chelsea	30	10	10	10	25	28	-3	40
Liberty Professionals	30	12	4	14	27	33	-6	40
Faisal	30	10	8	12	22	28	-6	38
Amidaus Professionals	30	9	8	13	28	29	-1	35
Dwarfs	30	10	3	17	28	42	-14	33



## PROXY FORM

I/We, ..... being member(s) of Accra Hearts of Oak Sporting Club Limited, hereby appoint .....of .....

Or failing him/her the Chairman as my / our Proxy to vote for me / us, and on my / our behalf at the Annual General Meeting of the Company to be held on **the Wednesday, 15th August, 2018** and at any and every adjournment thereof.

Please indicate with X in the space below how you wish your vote to be cast.

	RESOLUTIONS	FOR	AGAINST
1	To receive and adopt the Report of the Directors, Auditors and the Financial Statements for the year ended 30th June, 2018.		
2	To approve the remuneration of the Directors		
3	To authorize the Directors to negotiate and determine the Auditor's remuneration.		

Signed this .....day of ..... 2019

.....  
Signature of Shareholder

**THIS PROXY FORM SHOULD NOT BE COMPLETED AND SENT TO THE REGISTERED OFFICE IF THE MEMBERS WILL BE ATTENDING THE MEETING**

1. A member (Shareholder) who is unable to attend the AGM is allowed by law to vote by proxy. The above proxy form has been prepared to enable you exercise your vote if you cannot personally attend.
2. Provision has been made on the form for the Chairman of the meeting to act as your proxy but, if you wish, you may insert in the space\* the name of any person whether a member of the company or not, who will attend the meeting and vote on your behalf instead of the Chairman of the meeting.
3. In case of joint holders, each holder should sign.
4. If executed by a corporation, the proxy form should bear its common seal or be signed on its behalf by a Director.
5. Please signed the above Proxy Form and deliver it so as to reach the Registrar, NTHC Limited, Martco House Office, Kwame Nkrumah Avenue, P.O. Box KIA 9563, Accra not later than 48 hours before the appointed.
6. The proxy must produce the admission card sent with the notice of the meeting to obtain entrance to the meeting.











ACCRA HEARTS OF OAK SPORTING CLUB LIMITED





















