Daakye Trust PLC

ANNUAL REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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INDEX

CORPORATE INFORMATION

BOARD OF DIRECTORS	Stephen Antwi-Asimeng- *Chairman* Frederick Dennis - *Corporate Manager* Hayford Amoh Samuel Danquah Arkhurst Emmanuel A. Addo
SECRETARY	S & H Group Limited 113 Archer Street, Abelenkpe Accra
CORPORATE MANAGER	KPMG Marlin House, 13 Yiyiwa Drive, Abelenkpe P. O. Box GP 242 Accra.
PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE	Ocean House 13 Yiyiwa Drive, Abelenkpke P. O. Box GP 242 Accra
AUDITOR	Ernst & Young Chartered Accountants 60 Rangoon Lane Cantonments City Accra
BANKERS	Fidelity Bank Ghana Limited Cal Bank Ghana Limited Absa Bank Ghana Limited

REPORT OF THE DIRECTORS
TO THE MEMBERS OF DAAKYE TRUST PLC

The Directors present their report and the financial statements of the Company for the period ended 31 December 2022.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation of financial statements that give a true and fair view of Daakye Trust Plc, comprising the statement of Financial position as at 31 December 2022 and Statements of Profit or Loss and Other comprehensive income, Statement of changes in Equity and Statements of Cash Flows for the year then ended, and the notes to the Financial Statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards, the Securities and Exchange ComSmission Regulations, 2003 (L.I 1728) and the requirements of the Companies Act, 2019 (Act 992).In addition, the Directors are responsible for the preparation of the Report of the Directors.

The Directors are also responsible 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, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the ability of the company to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

FINANCIAL STATEMENTS AND DIVIDEND

The financial results of the Company for the period ended 31 December 2022 are set out in the financial statements, highlights of which are as follows:

	2022	2021
	GH¢'000	GH¢'000
Results before tax	16,417	19,011
Results after tax	12,313	14,258
Total Assets	2,729,387	2,554,809
Total Liabilities	2,702,806	2,540,541
Total Equity	26,581	14,268

The Directors do not recommend the payment of dividend.

PRINCIPAL ACTIVITIES

The Company is set up as a special purpose vehicle to, among others, issue debt securities for the purpose of refinancing the GETFund Debt. Pursuant to that, it has issued debt securities backed by portion of GETFund levies, assigned to the Company by the GETFund for the purpose of servicing the debt securities and related expenses.

HOLDING COMPANY

GETFund is the shareholder and holds all the shares in the Company.

REPORT OF THE DIRECTORS
TO THE MEMBERS OF DAAKYE TRUST PLC (CONTINUED)

RELATED PARTY TRANSACTIONS

Information regarding Directors' interests in ordinary shares of the company and remuneration is disclosed in the notes to the financial statements. No director has any other interest in any shares or loan stock of the company.

The company is not aware of any conflicts, or any potential conflicts, between the duties of the Directors to the company and their private interests or other duties.

BOARD OF DIRECTORS

Profile

Non-executive	Qualification	Outside board and management position
Stephen Antwi-Asimeng	B.A. (Hons) Economics, M.A. (Banking & Finance)	Oak Financial Services International Community School The Amalgamated Fund (GH) Limited
Samuel Danquah Arkhurst	B.A. Economics, M.A. Economic Policy Management, LLB	Director, Treasury and Debt Management Division, Ministry of Finance ECOWAS Bank for Investment and Development. E.S.L.A. PLC Internal Audit Agency
Hayford Amoh	BSc Accounting, MSc Development Finance, ICA (Ghana)	Public Procurement Authority Board
Emmanuel A. Addo	Post Graduate Diploma - Communication Studies	Admedia Limited Mediamart Limited Promax Limited GETFund Ghana Employers' Association
Executive	**Qualification**	**Outside board and management position**
Frederick Dennis	BA. Administration, FCCA, ICA (Ghana)	Partner, KPMG Director, E.S.L.A. PLC

Biographical information of Directors

Age category	Number of Directors
35 - 60 years	4
61 - 75 years	1

REPORT OF THE DIRECTORS
TO THE MEMBERS OF DAAKYE TRUST PLC (CONTINUED)

ROLE OF THE BOARD

The Directors are collectively responsible for the direction and strategic control of Daakye Trust Plc, driving its activities towards the achievements of the entity's vision, whilst enhancing the value of its shareholders and meeting the interests of other stakeholders. The Board is ultimately accountable to the shareholder for the performance of the business. In view of the above responsibility, the Board has assumed a number of activities including monitoring performance, risk management, internal controls and compliance as well as delegating its authority to the corporate manager of the company to oversee the performance of key activities. The board has in pursuit of the above put in place measures to ensure compliance with applicable laws and regulations.

INTERNAL CONTROL SYSTEMS

The Directors have overall responsibility for the company's internal control systems and review their effectiveness, including a review of financial, operational, compliance and risk management controls. The implementation and maintenance of the risk management and internal control systems are the responsibility of the corporate manager. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. The Directors have reviewed the effectiveness of the internal control systems, including controls related to financial, operational and reputational risks identified by the company as at the reporting date and no significant failings or weaknesses were identified.

PARTICULARS OF ENTITIES IN THE INTEREST REGISTER DURING THE FINANCIAL YEAR

No Director had any interest in contracts and proposed contracts with the Company during the year under review, hence there were no entries recorded in the Interests Register as required by sections 194(6),195(1)(a) and 196 of the Companies Act 2019, (Act 992).

BOARD BALANCE AND INDEPENDENCE

The composition of the board of directors and its Committees is reviewed to ensure that the balance and mix of skills, independence, knowledge and experience is maintained.

The code of ethics is available for all board members. All board members are required to comply with the requirements of the provision of the code. There are no exceptions to the adherence of the requirement of the code.

CORPORATE SOCIAL RESPONSIBILITY

The company did not engage in any Corporate Social Responsibility (CSR) programmes during the year under review.

DIRECTORS REMUNERATION

Directors' remunerations are determined upon appointment. There have been no variations in remuneration to date.

REPORT OF THE DIRECTORS
TO THE MEMBERS OF DAAKYE TRUST PLC (CONTINUED)

AUDITORS

The Board of Directors is responsible for the appointment, reappointment, removal and remuneration of the external auditor. Ernst and Young has been the auditor of Daakye Trust PLC for three years. In accordance with Section 139 (5) of the Companies Act, 2019 (Act 992), the Auditors, Ernst & Young, will continue in office as Auditor of the Company.

AUDIT FEES

Audit fee for the year is GH¢202,000.00 (2021: GH¢150,000.00)

APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Company as identified above do not contain untrue statements, misleading facts or omit material facts to the best of our knowledge. They were approved by the Board of Directors on 28 April 2023 and signed on their behalf by:

....	....
Frederick Dennis **Director**	**Stephen Antwi-Asimeng** **Director**

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Ernst & Young Chartered Accountants
60 Rangoon Lane
Cantonments City, Accra, Ghana
P. O. Box KA 16009
Airport Accra, Ghana

Tel: +233 302 772001
+233 302 772091
ey.com

INDEPENDENT AUDITOR'S REPORT TO THE MEMEBERS OF DAAKYE TRUST PLC

Opinion

We have audited the Financial Statements of Daakye Trust PLC set out on pages 9 to 35 which comprise the Statement of Financial Position as at 31 December 2022, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and 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 Financial Statements present fairly, in all material respects, the Financial Position of Daakye Trust PLC as at 31 December 2022, and its Financial Performance and Cash Flows for the year then ended in accordance with International Financial Reporting Standards, the Securities Exchange Commission Regulations, 2003 (L.I 1728) and the requirements of the Companies Act, 2019 (Act 992).

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 (IESBA) Code and other independence requirements applicable to performing audits of Daakye Trust PLC . We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing the audits of Daakye Trust PLC in Ghana. 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 judgement, were of most significance in our audit of the financial statements of the current period. These matters should be 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.

We have determined that there are no key audit matters to communicate in our report.

Other Information

The Directors are responsible for the other information. The other information comprises Corporate Information (Directors, Company Secretary, Solicitors, Registered Office and Bankers), Report of the Directors and Corporate Governance Report. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, the Securities Exchange Commission Regulations, 2003 (L.I 1728), the requirements of the Companies Act, 2019 (Act 992),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 processes.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Report on other legal and regulatory requirements

The Companies Act, 2019, (Act 992) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- 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;
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books;
- Proper returns adequate for the purpose of our audit have been received from branches not visited by us; and
- The statements of Financial Position and Statement of Comprehensive Income are in agreement with the books of account.
- As Auditors, we are independent of the Company pursuant to Section 143 of the Companies Act, 2019 (Act 992).

The engagement partner on the audit resulting in this independent auditor's report is Pamela Des Bordes (ICAG/P/1329).

Ernst & Young

Ernst & Young (ICAG/F/2023/126)
Chartered Accountants
Accra, Ghana

Date: 28.04.2023

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	Dec 2022 GH¢'000	Dec 2021 GH¢'000
ASSETS			
Non-current assets			
GETFund receivables	5	1,216,661	921,917
Current assets			
GETFund receivables	5	1,112,959	936,271
Cash and cash equivalents	6	393,244	696,523
Other receivables	7	6,523	-
Current tax asset	8	-	98
Total current assets		1,512,726	1,632,892
Total assets		2,729,387	2,554,809
LIABILITIES AND EQUITY			
LIABILITIES			
Non-current liabilities			
Bonds payable	9	2,590,624	2,420,735
Total non-current liabilities		2,590,624	2,420,735
Current liabilities			
Bond interest payable	10	100,592	93,206
Other payables	11	1,877	14,098
Deposits towards expenses	12	2,676	4,173
Deferred income	13	6,581	8,329
Current tax liabilities	8	456	-
Total current liabilities		112,182	119,806
Total liabilities		2,702,806	2,540,541
EQUITY			
Stated capital	14(a)	10	10
Retained earnings	14(c)	26,571	14,258
Total equity		26,581	14,268
Total equity and liabilities		2,729,387	2,554,809

The accompanying notes 1 to 25 form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 28 April 2023 and signed on their behalf by:

....

Frederick Dennis
Director
Date: 28-04-2023

....

Stephen Antwi-Asimeng
Director
Date: 28-04-2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		GH₵'000	GH₵'000
GETFund receipts applied towards interest expense	5	549,261	395,084
GETFund receipts applied towards administrative expenses	12	6,742	2,213
Total GETFund receipts applied		556,003	397,297
Interest expense	15	(549,261)	(395,084)
Administrative expenses	16	(6,742)	(2,213)
Operating profit		-	-
Other Income	17	79,738	55,083
Income applied towards contractor payment	18	(63,321)	(36,072)
Profit before tax		16,417	19,011
Income tax expense	8	(4,104)	(4,753)
Profit for the year		12,313	14,258
Other comprehensive income		-	-
Total comprehensive income		12,313	14,258
Earnings per share (GH₵)	19	12.31	14.26

The accompanying notes 1 to 25 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

For the year ended 31 December 2022	Stated Capital GH¢'000	Retained Earnings GH¢'000	Total Equity GH¢'000
Balance at beginning	10	14,258	14,268
Total comprehensive income			
Profit for the year	-	12,313	12,313
Total comprehensive income	-	12,313	12,313
Balance at 31 December 2022	10	26,571	26,581

For the year ended 31 December 2021	Stated Capital GH¢'000	Retained Earnings GH¢'000	Total Equity GH¢'000
Balance at beginning	10	-	10
Total comprehensive income			
Profit for the year	-	14,258	14,258
Total comprehensive income	-	14,258	14,268
Balance at 31 December 2021	10	14,258	14,268

The accompanying notes 1 to 25 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022	2021
		GH¢'000	GH¢'000
Cash flows from operating activities			
Profit for the year		12,313	14,258
Adjustments to reconcile profit for the year with net cashflow:			
Income tax expense	8	4,104	4,753
Amortisation of bond Premium	13	(1,314)	(983)
Interest income applied towards contractor payments	18	63,321	36,072
		78,424	54,100
Administration expenses paid	11,16	(6,773)	(2,534)
Taxes paid	8	(3,550)	(4,851)
Interest paid	10	(528,668)	(393,000)
Cash flow before changes in working capital		(460,567)	(346,285)
Decrease/(increase) in trade and other receivable		(6,523)	10
Net cash flows from operating activities		(467,090)	(346,275)
Cash flows from financing activities			
Cash proceeds from bonds issued	9(b)	169,360	960,590
GETFund levies collected	5	936,271	786,016
Net bond premium received	13	(433)	9,312
Accrued interest received on retap- issue	15	252	40,273
Novated loans paid to contractors	9(b),5,11	(261,610)	(1,279,100)
Bond buybacks	9(b)	(667,025)	-
Bond issuance costs settled	9(a),11	(13,004)	(16,021)
Net cash flows from financing activities		163,811	501,070
Net increase/(decrease) in cash and cash equivalents		(303,279)	154,795
Cash and cash equivalents at beginning		696,523	541,728
Cash and cash equivalents at 31 December		393,244	696,523

The accompanying notes 1 to 25 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. REPORTING ENTITY

Daakye Trust Plc is a public limited liability company incorporated and domiciled in Ghana. The address of its registered office is Ocean House, 13 Yiyiwa Drive Abelenkpe, Accra. The company was established to among others issue debt securities to refinance liabilities of GETFund to relevant contractors and banks.

2. BASIS OF PREPARATION

a. Statement of compliance

The financial statements of Daakye Trust PLC have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board and in the manner required by the Companies Act, 2019 (Act 992).

b. Basis of preparation

The financial statements have been prepared on the historical cost basis and in accordance with the going concern assumption.

c. Functional and presentation currency

The financial statements are presented in Ghana Cedis (GH₵) which is the company's functional currency. Except otherwise indicated, the financial information presented has been rounded to the nearest thousand.

d. Use of judgement and estimates

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect 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 judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate 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 judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in notes 4 and 21.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below would be applied consistently to all periods presented in these financial statements by the company with the exception of those highlighted under the section labelled changes in accounting policies.

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency (GH¢) of the Company at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rates prevailing on the reporting date.

Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences are generally recognised in profit or loss and are reported on a net basis under selling, general and administrative expenses or other income.

(b) Financial Instruments

i. Recognition and initial measurement

The Company initially recognises GETFund Receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a receivable without a significant financing component) or financial liability is initially measured at fair values plus, for an item not at Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

a. Financial assets

Classification

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair Value through Other Comprehensive Income (FVOCI) - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

Business model assessment

The company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin. In assessing whether the contractual cash flows are solely payments of principal and interest, the company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the company considers contingent events that would change the amount or timing of cash flows.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent measurement and gains and losses:

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

b. Financial liabilities

Classification, subsequent measurement and gains and losses

Financial liabilities are classified as other financial liabilities and measured at amortised cost. using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. Non-derivative financial liabilities include bonds payable, interest payable and other payables.

iii. Derecognition

The company derecognises a financial asset when the contractual rights to cash flows from the asset expire, or when the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

Any interest in such derecognised financial assets that is created or retained by the company is recognised as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognized in profit or loss.

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

iv. Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

v. Impairment

(i) Financial assets

(a) Assets carried at amortised costs

The company recognises loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortised cost.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (cont'd)

The company measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for financial assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

The company assumes that the credit risk on a financial asset has increased significantly if it is more than 182 days past due for its open market customers and more than 365 days for its institutional customers.

The company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the company in full due to bankruptcy
- there are adverse changes in the payment status of debtors

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

Credit-impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation

Presentation of allowance for ECL in the statement of financial position

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Financial Instruments (cont'd)

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the company's procedure for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rates that reflect current market assessments of the time value of money and risks specific to the asset.

A previously recognised impairment loss is reversed where there has been a change in circumstances or in the basis of estimation used to determine the recoverable value, but only to the extent that the asset's net carrying amount does not exceed the carrying amount of the asset that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

(c) Income

The Company recognises income to record the transfer of promised service to stakeholders in an amount that reflects the consideration the Company expects to be entitled to in exchange for the service. The company's funds are earned from a portion of GETFund levies that are assigned to the company. The collections from GETFund are used to reduce the GETFund receivables arising from settlement of novated debts to the Company. The funds assigned are also used to finance interest costs accruing on the bonds issued and administrative expenses incurred. The amount of income recognition is considered as a government grant in accordance with IAS 20 Government Grants.

Income is recognized:

i. as consideration expected to the extent of interest accrued on outstanding bonds as per the assignment agreement and the portion of GETFund levies advanced towards the payment administrative expenses incurred;

ii. Interest Income from investments

Interest incomes are recognised in the income statement in other income when the entity's right to receive payment is established which is generally based on the applicable investment agreements or contracts, usually on a time-apportionment basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Interest income and expense

Interest income comprises interest income on funds invested. Interest expense comprise interest expense on bonds issued. Interest income and expense for all interest-bearing/earning financial instruments are recognised in profit or loss using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts the expected future cash payment or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the company estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses.

The calculation includes all transaction costs, fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

e) Income tax

Tax expense comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on taxable incomes or losses for the period and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.

Deferred tax is measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or the tax assets and liabilities will be realised simultaneously.

(f) Events after the reporting period

Events subsequent to the reporting date are reflected in the financial statements only to the extent that they relate to the period under consideration and the effect is material.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) **Earnings per share**

The company 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 company by the number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(h) **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, from the date of acquisition that are subject to an insignificant risk of changes in their fair values and are used in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(j) **New Standards and Interpretations issued not yet adopted**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Classification of liabilities as current or non-current (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged.

The amendments are to be applied retrospectively for annual reporting periods beginning on or after 1 January 2023.

Based on the Company's loan agreements, it does not foresee any significant effect of the standard on its financial statements upon adoption.

Definition of accounting estimates (Amendments to IAS 8)

Distinguishing between accounting policies and accounting estimates is important because changes in accounting policies are generally applied retrospectively, while changes in accounting estimates are applied prospectively.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The changes to IAS 8 focus entirely on accounting estimates and i9clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates.

- Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
-
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

- The Board clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The effects of changes in inputs and/or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments. The Company is yet to assess the effect of the standard on its financial statements.

(j) New Standards and Interpretations issued not yet adopted

Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Making information in financial statements more relevant and less cluttered has been one of the key focus areas for the International Accounting Standards Board (the Board).

The Board has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed;
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements;
- accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material.

The amendments are effective from 1 January 2023 but may be applied earlier. The Company is yet to assess the effect of the standard on its financial statements.

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendment to IAS 12)

The amendment clarifies that the initial recognition exemption does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning obligations. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning.

The amendments are effective from 1 January 2023 but may be applied earlier. The Company is yet to assess the effect of the standard on its financial statements. The Company is yet to assess the effect of the standard on its financial statements.

(k) New Standards effective for financial year commencing 1 January 2022

- Onerous Contracts - Cost of fulfilling a Contract (Amendment to IAS 37)
- Annual Improvements to IFRS Standards (2018 – 2020) (Amendment to IFRS 1, IFRS 9, IFRS 16 and IAS 41)

The amendments under these standards that became effective in the reporting period are not expected to have material impact on the Company.

4. DETERMINATION OF FAIR VALUES

A number of the company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) GETFund receivables and other receivables

The fair value of GETFund receivables and other receivables is estimated as the present value of future cash flows, discounted at the current market rate of instruments with similar credit risk profile and maturity at the reporting date. Receivables due within 6-month period are not discounted as their carrying values approximate their fair values.

(ii) Cash and cash equivalents

The fair value of cash and cash equivalent approximate their carrying values.

(iii) Bond and other payables

The fair value of bonds and other payables is estimated as the present value of future cash flows, discounted at the current market rate of instruments with similar credit risk profile and maturity at the reporting date. Payables due within 6-month period are not discounted as their carrying values approximate their fair values.

Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the company's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued sing: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

5. GETFund RECEIVABLES

These are levies and budgetary allocations expected to be collected under the bond programme to refinance the GETFund liabilities assigned to the Company. The GETFund receivables is used for settling obligation under the debt securities issued and all other related expenses as and when they fall due.

	2022	2021
	GH¢'000	GH¢'000
Balance at beginning	1,858,188	904,017
GETFund receivables on novated debt*	916,518	1,376,268
GETFund receipts applied towards interest expense	549,261	395,084
Collections transferred to deposit towards expenses	5,245	4,907
Collections during the year	(936,271)	(786,016)
Interest income applied towards contractor payment	(63,321)	(36,072)
	2,329,620	1,858,188

*The cash portion of novated loan settled during the year include prior year withholding taxes on novated loans.

	2022	2021
Current	1,112,959	936,271
Non-current	1,216,661	921,917
	2,329,620	1,858,188

The portion of remittance to be receivable to be remitted by the sponsor to the Company in the next 12 months is presented as current, any balance is excess of this constitute non-current receivable.

6. CASH AND CASH EQUIVALENTS

	2022	2021
	GH¢'000	GH¢'000
Cash at Bank	339,383	696,523
Short term investment*	53,861	-
	393,244	696,523

*This relates to investment in 182-day repo held with Fidelity Bank Ghana Limited. There is no short-term deposit pledged as collateral.

7. OTHER RECEIVABLE

	2022	2021
	GH¢'000	GH¢'000
Interest income on short term investment	6,523	-
	6,523	-

8. INCOME TAX

(i)

	2022 GH¢'000	2021 GH¢'000
Income tax expense	4,104	4,753

(ii) Current tax liabilities

Year	Balance at beginning	Payments during the year	Charged to P/L account	Balance at year-end
2022	(98)	(3,550)	4,104	456
2021	-	(4,851)	4,753	(98)

The above tax position is subject to the agreement of the tax authorities.

(iii) Deferred tax

There were no taxable or deductible differences and therefore no deferred tax balance was recognised in the company's books.

(iv) Reconciliation of effective tax rate

	2022 GH¢'000	2021 GH¢'000
Profit before taxation	16,417	19,011
Income tax using the domestic tax rate (25%)	4,104	4,753
Income not taxable	-	-
Income tax on non-deductible expenses*	-	-
Income tax charge	4,104	4,753
Effective tax rate	25%	25%

9. BONDS PAYABLE

(a) Amortised Cost of Securities issued

The debt securities are backed by receivables from the GETFund levy and/or budgetary allocations to GETFund under the GETFund Act, assigned to the Company by Ghana Education Trust Fund (GETFund).

The Company measures its bonds at amortised cost using the effective interest method.

	2022 GH¢'000	2021 GH¢'000
Balance at beginning	2,420,735	1,374,163
Bonds issued	836,386	1,060,590
Amortised issuance cost	13,459	1,923
Bond buybacks	(667,025)	-
Bond issuance cost	(12,931)	(15,941)
	2,590,624	2,420,735

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. BONDS PAYABLE

(b) Face Value of Securities Issued

During the period under review, the company traded the following bonds to refinance GETFund novated debts.

	2022	2021
	GH¢'000	GH¢'000
Balance at beginning	2,453,171	1,392,581
Tranche D1000-C (Oct. 2027) - cash issue	-	47,781
Tranche D1000-D (Oct. 2027) - cash issue	-	100,000
Tranche D1000-E (Oct. 2027) - debt swap	-	14,932
Tranche D1000-F (Oct. 2027) - cash issue	-	198,546
Tranche D1000-G (Oct. 2027) - cash issue	-	72,997
Tranche D2000 (Apr. 2031) - cash issue	-	280,318
Tranche D2000-B (Apr. 2031) - cash issue	-	150,215
Tranche D2000-C (Apr. 2031) - cash issue	-	195,801
Tranche D3000 (Apr. 2025) - cash issue	119,179	-
Tranche D3000-B (Apr. 2025) - cash issue	30,151	-
Tranche D3000-C (Apr. 2025) - cash issue	20,031	-
Tranche D2000-D (Apr. 2031) - debt swap	175,047	-
Tranche D3000-D (Apr. 2025) - debt swap	491,978	-
Tranche D2000-D (buyback)	(175,047)	-
Tranche D3000-D (buyback)	(491,978)	-
	2,622,532	2,453,171

10. BOND INTEREST PAYABLE

	2022	2021
	GH¢'000	GH¢'000
Balance at beginning	93,206	52,773
Interest accrued for the year	536,054	433,433
Interest payment	(528,668)	(393,000)
	100,592	93,206

11. OTHER PAYABLES

	2022	2021
	GH¢'000	GH¢'000
Accrued administration expenses	723	765
Withholding taxes on admin expense	22	11
Bond issuance cost payable	1,132	1,171
Withholding taxes on issuance cost	-	34
Withholding taxes on novated loans	-	12,117
	1,877	14,098

12. DEPOSITS TOWARDS EXPENSES

This represents the unutilised portion of the 0.2% outstanding on bonds issue allocated for administrative expenses incurred in the operations of the company. These are deferred income advanced to the company and are recognized in the income statement as the expenses are incurred.

a

	2022	2021
	GH¢'000	GH¢'000
Balance at beginning	4,173	1,479
Funds allocated as deposit	5,245	4,907
Deposits applied towards administrative expenses	(6,742)	(2,213)
	2,676	4,173

b. Deposits applied towards administrative expenses

	2022	2021
	GH¢'000	GH¢'000
Deposits applied towards administrative expenses	(6,742)	(2,213)

13. DEFERRED INCOME

This represents the unamortised portion of bond premium and discount accruing on bond retap transactions

	2022	2021
	GH¢'000	GH¢'000
Balance at beginning	8,329	-
Net premium received	(433)	9,312
Amortised premium	(1,315)	(983)
	6,581	8,329

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. EQUITY

Share capital (Stated capital)
Share capital is made up of proceeds of ordinary shares.

(a) *Ordinary shares*

	No of Shares	Proceeds
	2022	2022
		GH¢'000
Authorised:		
Ordinary shares of no-par value	1,000,000	10
Issued and fully paid for cash	1,000,000	10
	2021	2021
		GH¢'000
Authorised:		
Ordinary shares of no-par value	1,000,000	10
Issued and fully paid for cash	1,000,000	10

GETFund is the sole shareholder and holds all the company's shares.

(b) *Shares in treasury*

There are no shares in treasury and no call or instalment unpaid on any share.

(c) *Retained earnings (Income surplus account)*

This represents the residual of cumulative annual results.

15. INTEREST EXPENSE

	2022	2021
	GH¢'000	GH¢'000
Interest expense accrued on bonds*	549,513	435,357
Accrued interest received on retaps	(252)	(40,273)
	549,261	395,084

*This consists of interest payable for the year and amortised portion of bond issuance cost

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

16. ADMNISTRATIVE EXPENSES

	2022	2021
	GH¢'000	GH¢'000
Corporate manager fee	514	387
Secretary fee	87	44
Directors' fee	276	361
Trustee fee	514	376
Listing fee	263	245
Audit fee	202	150
Board training	-	4
Legal retainer fee	300	288
Other expenses	133	125
Liability management fees	4,112	-
VAT& NHIL expenses	341	233
	6,742	2,213

17. OTHER INCOME

a

	2022	2021
	GH¢'000	GH¢'000
Interest income on Bank balances (Call account)	71,901	54,100
Amortised bond premium	1,314	983
Interest income on short term investment	6,523	-
	79,738	55,083

b. **Interest income**

	2022	2021
	GH¢'000	GH¢'000
Interest income on Bank balances (Call account)	71,901	54,100
Interest income on short term investment	6,523	-
	78,424	54,100

18. INTEREST INCOME TOWARDS NOVATED LOAN PAYMENTS

In accordance with the terms of the company's bond prospectus, it is allowed to apply 'excess funds' towards the payment of contractor debts novated to the Company by GETFund. The Board of the company therefore approved the utilisation of a portion of interest earned on the company's funds held with its bankers for that purpose. These amounts are therefore set off against GETFund receivables which will be settled from GETFund levies assigned to the company.

Income applied towards contractor payment

	2022	2021
	GH¢'000	GH¢'000
Income applied towards contractor payment	(63,321)	(36,072)

19. EARNINGS PER SHARE (EPS)

Basic

The calculation of the basic and diluted EPS has been based on the following profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding.

	2022	2021
	GH¢'000	GH¢'000
Profit attributable to equity holders	12,313	14,258
Number of ordinary Shares in issue	1,000,000	1,000,000
Basic/diluted earnings per share (expressed in GH¢ per share)	12.31	14.26

20. RELATED PARTY TRANSACTIONS

GETFund is the sole shareholder and holds all the shares in the company. At the reporting date, there had not been any transaction between the company and GETFund except for the issuance of shares.

There were no transactions between the company and its directors save for the payment of directors' fees as disclosed in Note 18.

21. FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

(a) Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

21. (a) Accounting classification and fair values (cont'd)

31 December 2022

	Amortised Cost GH¢'000	Total GH¢'000
Financial assets not measured at fair value		
GETFund receivables	2,329,620	2,329,620
Cash and cash equivalents	393,244	393,244
Other receivables	6,523	6,523
	2,729,387	2,729,387

31 December 2021

	Amortised Cost GH¢'000	Total GH¢'000
Financial assets not measured at fair value		
GETFund receivables	1,858,188	1,858,188
Cash and cash equivalents	696,523	696,523
	2,554,711	2,554,711

31 December 2022

	Amortised Cost GH¢'000	Other Financial Liabilities GH¢'000	Total GH¢'000
Financial liabilities not measured at fair value			
Bonds payable	2,590,624	-	2,590,624
Bond interest payable	100,592	-	100,592
Other payables	1,855	-	1,855
	2,693,071	-	2,693,071

31 December 2021

	Amortised Cost GH¢'000	Other Financial Liabilities GH¢'000	Total GH¢'000
Financial liabilities not measured at fair value			
Bonds payable	2,420,735	-	2,420,735
Bond interest payable	93,206	-	93,206
Other payables	1,936	-	1,936
	2,515,877	-	2,515,877

	2022 GH¢'000	2021 GH¢'000
Fair value of bonds payable	2,164,255	2,498,926

The fair value of bonds payable is recognized in the level 1 category of the fair value hierarchy. This is based on forecast of the entire obligation under the bond discounted using the market rate of bonds with similar characteristics issued on the exchange.

21. (b) **Financial Risk Management (Cont'd)**

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

- credit risk
- liquidity risk
- market risks

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.

(i) **Credit risk**

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

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:

	2022	2021
	GH¢'000	GH¢'000
GETFund receivables	2,329,620	1,858,188
Cash and cash equivalents	393,244	696,523
Other receivables	6,523	-
	2,729,387	2,554,711

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty.

The Company establishes an allowance for impairment losses that represents its estimate of expected credit losses in respect of financial assets.

The company has not incurred any losses in respect of any of its financial assets and therefore the expected loss raised in respect of any of its financial assets is considered adequate. Further details are as follows:

GETFund receivables

The company has been assigned portion of GETFund levies for the purpose of settling the GETFund receivables. This assignment has been scheduled from September 2020 and will be in existence until all receivables have been settled. The company has been receiving collections as indicated in these financial statements.

21. (b) Financial Risk Management (Cont'd)

Cash and cash equivalents and other receivables

The company's bank balances are held with Absa Bank Ghana Limited, Cal Bank Ghana Limited and Fidelity Bank Ghana Limited. The company considers these banks to be credit worthy banks which are regulated by the Bank of Ghana and therefore no impairments have been raised on the bank balances. The other receivables relate to share consideration received by the corporate manager in trust of the Company pending the opening of the Company's bank statement. This receivable has subsequently been received into the Company's operations account held with Absa Bank.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under normal conditions.

The following are contractual maturities of financial liabilities:

31 December 2022

	Carrying amount	Contractual cash flows	6 months or less	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Non-derivative financial liability							
Bonds payable	2,590,624	2,622,532	-	-	169,360	1,826,838	626,334
Bond interest payable	100,592	100,592	100,592	-	-	-	-
Other payables	1,855	1,855	1,855	-	-	-	-
Balance as at 31 December 2022	2,693,071	2,724,979	102,447	-	169,360-	1,826,838	626,334

31 December 2021

	Carrying amount	Contractual cash flows	6 months or less	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over yeaı
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'00
Non-derivative financial liability							
Bonds payable	2,420,735	2,453,171	-	-	-	-	2,453,17
Bond interest payable	93,206	93,206	93,206	-	-	-	
Other payables	1,936	1,936	1,936	-	-	-	
Balance as at 31 December 2021	2,515,877	2,548,313	95,142	-	-	-	2,453,17

21. (b) **Financial Risk Management (Cont'd)**

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates may cause a decrease in fair values of future cash flows of financial instruments and consequently result in a financial loss for the Company.

Foreign currency risk

At the period end the company does not have balances that are denominated in a currency other than the functional currency of the Company, and therefore is not exposed to foreign currency risk.

Interest rate risk

At the reporting date, the profile of the Company's interest-bearing/earning financial instruments comprised the following financial instruments:

	2022	2021
	GH¢'000	GH¢'000
Fixed rate instruments		
Bonds payable	(2,590,624)	(2,420,735)
Short term investment	53,861	-

	2022	2021
	GH¢'000	GH¢'000
Variable rate instruments	-	-

Sensitivity analysis for variable rate instruments

The Company did not have a variable instrument as at the reporting date.

Fair value sensitivity analysis for fixed rate instrument

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

22. CAPITAL COMMITMENTS

There were no capital commitments at the reporting date.

23. CONTINGENT LIABILITIES

There were no contingent liabilities at the reporting date.

24. EVENTS AFTER THE REPORTING PERIOD

In the period under review, the government of Ghana embarked on a process to restructure its public debt which included Bonds issued by Daakye. The debt exchange was executed in 2023. Details of Daakye included in the debt restructure is in note 25.

25. GOVERNMENT OF GHANA EXCHANGE PROGRAMME

The Government, as part of its plan to improve its overall debt sustainability invited the bondholders under the Daakye Bond Programme to voluntarily participate in a debt securities exchange programme under which the bondholders would swap their bonds for new bonds to be issued by Government.

The result of the exchange is as follows:

Company	Total Bonds in Register	Total Bonds Exchanged	Outstanding Bonds
	GHS	GHS	GHS
Daakye Trust Plc	2,622,531,961	1,358,016,281	1,264,515,680

The Company will continue to service its obligation to the remaining bondholders in accordance with the requirement of the bond prospectus. This subsequent event does not require adjustments in the financial statements.