



ALGEBRA INCOME TRUST

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# Annual Report

AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2024

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## BOARD OF DIRECTORS

Isaac Osei (Chairman)  
Kofi Osafo Sampong  
Stephan Antoh  
Felicia Payin Marfo  
Emmanuel Blankson

## THE TRUSTEE

Guaranty Trust Bank (Ghana) Limited  
25A, Castle Road  
Ambassadorial Area, Ridge  
P.O. Box PMB CT 416  
Cantonments, Accra  
(+233 302) 611 560, 680 746, 680 662

## THE FUND MANAGER

Algebra Capital Management Limited  
5th Floor, Nester Square  
North Liberation Link, Airport City  
P.O. Box GP 18469  
Accra- Ghana  
Email: [info@algebracapital.com.gh](mailto:info@algebracapital.com.gh)  
Website: [www.algebracapital.com.gh](http://www.algebracapital.com.gh)  
Tel :(+233 302) 778 552, 778 553

## SOLICITORS

Afriyie Dwamena & Associates  
Hse No F146/2 Lokko Road,  
2nd Floor Christian Council Building Osu  
P.O. Box CT 6494 Cantonments, Accra.  
[stephan@adwamena.com](mailto:stephan@adwamena.com)  
+233 264385880

## BANKERS

Guaranty Trust Bank (Ghana) Limited  
25A, Castle Road  
Ambassadorial Area, Ridge  
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Cantonments, Accra  
(+233 302) 611 560, 680 746, 680 662

Consolidated Bank Ghana  
P.O. Box PMB CT 363  
Cantonments, Accra  
(+233 302) 216 000

## AUDITORS

John Kay & Co.  
7th Floor, Trust Towers  
Farrar Avenue, Adabraka  
P.O. Box KIA 16088, Airport, Accra  
(+233 302) 235 406, 238 370

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 4th Annual General Meeting of unit holders of Algebra Income Trust (AIT) will be held virtually via Zoom on 29th October 2025 at 10:00 a.m. to transact the following:

1. To receive the Directors' Report together with the Trustee's and Auditor's Reports for the year ended 31st December 2024
2. To receive the Report of the Fund Manager for the Year ended 31st December, 2024
3. To receive and adopt the Financial Statements for the year ended 31st December 2024
4. To authorize the Directors to fix the remuneration of the Auditors

## Special Business

1. To amend the Trust from a Fixed Income Fund to a Multi Asset Fund.
2. To remove the 25% maximum holding limit per investor.
3. To amend the existing asset allocations to include Alternative Investments and Mutual Funds.
4. To amend the existing asset allocation investment limits.

## Note

A Unit Holder is entitled to attend and vote or may appoint a proxy to attend (via online participation) and vote on his or her behalf either online or by post. Such proxy need not be a Unit Holder. For a proxy form to be valid for the purposes of the meeting, it must be completed and submitted via [info@algebracapital.com.gh](mailto:info@algebracapital.com.gh) or deposited at the 5th Floor, Nester Square, Liberation Link, Airport City.

Electronic version of the Unit Trust's Annual Report consisting the Financial Statement, Directors', Fund Manager, Trustee and Auditor's Reports for the year ended 31st December 2024 may be accessed via our website at <https://algebracapital.com.gh/algebra-income-trust/>

Unit Holders are also encouraged to send in any questions in advance of the AGM by mailing them to [info@algebracapital.com.gh](mailto:info@algebracapital.com.gh). Answers to the questions will be provided at the AGM.

Dated this 1st day of October, 2025  
BY ORDER OF THE FUND MANAGER



Afriyie Dwamena & Associates  
Secretary

## Registration for the AGM

The registration link shall be forwarded to the email addresses and contact numbers of Unit Holders to enable those who wish to participate in the AGM to register accordingly. Unit Holders shall be required to provide relevant information to complete the registration process. After registering, Unit Holders will receive a confirmation email containing information about joining the AGM.

## Participate in the AGM

Ensure you have downloaded the Zoom Application unto your device.

1. Raise your hand to either second a motion or ask a question.

### On PC

- Click "Participants".
- Click "Raise Hand" at the bottom of the participants' dialogue box.

### On Mobile

- Tap the three dots labelled "More" on the far right of the control bar.
- Tap "Raise Hand" to raise hand.

2. Type your question.

### On PC

- Click "Q&A" at the bottom of the participants' dialogue box.
- Type your question and submit.

### On Mobile

- Tap the three dots labelled "More" on the far right of the control bar.
- Click "Q&A" to type your question.

3. Use the polling feature to vote for or against a motion.

### On PC or Mobile

When it is time to vote, the poll will appear on your screen.  
Tap/Click your preferred option (FOR or AGAINST) to cast your vote.  
When voting ends, the results will be shared on your screen.

For more information on participating in the meeting, kindly visit our website at <https://www.algebracapital.com.gh>.



Ts and Cs apply.

# What if investing felt **simple, safe** and **easy**?

Algebra Income Trust is a fixed income fund designed to grow your money with professional management, real results, flexible access and no stress. It's not just an investment. It's progress, made easy.



[www.algebracapital.com.gh](http://www.algebracapital.com.gh)

Algebra Income Trust is managed by Algebra Capital Management Limited, a licensed fund manager regulated by the Securities and Exchange Commission (SEC) Ghana.

For more info contact us on

**030 277 8553**

A Unit Holder who is entitled to attend and vote may appoint a proxy to attend and vote on his/her behalf. A proxy need not be a unit holder. A completed proxy form should be deposited at the registered office of the Fund Manager at 5th Floor, Nester Square, Liberation Link, Airport City or via email to [info@algebracapital.com.gh](mailto:info@algebracapital.com.gh) not later than 48 hours before the appointed time of the meeting.

A proxy form is provided in the Annual Reports of the Fund and is also available on the Fund Manager's website, <https://www.algebracapital.com.gh>.

All relevant documents in connection with the meeting are available to unit holders from the date of this Notice on <https://www.algebracapital.com.gh> and at the Company's registered office aforesaid.

The Board of Directors of Algebra Capital Management Limited (the Fund Manager) present the report and audited financial statements of Algebra Income Trust (the Trust) for the year ended 31 December 2024.

## FINANCIAL STATEMENTS

The results for the year are set out in the attached financial statements. The Board of Directors of the Fund Manager consider the state of the affairs of the Trust to be satisfactory.

## NATURE OF BUSINESS

The Algebra Income Trust is a unit trust registered and domiciled in Ghana. It is licensed by the Securities and Exchange Commission of Ghana to operate as an authorized Unit Trust.

The objective of the Algebra Income Trust is to achieve income growth and preservation of capital. This will be attained through a portfolio of fixed income instruments that will be targeted at generating a return above the average fixed income benchmark.

## DIVIDEND DISTRIBUTION POLICY

The Trust does not distribute dividends. All income earned is reinvested. Unitholders should be aware that the Trust aims to achieve capital growth and as such income is reinvested to take advantage of the effects of compounding.

### i. INVESTMENT DISTRIBUTION:

Total investment for the year ended 31 December 2024 is made up as follows:

ASSETS	2024 GH¢	2023 GH¢
Government of Ghana Securities	1,415,542	1,097,560
Fixed Deposits	302,840	385,561
Corporate Bonds	222,002	98,997
Local Gov't and Statutory Agencies Securities	275,024	340,830
Cash and cash equivalents	438,628	253,624
	<b>2,654,036</b>	<b>2,176,572</b>

### ii. BELOW ARE THE ASSET ALLOCATION PERCENTAGES FOR THE PERIOD ENDED:

ASSETS	2024	2023
	%	%
Government of Ghana Securities	53	50
Fixed Deposits	12	18
Corporate Bonds	8	4
Local Gov't and Statutory Agencies Securities	10	16
Cash and cash equivalents	17	12
	<b>100</b>	<b>100</b>

## APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the company were approved by the Board of Directors of the Fund Manager on 30th April, 2024 and signed on its behalf by:

NAME: Shephan Aitoh

SIGNATURE: [Signature]

DATE: 30/04/2025

NAME: Prof. Osafi Sempang

SIGNATURE: [Signature]

DATE: 30/04/2025

## INTRODUCTION

We are delighted to present to you the Fund Manager's Report for the period ended December 31, 2024, at the Annual General Meeting of the Algebra Income Trust. The Fund Manager's report would highlight the Fund's performance for the year 2024 and the outlook for the year ahead.

### Global Economic Developments

In 2024, the global economy demonstrated resilience amid ongoing challenges, with growth stabilizing at moderate levels. According to the International Monetary Fund (IMF), global growth was estimated at 3.2% for both 2024 and 2025, consistent with the pace observed in 2023. Advanced economies experienced a slight uptick, with growth rising from 1.6% in 2023 to 1.7% in 2024, while emerging markets and developing economies saw a modest slowdown from 4.3% to 4.2% over the same period.

Inflationary pressures began to ease during the year. The IMF reported a decline in global headline inflation from an annual average of 6.8% in 2023 to 5.9% in 2024, with a further decrease to 4.5% projected for 2025. This reduction was attributed to the unwinding of supply-side constraints and the impact of restrictive monetary policies implemented by central banks.

The World Bank's Global Economic Prospects report echoed these findings, noting that after several years of negative shocks, global growth held steady in 2024 and is expected to edge up in the subsequent years, aided by cautious monetary policy easing as inflation gradually declines. However, the report also highlighted that economic prospects remain tepid, especially in the most vulnerable countries, with growth rates insufficient to foster sustained economic development.

In summary, 2024 marked a year of steady yet modest economic growth, characterized by easing inflation and cautious optimism. Despite these positive developments, the global economy continued to face challenges, particularly in fostering robust growth in developing regions.

### The Ghanaian Economy

#### Economic Growth

Ghana's economy grew by 5.7% in real terms in 2024, its strongest annual performance since 2019. The growth was mainly driven by robust activity in the services sector, especially in ICT, along with steady contributions from agriculture. Despite a slowdown in the fourth quarter (3.6% growth), the strong gains in the first three quarters sustained overall momentum. The industrial sector, however, remained sluggish throughout the year.

Overall, the economy's growth in Q4 2024 reflects continued resilience in services and agriculture, while highlighting the need for revitalization within the industrial sector.

#### Inflation Trends

Globally, inflation remained above target levels in many countries but gradually decreased due to lower energy and food prices as well as tighter monetary policies. In Ghana, the year-on-year inflation rate as of December 2024 stood at 23.8%. The Food and Non-alcoholic Beverages group recorded a year-on-year inflation rate of 27.8%. The Non-Food group recorded a year-on-year inflation rate of 20.3%.

#### Currency Performance

The Ghana cedi faced significant depreciation in 2024 against all three major currencies. The Ghana Cedi closed the year at GHS 14.70 to the USD, GHS 18.40 to the GBP, and GHS 15.21 to the EUR. Significant government interventions in the forex market supported the currency from further decline. The Cedi recorded a depreciation of 23.71% against the USD, 22.57% against the GBP, and 16.77% against the EUR.

## Fixed Income Market

Interest rates generally trended upwards across all three tenors. Yields on the 91-day, 182-day and 364-day bills closed the year at 28.04%, 28.68% and 30.07%, respectively. Compared to last year, yields on treasury market increased significantly.

## Equities Market

The Ghana Stock Exchange Composite Index (GSE-CI) demonstrated robust growth in 2024, rising to 4,889.00 from 3,172.43. This represents a 54.11% growth from the previous year. This positive performance reflected a notable shift towards equities, driven by demand in sectors such as IT, food and beverages, manufacturing, and agriculture, alongside relative exchange rate stability.

Additionally, the GSE-Financial Stocks Index (GSE-FSI) also recorded a growth of 24.65% in 2024. The index closed at 2381.00. This reflects an improvement in the financial sector following the financial crisis and the impact of the Domestic Debt Exchange Program (DDEP) on the sector.

At the end of 2024, the total market capitalization of the Ghana Stock Exchange stood at GHS 111.37 billion, reflecting an annual growth of 50.72%. This growth was primarily fueled by rising share prices in the food and beverages, manufacturing, distribution, mining, IT, and agriculture sectors. MTNGH maintained its position as the most traded stock on the bourse.

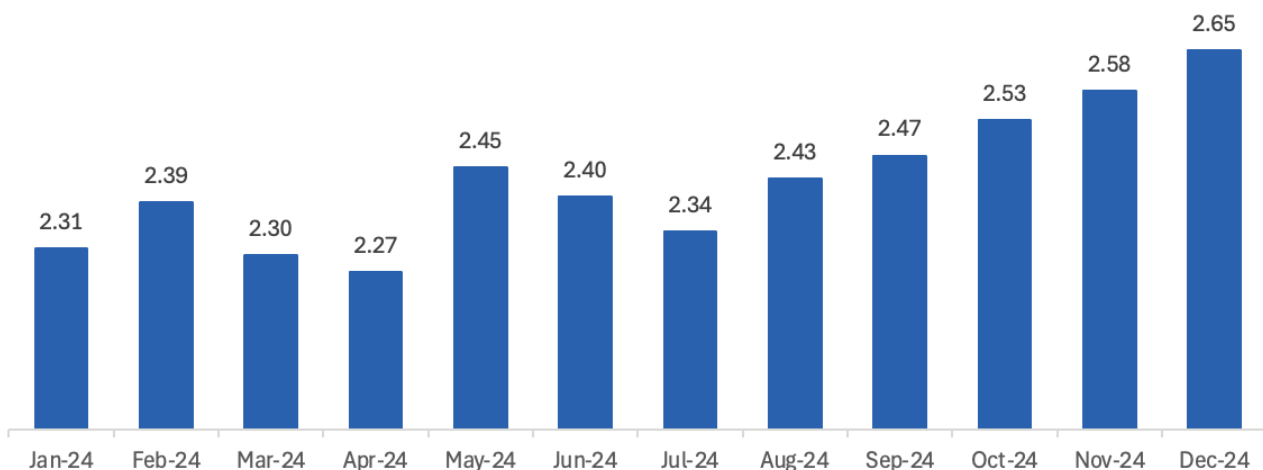
## Conclusion

Overall, while 2024 posed challenges for the Ghanaian economy, particularly in terms of inflation and currency depreciation, there were promising signs of resilience, especially within key sectors and the stock market. As we move forward, it will be crucial to monitor these developments closely, as they will significantly influence investment opportunities and economic stability in the coming years.

## FUND PERFORMANCE

The fund concluded the year with Assets Under Management (AUM) totaling GHS 2.65 million, marking a 14.72% increase compared to the previous year. This notable growth is largely attributed to the fund manager's strategic shift from heavy reliance on Government of Ghana securities toward a more diversified portfolio. Despite prevailing macroeconomic challenges and a decline in investor confidence, the fund remained steadfast in its core objective of delivering income growth while preserving capital.

## Fund Growth (GH¢'m)

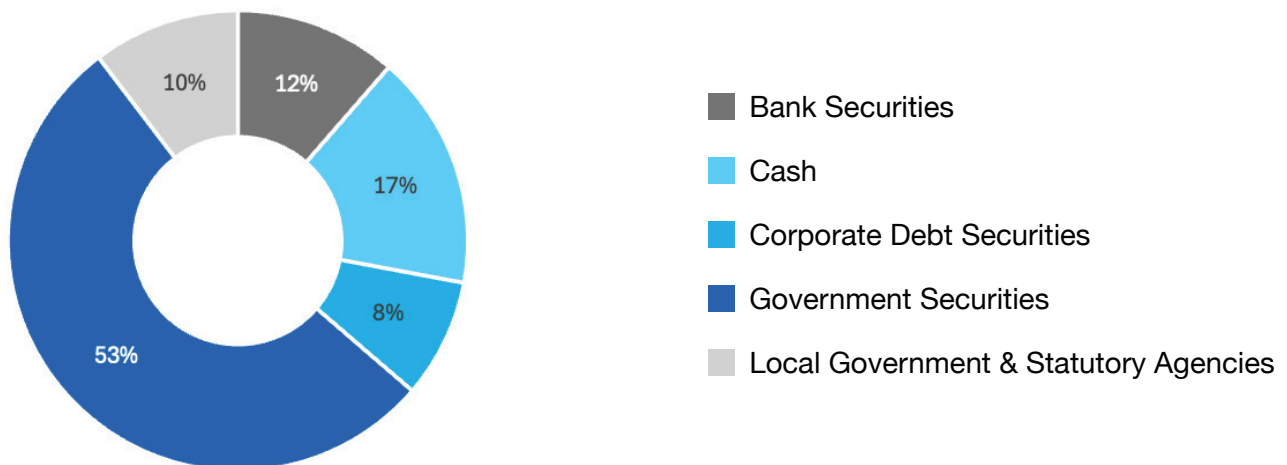


## Returns

The Fund recorded an annual growth rate of 21.89%, with a year-to-date holding return of 15.55%. Although losses were realized from restructured bonds, its impact on overall performance was largely mitigated. Strategic diversification, particularly into bank securities, helped stabilize returns and supported portfolio resilience. Consequently, the Fund's unit price increased from GHS 1.1590 in December 2023 to GHS 1.3172 in December 2024, underscoring sustained investor value and prudent portfolio management.

## Portfolio Asset Allocation

During the reporting period, the Fund allocated 53.34% of its Assets under Management (AUM) to Government of Ghana securities, comprising treasury bills, notes, and bonds. Bank securities accounted for 12%, Local Government and Statutory securities for 10.36%, and Corporate Debt Securities for 8.36%. The Fund also held 16.53% in cash, reflecting maturities at year-end. To cushion the impact of the debt restructuring program, the scheme emphasized short-dated, high-yield instruments, ensuring both liquidity and stability.



## Outlook

Ghana's economic outlook remains cautiously optimistic. The government is targeting a modest 4.0% growth in real GDP and 4.8% growth in non-oil GDP. Inflation is expected to ease, with projections placing it at 11.9% by the end of the year.

To tackle persistent fiscal challenges, the government plans to implement significant spending cuts and eliminate inefficient taxes, while boosting revenue through structural reforms. These include the reintroduction of road tolls and the establishment of a new legal framework for revenue administration. A top priority will be addressing the financial difficulties in the energy sector, which faces a potential GH¢35 billion shortfall in 2025. Budgetary allocations have been made to support energy financing and stabilize the sector, to minimize power outages.

While the 2025 budget presents ambitious strategies to stabilize and transform the economy, experts have cautioned that achieving these targets may prove challenging. The Institute of Statistical, Social, and Economic Research (ISSER) has warned that sluggish economic growth could worsen poverty levels if the proposed policies are not effectively implemented. In addition, the government's commitment to completing debt restructuring and conducting audits of arrears will be critical for restoring fiscal discipline and long-term debt sustainability.

In summary, Ghana demonstrated economic resilience in 2024, with positive growth across key sectors, despite enduring high inflation and fiscal pressures. The outlook for 2025 is cautiously optimistic, with the success of economic projections hinging on the effective execution of fiscal and structural reforms, especially in the energy sector and broader efforts to diversify the economy.

**Guaranty Trust Bank (Ghana) Ltd**

CS406022014

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**Guaranty Trust Bank (Ghana) Ltd**  
CS406022014

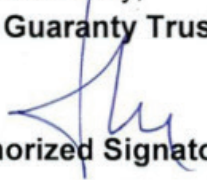
## REPORT OF THE TRUSTEES TO THE INVESTORS OF ALGEBRA INCOME TRUST

In our independent opinion as Trustee, the Manager has, in all material respects, managed the Fund during the period, in accordance with the Unit Trust and Mutual Funds Regulations, 2001, (L.I 1695) and the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For the year 1<sup>st</sup> January 2024 to 31<sup>st</sup> December 2024, we have held the assets for the Algebra Income Trust, including securities and income that accrue thereof, to the order of the Fund and facilitated the transfer, exchange or delivery in accordance with the instructions received from the Fund manager.

Yours faithfully,

**For: Guaranty Trust Bank (Ghana) Ltd.**

  
**Authorized Signatory**

  
**Authorized Signatory**



Ts and Cs apply.

If you **love** them,  
and **believe** in them,  
you will **invest** in them.

Starting with as low as **GHS100/month**,  
you can invest in your child's future with  
Algebra Income Trust today.



[www.algebracapital.com.gh](http://www.algebracapital.com.gh)

Algebra Income Trust is managed by Algebra Capital Management Limited,  
a licensed fund manager regulated by the Securities and Exchange  
Commission (SEC) Ghana.

For more info contact us on

**030 277 8553**



John Kay & Co.

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## Opinion

We have audited the accompanying financial statements of Algebra Income Trust, which comprise the statement of financial position for the year ended 31 December 2024, the statement of comprehensive income for the year ended, the statement of movement in net assets for the year ended, cashflow statements for the year ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 20 to 37.

In our opinion, the financial statements give a true and fair view of the financial position of Algebra Income Trust for the year ended December 31, 2024, and of its financial performance and its cash flows for the period then ended in accordance with the International Financial Reporting Standards (IFRS), with the IAS 29 directives issued by the Institute of Chartered Accountants Ghana (ICAG), in the manner required by the Security Industry Act 2016 (Act 929), Unit Trust and Mutual Fund Regulations, 2001, (L.I. 1695).

## 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 Trust in accordance with the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended 31 December 2024. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the following as key audit matters.

## Existence and Valuation of Investment Assets

The assets of the Unit Trust are invested in Government of Ghana Securities and Money Market Securities. In many respects, the custody of these investments is by third-party entities specifically authorized or nominated for such holding purposes. Based on a correspondence issued by the Securities and Exchange Commission (SEC) requiring all assets to be valued on a fair value basis, the Unit Trust's investments are valued at fair value, and the returns on these investments depend on the face value/cost, interest rates, and the tenor.

- We obtained a list of the investments showing, among other things, the institutions/entities in which placements or investments were made and agreed on the total to the Unit Trust's accounting records.
- We also reviewed whether the quarterly valuation of the investment portfolio by the manager, as the basis for determining management fees, was reasonably made and accurate.
- We evaluated the adequacy of disclosures of investment assets recognized in the Unit Trust's statement of financial position and the statement of assets and liabilities.
- We performed independent valuations of assets to verify the accuracy of the market values reported.
- We examined the additions and redemption of investments made within the year.



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## Income Recognition

The invested assets of the Unit Trust yields interest income based on the interest rates, face value/cost, and the tenor related to each investment type of asset. Interest income is recognized in the financial statements on an accrual basis on the basis that it is probable that economic benefits associated with the assets will flow to the Unit Trust.

- We reviewed the design and implementation of controls over the Unit Trust's income recognition.
- We recomputed the interest income based on the agreed interest rates, face value/cost, and the duration for which the interest income relates.
- We reviewed the cut-off period for investment assets of the Unit Trust to ensure that interest income accruing to the Unit Trust after 31 December 2024 are not recognized as interest income for the current year.
- We evaluated the adequacy of disclosures of interest income recognized in the Unit Trust's income and distribution account.

## Responsibilities of the Fund Manager for the Financial Statements

The Unit Trust Manager is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS), Unit Trust and Mutual Fund Regulations, 2001, (L.I. 1695) and in the manner required by the Security Industry Act 2016 (Act 929) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Unit Trust Manager is also responsible for overseeing the Trust's financial reporting process.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

## Report on Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but 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 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.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is 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.



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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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust'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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Unit Trust or its business activities to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion

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

## Report on Other Legal and Regulatory Requirements

In compliance with the requirements of part 9 of Schedule 8 of the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695), we confirmed that:

- a. The accounts have been properly prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Securities Industry Act, 2016 (Act 929) and Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695).
- b. The statement of financial position shows a true and fair view as at 31 December 2024.
- c. In our opinion, proper accounting records have been kept by the manager, and the accounts are in agreement with the manager's accounting records.
- d. 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, and
- e. The information given in the report of the Unit Trust manager is consistent with the accounts.



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The engagement partner on the audit resulting in this Independent Auditor's Report is  
**GILBERT ADJETEY LOMOFIO**  
**(P/No-ICAG/P/1417)**

**For and on behalf of John Kay & Co. (ICAG/F/2025/128)**  
**Chartered Accountants**  
**Accra.**

*For and on behalf of John Kay & Co. (ICAG/F/2025/128)*  
*Chartered Accountants*  
*Accra.*

..... 30/4/2025



# STATEMENT OF ASSETS AND LIABILITIES

ALGEBRA INCOME TRUST  
ANNUAL REPORT 2024

FOR THE YEAR ENDED 31 DECEMBER 2024

<b>FIXED INTEREST SECURITIES</b>	<b>MARKET VALUE GH¢</b>	<b>PERCENTAGE OF NET ASSET (%)</b>
<b>GOVERNMENT OF GHANA SECURITIES</b>		
91 Day Treasury Bill	366,845	14.15
4- Year Note	549,995	21.22
5 - Year Bond	498,702	19.24
	<b>1,415,542</b>	<b>54.61</b>
<b>LOCAL GOVERNMENT &amp; STATUTORY AGENCIES SECURITIES</b>		
2-year Cocoa bill	68,213	2.63
3-year Cocoa bill	67,716	2.61
4-year Cocoa bill	67,276	2.61
5-year Cocoa bill	71,819	2.77
	<b>275,024</b>	<b>10.62</b>
<b>CORPORATE BONDS</b>		
2 Year Bond	222,002	8.57
	<b>222,002</b>	<b>8.57</b>
<b>FIXED DEPOSITS</b>		
91 Day FD	302,840	11.68
	<b>302,840</b>	<b>11.68</b>
<b>FUNDS ON CALL</b>		
Cash and cash equivalents	438,628	16.92
	<b>438,628</b>	<b>16.92</b>
<b>TOTAL FINANCIAL ASSETS</b>	<b>2,654,036</b>	<b>102.40</b>
Liabilities	(62,077)	(2.40)
<b>TOTAL NET ASSETS</b>	<b>2,591,959</b>	<b>100%</b>

# STATEMENT OF FINANCIAL POSITION

ALGEBRA INCOME TRUST  
ANNUAL REPORT 2024

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	2024 GH¢	2023 GH¢
<b>ASSETS</b>			
Cash & Cash Equivalents	9	438,628	253,624
Financial assets at Fair Value through OCI	10	2,215,408	1,922,948
<b>TOTAL ASSETS</b>		<b>2,654,036</b>	<b>2,176,572</b>
<b>REPRESENTED BY:</b>			
Capital Account	12	2,094,984	1,955,507
Retained Earnings	13	944,721	649,421
Investment Revaluation Reserve	14	(447,703)	(459,768)
<b>TOTAL MEMBER'S FUND</b>		<b>2,591,959</b>	<b>2,145,160</b>
<b>LIABILITIES</b>			
Account payables	11	62,077	31,412
<b>TOTAL MEMBERS FUND AND LIABILITIES</b>		<b>2,654,036</b>	<b>2,176,572</b>

The financial statements set out on pages 20 to 37, which have been prepared on the going concern basis, were signed for and on behalf of the Manager by:

NAME: Shephan Aduah

SIGNATURE: [Signature]

DATE: 30/04/2025

NAME: Rufi Osafi Sempang

SIGNATURE: [Signature]

DATE: 30/04/2025

The notes on pages 26 to 37 form an integral part of these financial statements.

# STATEMENT OF COMPREHENSIVE INCOME

ALGEBRA INCOME TRUST  
ANNUAL REPORT 2024

FOR THE YEAR ENDED 31 DECEMBER 2024

	NOTES	2024 GH¢	2023 GH¢
<b>REVENUE</b>			
Interest income	7	405,716	393,244
<b>Total Income</b>		<b>405,716</b>	<b>393,244</b>
<b>EXPENSES</b>			
Management Fees		47,596	43,951
Trustee Fees		5,943	5,494
Transaction Charges		721	599
Audit Fees		30,000	20,000
VAT on Audit Fees		6,570	4,380
Administrative Expenses		14,279	13,185
AGM Expenses		5,350	4,800
<b>Total Expenses</b>		<b>110,459</b>	<b>92,409</b>
<b>NET INVESTMENT INCOME</b>		<b>295,257</b>	<b>300,835</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Net gains/(losses) on investments	8	10,613	(459,768)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>305,870</b>	<b>(158,933)</b>

The notes on pages 26 to 37 form an integral part of these financial statements.

# STATEMENT OF MOVEMENT IN NET ASSETS

ALGEBRA INCOME TRUST  
ANNUAL REPORT 2024

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 GH¢	2023 GH¢
<b>Changes in net assets from operations</b>		
Net income from operations	295,257	300,835
Net gains/(losses)	12,065	(459,768)
Reversal of prior year's unrealized gain or loss	-	(30,757)
<b>Net change in net assets from operations</b>	<b>307,322</b>	<b>(128,176)</b>
<b>Change in net assets from capital transactions</b>		
Proceeds from Issue of Shares	410,190	416,086
Share Redemption	(270,713)	(331,738)
<b>Net change in net assets from capital transactions</b>	<b>139,477</b>	<b>84,348</b>
<b>Additions to net assets</b>	<b>446,799</b>	<b>(43,828)</b>
<b>Analysis of changes in net assets for the year</b>		
At 1 January	2,145,160	2,188,988
At 31 December	446,799	(43,828)
	<b>2,591,959</b>	<b>2,145,160</b>

The notes on pages 26 to 37 form an integral part of these financial statements.

# STATEMENT OF CASHFLOWS

ALGEBRA INCOME TRUST  
ANNUAL REPORT 2024

FOR THE YEAR ENDED 31 DECEMBER 2024

CASH FLOWS FROM OPERATING ACTIVITIES	2024 GH¢	2023 GH¢
Increase in net assets attributable to unit holders	305,870	(158,933)
<b>Adjusted for:</b>		
Interest Receivable	(88,090)	(66,960)
Net gains/(losses) on investments	449,155	459,768
Reversal of prior year's unrealized gain/loss	-	30,757
<b>Changes in Working Capital:</b>		
Management Fees Payable	58	(32)
Trustee Fees Payable	10,411	21
Administrative Expenses Payable	2,657	(9)
Legal Fees Payable	5,350	(7,011)
Audit Fees Payable	10,000	10,000
VAT on Audit Fees Payable	2,190	2,190
<b>Net Cash Flows from Operating Activities</b>	<b>697,600</b>	<b>269,791</b>
<b>CASHFLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Financial Assets	(3,893,298)	(4,436,170)
Proceeds from Redeemed Investments	3,241,225	4,182,565
<b>Net Cash Flows from Investing Activities</b>	<b>(652,073)</b>	<b>(253,605)</b>
<b>CASHFLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of units	410,190	416,086
Amount paid on redemption of units	(270,713)	(38,340)
<b>Net Cash Flows from Financing Activities</b>	<b>139,477</b>	<b>(331,738)</b>
<b>Net Increase/Decrease in Cash &amp; Cash Equivalents</b>	<b>185,004</b>	<b>100,534</b>
Cash and Cash Equivalents at 1 January	253,624	153,090
<b>Cash and Cash Equivalents at 31 December</b>	<b>438,628</b>	<b>253,624</b>

The notes on pages 26 to 37 form an integral part of these financial statements.



Ts and Cs apply.

# One day, your **future self** will say **thank you!**

Retiring soon or later? You can still benefit from a personal financial plan. With Algebra Income Trust, you can **plan, preserve and grow.**

[www.algebracapital.com.gh](http://www.algebracapital.com.gh)

Algebra Income Trust is managed by Algebra Capital Management Limited, a licensed fund manager regulated by the Securities and Exchange Commission (SEC) Ghana.

For more info contact us on

**030 277 8553**



## 1. REPORTING ENTITY

Algebra Income Trust (“The Trust”) is an open-ended Unit Trust offered to investors who are seeking to maximize short-term income while preserving capital. The Trust’s investment objective is to maximize short-term income while aiming to preserve capital and to maintain a high degree of liquidity. Algebra Income Trust is a Unit Trust that is incorporated and domiciled in the Republic of Ghana. The address and registered office of the company can be found on page 3 of the annual report.

## 2. BASIS OF ACCOUNTING

### a. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standard (IFRS) and the Unit Trust and Mutual Fund Regulations, 2001 (L.I. 1695).

### b. Functional and Presentation Currency

The financial statements are presented in Ghana Cedi (GH¢), which is the organisation’s functional and presentation currency.

### c. Use of Estimates and Judgement

The preparation of financial statements in conformity with the International Financial Reporting Standard (IFRS) requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditures. 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.

The 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.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The following principal accounting policies have been consistently applied during the period in the preparation of the trust’s financial statements.

### a. Investment income recognition

Interest income, including interest income on financial assets at Fair Value Through Other Comprehensive Income (FVTOCI), is recognized in the income and distribution account using the effective interest method. The effective interest is the rate that exactly discounts the estimated future cash payments or receipts, without consideration of future credit losses, over the expected life of the financial instrument or through to the next market-based re-pricing date to the net carrying amount of the financial instrument on initial recognition. Interest received or receivable are recognized in the income and distribution account as interest income.

### b. Financial instruments

Financial assets and financial liabilities are recognized in the trust’s statement of financial position when the trust becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or

deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

## Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a settlement date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

### Classification of Financial Assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at Fair Value Through Profit or Loss (FVTPL).

- the trust may irrevocably elect to present subsequent changes in the fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the trust may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

### a. Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the trust recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

## **b. Debt instruments classified as at FVTOCI**

Government bonds, local government bonds and treasury bills held by the trust are classified as at FVTOCI in compliance with the directive by the Securities and Exchange Commission (SEC) for fund managers to use FVTOCI for valuation of portfolios of collective investment schemes. These assets are initially measured at fair value plus transaction costs. Changes in the carrying amount of these assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When these assets are derecognised, the cumulative gains or losses previously recognised in other comprehensive income and accumulated in investment revaluation reserve are reclassified to profit or loss.

## **Impairment of financial assets**

The trust recognizes a loss allowance for Expected Credit Losses (ECL) on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The trust always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the trust's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the trust recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the trust measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

## **i. Significant increase in credit risk**

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the trust compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the trust considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the trust's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the trust's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the trust presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the trust has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the trust assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1. The financial instrument has a low risk of default,
2. The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
3. Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The trust considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there are no past due amounts.

For financial guaranteed contracts, the date that the trust becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the trust considers the changes in the risk that the specified debtor will default on the contract.

The trust regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria is capable of identifying significant increase in credit risk before the amount becomes past due.

## ii. Definition of default

The trust considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the trust, in full (without taking into account any collateral held by the trust).

Irrespective of the above analysis, the trust considers that default has occurred when a financial asset is more than 90 days past due unless the trust has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

## iii. Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

1. significant financial difficulty of the issuer or the borrower;
2. a breach of contract, such as a default or past due event;
3. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
4. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;  
or
5. the disappearance of an active market for that financial asset because of financial difficulties.

## iv. Write-off policy

The trust writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the trust's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

## v. Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the trust's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

## vi. Derecognition of financial assets

The trust derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the trust neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the trust recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the trust retains substantially all the risks and rewards of ownership of a transferred financial asset, the trust continues to recognise the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the trust has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investment's revaluation reserve is not reclassified to profit or loss but is transferred to retained earnings.

## Cash and Cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturity of three months or less from the date of acquisition that are subject so an insignificant risk of changes in their value and are used by the trust in the management of short-term commitment, other than cash collateral provided in respect of derivatives and security borrowing transactions.

## 4. NEW AND AMENDED STANDARDS EFFECTIVE FOR THE CURRENT PERIOD

### Amendments to IFRS 9, Financial Instruments

The amendment clarifies which fees to include in the '10%' test to determine whether a financial liability has been substantially modified (i.e. the derecognition analysis). A borrower includes only fees paid or received between itself and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

## 5. NEW AND AMENDED STANDARDS NOT EFFECTIVE FOR THE CURRENT PERIOD

### Disclosure of Accounting Policies (Amendments to IAS 1, Presentation of Financial Statements, and IFRS Practice Statement 2, Making Materiality Judgements)

The amendment continues the IASB's clarifications on applying the concept of materiality. These amendments help companies provide useful accounting policy disclosures, and they include:

- requiring companies to disclose their material accounting policies instead of their significant accounting policies;

- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and do not need to be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material.

The IASB also amended IFRS Practice Statement 2 to include guidance and examples on applying materiality to accounting policy disclosures.

This is effective for periods beginning on or after 1 January 2024.

## **Definition of Accounting Estimates (Amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors)**

This amendment clarifies how companies distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. The distinction between the two is important because changes in accounting policies are applied retrospectively, whereas changes in accounting estimates are applied prospectively.

The amendments clarify that accounting estimates are monetary amounts in the financial statements subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy.

This is effective for periods beginning on or after 1 January 2024.

## **6. RELATED PARTIES AND KEY CONTRACTORS**

### **a. Managers**

Algebra Capital Management Limited, an investment management company incorporated in Ghana and duly licensed by the Securities and Exchange Commission of Ghana as a Fund Manager, established the Trust to implement the investment strategy and objectives as stated in the Unit Trust's investment management policy manual. Under the investment management agreements, The Management Fee will be calculated as 2.00% of the value of the net assets of the Unit Trust for each closing day, divided by 365 (or, in a leap year, 366) to ascertain the fee for that closing day. The fee for that closing day shall be accrued with the subsequent day's fee as computed and charged in bulk to the scheme on a monthly basis. The Management Fee will be paid out of the property of the Scheme.

### **b. Trustees**

The Board of Directors of the Fund Manager of the Trust appointed Guaranty Trust Bank (Ghana) Limited, a Limited liability company incorporated in Ghana and duly licensed by the Securities and Exchange Commission of Ghana to provide Trustee services. Under the Trustee agreement, the Trustee is entitled to receive remuneration for its services, which, together with any indirect taxation, shall be paid out of the property of the Scheme. The remuneration shall consist of a monthly charge at a rate of 0.25 percent per annum of the property of the Scheme.

	2024 GH¢	2023 GH¢
<b>7. INTEREST INCOME</b>		
Interest Income on Government of Ghana Securities	322,111	125,901
Interest Income on Fixed Deposits	13,503	36,184
Interest Income on Corporate Bonds	15,902	90,716
Interest Income on LGSAS	49,912	136,252
Interest on call account	4,288	4,191
	<b>405,716</b>	<b>393,244</b>
<b>8. NET GAINS/(LOSSES) ON INVESTMENTS</b>		
Unrealized gain/(loss) on LGSAS	(48,988)	-
Unrealized gain/(loss) on G.O.G Securities	50,739	(458,316)
Unrealised gain/(loss) on Corporate Bonds	8,862	(1,452)
	<b>10,613</b>	<b>(459,768)</b>
<b>9. CASH AND CASH EQUIVALENTS</b>		
Cash and Funds on Call	438,628	253,624
	<b>438,628</b>	<b>253,624</b>

## 10. FINANCIAL ASSETS

	Balance 1/1/24 GH¢	Purchase at cost GH¢	Sale at cost GH¢	Accrued interest GH¢	Change in fair value GH¢	Value at 31/12/24 GH¢
a. Analysis of changes in fair value of financial instruments at fair value through OCI						
<b>31 December 2024</b>						
G.O.G Securities	1,097,560	2,485,549	(1,818,784)	58,794	(407,577)	1,415,542
Fixed Deposits	385,562	1,207,749	(1,293,311)	2,840	-	302,840
Corporate Bonds	98,997	200,000	(98,997)	13,140	8,862	222,002
LGSAS	340,829	-	(30,133)	13,316	(48,988)	275,024
	<b>1,922,948</b>	<b>3,893,298</b>	<b>(3,241,225)</b>	<b>88,090</b>	<b>(447,703)</b>	<b>2,215,408</b>
<b>31 December 2023</b>						
G.O.G Securities	1,661,992	3,507,888	(3,666,17)	52,166	(458,316)	1,097,560
Fixed Deposits	-	385,000	-	562	-	385,562
Corporate Bonds	100,393	-	(393)	449	(1,452)	98,997
LGSAS	299,766	543,282	(516,002)	13,783	-	340,829
	<b>2,062,151</b>	<b>4,436,170</b>	<b>(4,182,565)</b>	<b>66,960</b>	<b>(459,768)</b>	<b>1,922,948</b>

Per Directive Number SEC/DIR/002/10/2024 issued on 20 October 2022, the Securities and Exchange Commission (SEC) directed fund managers, custodians, and trustees to use fair value through other comprehensive income (FVTOCI) in valuing portfolios of collective investment schemes (Unit Trusts and Mutual Funds). As such, the fund's assets, which were previously valued at amortised cost, have been valued at FVTOCI in compliance with this directive.

	2024 GH¢	2023 GH¢
<b>11. ACCOUNT PAYABLES</b>		
Fund Management Fees	3,781	3,723
Trustee Fees	12,603	2,192
Administrative Fees	3,773	1,117
Audit Fees	30,000	20,000
VAT on Audit Fees	6,570	4,380
Accruals	5,350	-
	<b>62,077</b>	<b>31,412</b>

	2024 No. of units	2024 GH¢	2023 No. of units	2023 GH¢
<b>12. CAPITAL ACCOUNT</b>				
Balance at 1 January	1,866,880	1,955,507	807,081	1,871,159
Contributions	336,099	410,190	1,342,138	416,086
	<u>2,202,979</u>	<u>2,365,697</u>	<u>22,149,219</u>	<u>2,287,245</u>
Redemption	(221,858)	(270,713)	(282,339)	(331,738)
Balance at 31 December	<u>1,981,121</u>	<u>2,094,984</u>	<u>1,866,880</u>	<u>1,955,507</u>
<b>13. RETAINED EARNINGS</b>				
Balance at 1 January		649,421		348,586
Net Income for the year		295,257		300,835
Balance at 31 December		<u>944,678</u>		<u>649,421</u>
<b>14. INVESTMENT REVALUATION RESERVE</b>				
Balance at 1 January		(459,768)		(30,757)
Reversal of prior year unrealized gains/(losses)		-		30,757
Realised gain from Corporate bonds		1,452		-
Changes in fair value		10,613		(459,768)
Balance at 31 December		<u>(447,703)</u>		<u>(459,768)</u>

## 15. TAXATION

The income of an approved Unit Trust scheme or mutual fund is exempt from tax under the Income Tax Act, 2015 (Act 896) as amended.

## 16. FINANCIAL RISK MANAGEMENT

### a. Asset/Portfolio/Credit risk

Credit risk is the risk that counterparties (i.e., financial institutions and companies) in which the scheme's assets are invested will fail to discharge their obligations or commitments to the trust, resulting in a financial loss to the trust. The trust's policy over credit risk is to minimize its exposure to counterparties with a perceived higher risk of default by dealing only with counterparties that meet the standards set out in the SEC guidelines and the trust's investment policy statement.

## b. Liquidity risk

Liquidity risk is the risk that the trust either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due. The trust's approach to managing liquidity is to ensure that it will maintain adequate liquidity in the form of cash and very liquid instruments to meet its liabilities (including benefits) when due.

The following are contractual maturities of financial assets

### 31 December 2024

Financial Assets	Up to 1 Month (GH¢)	1-12 Months (GH¢)	1-5 Years (GH¢)	Over 5 Years (GH¢)	Total
Government Bonds	-	366,845	1,048,697	-	1,415,542
LGSAS Bonds	-	68,213	206,811	-	275,024
Corporate Bonds	-	-	222,002	--	222,002
Fixed Deposits	-	302,840	-	-	302,840

The following are contractual maturities of financial assets

### 31 December 2024

Financial Assets	Up to 1 Month (GH¢)	1-12 Months (GH¢)	1-5 Years (GH¢)	Over 5 Years (GH¢)	Total
Administrative Expenses Payable	62,077	-	-	-	62,077

## c. Market Risk

The trust takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices. Trading portfolios include those positions arising from market-making transactions where the trust acts as principal with clients or with the market.

## d. Foreign exchange risk

The trust had no foreign currency-denominated assets and liabilities at year-end. All assets and liabilities at the balance sheet date were denominated in Ghana Cedis.

## e. Interest Rate Risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The investment managers advise the trustees on the appropriate balance of the portfolio between fixed-rate interest, and variable-rate interest investments. The scheme uses duration targeting as a means of mitigating the effects of the risk. The target duration is regularly reviewed by the trustees.

## **f. Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the trust's processes, personnel, technology, and infrastructure, and from external factors other than credit, market, and liquidity risks such as those arising from legal and regulatory requirements. Operational risks arise from all the trust's operations and are faced by all collective investment schemes. The trust's objective is to manage operational risk to balance the avoidance of financial losses and damage to the trust's reputation with overall cost-effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the fund manager. This responsibility is supported by the development of the following policies and standards;

- governing rules and trust deed;
- investment policy statement;
- requirements for the reporting of non-compliance with regulatory and other legal requirements;
- training and professional development;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

## **17. CONTINGENT LIABILITIES**

There was no contingent liability at the end of the year.

## **18. EVENT AFTER REPORTING PERIOD**

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

At the end of the reporting period, there were no events after the reporting period that related to the year under consideration.

Annual General Meeting of Algebra Income Trust is to be held virtually via Zoom on 29th October, 2025 at 10:00am

I/We..... being a Unit Holder(s) hereby appoint  
..... as my/our proxy to attend and vote for me/us and on my/our behalf at the 4th Annual General Meeting of the Fund to be held on **Wednesday, 29 October 2025** and at any adjournment thereof.

**Dated this 1st day of October 2025**

.....  
Unit Holder(s) Signature

Resolutions	For	Against
1. To consider the Directors' Report and the Report of the Auditors for the year ended 31st December 2024		
2. To receive and adopt the Financial Statements for the year ended 31st December 2024		
3. To receive the Report of the Fund Manager for the Year ended 31st December, 2024		
4. Authorize the Directors to fix remuneration of Auditors		
<b>Special Business</b>		
1. To amend the Trust from a Fixed Income Fund to a Multi Asset Fund.		
2. To remove the 25% maximum holding limit per investor.		
3. To amend the existing asset allocations to include Alternative Investments and Mutual Funds.		
4. To amend the existing asset allocation investment limits.		

Please indicate with an "X" in the appropriate square how you wish your votes to be cast on the resolution set out above.

Unless otherwise instructed the proxy will vote for or abstain from voting at his/her discretion.

**(Do not complete this form if you will attend the meeting)**



Ts and Cs apply.

# You work **so hard**. Let **your money** do the **same for you**.

Turn payday into 'investment day'. Automate your monthly investments with Algebra Income Trust and **let your money work for you**. With consistency, you can turn GHS 100 into great wealth.



[www.algebracapital.com.gh](http://www.algebracapital.com.gh)

Algebra Income Trust is managed by Algebra Capital Management Limited, a licensed fund manager regulated by the Securities and Exchange Commission (SEC) Ghana.

For more info contact us on

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