



TESAH TREASURY TRUST

ANNUAL REPORT

FOR THE 2-MONTH PERIOD TO 31 DECEMBER 2021



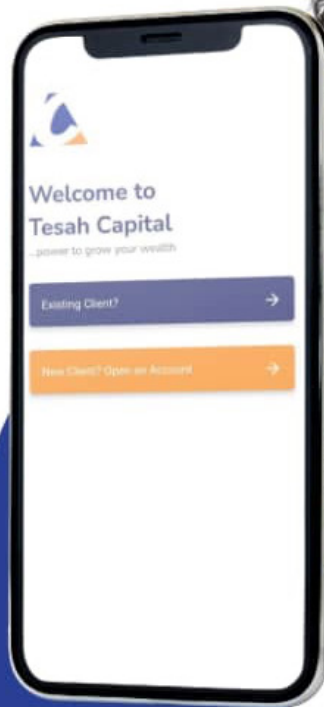
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CORPORATE INFORMATION

THE BOARD OF DIRECTORS OF THE FUND MANAGER (TESAH CAPITAL LIMITED)	Eric Nana Otoo Mensah Seneadza Justice Duffu Yankson Kwabena Ahenkora Boamah Eugenia Basheer	Chairman (Non-Executive) Member (Non-Executive) Member (Non-Executive) Member (Non-Executive) Managing Director
REGISTERED OFFICE	2nd Floor, Allied Heights 10 Olusegun Obasanjo Highway Abelenkpe, Accra P.O. Box GP 2222, Accra Accra-Ghana	
FUND MANAGER	Tegah Capital Limited 2nd Floor, Allied Heights, 10 Olusegun Obasanjo Highway, Abelenkpe, P.O. Box GP 2222, Accra-Ghana	
TRUSTEES	Guaranty Trust Bank (Ghana) Limited 25A, Castle Road, Ambassadorial Area, Ridge. P.O. Box PMB CT 416 Cantonments, Accra	
AUDITORS	John Kay and Co. Chartered Accountants 7th Floor, Trust Towers Farrar Avenue, Adabraka P.O. Box 16088 Accra	
BANKERS	Guaranty Trust Bank (Ghana) Limited 25A, Castle Road, 25A, Castle Road, Accra	

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING

Notice is hereby given that the **1st Annual General Meeting** of unitholders of **Tesah Treasury Trust** will be held virtually via Zoom on **30th December, 2022** at **10:00am** to transact the following:

1. To receive and consider the Reports of the Directors and Auditors for the year ended 31st December, 2021.
2. To receive and consider audited Financial Statements for the year ended 31st December, 2021.
3. To transact any other business appropriate to be dealt with at any Annual General Meeting.

Dated this 19th day of December, 2022

BY ORDER OF THE FUND MANAGER

Notes:

1. Following guidelines from our regulator, Securities and Exchange Commission, Guideline number (SEC/GUI/003/05/2020), which directs capital market operators to hold virtual General Meetings, attendance and participation by all members and/or their proxies at this year's AGM shall be strictly virtual or by electronic means (online participation).
2. A unitholder 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 unitholder. For a proxy to be valid for the purposes of the meeting, it must be completed and submitted via clientservice@tesahcapital.com not less than 48 hours before the meeting. A proxy form is provided in the Annual Report.
3. An electronic version of the Annual Report may be accessed at Tesah Capital Limited's website at www.tesahcapital.com.

REGISTERING FOR AND PARTICIPATING IN THE AGM VIA ZOOM

To register for the AGM:

Unitholders who wish to participate in this year's AGM are to register through the following link:

https://us02web.zoom.us/join/zoom/register/tZMudeCqqzooG93RaxQCrQLOMN5_zjPt4R_K

After registering you will receive a confirmation email containing information about joining the AGM.

To participate in the AGM:

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

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 controls bar.

Tap "Raise hand" to raise your hand.

You will be unmuted to perform the action for which your hand was raised.

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

On PC and mobile:

When it is time to vote, the poll will appear on your screen.

Tap/click on your preferred option (FOR or AGAINST) to cast your vote.

When voting ends, the results will be shared on your screen.

REPORT OF THE BOARD OF DIRECTORS OF THE FUND MANAGER TO THE MEMBERS OF TESAH TREASURY TRUST

The Board of Directors of Tesah Capital Limited (the Fund Manager) present the report and audited financial statements of Tesah Treasury Trust (the Trust) for the 2-month period to 31 December, 2021.

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 Tesah Treasury 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 Tesah Treasury Trust is to offer liquidity 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

DIVIDEND DISTRIBUTION POLICY

The Trust does not distribute dividend. 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 interest rates.

DIRECTORS' CAPACITY BUILDING

During the year ended 2021, the Company engaged the services of a consultant to train the board on the fund management industry in Ghana. All members joined the training.

i. INVESTMENT DISTRIBUTION:

Total Investment as at 31 December 2021 is made up as follows:

	2021
ASSETS	GHS
Government of Ghana Securities	4,093,970
Local Gov't and Statutory Agency Securities	3,977,637
Cash and cash equivalent	114,124
Receivable	14,384
	8,200,115

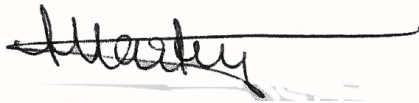
ii. BELOW ARE THE ASSET ALLOCATION PERCENTAGES FOR THE PERIOD ENDED:

	2021
	(%)
Government of Ghana Securities	49.9
Local Gov't and Statutory Agency Securities	48.5
Cash & Cash Equivalent	1.4
Receivable	0.2
	<u><u>100</u></u>

APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Trust were approved by the Board of Directors of the Fund Manager on 19th May, 2022 and signed on its behalf by:

Eugenia Basheer
DIRECTOR



SIGNATURE

Eric N. Otoo
DIRECTOR



SIGNATURE

FUND MANAGER'S STATEMENT TO UNITHOLDERS OF TESAH TREASURY TRUST

Operating Environment

Following the restoration of household spending and investments, which were interrupted in 2020 by the COVID-19 pandemic, the world economy saw a strong recovery in 2021. The global economy improved by 5.5% in 2021, the best growth rate since 1976, following a 3.4% decline in 2020 according to the World Bank.

In a similar manner, the Ghanaian economy, as shown by GDP, grew by 5.4% in 2021, up from 0.4% in 2020, according to the Ghana Statistical Service. The GDP growth in 2021 was higher by 0.9% than the Sub Saharan Africa (SSA) average growth and by 1% than the 4.4% predicted outcome. The service sector played a significant role in the 2021 strong rebound, with commerce exceeding pre-pandemic levels. Non-oil real GDP increased to 6.9% in 2021 from 1.0% in 2020, being the largest non-oil real GDP growth rate since the 2013 rebasing. 2021 recorded the highest growth rate in the services sector (9.4%), followed by agriculture (8.4%) and industry (-0.8). The Ghana Statistical Service (GSS) reports that the services sector increased its contribution to GDP from 48.1% in 2020 to 48.9% in 2021, maintaining its position as the economy's top contributor.

The Consumer Price Index (CPI), which measures inflation year over year, showed an increased trend from 9.90% in January 2021 to 12.60% in December 2021. This exceeded the 10% upper bound of the medium-term target band. The Covid-19 pandemic-related price hikes for both food and non-food items played a major role in the increase throughout the course of the year. The Bank of Ghana increased its policy interest rate by 100 basis points to 14.5% in 2021 in response to escalating inflationary pressures.

In 2021, the Ghana Cedi lost value against the US dollar and the British Pound by 4.1% and 3.1%, respectively, compared to 4.09% and 7.62% over the same time period in the previous year.

Capital Market

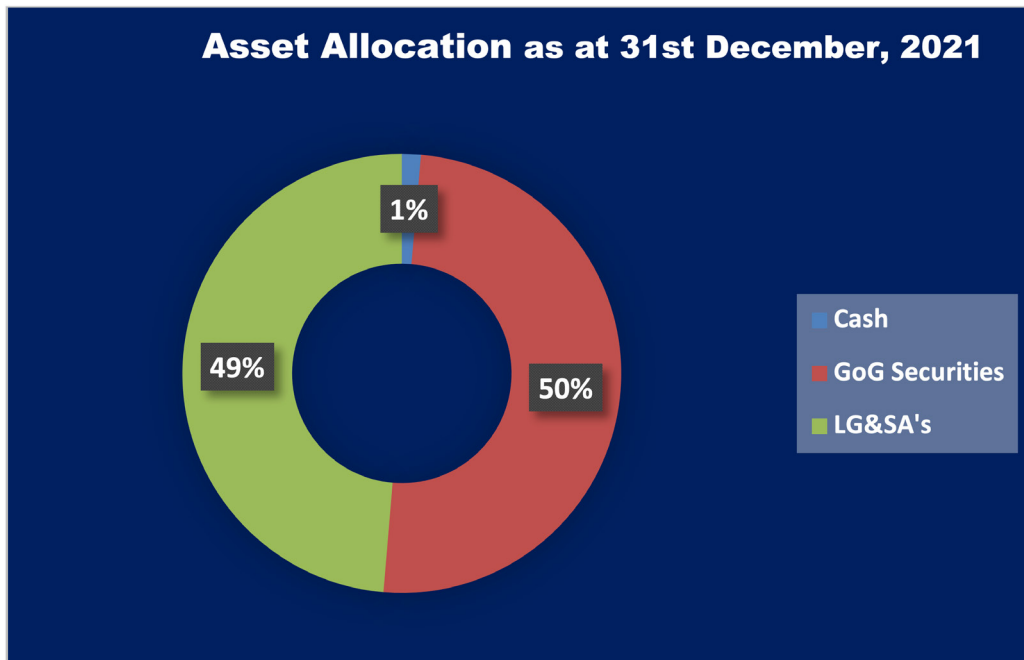
For the first time in 3 years, the Ghana Stock Exchange (GSE) Composite Index revealed an improvement in the stock market's performance as it closed on a positive note. Mass immunization campaigns, a relaxation of lockdown regulations, and a slow recovery in economic activity all contributed to the positive performance. Compared to a loss of 13.98% in 2020, the GSE Composite Index saw a gain of 43.66% in 2021.

Activity on the Ghana Fixed Income Market (GFIM) significantly increased in 2021. The volume of trades reported by the GFIM was GHC 208.8 billion. The volume of trades increased by 92.62% compared to the same period last year. The value of settled securities purchased by foreign investors increased from 17.05% in 2020 to 21.05% in 2021.

Fund Performance and Portfolio Structure

The Tesah Treasury Trust has an objective of maximizing short term income while aiming to preserve capital and maintain liquidity.

At the end of the year, 50% of the Trust's assets were invested in Government of Ghana Securities, 49% in Local Gov't and Statutory Agency Securities and 1% in Cash.



Return

Tesah Treasury Trust returned 0.60% to its unitholders in the 2-month period to December, 2021 as official trading of securities began on the 14th of December, 2021.

Period	Portfolio Return (%)	Avg. 364-day Tbill Return
Nov - Dec 2021	0.60%	2.10%

Assets Under Management

The Assets Under Management as at the end of December 2021 was GHS 8,200,115.00. The Trust received deposits amounting to GHS 8,077,624 and recorded no redemptions in the period under review.

Outlook and Strategy for 2022

The global economy is anticipated to start recovering in 2022. The introduction of E-levy and its implementation in Ghana is anticipated to have a short-term impact on the digital transfer market which will normalize over time, increasing government revenue. As the government seeks to raise money domestically, interest rates are anticipated to trend higher. Inflation is expected to trend upwards throughout the year due to increasing cost of commodities and rising government spending in support of current expenditure.

Our strategy for 2022 is to increase the Trust's activities in the front end of the yield curve by investing in short term high yielding Government of Ghana Securities that will preserve the principal investment of unitholder.

Kenneth Annoh
Fund Manager



BENEFITS OF TESAH TREASURY TRUST



1

Affordability: You can deposit any amount to own an investment account

2

Easy Access to Funds: 48-hour redemption turnaround time

3

Safety and Transparency: Tesah Treasury Trust is a money market unit trust licensed by the Securities and Exchange Commission

4

Diversification: Invests in a variety of money market and fixed income securities which provides diversification of risk

5

No charges: No entry and exit fee

REPORT OF TRUSTEES

Guaranty Trust Bank (Ghana) Ltd.
CS406022014

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Head Office Fax: (+233 302) 662 727/664 533
Toll Free: 0800124000

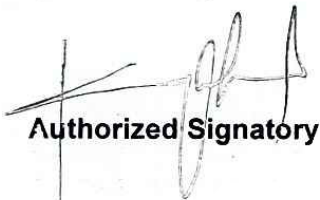


REPORT OF THE TRUSTEES TO THE INVESTORS OF TESAH TREASURY TRUST

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 ended 31st December 2021, we have held the assets for the Tesah Treasury 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) Limited



Authorized Signatory



Authorized Signatory



John Kay & Co.

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Farrar Avenue, Adabraka
P. O. Box K1 A 16088
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TESAH TREASURY TRUST

Opinion

We have audited the accompanying financial statements of Tesah Treasury Trust, which comprise the statement of financial position as at 31 December 2021, the statement of comprehensive income and the statement of movement in Net Assets for the period then ended, Cash flow statements and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 13 to 20.

In our opinion, the financial statements give a true and fair view of the financial position of Tesah Treasury Trust as at December 31, 2021 and of its financial performance and its cash flows for the period then ended 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 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 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.

Responsibilities of the Fund Manager for the Financial Statements

The Fund 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 Companies Act, 2019 (Act 992) 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 Fund Manager is also responsible for overseeing the Trust's financial reporting process.

In preparing the financial statements, the Fund 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain reasonable assurance 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.



John Kay & Co.

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Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with ISAs, we exercise professional judgment 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.

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.

Key Audit Matter

In accordance with ISAs, this part of our report is intended to describe the matters communicated with those charged with governance that we have determined, in our professional judgement, were most significant in the audit of the financial statements. We determined that, there are no matters to report under key audit matters.



John Kay & Co.

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Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992) of Ghana

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, proper books of accounts have been kept by the Trust so far as it appears from our examination of those books, and;

The Trust's Statement of Assets and liabilities and income and Distribution Accounts are in agreement with the books of Account. We are also 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 **GILBERT ADJETEY LOMOFIO (P/No-ICAG/P/1417)**

For and on behalf of John Kay & Co. (ICAG/F/2022/128)
Chartered Accountants
Accra.

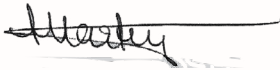
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STATEMENT OF ASSETS AND LIABILITIES

FOR THE 2-MONTH PERIOD ENDED 31 DECEMBER 2021

	NOTE(S)	2021
ASSETS	GHS	
Cash & Cash Equivalents	11	114,124
Financial Assets	10	8,071,607
Accounts Receivable		14,384
TOTAL ASSETS		<u>8,200,115</u>
REPRESENTED BY:		
Members Fund	15	8,168,571
LIABILITIES		
Accounts payable	12	31,544
TOTAL OWNERS FUND & LIABILITIES		<u>8,200,115</u>



Director
19/05/2022



Director
19/05/2022

STATEMENT OF COMPREHENSIVE INCOME

FOR THE 2-MONTH PERIOD TO 31 DECEMBER 2021

	NOTE(S)	2021
	GHS	
REVENUE		
Interest income	8	18,915
		<u>18,915</u>
EXPENSES		
Fund Management Fees		280
Trustee Fees		90
Transaction Charges		284
Audit Fees		4,174
		<u>4,828</u>
OPERATING EXPENSES		<u>4,828</u>
OPERATING PROFIT BEFORE TAX		14,087
		<u>14,087</u>
INCREASE IN NET ASSETS AVAILABLE		14,087

ACCUMULATED NET INVESTMENT INCOME

FOR THE 2-MONTH PERIOD TO 31 DECEMBER 2021

	2021
	GHS
Balance As At 1 January	-
Net Income	14,087
BALANCE AT 31 DECEMBER	<u>14,087</u>

STATEMENT OF CHANGES IN EQUITY

FOR THE 2-MONTH PERIOD TO 31 DECEMBER 2021

	CAPITAL TRANSACTION	INVESTMENTS	TOTAL
December 2021	GHS	GHS	GHS
AT 1 January 2021	-	-	-
Net Income From operation	-	14,087	14,087
Share Issue	8,154,484	-	8,154,484
Share Redemption	-	-	-
	8,154,484	14,087	8,168,571

MOVEMENTS IN ISSUED SHARES

FOR THE 2-MONTH PERIOD TO 31 DECEMBER 2021

	2021
	No. of Shares
Balance as at 1 January	-
Net Shares Issued/(Redeemed) During the Year 13	<u>81,327,189</u>
Balance at 31 December	<u><u>81,327,189</u></u>

STATEMENT OF CASH FLOWS

FOR THE 2-MONTH PERIOD TO 31 DECEMBER 2021

	2021
	GHS
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets attributable to shareholders	14,087
Adjusted for:	
Interest Receivable	(129,766)
Change in Working Capital:	
Receivables	(14,384)
Accounts Payable	31,544
Net Cash Flows from Operating Activities	<u>(98,519)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
(Purchase) /Sales of financial assets	(7,941,841)
Net Cash Flows from Investing Activities	<u>(7,941,841)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of shares	8,154,484
Amount paid on redemption of shares	-
Net Cash Flows from Financing Activities	<u>8,154,484</u>
Net Increase (Decrease) in Cash and Cash Equivalent	114,124
Cash and Cash Equivalent at 1 January	-
Cash and Cash Equivalent at 31 December	<u>114,124</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE 2-MONTH PERIOD TO 31 DECEMBER 2021

1. REPORTING ENTITY

Tesah Treasury 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. Tesah Treasury Trust is a Unit Trust and is incorporated and domiciled in the Republic of Ghana. The address and registered office of the company can be found on page 2 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 Judgment

The preparation of financial statements in conformity with 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 on-going 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 year in the preparation of the Trust’s financial statements.

i. Contributions

Securities listed on a stock exchange or traded on any other organized market are valued at the last available market price on the relevant valuation day. Securities that are actively traded an over-the-counter market are valued at the mean between the most recently quoted bid and offer prices provided by the principal brokers. Securities for which, market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Board of Directors of the Fund Manager. Debt securities are valued at amortised cost.

ii. Investment income recognition

(a) Interest income

Interest income, including interest income from non-derivative financial assets at Fair value through profit or loss (FVTPL), are recognised in profit or loss, using 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 profit or loss as interest.

(b) Dividend income

Dividend income is recognised in profit or loss on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date. For unquoted equity securities, this is usually the date that shareholders approve the payment of dividend.

(c) Pooled investment income

Income arising from the underlying investment of the pooled investment that is reinvested within the pooled investment is reflected in the unit price. Such income is reported within the change in market value.

iii. Financial Instruments

(a) Non-derivative financial instruments

Non-derivative financial instruments comprise loans and receivables, held-to-maturity and available-for-sale. The Fund Manager determines the appropriate classification of its financial assets and liabilities at initial recognition. Non-derivative financial instruments are recognised initially at fair value plus, for instrument not at fair value through profit and loss, any directly attributable transaction cost.

Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses, if any. Non-derivative financial instruments are derecognized when the rights to receive cash flows from the financial assets have expired or where the Trust has transferred substantially all risks and rewards of ownership.

Non-derivative financial instruments are categorized as follows:

Loans, advances and receivables – these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than (a) those classified as held for trading and those that the Trust on initial recognition designates at fair value through profit or loss; (b) those that the Trust upon initial recognition designates as available-for-sale; or (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are carried at amortised cost using effective interest rate method less appropriate allowances for doubtful receivables. Allowances for doubtful receivables represents the Trust's estimate of incurred losses arising from the failure or inability of customers to make payments when due. These estimates are based on aging of customer's balances, specific credit circumstances, and the company's accounts receivables historical experience. Regular purchases and sales of loans and receivables are recognised on contractual settlement.

Available-for-sale – These are any non-derivative financial assets designated on initial recognition as available for sale or any other instruments that are not classified as (a) loans and receivables, (b) held to maturity, (c) financial assets at fair value through profit or loss.

Available-for-sale financial assets are carried at fair value. Gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity until the financial asset is derecognised or impaired,

at which time the cumulative gain or loss previously recognised in equity is recognised in the profit or loss account. However, interest calculated using the effective interest method is recognised in the profit and loss account. Dividends on available-for-sale equity instruments are recognised in the profit and loss account when the Trust's right to receive payment is established.

Regular purchases and sales of available-for-sale financial assets are recognised on trade-date, i.e. the date on which the Trust commits to purchase or sell the asset.

Held-to-maturity – Held-to-maturity assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity. Where the Trust sells more than an insignificant amount of held-to-maturity assets, the entire category would have to be reclassified as available-for-sale. Treasury bills with an original maturity of more than 182 days, treasury notes and other government bonds are classified as held-to-maturity.

Held-to-maturity assets are carried at amortised cost using effective interest rate method. Regular way purchases and sales of financial assets held-to-maturity are recognised on trade-date, i.e. the date on which the Trust commits to purchase or sell the asset.

(b) Financial Liabilities

Financial liabilities, other than trading liabilities and financial liabilities designated at fair value, are carried at amortised cost using the effective interest method. Financial liabilities are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost. Financial liabilities are derecognised when they are redeemed or otherwise extinguished.

(c) Off setting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Trust 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 transaction.

(d) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method, of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(e) Hedge Accounting

Hedge accounting is the method that recognises the proportionate offsetting effects of a hedging instrument on the changes in value of the hedged item. Hedge accounting applies only when a hedging relationship can be demonstrated between a hedged item and a hedging instrument. Such method generally applies for transactions that are carried out to eliminate or mitigate risks. The effectiveness of such hedges is demonstrated at inception and verified at regular intervals and at least on a quarterly basis, using prospective and retrospective testing. Recognition of hedged transactions depends on the hedged categories.

Fair value hedges

Fair value hedges are used to mitigate foreign currency and interest rate risks of recognised assets and liabilities. The changes in fair values of hedging instruments are recognised in the income statement. Hedged items are also stated at fair value in respect of the risk being hedged, with any gain or loss being recognised in the income statement. The fair

values of financial instruments are determined using market prices for quoted instruments and widely accepted valuation techniques for other instruments. Valuation techniques include discounted cash flows, standard valuation models based on market parameters and dealer quotes for similar instruments. When fair values of unquoted instruments cannot be measured with sufficient reliability, such instruments are carried at cost less impairments, if applicable.

Cash flow hedges

Cash flow hedges are used to mitigate foreign currency risks of highly probable forecast transactions as well as the variability of expected interest payments and receipts. The effective part of the changes in fair value of hedging instruments is recognised against equity, while any ineffective part is recognised immediately in the income statement. When the hedged item results in the recognition of a non-financial asset or liability, the gains or losses previously recognised against equity are included in the measurement cost of the asset or the liability. Otherwise, the gains or losses previously recognised against equity are removed from equity and recognised in the income statement at the same time as the hedged transaction.

(f) Effective Interest Rate

The effective interest method is a method of calculating the amortised cost of a debt instrument and allocating interest income over the relevant period. 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) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

(g) Determining fair value

Where the classification of a financial instrument requires it to be stated at fair value, this is determined by reference to the quoted bid price or asking price (as appropriate) in an active market wherever possible. Where no such active market exists for the particular asset, the Fund Manager uses a valuation technique to arrive at the fair value, including the use of prices obtained in recent arms' length transactions, discounted cash flow analysis, option pricing models or other valuation techniques commonly used by market participants.

(h) Impairment of financial assets

The Fund Manager assess at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Trust about the following loss events:

Significant financial difficulty of the borrower;

- A breach of contract, such as default or delinquency in interest or principal repayments.
- The Trust granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the Trust would not otherwise consider.
- Probability that the borrower will enter bankruptcy or other financial reorganization.
- The disappearance of an active market for that financial asset because of financial difficulties or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets including:

- Adverse changes in the payment status of borrowers.
- National or local economic conditions that correlate with defaults on the assets of The Trust.
- The estimated period between a loss occurring and its identification is determined by The Fund Manager for each identified portfolio.

v. Foreign Currency

Transactions in foreign currencies during the period are converted into Cedis at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Cedis at exchange rates ruling at the financial year-end. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into Cedis at the exchange rates at the date on which the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss as net foreign exchange losses, except for those arising on financial instruments at FVTPL, which are recognised as a component of net gains from financial instruments at FVTPL.

vi. Transfer values

Transfer values represent the capital sums paid to and from the Trust on the basis of when the member liability is accepted or discharged.

vii. 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 to 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 security borrowing transactions.

viii. Fees and commission

Fees and commissions expenses are recognised in profit or loss as the related services are performed.

4. NEW AND AMENDED STANDARDS EFFECTIVE FOR THE CURRENT PERIOD

During the year under review, there were a number of new standards, amendments to standards and interpretations issued that were effective for the current reporting period, but do not have any impact on the funds reporting and therefore are not disclosed in these financial statements.

5. NEW AND REVISED STANDARDS in issue not yet effective

There were a number of new standards, amendments to standards and interpretations issued but were not effective, for the current reporting period, the fund does not opt for early adoption of those standards and hence are not disclosed in these financial statements.

6. RELATED PARTIES AND KEY CONTRACTORS.

a. Fund Managers

An investment management company incorporated in Ghana and duly licensed by the security and exchange Commission of Ghana as a Fund Manager was appointed to implement the investment strategy and objectives as stated in the Funds investment management policy manual. Under the investment management agreements, the investment managers receive a management fee not exceeding 1.25% per annum of the Fund's average daily net assets value on a monthly basis and paid at the end of each month based on the number of days within the period.

The Board and the Manager by mutual agreement can authorize the management fee to be calculated and paid at periods other than monthly intervals provided the interest of the unitholders is not jeopardized.

b. Fund 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 security and exchange Commission of Ghana to provide trustee services to the Fund managers. Under the trustee agreement, The Trust agrees to pay the Fees to the Trustees in the manner herein set out. The Fees payable at the commencement of this Agreement shall be a Trustee service fee of 0.40 per cent per annum of the Net Asset Value (NAV) of the Trust. The periodic charge payable to the Trustee shall be calculated in respect of successive calendar month periods (payment period) except that no charge shall be payable in respect of the initial offer period. The periodic charge payable will accrue daily and shall be payable annually in arrears. The first payment period shall begin on the day after the end of the initial offer period.

7. SHARE PURCHASES

	2021
	GHS
Balance at 1 Jan	-
Members' Contribution during the year	8,077,624
	8,077,624
Redemptions	-
	8,077,624

8. INTEREST INCOME

	2021
	GHS
Interest Income on Cocoa Securities	447
Interest Income on Government Notes and Bonds	18,468
	18,915

9. FINANCIAL INSTRUMENTS

a. Analysis of changes in fair value of financial instrument through profit or loss.

31 December 2021	Balance	Purchase/ [Sales]	Accrued interest	Change in fair value	Value at 31/12/21
	1/1/21	GHS	GHS	GHS	GHS
	GHS	GHS	GHS	GHS	GHS
Ghana Government Securities	-	3,964,651	129,319	-	4,093,970
LGSAS	-	3,977,190	447	-	3,977,637
	-	7,941,841	129,766	-	8,071,607

10. FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2021
	GHS
Debt securities	4,093,970
Held-to-maturity securities	3,977,637
	<u>8,071,607</u>

11. CASH AND CASH EQUIVALENTS

	2021
	GHS
Cash and Funds on Call	114,124
	<u>114,124</u>

12. ACCOUNTS PAYABLE

	2021
	GHS
Fund Management fees	280
Trustee Fees	90
Audit fees	3,500
Unsettled Investment	27,000
VAT on Audit fees	674
	<u>31,544</u>

13. CAPITAL TRANSACTIONS

	2021
	No. of Units
New Issues	81,327,189
Redemptions	-
	<u>81,327,189</u>

14. TAXATION

Income of approved unit trust fund or mutual fund is exempt from tax under the income tax act, 2015 (Act 896) as amended.

15. OWNERS' FUNDS

	2021
	GHS
Accumulated net investment income	14,087
Contributions by Fund Manager	76,860
Movement on shares issued	<u>8,077,624</u>
	<u>8,168,571</u>

16. EVENT AFTER REPORTING PERIOD

The Trust is expected to receive a transfer of investments from Tesah Capital Limited's client trust account totaling GHS 5,156,038 in 2021. Of this, an amount of GHS 5,146,564 was received post reporting period with an outstanding balance of GHS 9,474 in investment held in the Tesah Capital Limited Central Securities Depository trust account yet to be credited to the Trust.

17. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors of the Fund Manager and authorized for issue on 19th May, 2022.

PROXY FORM

I/We..... of..... being a member(s) of Tesah Treasury Trust hereby appoint..... of..... as my/our proxy to attend on my/our behalf, the Annual General Meeting of the Trust, to be held **virtually by zoom** on **30th December, 2022** and any adjournment thereof.

I/We direct that my/our vote(s) be cast on the specified resolution as indicated by an X in the appropriate space

RESOLUTIONS	FOR	AGAINST
To consider the Reports of Directors and Auditors for the year ended 31st December, 2021		
To receive and adopt the Financial Statements for the year ended 31st December, 2021		
To transact any other business appropriate to be dealt with at any Annual General Meeting.		

Unitholder's Signature.....Date.....2022

Notes

1. A proxy need not be a member of the Trust.
2. Unless otherwise instructed, the proxy will vote as he sees fit.
3. To be valid, this form must be signed and deposited at the Registered Office of the Fund Manager not less than forty-eight (48) hours before the commencement of the meeting.
4. In the case of joint holders the signature of only one of the joint holders is required.
5. In the case of a body corporate the form must be under seal or under the hand of a duly authorized officer.
6. The completion of and return of a proxy form does not prevent a unitholder from attending the meeting and voting thereat.

