

2021 ANNUAL REPORT

CONTENTS

CORPORATE INFORMATION	3
NOTICE OF ANNUAL GENERAL MEETING	4
FUND MANAGER'S STATEMENT & REPORT	8
REPORT OF THE DIRECTORS	14
REPORT OF TRUSTEE	18
INDEPENDENT AUDITORS REPORT	19
STATEMENT OF ASSETS AND LIABILITIES	23
STATEMENT OF FINANCIAL POSITION	24
STATEMENT OF COMPREHENSIVE INCOME	26
ACCUMULATED NET INVESTMENT INCOME	27
STATEMENT OF CHANGES IN EQUITY	28
STATEMENTS OF CASH FLOWS	29
NOTES TO THE FINANCIAL STATEMENTS	30
PROXY FORM	42

CORPORATE INFORMATION

BOARD OF DIRECTORS

Hon. Isaac Osei (Chairman)
Kofi Osafo Sampong
Felicia Payin Marfo
Stephan Antoh
Roselyn Adwoa Dennis

AUDITORS

John Kay & Co.
Farrar Avenue, Adabraka
P. O. Box KIA 16088
Airport, Accra

THE FUND MANAGER

Algebra Capital Management Limited
5th Floor, Nester Square
North Liberation Link, Airport City.
P. O. Box GP 18469
Accra - Ghana

THE TRUSTEE

Guaranty Trust Bank (Ghana) Limited
25A, Castle Road,
P. O. Box PMB CT 416
Cantonments, Accra

LEGAL COUNSEL

Afriyie Dwamena & Associates
Hse No F146/2 Lokko Road,
2nd Floor Christian Council Building Osu.
P. O. Box CT 6494 Cantonments, Accra.



NOTICE OF ANNUAL GENERAL MEETING (AGM)

NOTICE IS HEREBY GIVEN that the **maiden Annual General Meeting** of the Unit Holders of **Algebra Income Trust (AIT)** will be held virtually via Zoom on **Thursday, November 03, 2022 at 10:00 a.m.** to transact the following:

1. To consider the Directors' Report and the Report of the Auditors for the year ended 31st December 2021
2. To receive and adopt the Financial Statements for the year ended 31st December 2021
3. To authorize the Directors to fix the remuneration of the Auditors
4. To transact any other business appropriate to be dealt with at any Annual General Meeting

Special Business

5. To authorize the amendment of the Constitution and the Trust Deed of the Unit Trust to provide for the holding of all meetings including Annual General Meetings by virtual means where the Directors of Algebra Capital Management Limited (ACML) deem it necessary to do so.

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 or deposited at the **5th Floor, Nester Square, Liberation Link, Airport City**.

An electronic version of the Unit Trust's Annual Report consisting of the Financial Statements, Directors', Fund Manager's, Trustee and Auditor's Reports for the year ended 31st December 2021 may be accessed on our website at <https://www.algebracapital.com.gh>.

Unit Holders are also encouraged to send in any questions in advance of the AGM by emailing them to info@algebracapital.com.gh. Answers to the questions will be provided at the AGM.

Dated this 3RD OCTOBER, 2022

BY ORDER OF THE FUND MANAGER

Afriyie Dwamena & Associates

Secretary

PROCEDURE FOR PARTICIPATION

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>.

Proxy

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** 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>**.

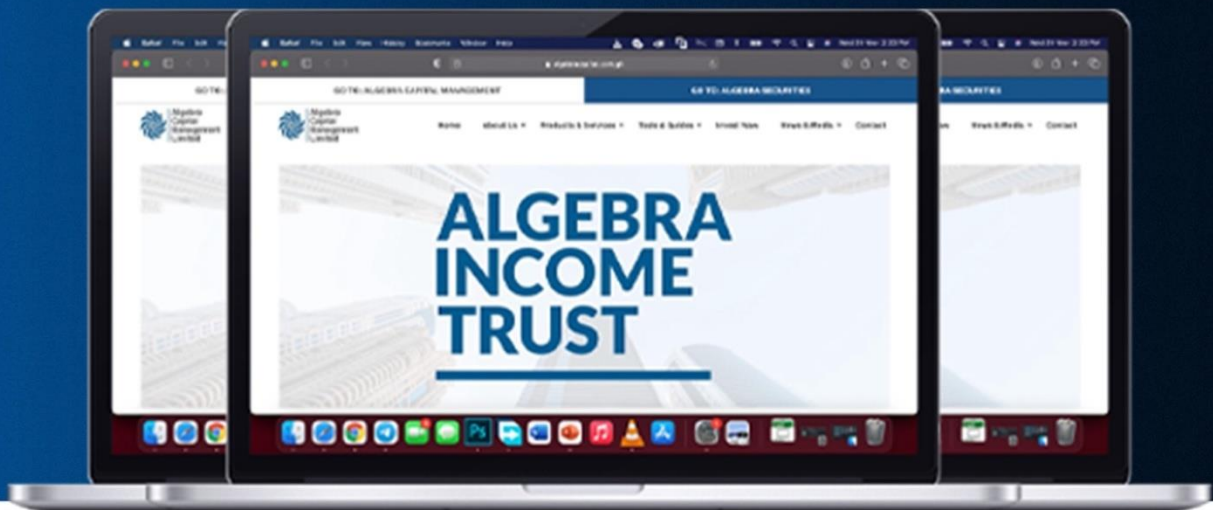
All relevant documents in connection with the meeting are available to unit holders from the date of this Notice on **<https://www.algebracapital.com.gh>** and at the Company's registered office aforesaid.

Algebra Income Trust is a collective investment scheme designed to enable investors achieve their short and long-term goals.

Algebra Income Trust would:

- Boost your income by offering steady growth on your investments.
- Provide an avenue to build wealth over time.
- Provide quick and easy access to your money when needed.
- Provide access to the expertise of professional fund managers.

for more information visit our website



FUND MANAGER'S STATEMENT TO ALGEBRA INCOME TRUST (AIT) UNIT HOLDERS

Dear Valued Unit holders,

I am delighted to welcome you all to the maiden Annual General Meeting of the Algebra Income Trust. On behalf of the Board of Directors and the Trustee, I would like to express my appreciation to you for supporting the Fund.

I will commence this report by reviewing the performance of the Ghanaian Economy in 2021, as well as a review of the Fixed Income Market. I will then discuss the performance of your Fund and conclude the report with expectations of the year ahead.

The Global Economy

According to the April 2022 World Economic Outlook (WEO) report by the International Monetary Fund (IMF), the global economy recovered in 2021 with a growth of 6.1% from a contraction of 3.1% in 2020. The recovery in 2021 was on the back of accommodative monetary policies, fiscal stimulus packages, and the waning effects of the COVID-19 virus around the world. During the year under review, headline inflation rose above target in many advanced and emerging market economies, mainly due to the sharp rise in energy and food prices.

The Ghanaian Economy**Gross Domestic Product (GDP)**

Ghana's economy expanded by 5.4% in 2021, beating forecasts by the government and the International Monetary Fund, and moved above the 0.5% recorded in 2020, a period in which the COVID-19 pandemic had severely hit the global economy. According to the Ghana Statistical Service (GSS), the strong growth rate was driven by the Services sector, particularly Information, Communication and Technology sub sectors and the Agriculture sector, including Fishing. The Services sector recorded the highest growth rate of 9.4% in 2021, followed by the Agriculture sector of 8.4%. The Industry sector however contracted marginally by 0.8% due to a contraction in the Mining and Quarrying sub sectors.

Inflation and Monetary Policy Rate

According to GSS, inflation remained above the upper band of the medium-term target of $8 \pm 2\%$ since September 2021, driven by rising crude oil prices, exchange rate depreciation, and upward adjustments in ex-pump prices. Headline inflation ended the year under review at 12.6% from

10.4% in December 2020, representing the highest rate of annual inflation since the rebasing of the Consumer Price Index (CPI) basket in 2019. The strong inflationary pressures in the second half of 2021, prompted a monetary policy response, with the Monetary Policy Committee (MPC) raising the policy rate by 100 basis points to 14.5% in November 2021 to re-anchor inflation expectations and safeguard the central bank's price stability objective.

Exchange rate

Data from the Bank of Ghana (BoG) revealed that on the interbank market, the Ghana Cedi depreciated against the U.S. Dollar and British Pound by 4.1% and 3.1% respectively, but appreciated by 3.5% against the Euro in 2021. This compares to a depreciation of 3.9%, 12.1% and 7.1% against the US Dollar, Euro and British Pound respectively, during the same period in 2020. The relative stability of the Ghana cedi in 2021 reflected the reserve build-up supported by inflows from the US\$3.0 billion Eurobond proceeds in March 2021, and US\$1.0 billion IMF Special Drawing Rights (SDR) allocation received in August 2021, as well as BoG's FX forward auctions.

The Fixed Income Market

Developments in interest rates showed mixed movements across the yield curve. The 91-day, 182-day and 364-day Treasury bill rates declined to 12.49%, 13.19% and 16.46%, respectively, in December 2021, from 14.08%, 14.13% and 16.98% in December 2020. Similarly, the rates on the 3-year, 10-year and 20-year bonds declined by 25bps, 10bps and 143bps, respectively, to settle at 19.00%, 20.90% and 20.85% over the same comparative period. On the other hand, rates on the 2-year, 5-year, 6-year and 7-year bonds widened to 19.75%, 21.00%, 20.81% and 21.01%, respectively, from 18.50%, 19.85%, 19.76% and 19.74%. Cumulatively, the volume of trade on the Ghana Fixed Income Market (GFIM) in 2021 surged to 208.81 billion, with a value of GHS 216.04 billion, from 108.41 billion valued at GHS 110.67 billion, recorded at the end of December 2020.

Outlook

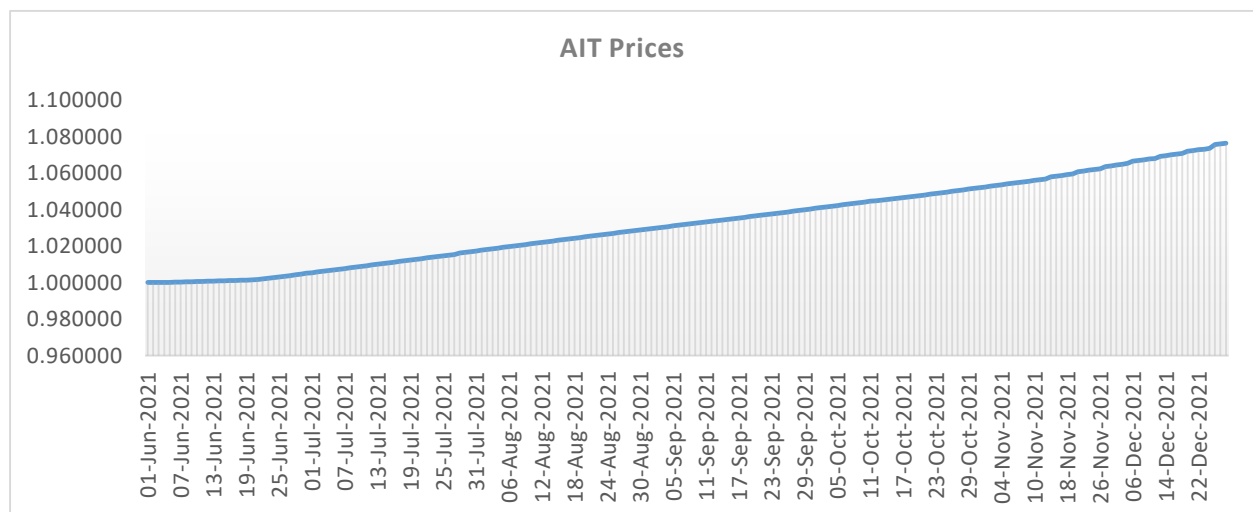
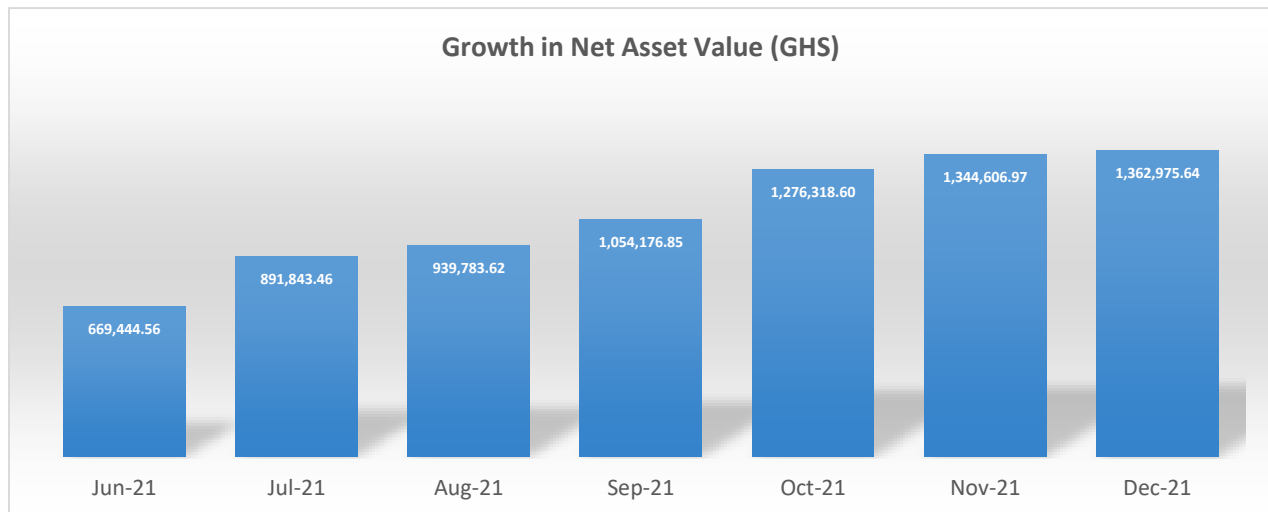
Global economic activity faces multiple challenges ahead, reflecting new geopolitical events such as the Russia-Ukraine war. These challenges are expected to weigh on global growth in the near term. Ghana has revised its 2022 growth rate to 3.7%, from the earlier 5.8%. According to the Ministry of Finance, the revisions from earlier projections largely reflects GDP performance for the first quarter of 2022, the impact of the Ukraine-Russia war, fiscal consolidation, and anticipated reduction in real consumption due to the inflationary pressures.

According to the Bank of Ghana, inflation remains elevated, and the key risks to the inflation outlook are on the upside. These include petroleum price adjustments, transportation costs, exchange rate depreciation, and utility tariffs alongside wage pressures. However, inflation is projected to revert to the target band in the medium term as monetary conditions tighten, in tandem with the deliberate and intentional fiscal consolidation efforts.

The rising inflation poses an upside risk to yields, as investors demand relatively higher returns on their investments to cover the inflation-induced losses. Also, upward pressure on yields are expected to persist on the back of the hawkish monetary policy stance. Activities across the local debt market are expected to surge, as investors shift attention from equities on the back of the widening movement of the yield curve on the fixed income securities.

FUND PERFORMANCE

Algebra Income Trust (AIT) was launched in April 2021 and began operations in June 2021 with a total fund size and a unit price of GHS 567,324.00 and GHS 1.00 respectively. AIT's Net Asset Value grew significantly by 140.25% to close the year 2021 at GHS 1,362,975.64, on the back of outstanding performance of the unit trust, coupled with consistent contributions by both existing and new clients. The Fund recorded an annualized yield of 12.86%, with the unit price rising from GHS 1.00 to GHS 1.08, at the end of the period under review.



Portfolio Structure

The objective of AIT is to achieve income growth and capital preservation. This is attainable through a portfolio of fixed income instruments targeted at generating a return above the average fixed income benchmark. The Fund in 2021 was well within its mandate to invest 100% of its Assets under Management (AUM) in fixed income securities, with more than half of the AUM heavily skewed towards Government of Ghana securities (Notes and Bonds).



AIT's Strategy and Outlook for 2022

According to the Bank of Ghana, inflation would likely remain above target in the near-term, driven by both external and domestic factors, only returning to target in about four quarters ahead. The key risks to the inflation outlook are on the upside and include petroleum price adjustments, transportation costs, and exchange rate depreciation.

The heightened inflation concerns are expected to drive up yields on the market, as investors demand relatively higher return on their investments.

Due to the risks to the inflation outlook and its effect on the yield curve, new funds, coupons and matured funds will be invested in short to medium-term attractive securities, while we continue to seek out opportunities along the yield curve to optimize returns, and also invest in other asset classes including corporate bonds to diversify the portfolio.

REPORT OF THE BOARD OF DIRECTORS OF THE FUND MANAGER**TO THE UNIT HOLDERS OF ALGEBRA INCOME TRUST**

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 6-month period to 31 December 2021.

FINANCIAL STATEMENTS

The results for the 6-month period 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.

Unit holders 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 6-month Period to 31December 2021 is made up as follows:

	2021
ASSETS	GHS
Government of Ghana Securities	835,914
Fixed Deposits	224,357
Corporate Bonds	100,337
Local Gov't and Statutory Agencies Securities	103,248
Cash and cash equivalent	115,964

	1,379,820
	=====

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

	2021
	(%)
Government of Ghana Securities	62
Fixed Deposits	16
Corporate Bonds	7
Local Gov't and Statutory Agency Securities	7
Cash & Cash Equivalent	8

	100
	=====

APPROVAL OF FINANCIAL STATEMENTS

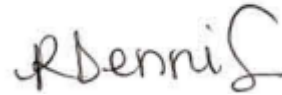
The financial statements of the company were approved by the Board of Directors of the Fund Manager on **24th October 2022** and signed on its behalf by:

Kofi Osafo Sampong
Director (Name)



.....
Signature

Roselyn Adwoa Dennis
Director (Name)



.....
Signature

Guaranty Trust Bank (Ghana) Ltd.
CS406022014

25A, Castle Road,
Ambassadorial Area, Ridge,
PMB CT 416, Cantonments,
Accra, Ghana.
Tel: (+233 302) 611 560, 680 662, 680 745, 676 474
(+233 302) 923 914, 966 755, 511 560

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



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 1st January 2021 to 31st December 2021, 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) Limited


Authorized Signatory


Authorized Signatory



John Kay & Co.

7th Floor, Trust Towers
Farrar Avenue, Adabraka
P. O. Box K I A 16088
Airport, Accra

Tel: +233 302 235406
+233 302 238370
Fax: +233 302 238371
Email: info@johnkay.net

INDEPENDENT AUDITOR'S REPORT

TO THE UNIT HOLDERS OF ALGEBRA INCOME TRUST

Opinion

We have audited the accompanying financial statements of Algebra Income Trust, which comprise the statement of financial position for the 6-month period to 31 December 2021, the statement of comprehensive income, the statement of Changes 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 21.

In our opinion, the financial statements give a true and fair view of the financial position of Algebra Income Trust for the 6 months to 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), Security Industry Act 2016, 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 about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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, was most significant in the audit of the financial statements.

Income Recognition

The Trust generates income largely from the investment of the assets of the Trust made up of members' contributions as well as the undistributed portion of the assets of the Trust. Some of these investments straddle the end of the accounting year under review and hence a key consideration for the appropriate recognition of the income of the Trust is the cut-off date.

The income of the Trust for the year should be recognized only if they accrue or are derived during the period up to and including the period end date, being 31 December 2021. Income that accrues beyond this date should be recognized in the following accounting year.

To ensure that in recognizing income, the cut-off date has been taken into consideration, the audit team performed the following procedures:

1. Reviewed the design and implementation of the Trust's income recognition procedure to determine the adequacy of controls over the Trust's investment valuation procedures and income recognition at the period;
2. Obtained evidence of the existence and accuracy of interest income thereon of a sample of significant investments whose maturity dates are after the period-end by reviewing their particulars and recomputing the expected year-end interest income; and

3. Evaluated the adequacy of the accounting policies and the disclosures on income recognized in the Trust's statement of changes in net assets available for the benefits.

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.

27th October 2022

STATEMENT OF ASSETS AND LIABILITIES

FIXED INTEREST SECURITIES

	MARKET VALUE. GH¢	PERCENTAGE OF NET ASSET (%)
GOVERNMENT OF GHANA SECURITIES		
2 – Year Note	55,240	4.11
3 - Year Bond	203,444	15.14
5 – Year Bond	130,249	9.69
6 – Year Bond	95,067	7.07
7 - Year Bond	351,914	26.19
	-----	-----
	835,914	62.20
	-----	-----
LOCAL GOVERNMENT & STATUTORY AGENCIES SECURITIES		
182 Day GOG Cocoa bill	103,248	7.68
CORPORATE BONDS		
3 Year Bond	100,337	7.47
FIXED DEPOSITS		
182 Day FD	224,357	16.69
Funds on Call	115,964	8.63
	-----	-----
TOTAL FINANCIAL ASSETS	1,379,820	102.67
Liabilities	(35,870)	(2.67)
	-----	-----
TOTAL NET ASSETS	1,343,950	100%
	=====	=====

STATEMENT OF FINANCIAL POSITION
FOR THE 6-MONTH PERIOD ENDED 31 DECEMBER 2021

	NOTE(S)	2021
ASSETS		GHS
Cash & Cash Equivalents	11	115,964
Financial assets at Amortised Cost	10	1,263,856

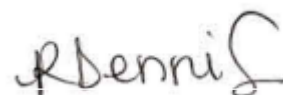
TOTAL ASSETS		1,379,820
		=====
 REPRESENTED BY:		
Members Fund	15	1,343,950
 LIABILITIES		
Account payables	12	35,870

TOTAL MEMBERS FUND & LIABILITIES		1,379,820
		=====



.....
Director

24th October 2022



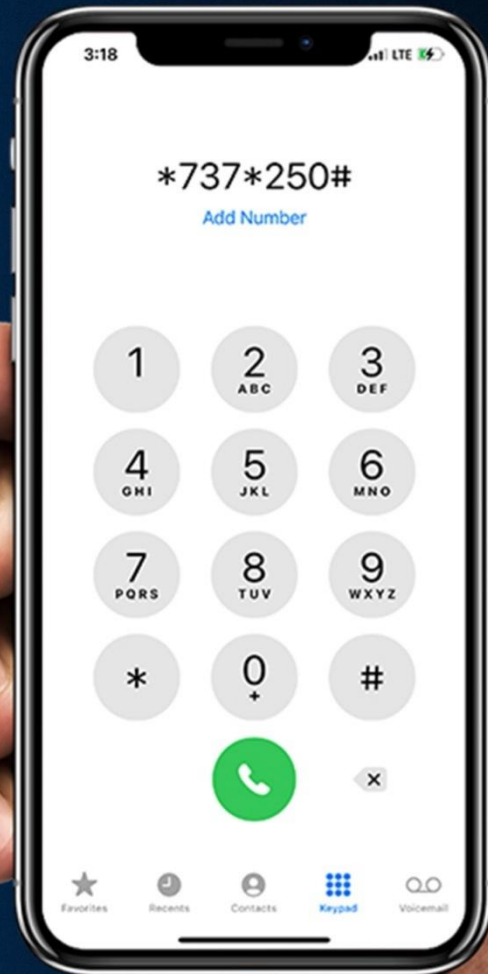
.....
Director

24th October 2022

Investing in Algebra Income Trust just got easier with

*737*250#

- Dial *737*250# and select Option 1 (Investment Collection).
- Enter your Unique Number (Algebra Income Trust Account Number).
- Enter preferred investment amount.
- Select wallet to debit.
- Select 1 to Confirm payment.
- Enter pin to complete process.



**STATEMENT OF COMPREHENSIVE INCOME
FOR THE 6-MONTH PERIOD TO 31 DECEMBER 2021**

	NOTE(S)	2021 GHS
REVENUE		
Interest income	8	93,450

		93,450

EXPENSES		
Fund Management Fees		10,998
Trustee Fees		1,375
Administrative Fees		3,299
Transaction Charges		420
Legal Fees		11,850
Audit Fees		7,000
VAT on Audit Fees		1,348

OPERATING EXPENSES		36,290

OPERATING PROFIT BEFORE TAX		57,160
Taxation	14	-

INCREASE IN NET ASSETS AVAILABLE		57,160
		=====

**ACCUMULATED NET INVESTMENT INCOME
FOR THE 6-MONTH PERIOD TO 31 DECEMBER 2021**

	2021 GHS
Balance As At 1 January	-
Net Income	57,160

BALANCE AT 31 DECEMBER	57,160
	=====

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE 6-MONTH PERIOD TO 31 DECEMBER 2021**

	CAPITAL TRANSACTION	INVESTMENTS	TOTAL
	GHS	GHS	GHS
At 1 January 2021	-	-	-
Net Income From operation	-	57,160	57,160
Unit Issue	1,325,130	-	1,325,130
Unit Redemption	(38,340)	-	(38,340)
	-----	-----	-----
December 2021	1,286,790	57,160	1,343,950
	=====	=====	=====

**MOVEMENTS IN ISSUED UNITS
FOR THE 6-MONTH PERIOD TO 31 DECEMBER 2021**

	2021
	No. of Units
Balance as at 1 January	-
Net Units Issued/ (Redeemed) During the Year	13 1,266,166

Balance at 31 December	1,266,166
	=====

STATEMENT OF CASH FLOWS
FOR THE 6-MONTH PERIOD TO 31 DECEMBER 2021

	2021
	GHS
CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets attributable to unit holders	57,160
Adjusted for:	
Interest Receivable	(24,278)
Change in Working Capital:	
Management Fees Payable	10,998
Trustee Fees Payable	1,375
Administrative Fees Payable	3,299
Legal Fees	11,850
Audit Fees Payable	7,000
VAT on Audit Fees Payable	1,348

Net Cash Flows from Operating Activities	68,752

CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Financial Assets	(2,014,859)
Sale of Financial Assets	775,281

Net Cash Flows from Investing Activities	(1,239,578)

CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of units	1,325,130
Amount paid on redemption of units	(38,340)

Net Cash Flows from Financing Activities	1,286,790

Net Increase (Decrease) in Cash and Cash Equivalent	115,964
Cash and Cash Equivalent at 1 January	-

Cash and Cash Equivalent at 31 December	115,964
	=====

NOTES FORMING PART OF THE FINANCIAL STATEMENTS**FOR THE 6-MONTH PERIOD TO 31 DECEMBER 2021****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 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 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 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 in 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 amortized 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 is 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 recognized 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 receivables historical experience. Regular way 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Non-derivative financial instruments (cont'd)

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 way 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. Were the Trust to sell 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 derecognized 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 transactions.

(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 recognizes 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 amortized 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 use 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 assesses 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;

- It becoming probable 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; or
- 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.

iv. 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.

v. 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.

vi. 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.

vii. 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 Securities 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 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 subsequent day's fee as computed and charged in bulk to the scheme on monthly basis. The Management Fee will be paid out of the property of the Scheme.

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 Securities and Exchange Commission of Ghana to provide Trustee services to the Fund managers. 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 per cent per annum of the property of the Scheme.

7. UNIT PURCHASES & REDEMPTIONS

	2021 GHS
Balance at 1 Jan	-
Members Contribution during the year	1,325,130

	1,325,130
Redemptions	(38,340)

	1,286,790
	=====

8. INTEREST INCOME

	2021 GHS
Interest Income on Government of Ghana Securities	59,300
Interest Income on Fixed Deposits	20,512
Interest Income on Corporate Bonds	10,615
Interest Income on LGSA	1,778
Other Income	1,245

	93,450
	=====

9. FINANCIAL INSTRUMENTS*a. Analysis of changes in fair value of financial instruments*

31 December 2021	Balance 1/1/21 GHS	Purchase at cost GHS	Sale at cost GHS	Accrued interest GHS	Value at 31/12/21 GHS
G.O.G Securities	-	820,654	-	15,260	835,914
Fixed Deposits	-	403,728	(186,623.)	7,252	224,357
Corporate Bonds	-	100,000		337	100,337
LGSAS		123,153	(21,334)	1,429	103,248
Call Investment	-	567,324	(567,324)	-	-
	-----	-----	-----	-----	-----
	-	2,014,859	(775,281)	24,278	1,263,856
	=====	=====	=====	=====	=====

10. FINANCIAL ASSETS DESIGNATED AT AMORTISED COST

	2021
	GHS
Government of Ghana Securities	835,914
Fixed Deposits	224,357
Corporate Bonds	100,337
Local Gov. & Statutory Agencies Securities	103,248

	1,263,856
	=====

11. CASH AND CASH EQUIVALENTS

	2021
	GHS
Cash and Funds on Call	115,964

	115,964
	=====

12. ACCOUNT PAYABLES

	2021
	GHS
Fund Management fees	10,998
Trustee Fees	1,375
Administrative Fees	3,299
Legal Fees	11,850
Audit Fees	7,000
VAT on Audit Fees	1,348

	35,870
	=====

13. CAPITAL TRANSACTIONS**2021**

	No. of Units
New Issues	1,302,080
Redemptions	(35,913)

	1,266,167
	=====

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. MEMBERS' FUNDS**2021**

	GHS
Accumulated net investment income	57,160
Movement on units issued	1,286,790

	1,343,950
	=====

16. EVENT AFTER REPORTING PERIOD

There were no events after the reporting period

17. APPROVAL OF THE FINANCIAL STATEMENTS

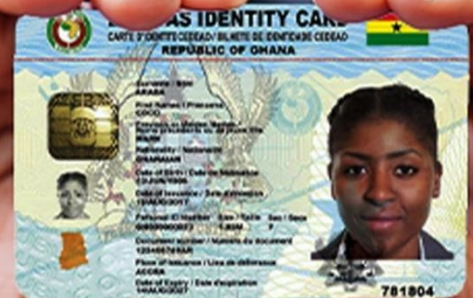
The financial statements were approved by the Board of Directors of the Fund Manager and authorized for issue on **24th October 2022**

UPDATE YOUR RECORDS WITH YOUR GHANA CARD.

Visit our office to complete the
process.

5th Floor, Nester Square.
North Liberation Link,
Airport City.

Thank You.



Proxy Form

Annual General Meeting of Algebra Income Trust is to be held virtually via Zoom on Thursday, November 03, 2022 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 Annual General Meeting of the Fund to be held on **Thursday, November 03, 2022** and at any adjournment thereof.

Dated this 3rd October 2022

.....

Unit Holder(s) Signature

Resolutions	For	Against
1. To consider the Directors' Report and the Report of the Auditors for the year ended 31 st December 2021		
2. To receive and adopt the Financial Statements for the year ended 31 st December 2021		
3. Authorize the Directors to fix remuneration of Auditors		
Special Business		
4. To amend the Constitution and the Trust Deed of the Unit Trust to provide for the holding of all meetings including Annual General Meetings by virtual means where the Directors of ACML deem it necessary so to do.		

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)

ALGEBRA INCOME TRUST

Resolve your concerns quickly and successfully.

Kindly reach out to us on the following channels for quick responses to all your concerns ;

For enquiries kindly send us an email :

info@algebra capital.com.gh

To speak to a help desk representative please call :

0302 778 552 / 0302 778 553

Or visit our website :

www.algebracapital.com.gh



ALGEBRA INCOME TRUST is a registered unit with the SECURITIES AND EXCHANGE COMMISSION and is managed by ALGEBRA CAPITAL MANAGEMENT LIMITED.