ASHESI UNIVERSITY

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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Corporate information

Board of directors	Patrick Gyimah Awuah (President) Pearl Aba Esua-Mensah (Chairperson) Yawa Hansen-Quao Mona Boyd Sangu Julius Delle Yaw Asare Aboagye Abdul-Latif Issahaku Harriette Amissah-Arthur Mabel Frances Wilson (Appointed on 19 Aug 2022) Patrick Komla Nutor (Deceased)
Registered office	1 University Avenue, Berekuso PMB CT 3, Cantonments Accra, Ghana
Independent auditor	PricewaterhouseCoopers Chartered Accountants PwC Tower A4 Rangoon Lane, Cantonments City PMB CT42 Cantonments Accra, Ghana

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements of the University for the year ended 31 December 2021.

Directors' responsibility statement

The directors are responsible for the preparation of financial statements for each financial year that give a true and fair view of the state of affairs of the University at the end of the financial year and of the income or deficit and cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent and followed International Financial Reporting Standards (IFRS), and complied with the requirements of the Companies Act, 2019 (Act 992).

The directors are responsible for ensuring that the University keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the University. The directors are also responsible for safeguarding the assets of the University and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Nature of business

The principal activity of the University is educating students from diverse cultures to achieve excellence in their intellectual and personal development. There has been no change in the nature of business of the University during the year.

Ownership

Ashesi University is a company registered in Ghana as a not-for-profit entity limited by guarantee with Ashesi University Foundation as a sole member. Ashesi University Foundation is a Not-for-profit organisation registered in Washington, Seattle, United States of America.

Financial results

The financial performance of the University are set out on page 9.

Particulars of entries in the interests register during the financial year

No Director had any interest in contracts and proposed contracts with the University during the year under audit, hence there were no entries recorded in the Interests Register as required by 194(6),195(1)(a) and196 of the Companies Act, 2019 (Act 992).

REPORT OF THE DIRECTORS (continued)

Corporate social responsibility

A total of US$4,818,071 was spent on corporate social responsibility, with key focus on students scholarships, community and entrepreneurship projects.

Further information on corporate social responsibilities activities are set out in Appendix 1.

Capacity building of directors to discharge their duties

On appointment to the Board, Directors are provided with full, formal and tailored programmes of induction, to enable them gain in-depth knowledge about the University's business, the risks and challenges faced, the economic knowledge and the legal and regulatory environment in which the University operates. Programmes of strategic and other reviews, together with the other training programmes provided during the year, ensure that Directors continually update their skills, knowledge and familiarity with the University's business. This further provides insights about the industry and other developments to enable them effectively fulfil their role on the Board and committees of the Board.

Auditor

PricewaterhouseCoopers, was appointed as the University's auditor effective 20 June 2022 and will continue in office in accordance with section 139(5) of the Companies Act, 2019 (Act 992). Auditors remuneration for the year ended 31 December 2021 is US$ 40,000 excluding indirect taxes.

Approval of the report of the directors

The report of the Directors of Ashesi University, was approved by the Board of Directors on …9th December,… 2022 and signed on their behalf by:

Director: Patrick G. Awuah Jr.

Signature:

Date: 4th January, 2023

Director Yaw Asare-Aboagye

Signature:

4th January, 2023

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF ASHESI UNIVERSITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Ashesi University (the "University") as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992).

What we have audited

We have audited the financial statements of Ashesi University for the year ended 31 December 2021.

The financial statements comprise:

- the statement of financial position as at 31 December 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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

Independence

We are independent of the University in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants and the independence requirements of section 143 of the Companies Act, 2019 (Act 992) that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors are responsible for the other information. The other information comprises the Corporate Information, Report of the Directors and Corporate Social Responsibilities Report but does not include the financial statements and our auditor's report thereon.

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

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the University or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the University's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

Auditor's responsibilities for the audit of the financial statements (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University'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 University to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii) in our opinion proper books of account have been kept by the University, so far as appears from our examination of those books; and

iii) the University's statement of financial position and the University's statement of comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is Edward Gomado (ICAG/P/1209).

PricewaterhouseCoopers

PricewaterhouseCoopers (ICAG/F/2023/028)
Chartered Accountants
Accra, Ghana
26 January 2023

pwc

STATEMENT OF FINANCIAL POSITION

(All amounts are in United States Dollars)

	Note	Year ended 31 December		1 January
ASSETS		**2021**	2020 (restated)	2020 (restated)
Non-current assets				
Property, plant and equipment	4	**40,076,965**	39,210,876	39,932,986
Intangible assets	5	**15,238**	32,691	116,008
Investment securities	6	**4,207,495**	-	-
		44,299,698	39,243,567	40,048,994
Current assets				
Endowment assets	7	**43,555**	43,555	43,555
Short term investments	8	**2,697,639**	903,175	852,979
Accounts receivable	9	**937,167**	931,625	719,424
Inventories	10	**115,358**	118,748	30,953
Cash and cash equivalents	11	**17,247,013**	22,412,161	9,544,587
Other financial assets	12	**2,933,361**	-	1,200,000
		23,974,093	24,409,264	12,391,498
Total assets		**68,273,791**	63,652,831	52,440,492
EQUITY AND LIABILITIES				
Equity				
Accumulated fund	13	**14,064,575**	12,178,526	11,289,442
Contributions by member	14	**17,428,530**	16,146,912	15,613,536
Endowment fund	15	**43,555**	43,555	43,555
Revaluation reserve	16	**9,255,994**	9,255,994	9,255,994
		40,792,654	37,624,987	36,202,527
Non-current liabilities				
Deferred income	17	**4,535,054**	3,696,616	2,942,825
Loans and borrowings	18	**4,117,322**	5,479,996	6,535,116
		8,652,376	9,176,612	9,477,941
Current liabilities				
Accounts payable	19	**1,411,138**	1,183,561	593,109
Deferred income	17	**16,113,420**	14,649,402	5,449,448
Loans and borrowings	18	**1,304,203**	1,018,269	717,467
		18,828,761	16,851,232	6,760,024
Total liabilities		**27,481,137**	26,027,844	16,237,965
Total equity and liabilities		**68,273,791**	63,652,831	52,440,492

The notes on pages 12 to 52 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION (continued)
(All amounts are in United States Dollars)

The financial statements on pages 7 to 52 were approved by the Board of Directors on …9th December, 2022.... and signed on their behalf by:

…………………………………	…………………………………
SIGNATURE	**SIGNATURE**
Patrick G. Awuah Jr.	Yaw Asare-Aboagye
NAME OF DIRECTOR	**NAME OF DIRECTOR**

STATEMENT OF COMPREHENSIVE INCOME

(All amounts are in United States Dollars)

	Note	Year ended 31 December 2021	2020 restated
Income			
Tuition fees	21	**8,643,661**	8,519,378
Grant income	22	**9,428,172**	8,034,076
Investment income	23	**572,120**	376,780
Other income	24	**1,648,595**	708,474
Total income		**20,292,548**	17,638,708
Expenses			
Scholarship awards and donor expenses	25	**(8,780,709)**	(7,565,874)
General and administrative expenses	26	**(3,069,556)**	(2,494,394)
Salaries and benefits	27	**(4,681,508)**	(4,080,031)
Depreciation and amortisation	28	**(1,588,000)**	(2,125,868)
Net finance costs	29	**(246,207)**	(466,657)
Impairment loss on financial assets	9	**(40,519)**	(16,800)
Total expenses		**(18,406,499)**	(16,749,624)
Surplus for the year		**1,886,049**	889,084
Other comprehensive income		**-**	-
Total comprehensive income		**1,886,049**	889,084

The notes on pages 12 to 52 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

(All amounts are in United States Dollars)

	Revaluation reserve	Contributions by member	Endowment fund	Accumulated fund	Total
Year ended 31 December 2021					
At 1 January 2021	9,255,994	16,146,912	43,555	12,178,526	**37,624,987**
Surplus for the year	-	-	-	1,886,049	**1,886,049**
Total comprehensive income	-	-	-	1,886,049	**1,886,049**
Contributions by member	-	1,281,618	-	-	**1,281,618**
At 31 December 2021	**9,255,994**	**17,428,530**	**43,555**	**14,064,575**	**40,792,654**
Year ended 31 December 2020					
At 1 January as originally presented	9,255,994	-	-	11,289,442	20,545,436
Adjusted to recognise impact of restatement	-	15,613,536	43,555	-	15,657,091
At 1 January 2020	9,255,994	15,613,536	43,555	11,289,442	36,202,527
Surplus for the year	-	-	-	889,084	889,084
Total comprehensive income	-	-	-	889,084	889,084
Contributions by member	-	533,376	-	-	533,376
At 31 December 2020	9,255,994	16,146,912	43,555	12,178,526	37,624,987

The notes on pages 12 to 52 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(All amounts are in United States Dollars)

	Note	Year ended 31 December 2021	2020 (restated)
Cash flows from operating activities			
Surplus for the year		**1,886,049**	889,084
Adjustments for:			
Depreciation	28	**1,570,547**	2,042,551
Amortisation	28	**17,453**	83,317
Utilisation of deferred income	17	**(10,263,141)**	(9,096,546)
Accrued interest on investments	6	**(53,853)**	-
Premiums on investments	6	**(52,502)**	-
Loan discount	18	**(138,404)**	-
Interest expense on borrowings	18	**385,703**	466,656
Deferred fees received in advance	17	**1,488,547**	1,084,969
Impairment loss on financial assets	9	**40,519**	16,800
Changes in working capital		**(5,119,082)**	(4,513,169)
Short term investments	8	**(1,794,464)**	(50,196)
Accounts receivable	9	**(46,061)**	(229,001)
Inventories	10	**3,390**	(87,795)
Accounts payable	19	**227,577**	590,452
Other financial assets	12	**(2,933,361)**	1,200,000
Cash used in operations		**(9,662,001)**	(3,089,709)
Interest paid	18	**(421,155)**	(433,474)
Net cash used in operating activities		**(10,083,156)**	(3,523,183)
Cash flows from investing activities			
Purchase of property, plant and equipment	4	**(2,436,636)**	(1,320,441)
Purchase of investments	6	**(4,545,281)**	-
Maturity/Sale of Investments	6	**444,141**	-
Net cash used in investing activities		**(6,537,776)**	(1,320,441)
Cash flows from financing activities			
Grants received from capital project	17	**1,235,901**	1,221,993
Grants received for sponsored scholarship and research	17	**9,841,149**	16,743,329
Principal repayment of borrowings	18	**(902,884)**	(787,500)
Member contributions	14	**1,281,618**	533,376
Net cash generated from financing activities		**11,455,784**	17,711,198
Net (decrease)/increase in cash and cash equivalents		**(5,165,148)**	12,867,574
Cash and cash equivalents at 1 January		**22,412,161**	9,544,587
Cash and cash equivalents at 31 December	11	**17,247,013**	22,412,161

The notes on pages 12 to 52 are an integral part of these financial statements.

NOTES

1. General Information

Ashesi University is a university domiciled in Ghana. The University's registered office is at No. 1 University Avenue, Berekuso. The University is sponsored by Ashesi Foundation, a Not-For-Profit organisation registered in Washington, Seattle, United States of America.

The University is primarily involved in educating students from diverse cultures to achieve excellence in their intellectual and personal development. The financial statements are the individual financial statements of the University.

2. Summary of significant accounting policies

2.1 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992). The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise judgement in the process of applying the University's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The directors do not have the power to amend the financial statements after issue.

(b) Basis of measurement

The financial statements have been prepared under the historical cost convention except for building, plant and machinery which are measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in United States Dollars (US$) which is the University's functional currency. All amounts have been rounded to the nearest United States Dollar, unless otherwise indicated.

(d) Use of estimates and judgement

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the University's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.2 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the University

(i) Covid-19-related Rent Concessions – Amendments to IFRS16

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.

Entities applying the practical expedients must disclose this fact, whether the expedient has been applied to all qualifying rent concessions or, if not, information about the nature of the contracts to which it has been applied, as well as the amount recognised in profit or loss arising from the rent concessions. The amendments did not have any material impact on the results or financial position of the University for the year ended 31 December 2021.

(ii) Interest Rate Benchmark Reform

In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one.

The Phase 2 amendments provide the following reliefs:

When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded. Affected entities need to disclose information about the nature and extent of risks arising from IBOR reform to which the entity is exposed, how the entity manages those risks, and the entity's progress in completing the transition to alternative benchmark rates and how it is managing that transition. Given the pervasive nature of IBOR-based contracts, the reliefs could affect companies in all industries. The amendments did not have any material impact on the results or financial position of the University for the year ended 31 December 2021.

(b) New standards and interpretations not yet adopted

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the University. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.2 Changes in accounting policies and disclosures (continued)

(b) New standards and interpretations not yet adopted (continued)

Classification of Liabilities as Current or Non-current – Amendments to IAS 1

The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.

Property, Plant and Equipment: Proceeds before intended use – Amendments to IAS 16

The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

This amendment is effective for reporting periods beginning on or after 1 January 2022**.**

Reference to the Conceptual Framework – Amendments to IFRS 3

Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date.

This amendment is effective for reporting periods beginning on or after 1 January 2022.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.2 Changes in accounting policies and disclosures (continued)

(b) New standards and interpretations not yet adopted (continued)

Annual Improvements to IFRS Standards 2018 – 2020

The following improvements were finalised in May 2020:

IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.

IFRS 16 Leases – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.

IFRS 1 First-time Adoption of International Financial Reporting Standards – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent. This amendment will also apply to associates and joint ventures that have taken the same IFRS 1 exemption.

These amendments and clarifications are effective for reporting periods beginning on or after 1 January 2022.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

These amendments and clarifications are effective for reporting periods beginning on or after 1 January 2023

Definition of Accounting Estimates– Amendments to IAS 8

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. These amendments and clarifications are effective for reporting periods beginning on or after 1 January 2023.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.2 Changes in accounting policies and disclosures (continued)

(b) New standards and interpretations not yet adopted (continued)

Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 37

The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

This amendment is effective for reporting periods beginning on or after 1 January 2022.

2.3 Financial instruments

All financial assets and liabilities are recognised in the statements of financial position and measured in accordance with their assigned category.

Accounts receivable and short-term investments are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the University becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is an account receivable without a significant financing component) or financial liability is initially measured at fair values plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. An account receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

i) *Financial assets*

On initial recognition, a financial asset is classified as measured at amortised cost;

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

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

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

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.3 Financial instruments (continued)

Classification and subsequent measurement (continued)

i) *Financial assets (continued)*

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the University may irrevocably designate a financial asset that otherwise meets the requirement to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the University's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.3 Financial instruments (continued)

Classification and subsequent measurement (continued)

i) *Financial assets (continued)*

In assessing whether the contractual cash flows are solely payments of principal and interest, the University considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the University considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the University's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the sole payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and loss

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

ii) Financial liabilities

Financial liabilities are classified as measured at amortised cost. These financial liabilities comprise loans and borrowings and accounts payable. These liabilities are recognised initially on the date at which the University becomes a party to the contractual provision of the instrument. All financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.3 Financial instruments (continued)

Derecognition

Financial assets

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

Financial liabilities

The University derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The University also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the University currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.4 Impairment

Financial instruments and contract assets

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

The University measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition are measured at 12-month ECLs. Loss allowances for accounts receivable are always measured at an amount equal to lifetime ECLs.

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

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.4 Impairment (continued)

To measure expected credit losses, trade receivables are grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on payment profile of tuition fees over 12 months and the corresponding historical credit losses experienced within the period. The historical loss rates are adjusted to reflect current and forward-looking macroeconomic information affecting the ability of tenants to settle outstanding receivables.

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

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the University is exposed to credit risk.

Measurement of ECLs

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

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

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

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

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

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

Write-off

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

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.4 Impairment (continued)

Non-financial assets

At each reporting date, the University reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax asset) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.

2.5 Leases

The University assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the University uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into (or changed) on or after 1 January 2020.

University acting as a lessee

The University applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The University recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The University recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term, unless the lease transfers ownership of the underlying asset to the University by the end of the lease term or the cost of the right-of-use asset reflects that the University will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment.

The right-of-use assets are also subject to impairment, if any, and adjusted for certain remeasurements of the lease liability.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.5 Leases (continued)

Lease liabilities

At the commencement date of the lease, the University recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the University and payments of penalties for terminating the lease, if the lease term reflects the University exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the University uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of- use asset has been reduced to zero.

The University presents right-of-use assets as part of property, plant and equipment.

2.6 Property, plant and equipment

Property, plant and equipment are recognised at their revalued amounts, being the fair value based on periodic, but at least five years interval valuation by external independent valuers, less any subsequent depreciation. A revaluation surplus is credited to other reserves in equity.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.6 Property, plant and equipment (continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The following annual rates are used for the depreciation of property, plant and equipment:

Leasehold land & Buildings	-	20-50 years
Computer & Accessories	-	3 years
Furniture, Fitting & Equipment	-	5 years
Motor Vehicles	-	5 years
Plant and Machinery	-	10-20 years

Depreciation on revalued property, plant and equipment is recognised in the statement of comprehensive income. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to accumulated funds.

Land is measured at fair value based on periodic valuations by external independent valuers.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Capital work in progress

Property, plant and equipment under construction is stated at initial cost and depreciated from the date the asset is made available for use over its estimated useful life. Assets in the course of construction are carried at cost less any recognised impairment loss. Cost includes professional fees and other costs directly attributable to the completion of the assets. Assets under construction (Work In Progress) are not depreciated as these assets are not yet available for use.

Assets are transferred from capital work in progress to an appropriate category of property, plant and equipment when commissioned and ready for its intended use.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.7 Intangible Assets

(i) Computer Software

Intangible assets comprise computer software licenses. Software acquired by the University is measured at costs less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure on software is capitalised only when it increases the future economic benefit embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

(iii) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

The estimated useful life is as follows:

Computer Software - 3 years

2.8 Finance income and finance costs

Finance income comprises interest income on funds invested in held to maturity financial assets. Interest income is recognised as it accrues in income statement, using the effective interest method.

Finance costs comprise interest on loans and borrowings. Borrowings costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.9 Grants

a) Grants received from Ashesi University Foundation

These relate to grants received by the University's main sponsor, Ashesi University Foundation, an institution based in Seattle, Washington, USA. Per the legal framework of the University, the Foundation is the sole member of the University which has been registered as a Company Limited by Guarantee. All capital grants received from the Foundation are recognised as contributions by member in the statement of changes in equity.

b) Capital grants from governmental and non-governmental organisations

These are grants received from both governmental and non-governmental organisations for the construction or purchase of assets. Amounts received for capital projects are recognised as deferred income/capital work in progress until the asset is fully developed. Upon completion of the development of the asset or purchase of the asset for which the allocated funds were used, the grant is systematically amortised into the statement of comprehensive income based on the useful life of the related asset.

Capital grants are split into unutilised and utilised grants. Unutilised capital grant relates to funds that have been received from donors but are yet to be used for the capital projects. Utilised capital grant relates to grant that were used for capital projects and are amortised over the useful life of the asset. Utilized capital grants and underlying assets are free from any encumbrances and/or liabilities to the donors.

c) Grants for scholarships and research

Research and scholarship grants are for funding of tuition fees, housing costs, scholarships and research undertaken by the students or the University. Amounts received as scholarship and research grants from external parties apart from Ashesi University Foundation are recognised in deferred income upon receipt of the funds. The amounts are amortised into the statement of comprehensive income based on the tenor of either the student's programme or research project.

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NOTES (continued)

2. Summary of significant accounting policies (continued)

2.10 Tuition Fees

Rendering of services

Revenue is measured based on the consideration specified in the contract with the University's students. Revenue is recognised over the period of instruction. Tuition fees for which services are yet to be rendered are classified as deferred tuition fees.

Tuition fees are due at the start of an academic period.

Early payment discounts

Students who pay their tuition fees early are offered a discount. The University recognises the discount on the date of payment by the student. Tuition fee recognised is less discount.

Instalment plans

Students are allowed to pay school fees on an instalment basis over the academic period. Students paying on an instalment basis are charged an interest of 2% and interest is recognised as part of other income.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank adjusted for reconciling items and investments with maturities of three months or less in money market instruments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.12 Employment Benefits

(i) Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the University pays fixed contributions into a separate fund and has no legal or contractual obligation to pay further contributions if the fund does not hold sufficient asset to pay all employee benefits relating to employee service in the current and prior periods. Obligation for contributions to defined contribution plans are recognised as an expense in profit or loss when they are due.

In addition, the University has a provident fund scheme for all employees who have completed their probation period with the University. The University contributes up to a maximum 5% of employees' basic salary to the Fund. Obligations under the plan are limited to the relevant contributions, which are settled on due dates to the fund manager.

(ii) Short-term employee benefits

Short-term employee benefits obligations are measured on undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the University has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

NOTES (continued)

2. Summary of significant accounting policies (continued)

2.12 Employment Benefits (continued)

(iii) Other long-term employee benefit service

The University's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

2.13 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using weighted average basis. Cost includes all direct expenses incurred in bringing stocks to their present condition and location. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services.

2.14 Endowment fund

The Scholarship Endowment Fund was established for the provision of general student scholarship by Ashesi Foundation. It represents fund held by the University purposely to sponsor indigenes of the Berekuso township who will apply to the institution in future. The endowment is backed by short term investments in foreign mutual funds and treasury bills.

2.15 Revaluation reserve

Revaluations are done at intervals of five (5) years. Valuations are made on the basis of the open market values, which reflects recent prices for similar properties. There was no valuation of assets at 31 December 2021.

NOTES (continued)

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

The University makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and fair value through other comprehensive income (FVOCI) is an area that requires significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses). A number of significant judgements are also required in applying the accounting requirements for measuring expected credit losses (ECL), such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios and the associated ECL.

The Expected Credit Loss (ECL) is measured on either a 12-month (12M) or Lifetime basis depending on whether a significant increase in credit risk (SICR) has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD).The ECL is determined by projecting the PD, LGD and EAD and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL, which is then discounted back to the reporting date and summed.
The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof. The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Bank has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

Classification of financial assets

The University classifies its non-derivative financial assets with fixed or determinable payments and fixed maturity as either hold to collect or hold to collect and sell. These classifications require significant judgement.

In making the judgement about the classification of financial assets, the company applies the Business model and Solely for Payment of Principal and Interest (SPPI) test to assess the purpose for holding a financial asset.

If the company’s objective is to hold financial assets in order to collect contractual cashflows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, the financial assets are classified as hold to collect and are generally measured at amortised cost.

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

4 PROPERTY, PLANT & EQUIPMENT

Year ended 31 December 2021

	Leasehold land	Buildings	Computer & accessories	Furniture, fitting & equipment	Library books	Motor vehicles	Plant & machinery	Capital work in progress	Total
Cost									
At 1 January	1,706,546	37,427,294	1,359,032	4,136,104	985,824	643,390	349,810	493,709	47,101,709
Transfer	-	493,709	-	-	-	-	-	(493,709)	-
Additions	-	1,899,950	214,032	273,472	259	-	48,923	-	2,436,636
Write-off	-	-	-	-	(986,083)	-	-	-	(986,083)
As of 31 December	**1,706,546**	**39,820,953**	**1,573,064**	**4,409,576**	**-**	**643,390**	**398,733**	**-**	**48,552,262**
Accumulated Depreciation									
At 1 January	58,001	2,425,077	1,319,427	2,572,000	985,824	460,971	69,533	-	7,890,833
Charge for the year	34,130	772,204	23,162	639,171	259	85,910	15,711	-	1,570,547
Write-off	-	-	-	-	(986,083)	-	-	-	(986,083)
As of 31 December	**92,131**	**3,197,281**	**1,342,589**	**3,211,171**	**-**	**546,881**	**85,244**	**-**	**8,475,297**
Net book amount at 31 December	**1,614,415**	**36,623,672**	**230,475**	**1,198,405**	**-**	**96,509**	**313,489**	**-**	**40,076,965**

A lien has been placed on the carrying amount of the Land and Buildings. Refer to Note 18 for details.

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

4 PROPERTY, PLANT & EQUIPMENT

Year ended 31 December 2020	Leasehold land	Buildings	Computer & Accessories	Furniture, Fitting & Equipment	Library Books	Motor Vehicles	Plant & Machinery	Capital Work in Progress	Total
Cost									
At 1 January	1,706,546	27,125,016	1,347,275	3,576,713	985,724	643,390	339,013	10,057,591	45,781,268
Additions	-	-	11,757	559,391	100	-	10,797	738,396	1,320,441
Transfer	-	10,302,278	-	-	-	-	-	(10,302,278)	-
As of 31 December	1,706,546	37,427,294	1,359,032	4,136,104	985,824	643,390	349,810	493,709	47,101,709
Accumulated Depreciation									
At 1 January	23,665	1,263,347	1,217,228	2,031,243	919,545	348,192	45,062	-	5,848,282
Charge for the year	34,336	1,161,730	102,199	540,757	66,279	112,779	24,471	-	2,042,551
As of 31 December	58,001	2,425,077	1,319,427	2,572,000	985,824	460,971	69,533	-	7,890,833
Net book amount at 31 December	1,648,545	35,002,217	39,605	1,564,104	-	182,419	280,277	493,709	39,210,876

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

4 PROPERTY, PLANT & EQUIPMENT

Revaluation

The following table summarises classes of property, plant and equipment that were revalued by an independent consultant in 2017. Subsequent revaluation will be done at intervals of five (5) years. Valuations are made on the basis of the open market values, which reflects recent prices for similar properties. There was no valuation of assets at 31 December 2021.

	Land & Buildings	Plant & Machinery
Cost of assets revalued	16,644,169	197,878
Accumulated Depreciation	(1,906,152)	(66,680)
Net Book Value	14,738,017	131,198
Revaluation surplus (2017)	9,115,505	140,489
Fair value of assets revalued	23,853,522	271,687

Security

At 31 December 2021, land and buildings with a carrying amount of US$36,650,763 (2020: US$27,544,552) was subject to a registered debenture that serves as security for a loan acquired from International Finance Corporation (IFC) in 2018. Refer to note 17.

5 INTANGIBLE ASSETS

	2021	2020
Cost		
At 1 January	**494,923**	494,923
At 31 December	**494,923**	494,923
Amortisation		
At 1 January	**(462,232)**	(378,915)
Charge for the year	**(17,453)**	(83,317)
At 31 December	**(479,685)**	(462,232)
Carrying value	**15,238**	32,691

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

6 INVESTMENT SECURITIES

Investment securities

	2021	2020
Hold-to-collect securities		
At 1 January	**-**	-
Additions	**4,545,281**	-
Accrued Interest	**53,853**	
Maturities	**(444,141)**	-
Premiums	**52,502**	-
At 31 December	**4,207,495**	-

Investment securities relate to Corporate Bonds purchased from financial institutions and are held at amortised cost.

7 ENDOWMENT ASSETS

Treasury Bills	**43,555**	43,555

8 SHORT TERM INVESTMENTS

Treasury Bills	**2,697,639**	903,175

9 ACCOUNTS RECEIVABLE

Tuition fees receivable	**336,270**	250,910
Staff loans	**76,663**	94,433
Advance payment to contractors	**377,695**	459,948
Prepayment	**138,778**	126,334
Other receivables	**7,761**	-
	937,167	931,625

The movement on the impairment losses of tuition fees receivable is as follows:

At 1 January	**19,300**	2,500
Impairment charge for the year	**40,519**	16,800
At 31 December 2021	**59,819**	19,300

10 INVENTORIES

Stock	**15,666**	15,666
Calculators	**69,022**	69,022
Other consumables	**30,670**	34,060
	115,358	118,748

In 2021, inventory of US$ 3,389 was expensed during the year (2020:Nil).

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

11 CASH AND CASH EQUIVALENTS

	2021	2020
Cash on hand	45,471	1,697
Cash at bank	17,201,542	20,846,374
Treasury Bills	-	1,564,090
	17,247,013	22,412,161

Cash and cash equivalents include a restricted funds being amounts held on behalf of various donors for specific activities. Refer to note 17.

12 OTHER FINANCIAL ASSETS

	2021	2020
Due from related party	2,933,361	-

13 ACCUMULATED FUND

This represents the residual of cumulative annual surplus. The movement in the Accumulated Fund is shown on page 10. The Accumulated Fund includes an amount of US$ 5,538,720 (2020:Nil) set aside for asset replacement to enable the University maintain and replace its depreciating assets overtime.

14 MEMBER CONTRIBUTIONS

	2021	2020
At 1 January	16,146,912	15,613,536
Contributions during the year	1,281,618	533,376
At 31 December	17,428,530	16,146,912

This represents amounts received from Ashesi University Foundation for capital projects. They are not to be repaid by the University. The University is registered as a Company limited by guarantee. It has no share capital and shall not create or issue shares in keeping with section 7(8) of the Companies Act, 2019 (Act 992).

15 ENDOWMENT FUND

	2021	2020
At 1 January and 31 December	43,555	43,555

The Scholarship Endowment Fund was set for the provision of general student scholarship by Ashesi -University with initial donation received locally from the Ashesi Community. Portions of this endowment represents fund held by the University purposely to sponsor indigenes of the Berekuso township who will apply to the institution in future. The endowment is backed by short term investments in treasury bills. Refer to Note 7.

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

16 REVALUATION RESERVE

This represents surplus on revaluation of buildings, plant and machinery.

17 DEFERRED INCOME

31 December 2021

	Opening balance	Additions	Utilisation	Closing balance
Capital grants	3,696,616	1,235,901	(397,463)	**4,535,054***
Scholarship and research grants	13,564,433	9,841,149	(8,780,709)	**14,624,873***
Deferred tuition fees	1,084,969	1,488,547	(1,084,969)	**1,488,547**
	18,346,018	**12,565,597**	**(10,263,141)**	**20,648,474**
Current				**16,113,420**
Non-Current				**4,535,054**
				20,648,474

***The unspent funds are held as part of cash and cash equivalents, short and long term investments. Refer to note 6,8 and 12.

31 December 2020

	Opening balance	Additions	Utilisation	Closing balance
Capital grants	2,942,825	1,221,993	(468,202)	3,696,616
Scholarship and research grants	4,289,249	16,743,329	(7,468,145)	13,564,433
Deferred tuition fees	1,160,199	1,084,969	(1,160,199)	1,084,969
	8,392,273	19,050,291	(9,096,546)	18,346,018
Current				14,649,402
Non-Current				3,696,616
				18,346,018

	2021	2020
Current		
Deferred tuition fees (b)	**1,488,547**	1,084,969
Unutilised scholarship and research grants (c)	**14,624,873**	13,564,433
	16,113,420	14,649,402
Non-current		
Capital grants (a)	**4,535,054**	3,696,616

(a) Capital Grants

	2021	2020
ELMA Growth Foundation (i)	**2,134,796**	2,103,796
US-AID (Capital Projects) (ii)	**1,781,978**	1,432,140
Others (iii)	**618,280**	160,680
	4,535,054	3,696,616

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

17 DEFERRED INCOME (continued)

(a) Capital grants (continued)

(i) ELMA Growth Foundation

	2021	2020
At 1 January	**2,103,796**	2,265,296
Received during the year	**120,000**	-
Utilised during the year	**(89,000)**	(161,500)
At 31 December	**2,134,796**	2,103,796

ELMA growth foundation is a Not-For-Profit organisation in the United States of America. Grants from this foundation is towards the construction of students' hostel and purchase of engineering equipment. Total receipts during the period were US$ 370,000. However, an amount of US$ 250,000 was treated as an unrestricted grant and treated as revenue.

(ii) US-AID (Capital Projects)

	2021	2020
Balance at 1 January	**1,432,140**	406,426
Received during the year	**625,153**	1,215,741
Utilised during the year	**(275,315)**	(190,027)
	1,781,978	1,432,140

(iii) Others

	2021	2020
Balance at 1 January	**160,680**	271,103
Received during the year	**490,748**	6,252
Utilised during the year	**(33,148)**	(116,675)
	618,280	160,680

(b) Deferred tuition fees

	2021	2020
Balance at 1 January	**1,084,969**	1,160,199
Tuition fees received in advance	**1,488,547**	1,084,969
Amount recognised during the year	**(1,084,969)**	(1,160,199)
	1,488,547	1,084,969

(c) Unutilised scholarship and research grants

	2021	2020
MasterCard Foundation (i)	**12,360,843**	12,568,614
Other Donors (ii)	**2,264,030**	995,819
	14,624,873	13,564,433

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

17 DEFERRED INCOME (continued)

(c) Unutilised scholarship and research grants (continued)

(i) MasterCard Foundation	2021	2020
Balance at 1 January	**12,568,614**	3,238,971
Received during the year	**6,369,305**	13,221,240
Utilised during the year	**(6,577,076)**	(3,891,597)
	12,360,843	12,568,614

Breakdown of MasterCard Foundation scholarship Utillised

	2021	2020
MCF program support	**2,420,440**	412,714
MCF Tuition Fees, Housing and Other Student Support	**2,386,048**	3,478,883
Impact and Excellence Project	**1,770,588**	-
Balance at 31 December	**6,577,076**	3,891,597

Total amount utilised during the year include US$2,420,440 (2020: US$412,714) for students recruitment program support, salaries, professional fees and other program support on behalf of Ashesi MCF fellows, US$2,386,048 (2020: US$3,478,883) to tuition fees, housing fees and other student support and US$1,770,588 (2020: Nil) for the Impact and Excellence Project. An amount of US$6,639,305 (2020:US$13,221,240) was also received from the MasterCard Foundation to augment the University's tuition discounts and scholarships given to students.

(ii) Other Donors	2021	2020
At 1 January	**995,819**	1,050,278
Received during the year	**3,471,844**	3,522,089
Utilised during the year	**(2,203,633)**	(3,576,548)
At 31 December	**2,264,030**	995,819

These are funds received from Tullow Ghana Scholarship Fund, Ford Foundation, World Bank, CAF, Global Affairs Canada (GAC) and other individuals to fund research, other students' projects, support GCIC climate smart businesses as well as entrepreneurs in Ghana.

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

18 LOANS AND BORROWINGS

31 December 2021

	Opening balance	**Accrued interest**	**Principal repayment**	**Interest repayment**	**Discount on loan**	**Closing balance**
IFC Loan	5,256,751	354,472	(787,500)	(369,289)	-	**4,454,434**
Ashesi University Foundation	1,241,514	31,231	(115,384)	(51,866)	(138,404)	**967,091**
	6,498,265	**385,703**	**(902,884)**	**(421,155)**	**(138,404)**	**5,421,525**
Current						**1,304,203**
Non-Current						**4,117,322**
						5,421,525

31 December 2020

	Opening balance	Accrued interest	Principal repayment	Interest repayment	Discount on loan	Closing balance
IFC Loan	6,062,934	414,791	(787,500)	(433,474)	-	5,256,751
Ashesi University Foundation	1,189,649	51,865	-	-	-	1,241,514
	7,252,583	466,656	(787,500)	(433,474)	-	6,498,265
Current						1,018,269
Non-Current						5,479,996
						6,498,265

31 December 2021	**Amount**	**Payable within 1 year**	**Payable over 1 year**
IFC Loan	**4,454,434**	1,141,973	3,312,461
Loan from Ashesi Foundation	**967,091**	162,230	804,860
	5,421,524	**1,304,203**	**4,117,322**

31 December 2020			
IFC Loan	5,256,751	1,202,291	4,054,460
Loan from Ashesi Foundation	1,059,700	167,250	892,450
	6,316,451	1,369,541	4,946,910

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

18 LOANS AND BORROWINGS (continued)

IFC Loan

This relates to a loan amount of US$6,299,980 obtained from the International Finance Corporation (IFC) in 2018 for the construction of a research laboratory, a student housing cluster, a student centre and a sports centre on the University campus. It attracts an interest rate of 5.5% above the 6months LIBOR which is accrued on a day to day basis. Included in repayments of US$1,156,789 (2020: US$1,220,976) is principal amount of US$787,500 (2020: US$785,000) and interest of US$369,289 (2020: US$433,476). Principal repayment of the loan begins from September 2020 to March 2027. The loan is secured over land and buildings with a carrying value of US$36,623,672 (2020: US$35,002,217) which is subject to a registered debenture.

Loan from Ashesi Foundation

This relates to a loan amount of US$999,988 obtained from the Ashesi University Foundation in 2014 and US$500,012 in 2015 for the construction of a 96 bed student housing facility. The loan attracts an interest rate of 4.35% which is accrued on a day to day basis. Repayment of the loan begins from April 2017 to April 2030 for the initial loan and from April 2018 to April 2031 for the latter. There is no security on AUF loan.

19 ACCOUNTS PAYABLE

	2021	2020
Suppliers	**719,004**	629,860
Accrued expenses	**63,712**	59,202
Statutory payables	**207,703**	125,769
Other payables	**420,719**	368,730
	1,411,138	1,183,561

20 TAXATION

The University is a non-profit making institution and its income is exempted from income tax in accordance with Division V, Section 97(1) and 97(4) of the Income Tax Act, 2015 (Act 896). No tax provision was made for the year as Ashesi University is exempt from income tax .

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

21 TUITION FEES

	2021	2020
Tuition fees	**8,643,661**	8,519,378

Included in the tuition fees is an amount of US$1,084,969 (2020: US$1,160,199) in respect of tuition fees received in advance in previous periods and recognised as deferred income. Refer to note 17 for further details.

22 GRANT INCOME

Capital grants (a)	**397,463**	468,202
Scholarship grants (b)	**8,780,709**	7,261,524
Unrestricted grants (c)	**250,000**	304,350
	9,428,172	8,034,076
(a) Capital grants amortised		
Elma Foundation (note 17a (i))	**89,000**	161,500
US-AID (Capital Projects) (note 17a (ii))	**275,315**	190,027
Other Donors (note 17a(iii))	**33,148**	116,675
	397,463	468,202
(b) Scholarship grants utilised		
MasterCard Foundation Fellowship (note17c (i))	**6,577,076**	3,891,597
Other Donors (note 17c (ii))	**2,203,633**	3,369,927
	8,780,709	7,261,524
(c) Unrestricted grants		
ELMA Foundation	**250,000**	250,000
Other Donors	**-**	54,350
	250,000	304,350

23 INVESTMENT INCOME

Interest income on treasury bills and corporate bonds	**572,120**	376,780

24 OTHER INCOME

Student Housing and Admission fees	**765,979**	376,768
Graduation fees	**20,560**	41,250
Bad debts recovered	**-**	6,622
Departmental income	**725,307**	255,601
Other Income	**136,749**	28,233
	1,648,595	708,474

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

25 SCHOLARSHIP AWARDS AND DONOR EXPENSES

	2021	2020
Scholarship expenses	**3,396,461**	3,291,976
Other program expenses	**5,371,679**	3,969,548
Other administrative expenses	**12,569**	304,350
	8,780,709	7,565,874

A total of US$4,818,071 (2020: US$3,982,946) was spent on corporate social responsibility, with key focus on student scholarships, community and entrepreneurship projects.

26 GENERAL AND ADMINISTRATIVE EXPENSES

	2021	2020
Repairs and maintenance	**284,575**	174,870
Professional fees	**125,389**	158,006
Marketing, promotions and events	**172,225**	172,511
Auditor's remuneration	**40,000**	32,900
Property management expenses	**595,286**	567,415
Research expenses	**45,337**	42,528
Telephone and utility expense	**522,826**	548,943
Postage, printing and subscriptions	**456,347**	437,320
Exchange loss	**120,864**	18,211
Other administrative cost	**706,707**	341,690
	3,069,556	2,494,394

27 SALARIES AND BENEFITS

Wages and salaries	**3,159,908**	2,882,334
Social security contributions	**270,233**	268,601
Provident fund contributions	**119,789**	309,280
Other staff expenses and allowances	**1,131,578**	619,816
	4,681,508	4,080,031

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

28 DEPRECIATION AND AMORTISATION

	2021	2020
Depreciation on property, plant and equipment and right-of-use	**1,570,547**	2,042,551
Amortisation of intangible assets	**17,453**	83,317
	1,588,000	2,125,868

29 NET FINANCE COSTS

Interest charges on IFC	**354,472**	414,792
Interest charges on Ashesi University Foundation loan	**31,231**	17,288
Discount on AUF Loan	**(138,404)**	-
Realised currency gains	**(1,092)**	-
	246,207	432,080

30 RELATED PARTY DISCLOSURES

(a) Transactions

The University is sponsored by Ashesi University Foundation, a Not-For-Profit organisation registered in Washington, Seattle, United States of America.

The following transactions were carried out with related parties:

During the year, US$1,281,618 (2020: US$3,693,325) was received as grant from Ashesi University Foundation in respect of capital grant.

	2021	2020
Key management compensation		
Salaries and other short-term benefits	**415,500**	365,827
Other transactions		
Investment held by Ashesi University Foundation	**2,933,361**	-

(b) Outstanding balances due from related party:

Due from Ashesi University Foundation	**2,933,361**	-

(c) Outstanding balances due to related party:

Loan from Ashesi University Foundation (18(b))	**967,091**	1,241,515
Loan advances to senior management	**-**	1,264

The University does not charge interest on loan advances to senior management. Senior managements includes the President, the Chief Operating Officer, the Director of Admissions and Financial Aid, the Dean of Students and the Provost.

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

31 FINANCIAL RISK MANAGEMENT

(a) Overview

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

- credit risk
- liquidity risk
- market risks

(b) Risk Management Framework

The University's Board of Directors has overall responsibility for the establishment and oversight of its risk management framework.

The University's risk management policies are established to identify and analyse the risks faced by the University, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions. The University, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Board of Directors oversees how management monitors compliance with the University's risk management policies and procedures in place and reviews the adequacy of the risk framework in relation to the risks faced by the University. The Board of Directors is assisted in its oversight role by Internal Audit and other corporate governance structures. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

(c) Credit Risk

Credit risk is the risk of financial loss to the University if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the University's receivables from students and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

The University's exposure to credit risk is influenced mainly by the individual characteristics of each student. However, management also considers the factors that may influence the credit risk of its students. The University retains student academic records, transcripts and certificates, so that in the event of non-payment the University may have a secured claim. The University does not otherwise require collateral in respect of tuition fees receivable.

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

31 FINANCIAL RISK MANAGEMENT (continued)

Exposure to credit risks

The carrying amount of financial assets represents the maximum credit risk exposure. The maximum exposure at the reporting date was:

	2021	2020
Accounts receivable (excluding prepayments)	**420,694**	345,343
Other financial assets	**2,933,361**	-
Endowment assets	**43,555**	43,555
Short term investments	**2,697,639**	903,175
Bank balance	**17,201,542**	20,846,374
	23,296,791	22,138,447

Impairment Losses

Short term investments

The University held short term investments in Government of Ghana treasury bills at the reporting date. Government of Ghana has no history of default on treasury bills.

Bank balance and restricted cash

The University held cash and restricted cash at the reporting date with reputable banks. These banks have no history of default.

Accounts receivable

Receivable from staff and other third parties such as advances to contractors were not considered as impaired as there is no history of default. The following table provides information about the exposure to credit risk and expected credit loss for tuition fee receivables as at 31 December.

	At 31 December 2021			At 31 December 2020		
	0-60 days	**91-360 days**	**Total**	0-60 days	61-360 days	Total
Expected loss rate	1.681%	100.00%	13.191%	0.00%	100.00%	7.143%
Gross carrying amount	400,362	53,090	453,452	250,910	19,300	270,210
Loss allowance	**6,729**	**53,090**	**59,819**	-	19,300	19,300

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

31 FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity Risk

Liquidity risk is the risk that the University will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The University's approach tomanaging liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities whenthey are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the University's reputation.

As at the reporting date, the University held liquid assets of US$ 25,506,487 (2020: US$ 22,158,891) that are expected to readily generate cash flows for managing liquidity risks.

Below are the liquid assets and expected maturity	**2021**	**Maturity**	2020	Maturity
Short term investments	**2,697,639**	6 months or less	903,175	6 months or less
Other financial assets	**2,933,361**	6 months or less	-	6 months or less
Cash and cash equivalent	**17,247,013**	6 months or less	22,412,161	6 months or less
	22,878,013		23,315,336	

The following are contractual maturities of financial liabilities:

Non-derivative financial liabilities

31 December 2021	**Carrying Amount**	**Total**	**6 months or less**	**6-12 months**	**More than 1 year**
IFC Loan	**4,454,434**	7,481,250	547,627	535,280	6,398,343
Loan from Ashesi Foundation	**967,091**	3,057,692	157,190	-	2,900,502
Accounts payable**	**1,203,435**	1,203,435	1,203,435	-	-
	6,624,960	**11,742,377**	**1,908,252**	**535,280**	**9,298,845**
31 December 2020					
IFC Loan	5,256,751	6,466,454	584,265	573,080	5,309,109
Loan from Ashesi Foundation	1,241,514	1,394,694	277,600	-	1,117,094
Accounts payable**	1,055,792	1,055,792	1,055,792	-	-
	7,554,057	8,916,940	1,917,657	573,080	6,426,203

** This excludes statutory payables.

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

31 FINANCIAL RISK MANAGEMENT (continued)

(e) Market Risk

Market rate risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the University's income or the value of its holding of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return.

(i) Currency Risk

The University is exposed to currency risk in terms of balances denominated in currencies other than the functional currency.

The University indexes financial planning/budget in US dollars and holding liquid assets in same currency and do conversion to cedi based on need, and this helps the university to effectively manage currency risk. As much as possible, the University operates only these two currencies – the US$ and GH¢.

The University's exposure to foreign currency risk was as follows:	**2021** **GH¢**	2020 GH¢
Assets		
Cash and bank balances	**11,713,683**	7,184,366
Accounts receivable	**4,741,149**	7,083,778
Short term investments (Treasury bills)	**16,202,290**	5,202,469
	32,657,122	19,470,613
Liability		
Accounts payable	**(7,830,209)**	(3,029,623)
Net exposure	**24,826,913**	16,440,990

The following significant exchange rates applied during the year:

	Average rate		Reporting	
	2021	2020	**2021**	2020
GH¢ 1	**0.1549**	0.1791	**0.1709**	0.1736

(ii) Sensitivity Analysis on Currency Risks

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

31. FINANCIAL RISK MANAGEMENT (continued)

(e) Market Risk (continued)

The table below shows the effect of a strengthening or weakening of US$ against the GH¢ on the University's statement of comprehensive income. This sensitivity analysis indicates the potential impact on the statement of comprehensive income based upon the foreign currency exposures recorded at 31 December (See "currency risk" above) and it does not represent actual or future gains or losses.

The sensitivity analysis is based on the percentage difference between the highest daily exchange rate and the average rate per currency recorded in the course of the respective financial year.

A strengthening/weakening of the US$, by the rates shown in the table, against the following currencies at 31 December would have increased/decreased surplus and equity by the amounts shown below:

This analysis assumes that all other variables, in particular interest rates, remain constant.

	2021		2020	
	Surplus/ Accumulated fund Impact Strengthening	**Surplus/ Accumulated fund Impact Weakening**	Surplus/ Accumulated fund Impact Strengthening	Surplus/ Accumulated fund Impact Weakening
%Change				
2021 (±3%): 2020 (±2%)	**(421,937)**	**421,937**	370,810	370,810

(iii) Interest Rate Risk

Changes in market interest rates have a direct effect on the contractually determined cash flows associated with floating rate instruments. The University's exposure to the risk of changes in market interest rates relates primarily to the University's long-term debt obligations with IFC.

The University manage interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

31 FINANCIAL RISK MANAGEMENT (continued)

(e) Market Risk (continued)

Standard scenario that are considered on a monthly basis include a 100 basis point (bp) parallel fall or rise in the market interest rate. A change of a 100 basis point in the interest rate at the reporting rate would have impacted equity and profit or loss by the amounts shown below:

	Carrying amounts			
	2021		2020	
	Surplus/ Accumulated fund Impact Strengthening	**Surplus/ Accumulated fund Impact Weakening**	Surplus/ Accumulated fund Impact Strengthening	Surplus/ Accumulated fund Impact Weakening
Loans and Borrowings	**3,857**	**3,857**	4,321	4,321

(f) Accounting classification and fair values

Financial instruments not measured at fair value

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information as the carrying amounts of these financial assets and financial liabilities represents a reasonable approximation of their fair values due to the insignificant impact of discounting.

	2021	2020
Financial assets at amortised cost		
Short term investments	**2,697,639**	903,175
Other financial assets	**2,933,361**	-
Accounts receivable	**937,167**	931,625
Cash and bank	**17,247,013**	22,412,161
	23,815,180	24,246,961
Other financial liabilities		
Accounts payable	**1,411,138**	1,183,561
Loans and borrowings	**5,421,524**	6,316,451
	6,832,662	7,500,012

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

32 SUBSEQUENT EVENTS

There were no significant events after the reporting date that need to be adjusted or disclosed in the financial statements

33 CONTINGENCIES

There was no legal case pending against the University at the year end. (2020: NIL)

34 CAPITAL COMMITMENTS

Capital commitments as at 31 December 2021 amounted to US$2,507,533 (2020: US$ 2,992,924).

35 EXCHANGE CONTROL

All remittances from and to Ghana are subject to the approval of the exchange control authorities.

36 RESTATEMENT OF COMPARATIVE INFORMATION

The restatement of comparative figures relates to the recognition of endowment assets, endowment reserve and contribution from member which was wrongly classified in the financial statements for the year ended 31 December 2020.

The prior year financial information has been restated to reflect the correction. The following tables show the adjustments recognised for each individual line item.

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

36 Restatement of comparative information (continued)

Statement of financial position as at 31 December 2020

	Notes	As previously reported	Impact of correction of errors	Restated
ASSETS				
Non-current assets				
Property, plant and equipment		39,210,876	-	39,210,876
Intangible assets		32,691	-	32,691
Investments in debt and equity securities		-	-	-
		39,243,567	-	39,243,567
Current assets				
Endowment Assets	1	-	43,555	43,555
Short term investments	2	946,730	(43,555)	903,175
Accounts receivable		931,625	-	931,625
Inventories		118,748	-	118,748
Cash and cash equivalents		22,412,161	-	22,412,161
		24,409,264	-	24,409,264
Total assets		63,652,831	-	63,652,831
EQUITY AND LIABILITIES				
Equity				
Accumulated fund	3	12,710,443	(531,917)	12,178,526
Contribution by member	4	-	16,146,912	16,146,912
Endowment reserve	5	-	43,555	43,555
Revaluation reserve		9,255,994	-	9,255,994
		21,966,437	15,658,550	37,624,987
Non-current liabilities				
Deferred income	6	19,311,611	(15,614,995)	3,696,616
Loans and borrowings		5,479,996	-	5,479,996
		24,791,607	(15,614,995)	9,176,612
Current liabilities				
Accounts payable		1,183,561	-	1,183,561
Deferred income	5	14,692,957	(43,555)	14,649,402
Loans and borrowings		1,018,269	-	1,018,269
		16,894,787	(43,555)	16,851,232
Total liabilities		41,686,394	(15,658,550)	26,027,844
Total equity and liabilities		63,652,831	-	63,652,831

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

36 Restatement of comparative information (continued)

Statement of financial position as at 1 January 2020

	Notes	As previously reported	Impact of correction of errors	Restated
ASSETS				
Non-current assets				
Property, plant and equipment		39,932,986	-	39,932,986
Intangible assets		116,008	-	116,008
Investments in debt and equity securities		-	-	-
		40,048,994	-	40,048,994
Current assets				
Endowment assets	8	-	43,555	43,555
Short term investments	8	896,534	(43,555)	852,979
Accounts receivable		719,424	-	719,424
Inventories		30,953	-	30,953
Cash and cash equivalents		9,544,587	-	9,544,587
Other financial assets		1,200,000	-	1,200,000
		12,391,498	-	12,391,498
Total assets		**52,440,492**	**-**	**52,440,492**
EQUITY AND LIABILITIES				
Equity				
Accumulated fund		11,289,442		11,289,442
Contribution by member	9	-	15,613,536	15,613,536
Endowment reserve	10	-	43,555	43,555
Revaluation reserve		9,255,994	-	9,255,994
		20,545,436	15,657,091	36,202,527
Non-current liabilities				
Deferred income	11	18,556,361	(15,613,536)	2,942,825
Loans and borrowings		6,535,116	-	6,535,116
		25,091,477	(15,613,536)	9,447,941
Current liabilities				
Accounts payable		593,109	-	593,109
Deferred income	10	5,493,003	(43,555)	5,449,448
Loans and borrowings		717,467	-	717,467
		6,803,579	(43,555)	6,760,024
Total liabilities		31,895,056	(15,657,091)	16,237,965
Total equity and liabilities		**52,440,492**	**-**	**52,440,492**

NOTES (continued)

(All amounts are in US dollars unless otherwise stated)

35. Restatement of comparative information (continued)

Statement of comprehensive income for the year ended 31 December 2020

	Notes	As previously reported	Impact of correction of errors	Restated
Income				
Tuition fees		8,519,378	-	8,519,378
Grant income	12	8,565,993	(531,917)	8,034,076
Investment income		376,780	-	376,780
Other income		708,474	-	708,474
Total income		18,170,625	(531,917)	17,638,708
Expenses				
Scholarship awards and donor expenses	13	(8,565,992)	1,000,118	(7,565,874)
General and administrative expenses		(2,494,394)	-	(2,494,394)
Salaries and benefits		(4,080,031)	-	(4,080,031)
Depreciation and amortisation	13	(1,125,750)	(1,000,118)	(2,125,868)
Finance costs		(466,657)	-	(466,657)
Impairment loss on financial assets		(16,800)	-	(16,800)
Total expenses		(16,749,624)	-	(16,749,624)
Surplus for the year		1,421,001	(531,917)	889,084
Other comprehensive income		-	-	-
Total comprehensive Income		1,421,001	(531,917)	889,084

NOTES (continued)
(All amounts are in US dollars unless otherwise stated)

36. Restatement of comparative information (continued)

Statement of comprehensive income for the year ended 31 December 2020

Notes

1. Adjustment relates to the reclassification of endowment assets previously classified as short term investments.

2. Adjustment relates to exclusion of endowment assets from short term investments as explained in note 1 above.

3. This adjustment was passed to reverse the amortised portion of the contribution by members which was included in deferred income.

4. This adjustment relates to the net impact of the recognition of contribution by member previously classified as deferred income in the December 2020 financial statements and reversal of amortised portion of the contribution by the member from accumulated fund.

5. This adjustment was passed to correctly recognise endowment reserve which was previously recognised as deferred income in the December 2020 financial statements.

6. This adjustment was passed to derecognise the portion of contribution by member previously classified as deferred income in the December 2020 financial statements.

7. Adjustment relates to the reclassification of endowment assets previously classified as short term investments.

8. This adjustment was passed to correctly recognise contribution by member which was previously recognised as deferred income in the 1 January 2020 financial statements.

9. This adjustment was passed to correctly recognise endowment reserve which was previously recognised as deferred income in the 1 January 2020 financial statements.

10. This adjustment was passed to derecognise the portion of contribution by member previously classified as deferred income in the 1 January 2020 financial statements.

11. This adjustment relates to the reversal of contribution by member previously recognised in deferred income and amortised into grant income in the 31 December 2020 financial statements.

12. This adjustment relates to the reclassfication of depreciation on property, plant and equipment acquired through grants from scholarship expenses to depreciation and amortisation.

CORPORATE SOCIAL RESPONSIBILITIES – APPENDIX 1

Ashesi’s mission to educate a new generation of ethical and entrepreneurial African leaders equipped with critical thinking skills, concern for others, and courage is not only transformational but also intrinsically charitable. This is because Ashesi University and the Ashesi University Foundation, a US 501(c)(3) non-profit organisation that supports it, are both by nature and impact independent public benefit education institutions operating on a not-for-profit basis. Our focus on public benefit is undergirded by our core values of scholarship, leadership and citizenship and vision of enabling an African renaissance driven by a new generation of ethical, entrepreneurial leaders. The attainment of our mission to educate a new generation of ethical, entrepreneurial leaders in Africa is underpinned by our Strategic Plan, commitment to leadership, transparency and accountability as well as our adoption World Bank’s Environmental and Social Framework and support of the UN Sustainable Development Goals (SDGs) — a universal call to action to end poverty, protect the planet, and ensure that all people may enjoy peace and prosperity.

This statement therefore provides a brief summary of our significant impact and progress in realising strategic priorities, building institutional momentum and maintaining key adaptation response measures while advancing sustainability across our University and beyond in extraordinary times when our university, country, continent, and world face unprecedented challenges in the wake of the COVID-19 pandemic. Our achievements in promoting quality higher education in a sustainable manner across the continent during the year under review, are illustrated more explicitly in the separate Annual Sustainability Monitoring Report (AMR) Report 2021 which reports that most of the improvement plans for the key environmental management challenges identified in 2020 have been implemented or are on-going.

Education and scholarship

The uncertain times notwithstanding, we continue to advance our goal of promoting quality higher education across the continent). To truly transform Africa in line with UN Sustainable Development Goals (SDG 4 Quality Education), many more centres of excellence like Ashesi must develop. This transformation needs the entire higher education ecosystem to work together to develop entrepreneurial and ethical young leaders. Ashesi’s Education Collaborative network envisages transforming over 1.1 million students by 2030 to be ethical, entrepreneurial leaders who create jobs, transform industries, and lead economies. This can be achieved by enabling other higher educational institutions in Africa to collaborate to improve graduate outcomes and develop new strategies for teaching and learning aimed at collaborative learning experiences and knowledge sharing to strengthen and impact education transformation in Africa. Ashesi has invested approximately $1.8 million on this project in 2021 alone, and plans to power this seminal initiative to success by increasing its allocation to about $3 million annually for the next 10 years.

Ashesi continues to make significant progress in improving quality and access to higher education in Africa. Notwithstanding the Covid-19 pandemic, the student enrolment rose from 1,253 in 2020/2021 to 1339 in 2021/2022 representing a 6.7% increase with 26 postgraduate students; we also sustaining the gender equality policy by recording 47% women enrolment. The countries represented, however, reduced slightly from 31 in 2020/2021 to 28 in 2021/2022 academic year. Environmental sustainability and community development initiatives also saw reasonable improvement in 2021.

Summary of charitable giving during the 2021 fiscal year:

	2021	2020
Tuition and housing support	4,287,308	3,291,976
Community and Young Entrepreneurship projects	514,190	645,602
COVID 19 Interventions (Health & Community Supports)	16,572	45,368
	4,818,070	3,982,946

Research

During the year under review, Ashesi launched the Creative and Research Internship Program, which is designed to involve students more deeply in our University's budding research ecosystem. This elective course enables students to either pursue original research under faculty supervision or support faculty projects by working as a research assistant, producing master's-level research intended for publication. Research gives students an opportunity to tackle real-world problems and work side-by-side with their professors.

This year also saw Ashesi launch the New Entrepreneurs Xchange for Transformation: Idea to Impact (NEXTi2i) program in collaboration with MIT D-Lab, with funding from USAID. NEXTi2i includes three pillars: lean research, ecosystem convenings for Ghana's entrepreneurship stakeholders, and the Ashesi Venture Incubator (AVI), a business incubator for recent Ashesi graduates. Led by Ashesi entrepreneurship faculty Jewel Thompson, the yearlong AVI program accepts participants with proofs-of concepts and recruits based on the strongest applications. Twelve inaugural fellows started their AVI experience in fall 2019 and will have the opportunity to build and refine their businesses through business coaching from local and global business leaders, business development sessions, support services, and financial stipends.

Environment and sustainability

Awards for achievements towards realising SDG7 (Clean energy and affordable energy) and SDG 6 (Water and Sanitation).

The University’s steady investment and growth in its environmental footprint in line with its business and environmental sustainability strategy was recognised by being ranked among the world's top 400 most impactful universities in the 2021 Global Times Higher Education (THE) University Impact Rankings. The Impact Rankings, now in its third year, measure actions taken by higher education institutions to realise the United Nations' 17 Sustainable Development Goals (SDGs) worldwide, and their contributions to the world's economic and social wellbeing. Ashesi also ranked second in Ghana and ninth in Africa. Other Ghanaian universities accepted to the 2020 rankings were the University of Ghana (which ranked first in Ghana) and the University of Professional Studies, Accra.

Universities being evaluated for the Impact Rankings grew in the year under review, with 1,115 from 94 countries being listed, as against 768 in 2020. Ashesi's strongest contributions were to the SDG 1 Goal of No Poverty, with the University being ranked 26th globally for our work in the area. Among other SDGs, Ashesi’s areas of strength for Ashesi were in contributions to Affordable and Clean Energy (SDG 7) and Water and Sanitation (SDG 6).

Environment and sustainability (continued)

Awards for achievements towards realising SDG7 (Clean energy and affordable energy) and SDG 6 (Water and Sanitation) (continued)

We understand that social entrepreneurs play a vital role in achieving the UN Sustainable Development Goals (SDGs), and in this regard in 2019, Ashesi launched the New Entrepreneurs Xchange for Transformation: Idea to Impact (NEXTi2i) program in collaboration with MIT D-Lab, with funding from USAID. Over 930,000 dollars investment was made as of 2021.

Furthermore, Ashesi University has adopted and abides by the World Bank's Environmental and Social Framework, as well as leads a consortium that forms the Ghana Climate Innovation Centre (GCIC), which supports Small to Medium Enterprises (SMEs) and technologies building solutions to climate change and adaptation.

Ashesi, through GCIC, has impacted over 200,000 families. It has incubated 83 climate innovation enterprises and entrepreneurs across Ghana, 27 of which are women. Ashesi support the Nana Odeefo Oteng Korankye Education Fund; environmental sanitation; unity, peaceful and social harmony valued over 350,000 Ghana Cedi within Berekuso and the Akwapim South District community.

Sustainable Operations

Ashesi continued to proactively develop its environmental capability for sustainable handling of hazardous biological, chemical, bioengineering and health care waste in 2021. Ashesi implemented a Biogas Plant Improvement, Maintenance and Effluent Treatment and Storage Capacity Expansion Project in 2021. The project increased installed effluent treatment and storage capacity by 33% and would avoid discharge of treated effluent thereby meeting Ashesi's zero-wastewater discharge policy, as well as sustaining the continued cost-effective reuse of all treated wastewater for campus irrigation and landscaping

The completion of the construction and handover of the Hostel 2D ahead of anticipated return to in-person teaching and learning in January 2022 was a significant achievement that contributes to fulfilling Ashesi's commitment to enhancing educational experience of its students by providing opportunities for teamwork, closer friendships and networking, and an environment for community and residential life.

Consistent with Ashesi University's policy and commitment to environmental reporting and compliance to national and international environmental regulations, Ashesi complied with the submission of Quarterly EMMRs as the key tool for tracking the performance in implementation of the Environmental Monitoring and Mitigation Plan (EMMP)3. The quarterly EMMR is a requirement for USAID-funded projects.

Ashesi's hazardous waste program ensures safe collection, handling and storage capabilities for biosafety-level 1 and Level 2 wastes. However in 2021, the implementation of the Contract signed with ZoomPak for effective off-site treatment in autoclave/ incinerators and appropriate landfill did not commence due to Covid-19 restrictions and low in-person, on-campus student population and on-line virtual learning program. Additionally, Ashesi University's Pesticide Evaluation Report and Safer Use Action Plan (PERSUAP) for the application of pesticides during construction and operations is in compliance with the minimum requirement required for projects supported by the USAID/ASHA. Furthermore, solid waste generated from pesticide application was managed in accordance with the guidelines USEPA best management practices.

Energy Management and Energy Security

The University's energy system is made up of national grid-electricity, Owned-diesel generators, and 200 kWp Grid-tied Solar PVe roof-top installation. In 2021, additional on-site diesel generating capacity of 200 kVA was installed with the completion and commissioning of Hostel 2D. The total installed back-up diesel generators amounts to 1350 kVA as at December 2021 to serve as an alternative emergency power supply in the event of total grid power failure.

During the year under review, actual utilised grid-tied solar PVe electricity was 187.6 MWh. Thus in 2021, the Grid-tied Solar PVe reduced the consumption of grid electricity by 208.5 MWh representing 22.3 % of total grid electricity that would have been supplied (934.3 MWh) in the absence of the Grid-tied Solar PVe system, with 10% was exported to the Grid. Furthermore, the cost savings of substituting grid electricity (@22.7 cent/kWh) with Solar PVe at (@18.3 cent/kWh) amounted to US$7,898.00, resulting in the total green power generated electricity and utilised in the 4 years and 3 months operation amounted to 860.6 MWh.

Ashesi continued its EE Plan implementation under the RE and energy efficiency policy and also commenced the implementation of its RE-program in accordance with the Renewable energy policy targeting 45% RE -penetration by 2030. The initial phase installed Grid-tied Solar PVe with capacity rated at 200kW/23,500 kWh. The system achieved annual generation efficiency of 73% compared to the national average of 70%. The program was used, not only to respond to SDG 13 (Climate action) in reducing emissions, but also to reduce the average cost of electricity consumption to respond to SDG 7 (Clean and affordable energy). Moreover, annual emission reduction of greenhouse gas by the RE program for the substation of 208.5 MWh is estimated at 8.34 tonne of CO2 in 2021.

The feasibility of expanding the existing Grid-tied system and harnessing the potential of additional solar PV capacities on the available roofs with and without batteries will be undertaken in 2022. The project seeks to reduce the carbon footprint of the University by a substantial decline in the use of the installed fossil fuel generators to enable Ashesi remain competitive in the High Impact Ranking which measure the achievements towards realising specific targets in SDG 7 (Clean and affordable energy), SDG 6 (water and sanitation) and SDG 13 (Climate action), while addressing emission reduction in its Climate risks management (CRM)41 (See Section 7.2) under the Paris Agreement and the UNSE4ALL by 2030.

Water resources use efficiency

Ashesi sustained its key environmental sustainability programs in accordance with its water conservation and resource use efficiency policy to principally displace hi-energy content and hi-cost bore-hole water supply. Thus 2021, as was recorded in 2020, the rainwater harvested supplied the water treatment plant exceeded the portable water demand as a result of the limited number of in person campus students population estimated at 10% of the pre-pandemic level in 2019. The practice avoided borehole water supply and reduced equivalent diesel fuel consumption for pumping borehole water thereby avoiding associated greenhouse gas emissions. The equivalent harvested water storage capacity increased from 530.7 cubic meter in Phase I to 2,071 cubic meters in 2022. Annual rainwater harvesting is projected to increase by 5.4% from 10.023 million litres in 2021 to 10.56 million litres in 2022.

Under Ashesi's water quality assurance plan (WQAP)45 implemented in compliance with USAID environmental guidelines for small-scale water supply, drinking water quality continued to meet the WBG/IFC. Average PH drinking water also improved significantly to 6.2 compared to 5.83 in the first quarter of 2020.

Water resources use efficiency (continued)

Furthermore, the implementation of the Manganese level reduction and pH level enhancement project commenced in the fourth quarter (Q4) of 2021. This project is expected to generate online measurement and report accurate quantitative data on borehole water and rainwater harvested ratios pumped to the drinking water treatment plant, as well as the campus portable water consumption required for the Ashesi Hi-Impact ranking global competition report towards achieving SDG6 (water and sanitation) and Renewable energy (RE) and energy efficiency (EE) under SDG

Sustainability and Community

Ashesi's logo and identity symbolise a new beginning as well as intellectual exploration and discovery reflecting Ashesi's focus on the people in and around its community: students, alumni, teachers, parents and members of the broader society.

There were no significant changes in employment or working conditions in 2021 notwithstanding the challenges presented by the Covid 19 pandemic. No grievances or complaints were received from the Berekuso community about Ashesi's activities in relation to environment, health, and safety issues in 2021. Also in 2021, the University was not cited or fined for violations of laws or regulations governing cultural property.

Health and Safety

During the year under review, Ashesi effectively provided resources and enforced its Covid-19 impact mitigation measures including protocols and guidelines adopted in accordance with Ghana Health Services (GHS) & Government of Ghana (GoG) directives on Covid-19 protocols, WHO guidelines announced periodically by the President of the Republic of Ghana as well as Ashesi University-specific guidelines and measures. At the start of 2021, Ashesi University cautiously returned to limited in person-on campus teaching and after seventeen months of operating fully online learning. As part of covid-mitigation measures, classes continued to stay online in order to limit public gatherings and increase safety. Most staff worked from home on a virtual platform during the period as the University continued its academic programs via on-line virtual system.
Fortuitously, no infection of Covid-19 were recorded on site for all the workers in 2021, and all members of the University community eventually returned to in-person campus teaching and learning in January 2022.

Partnerships and Collaboration

Ashesi University and Arizona State University (ASU) launched a new partnership that deepens efforts from both universities to strengthen education outcomes in Africa during the year. Under the partnership, Ashesi students complete their fourth year at ASU and stay on for an additional year at the university to complete their chosen master's program. Students who complete the program receive an undergraduate degree from Ashesi and a master's degree from ASU. 16 Ashesi students are currently studying at ASU and are drawn from each of Ashesi's undergraduate programs — Engineering, Computer Science, Business Administration, and Management Information Systems. In order to strengthen engineering and develop relevant skills for industry in Africa, Ashesi in 2020 signed a ground-breaking partnership with ETH Zurich to offer full scholarships for a 3 year masters program in mechanics engineering.