



# STUDENTS LOAN TRUST FUND

Providing Equal Financing To Tertiary Education

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR  
ENDED 31<sup>ST</sup> DECEMBER 2023**

***ASAFU-ADJAYE & PARTNERS  
(CHARTERED ACCOUNTANTS)***

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**STUDENTS LOAN TRUST FUND**  
**Financial Statements for the year ended 31 December 2023**

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**ACCOUNTS FOR THE YEAR ENDED**  
**31<sup>ST</sup> DECEMBER 2023**

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**STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

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**CORPORATE INFORMATION**

**BOARD OF TRUSTEES:** Mr. Jacob Kwabena Adjei (Chairman)  
Mr. Nuhu Bayorbo Mahama- (CEO) Appointed (1/2/24)  
Mr. Enock Hemans Cobbinah  
Mrs. Dorothy Danso  
Mrs. Nana Akua Ayivor  
Dr. John Kwame Boateng  
Mrs. Catherine A. Appiah-Pinkrah  
Mr. Richmond Koduah  
Mr. Alexis Kwabena Asuinura  
Mrs. Hilda Agyepong Asante  
Ms. Yvonne Asare -Yeboa  
Mr. Richard Ansah Gyambiby  
Mr. Desmond Amoah  
Nana Kwaku Agyei Yeboah-CEO Resigned (31/1/24)

**SECRETARY:** Mr. Nuhu Bayorbo Mahama (CEO)

**REGISTERED OFFICE:** Number 47, 3<sup>rd</sup> Crescent Street  
Asylum Down  
P. O. Box PMB CT 223  
Cantonments-Accra

**AUDITORS:** Asafu-Adjaye & Partners  
(Chartered Accountants)  
88 Nkrumah Avenue  
Near Roxy Cinema, Adabraka  
Adabraka-Accra  
P. O. Box AN 15110  
Accra-North.  
GA-075-7121  
**Website:** [www.aapghana.com](http://www.aapghana.com)  
**Email:** [aapghana1@gmail.com](mailto:aapghana1@gmail.com)

**BANKERS:** Ecobank Ghana Limited  
GCB Bank Limited  
National Investment Bank  
Bank of Ghana  
GT Bank  
ADB Bank

**STUDENTS LOAN TRUST FUND**

**Financial Statements for the year ended 31 December 2023**

**REPORT OF THE BOARD OF TRUSTEES**

The Board of Trustees presents herewith the audited financial statements of the Trust for the year ended 31<sup>st</sup> December 2023.

**Objectives of the Fund**

The objective of the Fund is to provide financial resources and the sound management of the Fund for the benefit of students of accredited tertiary institutions pursuing accredited tertiary programmes and to promote and facilitate the national ideals enshrined in articles 25 and 38 of the 1992 Constitution.

**Statement of Board of Trustees' Responsibilities**

The Trustees Incorporated Act, 1962 (Act 106) and the Students Loan Trust Fund Act, 2011 (Act 820) setting up the Trust Fund require the Board of Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Trust Fund for the year.

In preparing these financial statements, the Board of Trustees have selected suitable accounting policies and applied them consistently, made judgments and estimates that are reasonable and prudent.

The Board of Trustees are responsible for ensuring that the Trust Fund keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust Fund. They are also responsible for safeguarding the assets of the Trust Fund and take reasonable steps for the prevention and detection of fraud and other irregularities.

**Financial Results**

A summary of key financial results for the year is as follows:

	<u>2023</u> <u>GH¢</u>	<u>2022</u> <u>GH¢</u>
Revenue	19,561,998	16,706,799
Expenditure	(24,678,526)	(21,911,091)
	-----	-----
To which is added accumulated fund b/f of	(5,116,528)	(5,204,292)
	16,263,559	21,467,851
	-----	-----
Leaving a balance on accumulated fund c/f of	11,147,031	16,263,559
	=====	=====

**Trustees' Interest**

During the year ended 31<sup>st</sup> December 2023, no significant or material contract was entered into in which trustees had an interest which significantly or materially affected the business of the Trust Fund.

**STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

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**REPORT OF THE BOARD OF TRUSTEES (continued)**

**Capacity Building of Trustees**

The trustees participated in corporate governance programs during the year and they continue to keep themselves apprised of any local regulatory developments to ensure compliance with their duties as trustees.

**Corporate Social Responsibility**

During the year, the Trust Fund spent GH¢65,000 on corporate social responsibility (2022: GH¢70,500).

**Auditors**

In accordance with Article 187 of the 1992 Constitution of the Republic of Ghana, the Auditor-General appointed Messrs. Asafu-Adjaye & Partners as auditors of Students Loan Trust Fund. Audit fees for the year ended 31<sup>st</sup> December 2023 was GH¢53,355 (2022: GH¢43,496).

**Approval of financial statements**

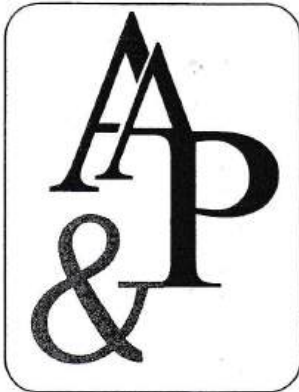
The financial statements of the Trust Fund were approved by the Board of Trustees on ..... and signed on their behalf by:



CHAIRMAN



CHIEF EXECUTIVE OFFICER



# ASAFU-ADJAYE & PARTNERS

## (Chartered Accountants)

### ACCRA OFFICE

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OUR TIN: C0003076946

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

### STUDENTS LOAN TRUST FUND

### ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023

#### Opinion

We have audited the financial statements of Students Loan Trust Fund, set out on pages 8 to 40 which comprise the statement of comprehensive income, the statement of financial position as at 31<sup>st</sup> December 2023, statement of changes in net assets, statement of comparison of budget with actual amounts and statement of cash flows for the year then ended, and the notes to the financial statements, which includes a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of Students Loan Trust Fund as at 31<sup>st</sup> December 2023 and of its financial performance and cash flows for the year ended in accordance with International Public Sector Accounting Standards (IPSAS) and in the manner required by the Students Loan Trust Fund Act, 2011 (Act 820).

#### 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.

We are independent of the Trust Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independent Standards) (the Code) issued by the International Ethics Standards Board for Accountants (IESBA). We have fulfilled our other ethical responsibilities in accordance with the Code.

#### Key Audit Matters

Key audit matters are those matters that in our professional judgment were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Gross Loans

Gross loans and interest receivable as at 31<sup>st</sup> December 2023, amounted to GH¢626,601,307 against which impairment provision of GH¢7,819,005 has been recorded on the matured component of GH¢230,456,139. We focused on allowance for impairment of loans and advances because the determination of appropriate level of provisioning for impairment requires significant judgment. The basis

## **STUDENTS LOAN TRUST FUND**

### ***Financial Statements for the year ended 31 December 2023***

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of the provisions and critical judgments relating to the calculation of the impairment provisions are summarized in note 2.6.1 in the notes to the financial statements. The judgment reflects information considered by management; however, management did not consider age of the outstanding debts and the respective students' payment history. The gross loans and related impairment provisions are disclosed in notes 9 & 10 of the financial statements.

#### **Other Information**

The Trustees are responsible for the other information. The other information comprises the Report of the Trustees, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements, and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, if we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **How our audit addressed the key audit matter**

We updated our understanding and tested the operating effectiveness of management's controls over the loans disbursement process. We obtained aging analysis of loans and advances. We assessed the reasonableness of management's judgment by testing the adequacy of information used in arriving at the impairment provision.

#### **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 judgment and maintain professional skepticism throughout the audit. We also:

- ☞ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ☞ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- ☞ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**STUDENTS LOAN TRUST FUND**

**Financial Statements for the year ended 31 December 2023**

- ☞ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; 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.

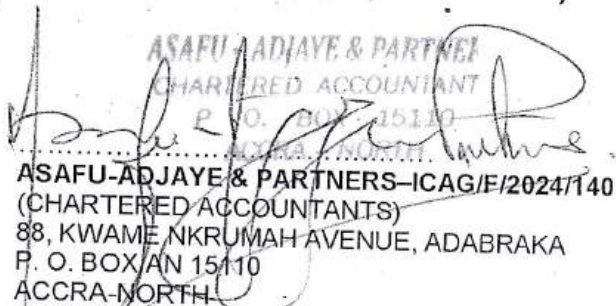
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

In accordance with the Trustees Incorporated Act, 1962 (Act 106) and the Students Loan Trust Act, 2011 (Act 820), we hereby confirm that:

- a) Proper books of account have been kept, and the statement of financial position and statement of financial Performance are in agreement with the books of account.
- b) We were able to obtain all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- c) The institution's transactions were within its powers and the institution generally complied with the relevant provisions of the above Acts.

The engagement partner on the audit resulting in this independent auditor's report is **Edmund Asafu-Adjaye (ICAG/P/1519)**

  
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ACCRA-NORTH

.....2024



**STUDENTS LOAN TRUST FUND**  
*Financial Statements for the year ended 31 December 2023*

**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**

<b>REVENUE</b>	<b><u>NOTES</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
		<b><u>GH¢</u></b>	<b><u>GH¢</u></b>
<b>Revenue from Non- Exchange Transaction</b>			
Transfers from Grants	3	6,851,860	8,070,596
<b>Revenue from Exchange Transaction</b>			
Interest Income	4	12,704,598	8,610,330
Other Revenue	5	5,540	25,873
<b>Total Revenue</b>		<u>19,561,998</u>	<u>16,706,799</u>
<b>EXPENSES</b>			
Compensation for employees	6	12,151,379	9,139,436
Use of Goods & Services	7	8,785,508	8,596,145
Depreciation (Consump. of fixed capital)	8	2,684,346	2,756,974
Impairment of Loans & Other Expenses	9	1,057,293	1,418,536
<b>Total Expenses</b>		<u>24,678,526</u>	<u>21,911,091</u>
<b>(Deficit)/Surplus for the Year.</b>		<u>(5,116,528)</u>	<u>(5,204,292)</u>

*The notes on pages 13 to 40 form an integral part of these financial statements*

**STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

**STATEMENT OF FINANCIAL POSITION  
AS AT 31<sup>ST</sup> DECEMBER 2023**

<b>ASSETS</b>	<b>NOTES</b>	<b>2023</b>	<b>2022</b>
<b>Current Assets</b>		<b>GH¢</b>	<b>GH¢</b>
Cash & Bank Balances	10	40,135,001	8,554,726
Accounts Receivable & Prepayments	11	89,040,537	496,390
Students Loan-Matured	12(b)	234,936,243	188,244,552
Investment	13	5,931,530	5,813,352
Inventory	14	342,187	227,903
		-----	-----
		<b>370,385,498</b>	<b>203,336,923</b>
		=====	=====
<b>Non-Current Assets</b>			
Property, Plant and Equipment	15(a)	2,109,534	3,007,237
Right of Use Asset	15(b)	1,679,823	1,292,140
Students Loan-Unmatured	13(a)	511,892,683	476,659,250
		-----	-----
		<b>515,682,040</b>	<b>480,958,627</b>
		=====	=====
<b>Total Assets</b>		<b>886,067,538</b>	<b>684,295,550</b>
		=====	=====
<b>ACCUMULATED FUND &amp; LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable & Accruals	16(a&b)	34,561,177	2,850,274
		=====	=====
<b>Non-Current Liabilities</b>			
Deferred Income	17	458,033,511	377,896,560
Student Loan Protection Scheme	18	2,164,996	2,563,502
		-----	-----
		<b>460,198,507</b>	<b>380,460,062</b>
		=====	=====
<b>Accumulated Fund</b>		<b>391,307,854</b>	<b>300,985,214</b>
		=====	=====
<b>Total Accumulated Fund &amp; Liabilities</b>		<b>886,067,538</b>	<b>684,295,550</b>
		=====	=====

The financial statements were approved at a meeting of the Board of Trustees held on the date stated below.



CHAIRMAN



CHIEF EXECUTIVE OFFICE

.....2024, ACCRA.

**STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**

<b><u>OPERATING ACTIVITIES</u></b>	<b><u>2023</u></b> <b><u>GH¢</u></b>	<b><u>2022</u></b> <b><u>GH¢</u></b>
Transfers received from GETFund	4,000,000	5,000,000
Transfers received from MOE for Teacher Trainee allowances	108,235,038	116,928,108
Transfer received from CST	3,697,669	1,070,596
Loans disbursed during the year	(54,327,555)	(53,643,977)
Loan repayment from students during the year including interest	64,345,694	46,752,051
Loan Protection Scheme Fund	(703,873)	105,595
Teacher Trainee allowances disbursed during the year	(86,581,472)	(117,515,818)
Compensation for employees paid	(12,055,463)	(8,577,768)
Use of Goods & Services paid	(8,768,998)	(6,625,683)
Bank Charges paid	(53,756)	(42,175)
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	<b>17,787,284</b>	<b>(16,549,071)</b>
<b><u>INVESTING ACTIVITIES: CASH WAS APPLIED TO:</u></b>		
Interest on Investment	85,491	46,904
Acquisition of Property, Plant and Equipment	(2,174,321)	(4,392,956)
Proceeds from Disposal of Property, Plant & Equipment	-	11,920
(Increase)/Decrease in Investment	(118,179)	(1,235,098)
<b>Net Cash Outflow from Investing Activities</b>	<b>(2,207,009)</b>	<b>(5,569,230)</b>
<b><u>FINANCING ACTIVITIES: CASH WAS PROVIDED FROM:</u></b>		
Capital Fund	16,000,000	21,988,249
<b>Net Cash Inflow from Financing Activities</b>	<b>16,000,000</b>	<b>21,988,249</b>
<b>Net Cash Inflow/(Outflow) for the year</b>	<b>31,580,275</b>	<b>(130,051)</b>

**ANALYSIS OF CASH AND CASH EQUIVALENT**

Cash and Bank Balances as at 1 <sup>st</sup> January	8,554,726	8,684,777
<b>Net Cash Inflow/(Outflow) for the year</b>	<b>31,580,275</b>	<b>(130,051)</b>
Cash and Bank Balances as at 31 <sup>st</sup> December.	<b>40,135,001</b>	<b>8,554,726</b>

**STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

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**STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**

<b><u>2023</u></b>	<b><u>Capital Fund</u> <u>GH¢</u></b>	<b><u>Retained</u> <u>Earning</u> <u>GH¢</u></b>	<b><u>Total</u> <u>GH¢</u></b>
Balance as at 1 <sup>st</sup> January	284,721,655	16,263,559	300,985,214
Additions during the year	95,439,168	-	95,439,168
Deficit for the year	-	(5,116,528)	(5,116,528)
Balance as at 31 <sup>st</sup> December	<u>380,160,823</u>	<u>11,147,031</u>	<u>391,307,854</u>

<b><u>2022</u></b>	<b><u>Capital Fund</u> <u>GH¢</u></b>	<b><u>Retained</u> <u>Earning</u> <u>GH¢</u></b>	<b><u>Total</u> <u>GH¢</u></b>
Balance as at 1 <sup>st</sup> January	262,733,406	21,467,851	284,201,257
Additions during the year	21,988,249	-	21,988,249
Deficit for the year	-	(5,204,292)	(5,204,292)
Balance as at 31 <sup>st</sup> December	<u>284,721,655</u>	<u>16,263,559</u>	<u>300,985,214</u>

**STUDENTS LOAN TRUST FUND***Financial Statements for the year ended 31 December 2023***A STATEMENT OF COMPARISON OF BUDGET  
WITH ACTUAL AMOUNTS FOR THE  
YEAR ENDED 31<sup>ST</sup> DECEMBER 2023**

	<u>2023 Actual Outturn</u> GH¢	<u>2023 Original Budget</u> GH¢	<u>2023 Final Budget</u> GH¢	<u>2023 Variance</u> See Note 21 GH¢	<u>2023 Percentage Variance</u>
<b>Revenue</b>					
Transfer of Grant	6,851,860	12,102,169	12,102,169	(5,250,309)	-43%
Interest Income	12,704,598	8,400,000	8,400,000	4,304,598	51%
Other Income	5,540	-	-	5,540	
<b>Total Revenue</b>	<u>19,561,998</u> =====	<u>20,502,169</u> =====	<u>20,502,169</u> =====	<u>(940,172)</u> =====	-5%
<b>Expenses</b>					
Compensation for Employees	12,151,378	11,772,636	11,772,636	(378,747)	-3%
Use of Goods Services	8,785,508	8,208,420	8,208,420	(577,088)	-7%
Depreciation (Consumption of Fixed Capital)	2,684,346	-	-	(2,684,346)	
Impairment of Loans and other Expenses	1,057,293	-	-	(1,057,293)	
<b>Total Expenses</b>	<u>24,678,526</u> =====	<u>19,981,056</u> =====	<u>19,981,056</u> =====	<u>(4,697,474)</u> =====	-24%
Surplus/Deficit for the Year	<u>(5,116,528)</u> =====	<u>521,113</u> =====	<u>521,113</u> =====	<u>(5,637,646)</u> =====	-1,082%

**NOTES TO THE FINANCIAL STATEMENTS**

**1. GENERAL STATEMENT**

These general-purpose financial statements cover operations of Students Loans Trust Fund (SLTF), as a reporting entity in the Public Sector of Ghana. General purpose financial statements are financial statements intended to meet the needs of a wide range of users (SLTF Board, Government, MDAs, and the General Public among others) who are not in a position to demand reports tailored to meet their particulars.

**1.1 PUBLIC SECTOR REPORTING MANDATE AND SCOPE**

These financial statements have been prepared on Entity basis taking cognizance of the Appropriation Act. The financial statements include consolidated data of all public funds (Internally Generated Fund and Donor Funds) utilized in SLTF for the year ending 31st December, 2023.

**1.2 REPORTING ENTITY**

Students Loan Trust Fund was established on 28<sup>th</sup> October, 2005 as an agency under the Ministry of Education, with perpetual succession by the Students Loan Trust Fund Act, 2011 (Act 820) and is domiciled and operates in Ghana. The object of the Fund is to mobilize financial resources, disburse these resources to students of accredited tertiary institutions as loans and recover the loans overtime at subsidized interest rates. Additionally, the Trust Fund disburses allowances to Teacher Trainees in the Public Colleges of Education on behalf of government. The Fund also promotes and facilitates the national ideals enshrined in articles 25 and 38 of the 1992 Constitution.

**1.3 REQUIRED ANNUAL ACCOUNTS**

Section 80 (1) of the Public Financial Management Act, 2016 requires the Chief Executive of SLTF to, within two months after the end of each financial year, prepare and submit to the Auditor-General and Controller and Accountant-General, the accounts and information set out in the Schedule to the Act.

Section 80 (2) of the Public Financial Management Act, 2016 requires the Chief Executive of SLTF to, within two months after the end of each financial year:

- a) Prepare, in the format determined by the Controller and Accountant- General, a summary statement of financial performance of SLTF;
- b) Submit the summary statement to the Controller and Accountant-General and the Auditor-General; and
- c) Submit a copy of the summary statement to the Minister responsible for Finance.
- d) Section 95 of the Public Financial Management Act, 2016 requires the governing board of SLTF to cause to be prepared, not later than two months after the end of each financial year, an annual account in respect of that financial year;
- e) Submit to the Minister responsible for finance, not later than four months after the end of each financial year.

## **STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

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### **1.4 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

The financial statements have been prepared on accrual basis in accordance with the International Public Sector Accounting Standards (IPSAS). In preparing the financial statements, SLTF takes cognizance of the 1992 Constitution of the Republic of Ghana, the Public Financial Management Act, 2016 (Act 921), and the Public Financial Management Regulations, 2019 (LI 2378), the Trustees Incorporation Act, 1962 (Act 106) and the Students Loan Trust Fund Act, 2011 (Act 820). The financial statements have been prepared under the historical cost convention. The functional and presentation currency of the Trust Fund is the Ghana cedis (GH¢). The preparation of financial statements in conformity with IPSAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The 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 2.10.

These financial statements have been prepared on a going-concern basis and the accounting policies have been applied consistently in the preparation and presentation of the financial statements. The financial statements present fairly the assets, liabilities, revenues, and expenses of SLTF and consist of the following:

- (a) Statement of Financial Performance,
- (b) Statement of Financial Position,
- (c) Cash Flows Statement,
- (d) Statement of Changes in Net Assets,
- (e) Statement of Receipts and Payments,
- (f) Statement of Comparison of Budget and Actual Amounts,
- (g) Notes to the financial statements comprising a summary of significant accounting policies and other explanatory notes,
- (h) Comparative information in respect of amounts presented in the financial statements indicated in (a) to (e) above and, where relevant, comparative information for narrative and descriptive information are also presented in the notes.

### **1.5 GOING CONCERN**

The Trust Fund's Management has made an assessment of the Trust Fund's ability to continue as a going concern and is satisfied that the Trust Fund is in the position to continue in operation into the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Trust Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

## **STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

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### **1.6 MEASUREMENT BASIS**

The financial statements are prepared using the historical cost convention and financial assets are recorded at fair values. The following apply where foreign currencies are used in transactions:

- a) The functional and presentation currency of SLTF is the Ghana Cedi (GH¢). The financial statements are therefore expressed in Ghana Cedis unless otherwise stated.
- b) Except in the case where a contract specifies the applicable rate, transactions in currencies other than the functional currency are translated into Ghana Cedi as follows:
  - For revenue, at Bank of Ghana average rates of exchange at the date of the transaction.
  - For expenditure, at Bank of Ghana average rates of exchange at the date of the transaction.
- c) At the end of the reporting period, monetary assets and liabilities not denominated in the functional currency are translated at the prevailing Bank of Ghana closing rate of exchange, except in the case where a contract specifies the applicable rate.
- d) Non-monetary items denominated in currencies other than the functional currency measured at fair value are translated at the prevailing Bank of Ghana mid-rate of exchange at the date on which the fair value was determined.
- e) Non-financial items measured at historical cost in non-functional currencies are translated at the Bank of Ghana mid-rate prevailing at the date of measurement.
- f) Foreign exchange gains and losses resulting from the settlement of foreign currency transactions are recognized in the statement of financial performance on a net basis.



## **STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

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### **1.7 IPSAS Compliance Status**

The financial statements for the fiscal year ended 31st December, 2023 complied with twenty-six (26) out of the forty-three (43) applicable International Public Sector Accounting Standards (IPSAS) and nil (0) out of three (3) Recommended Practice Guidelines (RPGs) as presented.

No	IPSAS CODE	IPSAS NAME	STATUS (Complied/Not Complied/Not Applicable)
1	IPSAS 1	Presentation Of Financial Statements	Complied
2	IPSAS 2	Cash Flow Statements	Complied
3	IPSAS 3	Accounting Policies, Changes In Accounting Estimates And Errors	Complied
4	IPSAS 4	The Effects Of Changes In Foreign Exchange Rates	Complied
5	IPSAS 5	Borrowing Costs	Complied
6	IPSAS 9	Revenue From Exchange Transactions	Complied
7	IPSAS 10	Financial Reporting In Hyperinflationary Economies	N/A
8	IPSAS 11	Construction Contracts	N/A
9	IPSAS 12	Inventories	Complied
10	IPSAS 13	Leases	N/A
11	IPSAS 14	Events After The Reporting Date	Complied
12	IPSAS 16	Investment Property	N/A
13	IPSAS 17	Property, Plant And Equipment	Complied
14	IPSAS 18	Segment Reporting	Complied
15	IPSAS 19	Provisions, Contingent Liabilities And Contingent Assets	Complied
16	IPSAS 20	Related Party Disclosures	Complied
17	IPSAS 21	Impairment Of Non-Cash-Generating Assets	N/A
18	IPSAS 22	Disclosure Of Financial Information About The General Government Sector	N/A
19	IPSAS 23	Revenue From Non-Exchange Transactions (Taxes And Transfers)	Complied
20	IPSAS 24	Presentation Of Budget Information In Financial Statements	Complied

**STUDENTS LOAN TRUST FUND***Financial Statements for the year ended 31 December 2023*

No	IPSAS CODE	IPSAS NAME	STATUS (Complied/Not Complied/Not Applicable)
21	IPSAS 26	Impairment Of Cash-Generating Assets	Complied
22	IPSAS 27	Agriculture	N/A
23	IPSAS 28	Financial Instruments Presentation	Complied
24	IPSAS 30	Financial Instrument Disclosures	Complied
25	IPSAS 31	Intangible Assets	Complied
26	IPSAS 32	Service Concession Arrangements: Grantor	N/A
27	IPSAS 33	First-Time Adoption Of Accrual Basis International Public Sector Accounting Standards (IPSAS)	Complied
28	IPSAS 34	Separate Financial Statements	N/A
29	IPSAS 35	Consolidated Financial Statements	N/A
30	IPSAS 36	Investments In Associates And Joint Ventures	N/A
31	IPSAS 37	JOINT ARRANGEMENTS	N/A
32	IPSAS 38	Disclosure Of Interests In Other Entities	N/A
33	IPSAS 39	Employee Benefits	Complied
34	IPSAS 40	Public Sector Combinations	N/A
35	IPSAS 41	Financial Instruments	Complied
36	IPSAS 42	Social Benefits	N/A
37	IPSAS 43	Leases	Complied
38	IPSAS 44	Non-Current Assets Held For Sale And Discontinued Operations	Complied
39	IPSAS 45	Property, Plant And Equipment	Complied
40	IPSAS 46	Measurement	Complied
41	IPSAS 47	Revenue	Complied

**STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

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No	IPSAS CODE	IPSAS NAME	STATUS (Complied/Not Complied/Not Applicable)
42	IPSAS 48	Transfer Expenses	N/A
43	IPSAS 49	Retirement Benefit Plans	N/A
37	RPG 1	Reporting On The Long-Term Sustainability Of An Entity's Finances	Not Complied
38	RPG 2	Financial Statement Discussion And Analysis	Not Complied
39	RPG 3	Reporting Service Performance Information	Not Complied

## **STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

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### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below.

#### **2.1 REVENUE RECOGNITION**

Revenue comprises the fair value of the consideration received or receivable for services in the ordinary course of the Trust Fund's activities. The Trust Fund recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Trust Fund and when specific criteria have been met for each of the Fund's activities as described below:

**Gross Revenue:** This represents administrative grants received from Government of Ghana for the administration of the Secretariat, interest on student loans where payment has commenced and interest on funds invested.

**Investment Income:** This is earnings on short-term investments at given market rates. This is recognized when the investment income is earned and there is high probability that it will be received.

**Interest on Students Loan:** Interest rate applied on loan is the average monthly Government of Ghana 182 Treasury bill currently capped at 12% in the study period, plus 2% in repayment period. Once students have initiated repayment, the interest accumulated on their debt is recognized as income.

**Grant from Ghana Education Trust Fund (GET Fund):** This is recognized as revenue from a binding arrangement. A part of this is recognized as an administrative grant in support of administrative activities of the Fund and the remainder recognized as capital grant deployed as loans to students.

**Grant from Communication Service Tax (CST):** This is recognized as revenue from a binding arrangement. A part of this is recognized as administrative grant and the residue is recognized as capital grant and deployed as loans to students.

**Grant from College of Education (COE):** This is recognized as revenue from a non-binding arrangement. A part of this is recognized as an administrative grant in support of administrative activities of the Fund in disbursing teacher training allowances to beneficiaries in the Colleges of Education and the remainder disbursed as pass through transactions to the beneficiaries.

**Deferred Interest Income:** This represent accumulated interest on students' loans, and is deferred until repayment of loan by beneficiaries have commenced. Deferred income is recognized at cost in the statement of financial position.

## **STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

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Revenue from transactions with binding arrangements are recognized when all the following conditions are met:

1. The parties to the binding arrangement have approved the arrangement and are committed to the performance of their respective obligations in the arrangement;
2. The reporting entity can identify each party's rights under the arrangement;
3. The reporting entity can identify the payment terms for the satisfaction of each identified compliance obligation;
4. The binding arrangement has economic substance in that the risk, timing and amount of cash flows or service potential of the entity will change as a result of the arrangement; and
5. It is probable that the reporting entity will collect the consideration to which it will be entitled for satisfying its compliance obligations in accordance with the terms of the binding arrangement.

When these conditions are met, the revenue to be recognized is measured at the transaction consideration as at the date when the criteria for asset recognition are satisfied.

Revenue from transactions with non-binding arrangements are recognize as revenue only when:

1. The rights conferred by the revenue transaction meets the definition of an asset. That is to say, the revenue transaction confers a right, which are resources that will result in inflow of economic benefits to the reporting entity.
2. The obligations imposed by the revenue transaction meets the definition of a liability. That is to say, the revenue transaction imposes an obligation will result ultimately in the outflow of economic benefits from the reporting entity.

When these conditions are met, the revenue to be recognized is measured at the transaction consideration as at the date when the criteria for asset recognition are satisfied.

### **2.2 TRANSFERS FROM GRANTS**

Transfers comprise of grants from GET Fund, grants from COE and Grants from CST. These are revenues from non-exchange-transactions, and are recognized when the conditions of an asset available to SLTF are met. Non-Exchange Transaction is a transaction in which the reporting entity receives something of value without directly giving value in exchange.

- a) **Grants from GET Fund, and Grants from CST** are non-tax revenues of a non-exchange nature arising from binding arrangements and are recognized when the conditions for revenue from binding arrangements are met.
- b) **Grants from COE** are non-tax revenues of a non-exchange nature arising from non-binding arrangements and are recognized when the conditions for revenue from non-binding arrangements are met.

## **STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

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### **Condition and Restriction for the use of Grant and other Inflows:**

- a) **Condition for Use** - SLTF initially recognizes grant and other inflows as liability (unearned revenue) with the associated asset (cash), when there are conditions precedent to the use of the specific inflows, in which case the inflows are refundable to the grantor, if SLTF is unable to fulfil the conditions. Upon fulfilment of the conditions, the qualifying amount is subsequently recognized as revenue in the Statement of Financial Performance, where the initially recognized liability is reduced up to the tune of the qualifying amount.
- b) **Restrictions for Use** – when restrictions apply to SLTF in the use of grant or other inflows, the amount is recognized as revenue with the associated asset (cash), including appropriate disclosures.
- c) **Disclosure** - Any unutilized portion of asset (cash) resulting from grant and other inflows which are subject to qualifying conditions or restrictions, are disclosed in the Notes to the accounts (under Cash and Cash Equivalent), stating the name of the accounts, the amount and nature of the restrictions.

### **2.3 EXPENDITURE RECOGNITION**

The reported expenditure in the Statement of Financial Performance is recognized when incurred. Expenditure is a decrease in economic benefit or service potential during the reporting period in the form of outflows or consumption of assets; or incurrence of liabilities that result in decreases in net assets, and are recognized on an accrual basis when goods are delivered and services are rendered, regardless of the terms of payment. Expenditure is measured at cost unless otherwise stated.

#### **2.3.1 Compensation of Employees**

This refers to wages, salaries, allowances, pensions and other benefits (cash or kind) accruing to the employees of SLTF

#### **2.3.2 Use of Goods and Services**

These comprise recurrent expenses incurred as a result of goods received and services rendered by third parties to SLTF.

#### **2.3.3 Interest Expenses**

Interest expenses are finance costs incurred on loans acquired on domestic and external debts for the period.

#### **2.3.4 Specialized Expenses**

Specialized expenses include contributions, professional fees, donations, court expenses, scholarships, bursaries, awards and rewards.

## **STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

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### **2.4 PROPERTY, PLANT AND EQUIPMENT**

The Trust recognizes an item of Property, Plant and Equipment as an asset when it is probable that future economic benefits will flow to it and the amount meet the materiality threshold set by the Trust. Property, Plant and Equipment are stated at cost less accumulated depreciation and any improvement in value. Historical cost includes the expenditure that is directly attributable to the acquisition of the items. Cost of an item of property, plant and equipment includes its purchase price and any directly attributable cost. Cost includes the cost of replacing part of an existing property, plant and equipment at the time that cost is incurred if the recognition criteria are met; and excludes the cost of day-to-day servicing of a property, plant and equipment.

Depreciation is calculated on a straight-line basis over the anticipated useful life of the asset. The current annual depreciation rates for each class of property, plant and equipment are as follows:

Office Equipment	20%
Motor Vehicles	25%
Computer Equipment and Software	25%
Furniture and Fittings	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other income in the statement of income. When revalued assets are sold, any amount included in the capital surplus is transferred to the statement of income.

#### **2.4.1 Disposal of Property Plant & Equipment**

Disposal gain or loss arising from the de-recognition of an item of Property, Plant and Equipment is included in the Statement of Financial Performance when the item is derecognized; such a gain or loss is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

### **2.5 INTANGIBLE ASSETS**

An intangible asset is an identifiable non-monetary asset without physical substance such as; computer software, patents, copyrights, trademarks, designs, etc. SLTF's intangible assets are classified into internally generated intangible assets and acquired or purchased intangible assets which are recognized in the Statement of Financial Position.

#### **2.5.1 Recognition of Intangible Asset**

Intangible asset whether purchased or internally generated, is recognized if:

- a) It is probable that future economic benefits or service potential that are attributable to the asset will flow to SLTF.
- b) The cost or fair value of the asset can be measured reliably.

## **STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

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**Research cost** is charged to expenses when incurred in the Statement of Financial Performance.

**Development costs** are expensed. However, development cost is capitalized when it is determined with reasonable certainty that such cost will lead to the development of an asset or future economic benefits associated to the development will flow to the entity.

Intangible assets are carried at cost, less accumulated amortization, and accumulated impairment loss. If an Intangible asset is acquired at nil or nominal cost, including donated assets, the fair value at the date of acquisition is deemed to be the cost to acquire the assets.

Computer software acquired are capitalized on cost basis. The cost of computer software includes the initial license cost and other cost incurred to bring the software into use. Computer software developed internally are capitalized at cost, where the cost includes directly associated cost such as software development cost, employee costs, costs for consultants and other applicable overheads.

### **2.5.2 Amortization of Intangible Assets**

Intangible assets with finite useful lives are amortized on a straight-line method and full amortization charged in the year of acquisition or in the year when they become operational

### **2.5.3 Impairment of Intangible Assets**

Annual impairment reviews of intangible assets are conducted where assets are under development or have an indefinite useful life. Other intangible assets are subject to impairment review only when indicators of impairment are identified.

## **2.6 FINANCIAL ASSETS**

Financial asset is any asset that is cash; an equity instrument of another entity; or a contractual right to receive cash or another financial asset from another entity; or to exchange financial asset or financial liability with another entity under conditions that are potentially favorable to the entity.

### **2.6.1 Classification of Financial Assets**

#### **Students' Loan**

These are loans advanced to eligible students. The amount projected to be collected within 12 months from reporting date is classified as current assets (**matured loans**) and the balance as non-current assets (**unmatured loans**).

**Unmatured Students Loan** is stated at cost. Matured loan is stated after writing off specific debts considered irrecoverable and a provision for doubtful debts estimated on the matured loan balance.

#### **Provision for Bad Debts**

Bad debt is provided for by the use of Expected Credit Loss model under IPSAS 41 on matured loans due for repayment.

#### **Students Loan Protection Scheme**

The Students Loan Trust Fund Act 2011 (Act 820) establishing the Fund requires a borrower of the Fund to subscribe to a Students Loan Protection Scheme that indemnify the borrower against payment of outstanding debt to the Fund as a result of death or permanently disability. The loan protection covers the duration of the loan. 0.5% of the loan amount is deducted from loans granted to borrowers.



## **STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

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### **Cash and Cash Equivalent**

For the purpose of Cash Flow Statement, Cash and Cash Equivalent include Cash, not restricted balances with the Trust, amount due from Banks and financial institutions whose maturity is not more than 90 days.

#### **2.6.2 Recognition of financial assets**

Regular purchases and sales of financial assets are recognized on the trade date – the date on which the Fund commits to purchase or sell the asset. Loans are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

#### **2.6.3 Measurement of Financial Assets**

All financial assets are initially measured at fair value except for short-term receivables. SLTF initially recognizes financial assets classified as loans and receivables on the date on which they originated. All other financial assets are recognized initially on the trade date, which is the date SLTF becomes party to the contractual provisions of the instrument.

Financial assets with maturities periods more than 12 months at the reporting date are categorized as non-current assets in the Statement of Financial Position. Assets denominated in foreign currencies are translated into Ghana Cedis at the Bank of Ghana mid-rates of exchange prevailing at the reporting date, with net gains or losses recognized in surplus or deficit in the Statement of Financial Performance.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recorded at fair value and are subsequently reported at amortized cost calculated using the effective interest rate method. Interest revenue is recognized on a time proportion basis using the effective interest rate method on the respective financial asset.

Financial assets are assessed at each reporting date to determine whether there is objective evidence of impairment. Evidence of impairment includes default or delinquency of the counterparty or permanent reduction in the value of the asset. Impairment losses are recognized in the Statement of Financial Performance as exceptional items in the year in which they arise.

#### **2.6.4 Transfer of Financial Assets**

Financial assets are transferred only when;

- a) the contractual rights to the cash flows from the financial assets expire or are waived, or
- b) it transfers the financial assets under the following conditions;
  - Transfers the contractual rights to receive the cash flows of the financial assets, or retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

#### **2.6.5 De-recognition of Financial Assets**

Financial assets are derecognized only when;

- a) the contractual rights to the cash flows from the financial assets expire or are waived, or
- b) it de-recognizes the financial assets under the following conditions;

## **STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

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- c) Transfers the contractual rights to receive the cash flows of the financial assets, or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients and treats the transaction as a transfer of financial assets under the following conditions:
    - ✓ SLTF has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original assets
    - ✓ SLTF is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows
    - ✓ SLTF has an obligation to remit any cash flow it collects on behalf of the eventual recipients without material delay.

### **2.6.6 IMPAIRMENT OF ASSETS**

An Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

### **2.6.7 Recognition and Measurement**

SLTF recognizes an impairment loss:

- a) If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is the impairment loss.
- b) Impairment test is performed at any time during the reporting period, provided it is performed at the same time every year. Different intangible assets may be tested for impairment at different times. However, if such an intangible asset was initially recognized during the current reporting period, that intangible asset is tested for impairment before the end of the current reporting period.
- c) An impairment loss is recognized immediately in surplus or deficit, unless the asset is carried at revalued amount in accordance with another Standard, such as the revaluation model in IPSAS 17 and IPSAS 31.
- d) An impairment loss on a non-revalued asset is recognized in surplus or deficit. However, an impairment loss on a revalued asset is recognized in revaluation surplus to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that individual asset in accordance with IPSAS 31 or class of assets in accordance with IPSAS 17.
- e) When the amount estimated for an impairment loss is greater than the carrying amount of the asset to which it relates, SLTF does not recognize a liability, unless it is required by another standard.

### **2.6.8 Impairment of Non-Financial Assets**

At each reporting date the SLTF assesses whether, as a result of one or more events (loss event) occurring after initial recognition, there is objective evidence that a financial asset has become impaired. Evidence of impairment may include indications that the borrower is experiencing significant financial difficulty, default or delinquency in interest or principal payments.

## **STUDENTS LOAN TRUST FUND**

### ***Financial Statements for the year ended 31 December 2023***

Financial assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the financial asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

SLTF assesses at each reporting date whether there is any indication that an impairment loss recognized in prior periods for an asset no longer exist or has decreased. If any such indication exists, the recoverable service amount of that asset is estimated

All financial assets of the Fund are classified as loans and receivables, based on the purpose for which the financial assets are acquired. The Trustees determine the classification of the financial assets at initial recognition.

## **2.7 FINANCIAL LIABILITIES**

Financial liability is a contractual obligation to deliver cash, or another financial asset to another entity. Common financial liabilities include bank overdraft, account payable and borrowings (including bond, loan and concessionary loans).

They include trade payable, trust monies, domestic loans, and external loans to the economic reporting entities. Financial liabilities are recognized at their nominal value. Financial liabilities classified as domestic loans and external loans are initially recognized at fair value and subsequently measured at amortized cost.

Financial liabilities with a duration of less than 12 months are recognized under current liabilities and those with more than 12 months' duration is recognized under non-current liabilities.

The SLTF re-evaluates the classification of financial liabilities at each reporting date and derecognizes financial liabilities when its contractual obligations are discharged, waived, cancelled, or expired.

### **Accounts Payable**

Accounts payables are obligations to pay for goods, services and stationery deductions that have been acquired or become liable in the course of operations.

Trade payable and accrued liabilities arise from the purchase of goods and services that have been received but not paid for at the reporting date. Payables are recognized and subsequently measured at their nominal value because they are generally due within 12 months.

### **Offsetting Financial Asset and Financial Liability**

Financial assets and liabilities are offset, and the net amount is reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

## **STUDENTS LOAN TRUST FUND**

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### **2.8 INVENTORIES**

Inventories are stated at lower of cost and net realizable value. Cost is determined using weighted average cost. Cost comprises invoice value and all other costs incurred in bringing the inventories to their present location, less provision for impairment, if any. Net realization value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

### **2.9 EMPLOYEE BENEFITS WHICH IS A DEFINED CONTRIBUTION PLAN**

The Fund operates the new pension scheme as contained in the National Pension Act, 2008 (Act 766) which is a defined contribution plan. Under Act 766, the Fund contributes 13% of employees' basic salary to the compulsory pension scheme, made up of the Basic National Social Security Scheme managed by Social Security and National Insurance Trust (SSNIT) and the Occupational Pension Scheme managed by a private pension fund. The employees also contribute 5.5% of their basic salary to the funds, making a total contribution of 18.5%. Out of the total contribution of 18.5%, the Fund remits 13.5% to the Social Security and National Insurance Trust towards the first-tier pension scheme, and the remaining 5% to a private managed and mandatory second tier scheme.

### **2.10 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements in conformity with IPSAS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. These form the basis of making the judgement on carrying values of assets or liabilities that are not otherwise readily apparent. Actual results may differ from these estimates. The estimates and assumptions are reviewed on a realization basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision only affects that period or in the period of the revision and future periods if the revision affects both current and future periods.

Certain accounting policies have been identified where management has applied a higher degree of judgement that have a significant effect on the amounts recognized in the financial statements or 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.

### **2.11 CORPORATE INCOME TAX**

The Trust Fund is exempted from the payment of corporate tax.

### **2.12 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ADOPTED BY THE TRUST**

The Trust has transitioned from the use of International Financial Reporting Standards, and fully adopted the International Public Sector Accounting Standards (IPSAS) during the year for the first time for their annual reporting period commencing 1 January 2023.

The Trust had to amend its accounting policies following the adoption of IPSAS. The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods.

### **2.13 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provision is a liability of uncertain timing or amount.

## **STUDENTS LOAN TRUST FUND**

### **Financial Statements for the year ended 31 December 2023**

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#### **2.13.1 Recognition of provisions**

Provisions are recognized as liabilities when:

- a) The SLTF has a present legal or constructive obligation as a result of past events,
- b) It is more likely than not that an outflow of resources will be required to settle that obligation and
- c) The amount can be reliably estimated.
- d) Specific provisions for bad and doubtful debts are made for loans, receivables and investments as and when their non-recoverability is determined and where a request is made to Parliament for a write off.

#### **2.14 EVENTS AFTER THE REPORTING DATE**

Events after Reporting Date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue and have a material impact on these financial statements. In line with the Public Financial Management Act, 2016 (Act 921) the financial reporting date of SLTF is 31st December 2023. These financial statements were authorized for issue on .....2024.

**Adjusting Event** -When an event after the reporting date occurs, and it is material, which provides evidence of condition that existed at the reporting date, the accounts are adjusted accordingly

**Non-Adjusting Event** - When an event after the reporting date occurs and is material which provides indicative conditions that arose after the reporting date, necessary disclosures are provided in the Notes to the Financial Statements indicating the following:

- a) The nature of the event
- b) An estimate of its financial effect, or a statement that such an estimate cannot be made.

#### **2.14.1 Consistency in Application of Accounting Policy**

SLTF selects and applies its accounting policies consistently for similar transactions, other events, and conditions, unless it is specifically required or permitted by IPSAS or a legislation for categorization of items for which different policies may be appropriate.

#### **2.14.2 Changes in Accounting Estimates**

A **Change in Accounting Estimate** is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. They result from new information or new developments and accordingly, are not correction of errors. As a result of the uncertainties inherent in the operations of SLTF, some transaction in financial statements cannot be measured with precision but can only be estimated. Estimation involves judgments based on the latest available reliable information. For example, estimates may be required of:

- a) Bad debts arising from uncollected loans;
- b) Inventory obsolescence;
- c) The fair value of financial assets or financial liabilities;
- d) The useful lives of, or expected pattern of consumption of future economic benefits or service potential embodied in, depreciable assets, or the percentage completion of road construction; and

## **STUDENTS LOAN TRUST FUND**

### **Financial Statements for the year ended 31 December 2023**

- e) The use of reasonable estimates is an essential part of the preparation of the financial statements of SLTF. An estimate may need revision if changes occur in the circumstances on which the estimate was based or as a result of new information or more experience. By its nature, the revision of an estimate does not relate to prior periods and is not the correction of an error.
- f) A change in the measurement basis applied for items in paragraph 2.15.3 is a change in accounting policy, and not a change in an accounting estimate. When it is difficult to distinguish a change in an accounting policy from a change in an accounting estimate, the SLTF treats the change as a change in an accounting estimate.

#### **2.14.3 Recognition of Change in Accounting Estimates**

To the extent that a change in an accounting estimate gives rise to changes in the carrying amount of assets and liabilities, or relates to an item of net assets/equity, it is recognized by adjusting the carrying amount of the related asset, liability, or net assets/equity item in the period of change.

- a) The effect of a change in an accounting estimate is recognized prospectively by including it in surplus or deficit in:
  - The period of the change, if the change affects the period only; or
  - The period of the change and future periods, if the change affects both.

#### **2.14.4 Materiality**

An item is considered material if its omission or its misstatement would have an impact on the conclusions or decisions of the users of the financial statements. SLTF uses materiality concept to guide accounting decisions relating to presentation, disclosure, aggregation, offsetting and retrospective versus prospective application of changes in accounting policies. The materiality threshold for SLTF is set at 0.05% of total assets of the Trust Fund or 2% of total revenue whichever is lower. Variances in excess of 10% of budgets are considered material and are therefore, investigated and explained.

#### **2.14.5 Use of Judgment**

In the absence of an IPSAS that specifically applies to a transaction, other event, or condition, management of SLTF uses its judgment in developing and applying an accounting policy that results in information that is relevant to the accountability and decision-making needs of users, faithfully represents the financial performance, cash flows of the entity, meets the qualitative characteristics of understandability, timeliness, comparability, and verifiability and takes account of the constraints on information included in general purpose financial reports and the balance between the qualitative characteristics.

In making accounting judgement, management refers to, and considers the applicability of the following sources in the following order:

- a) The requirements in IPSAS dealing with similar and related issues; and
- b) The definitions, recognition and measurement criteria for assets, liabilities, revenue and expenses.
- c) Management also considers the most recent pronouncements of other standard- setting bodies; and accepted public or private sector practices, but only to the extent that these do not conflict with the sources in (a) and (b) above. Variances in excess of 10% of budgets are considered material and are therefore, investigated and explained.

## ***STUDENTS LOAN TRUST FUND***

### ***Financial Statements for the year ended 31 December 2023***

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#### **2.14.6 Prior Period Errors**

Prior period errors are omissions from, and misstatements in, the SLTF's financial statements for one or more prior periods arising from a failure to use or the misuse of, faithfully representative information that was available when the financial statements for those periods were authorized for issue; and that could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

All material prior period errors and effects of change in accounting policies are corrected retrospectively after their discovery in the most recent set of financial statements authorized for issue by:

- a) Restating comparative prior period amounts, or if the error occurred before the earliest prior period presented, by restating the opening statement of financial position.
- b) A prior period error is corrected by retrospective restatement, except to the extent that it is impracticable to determine either the period specific effects or the cumulative effect of the error.
- c) When it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, it is restated by correcting the opening balances of assets, liabilities, and net assets/equity for the earliest period for which retrospective restatement is practicable (which may be the current period).
- d) When it is impracticable to determine the cumulative effect at the beginning of the current period, of an error on all prior periods, the comparative information to correct the error prospectively from the earliest date practicable is restated.

In disclosing the prior period errors, SLTF presents the following:

- a) The nature of the prior period error;
- b) For each period presented, to the extent practicable, the amount of the correction for each financial statement line item affected;
- c) The amount of the correction at the beginning of the earliest prior period presented;
- d) If retrospective treatment is impracticable for a particular prior period, the circumstance that led to the existence of that condition and a description of how and from when the error has been corrected.
- e) Financial statements of subsequent periods need not reflect these disclosure requirements.

## **STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

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### **2.15 Presentation of Budget Information in Financial Statements**

Comparison of budget and actual amounts on a comparable basis presents the difference on the financial performance between amounts which are both prepared on cash basis, presented in the statement of comparison of budget and actual amounts.

IPSAS 24 requires SLTF to present a comparison of budget amounts and the actual amounts arising from execution of the budget if the approved budget is publicly available, and for which the SLTF, is held publicly accountable. IPSAS 24 also requires disclosure of an explanation of the reasons for material differences between the budget and actual amounts.

This is to ensure that SLTF discharges its accountability obligations to enhance the transparency of its financial statements by demonstrating (a) compliance with the approved budget for which SLTF is held publicly accountable and (b) where the budget and the financial statements are prepared on the same basis, their financial performance in achieving the budgeted results.

#### **2.15.1 Presentation of a Comparison of Budget and Actual Amounts**

SLTF is required to present a comparison of the budget amounts for which it is held publicly accountable and actual amounts, either:

- a) As a separate additional financial statement, or
- b) As additional budget columns in the primary financial statements (statement of financial performance).
- c) Since the budget of SLTF is prepared on cash basis, whilst the financial statements are prepared on accrual basis, SLTF has elected to present its comparison of budget amount as a separate additional financial statement showing the following: original budget amount, supplementary budget amount, final budget amount, actual amount and variance amount (With explanatory notes to material variances)

### **2.16 RELATED PARTY DISCLOSURES**

Parties are considered to be related if one party has the ability to:

- a) Control the other party, or
- b) Exercise significant influence over the other party in making financial and operating decisions, or if the related party entity and another entity are subject to common control.

**Related party transaction** is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Related party transactions exclude transactions with any other entity that is a related party solely because of its economic dependence on the reporting entity or the government of which it forms part.

**Significant influence** is the power to participate in the financial and operating policy decisions of an entity, but not control those policies.

#### **2.16.1 Key management personnel are:**

- a) All directors or members of the governing body of the SLTF; and
- b) Other persons having the authority and responsibility for the planning, directing, controlling the activities of the SLTF. These include:
  - i. Members of the governing board of the SLTF who have the authority and responsibilities for planning, directing, and controlling the activities of the reporting entity
  - ii. Any key advisors of such members
  - iii. Senior management group of SLTF, including the Chief Executive.



## **STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

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### **2.16.2 Disclosures on Key Management personnel**

SLTF has disclosed the following in the financial statements:

- a) The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration within this category, showing separately major classes of key management personnel and including a description of each class.
- b) The total amount of all other remuneration and compensation provided to key management personnel, and close members of the family of key management personnel, by SLTF during the reporting period, showing separately the aggregate amounts provided to:
  - ✓ Key management personnel; and
  - ✓ Close members of the family of key management personnel
- c) In respect of loans that are not widely available to persons who are not key management personnel and loans whose availability is not widely known by members of the public, for each individual member of key management personnel and each close member of the family of key management personnel:
  - ✓ The amount of loans advanced during the period and terms and conditions thereof;
  - ✓ The amount of loans repaid during the period;
  - ✓ The amount of the closing balance of all loans and receivables; and
  - ✓ Where the individual is not a director or member of the governing body or senior management group of the entity, the relationship of the individual to such body or group.

### **2.16.3 Disclosure of Related Party Transactions**

In respect of transactions between related parties, other than transactions that would occur within a normal supplier or client / recipient relationship on terms and conditions no more or less favourable than those which it is reasonable to expect the entity would have adopted if dealing with that individual or entity at arm's length in the same circumstances, SLTF has disclosed:

- a) The nature of the related party relationships;
- b) The types of transactions that have occurred; and
- c) The elements of the transactions necessary to clarify the significance of these transactions to its operations and sufficient to enable the financial statements to provide relevant and reliable information for decision making and accountability purposes.

## STUDENTS LOAN TRUST FUND

Financial Statements for the year ended 31 December 2023

### 3. TRANSFERS FROM GRANTS

Transfers have been recognized as revenue based on amounts that are reasonably expected to be received to support the operations of the Trust Fund. Based on past experience, 20% of allocation from GET Fund is recognized as an administrative grant in support of administrative activities and the remainder recognized as capital grant deployed as loans to students. 35% of CST is recognized as administrative grant and the residue of 65% is recognized as capital grant and deployed as loans to students. The amounts recognized as transfers consists of:

	<u>2023</u>	<u>2022</u>
	<u>GHC</u>	<u>GHC</u>
TRANSFER FROM GRANTS		
Administrative Grant (GETFUND)	3,000,000	5,000,000
Administrative Grant – College of Education	2,000,000	2,000,000
Administrative Grant – Communication Service Tax	<u>1,851,860</u>	<u>1,070,596</u>
	<u>6,851,860</u>	<u>8,070,596</u>

### 4. INTEREST INCOME

Interest on Students Loan is recognized at 14%, being the interest rate charged on the due loan for the year. Interest income comprise:

	<u>2023</u>	<u>2022</u>
	<u>GHC</u>	<u>GHC</u>
Interest on Students Loan	12,576,618	8,523,905
Interest on Investment	85,491	46,904
Bank Interest	17,781	16,739
Interest on staff Loan	<u>24,708</u>	<u>22,782</u>
	<u>12,704,598</u>	<u>8,610,330</u>

### 5. OTHER REVENUE

	<u>2023</u>	<u>2022</u>
	<u>GHC</u>	<u>GHC</u>
Disposal of used newspapers	5,540	13,953
Gain on disposal of assets	-	11,920
	<u>5,540</u>	<u>25,873</u>

### 6. COMPENSATION OF EMPLOYEES

Included in compensation of employees is payment of compensation to key management personnel, consisting of the Chief Executive Officer, Heads of the five Directorates amounting to Ghc1,856,446 (2022 Ghc1,341,723).

Compensation comprises:

	<u>2023</u>	<u>2022</u>
	<u>GHC</u>	<u>GHC</u>
Established Post	7,280,399	5,065,040
Pension Contribution	946,452	658,455
Employers Tier 3 Contribution	570,167	394,199
Transport Allowance	782,585	541,083
Other Staff Allowances	2,116,971	2,143,868
Medical Expenses	432,608	321,666
Overtime Allowance	<u>22,197</u>	<u>15,125</u>
	<u>12,151,379</u>	<u>9,139,436</u>

**STUDENTS LOAN TRUST FUND***Financial Statements for the year ended 31 December 2023***7. USE OF GOODS AND SERVICES**

The Board allowances and Committee sitting allowances are payments made to related parties. Expenses related to use of goods and services comprise of the following:

	<u>2023</u> <u>GHC</u>	<u>2022</u> <u>GHC</u>
Board Fees and Allowance	44,694	60,660
Committee Sitting Allowance	159,224	173,770
Electricity	343,291	226,723
Water	47,220	31,901
Telephone Expenses	280,055	283,041
Internet	468,626	376,191
Promotion and Advertisement	961,892	1,372,298
Training and Development	419,850	159,630
Consultancy	968,297	1,845,541
Computer accessories expense	32,724	44,914
Courier and Postage	69,589	66,400
Newspapers	17,258	14,971
Insurance	82,294	72,524
Security Services	135,512	101,624
Repairs and Maintenance	441,474	314,854
Printing and Stationery	39,527	89,999
Funeral Expenses	49,150	10,751
Sanitation	98,479	85,958
Refreshment	103,906	81,391
Subscription	685,325	186,623
Recruitment Expenses	6,887	139,590
Disbursement Charges	326,429	407,229
Local Travelling Expenses	233,102	209,641
Vehicle Running Expenses	1,938,519	1,467,531
Maintenance of Vehicle	163,555	109,688
NSP Allowance	167,434	193,039
T & T Expenses	73,662	54,360
Audit Fees	53,355	43,496
Foreign Travel Cost	374,178	371,808
	<u>8,785,508</u>	<u>8,596,146</u>

**8. DEPRECIATION (CONSUMPTION OF FIXED CAPITAL)**

	<u>2023</u> <u>GHC</u>	<u>2022</u> <u>GHC</u>
Motor Vehicle	-	232,870
Office Equipment	282,288	272,122
Computer Equipment	924,759	951,949
Furniture and fittings	77,999	92,415
Right of Use Assets	1,399,300	1,207,618
	<u>2,684,346</u>	<u>2,756,974</u>

**STUDENTS LOAN TRUST FUND***Financial Statements for the year ended 31 December 2023*

	<u>2023</u> <u>GHC</u>	<u>2022</u> <u>GHC</u>
<b>9. IMPAIRMENT OF LOANS AND OTHER EXPENSES</b>		
Bank charges	55,264	42,175
Charge for Bad & Doubtful Debt	<u>1,002,029</u>	<u>1,376,361</u>
	<u>1,057,293</u>	<u>1,418,536</u>
<b>10. CASH AND CASH EQUIVALENTS</b>		
Cash	329,597	229,423
Bank	<u>39,805,404</u>	<u>8,325,303</u>
	<u>40,135,001</u>	<u>8,554,726</u>
<b>11. ACCOUNT RECEIVABLE &amp; PREPAYMENTS</b>		
Staff Advances	525,800	457,540
GETFund Receivable	75,000,000	-
CST Receivables	1,593,359	-
COE Administrative Grant Receivable	11,877,412	-
Prepayments	<u>43,966</u>	<u>38,850</u>
	<u>89,040,537</u>	<u>496,390</u>
<b>12 (a): STUDENTS LOAN-UNMATURED</b>		
Opening Balance	543,674,154	467,116,914
Disbursement for the year	<u>54,783,945</u>	<u>53,435,700</u>
	598,458,099	520,552,614
Interest	92,937,280	81,608,402
Transfer to Students Loan-Matured	<u>(102,409,515)</u>	<u>(58,486,862)</u>
	588,985,864	543,674,154
Less: Un-matured loan due within 12 months	<u>(77,093,181)</u>	<u>(67,014,904)</u>
	<u>511,892,683</u>	<u>476,659,250</u>
<b>NOTE 12 (b): STUDENTS LOAN – MATURED</b>		
Opening Balance	128,046,624	116,283,066
Transfer from Students Loan-Un-matured	102,409,515	58,486,862
Repayments	<u>(64,794,071)</u>	<u>(46,723,304)</u>
	165,662,067	128,046,624
Provision for Bad and Doubtful Debt	<u>(7,819,005)</u>	<u>(6,816,976)</u>
	157,843,062	121,229,648
Add: Un-matured loan due within 12 months	<u>77,093,181</u>	<u>67,014,904</u>
	<u>234,936,243</u>	<u>188,244,552</u>

**STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

**13. INVESTMENTS**

These represent investments in call accounts and fixed deposits stated at market value

	<u>2023</u> <u>GH¢</u>	<u>2022</u> <u>GH¢</u>
Investment	5,931,530	5,813,352

**14. INVENTORIES**

Stationery	123,003	84,582
Computer Accessories	<u>219,184</u>	<u>143,321</u>
	<u>342,187</u>	<u>227,903</u>

**15a. NON-CURRENT ASSETS**

<u>Cost</u>	<u>Balance at</u> <u>1<sup>st</sup> Jan 2023</u> <u>GH¢</u>	<u>Addition</u> <u>GH¢</u>	<u>Disposal/</u> <u>Deletions</u> <u>GH¢</u>	<u>Balance at</u> <u>Dec 2023</u> <u>GH¢</u>
Motor Vehicle	1,843,126	-	-	1,843,126
Furniture & Fixtures	682,115	35,782	-	717,897
Office Equipment	1,591,445	101,555	-	1,693,000
Computers	<u>4,957,594</u>	<u>250,006</u>	-	<u>5,207,600</u>
	<u>9,074,280</u>	<u>387,343</u>	-	<u>9,461,623</u>
<b><u>Depreciation</u></b>				
Motor Vehicle	1,843,126	-	-	1,843,126
Furniture & Fixtures	424,781	77,999	-	502,780
Office Equipment	755,994	282,288	-	1,038,282
Computers	<u>3,043,142</u>	<u>924,759</u>	-	<u>3,967,901</u>
	<u>6,067,043</u>	<u>1,285,046</u>	-	<u>7,352,089</u>
<b>Net Book Value at Dec 2023</b>				<u>2,109,534</u>
<b>Net Book Value at Dec 2022</b>				<u>3,007,237</u>

<u>Cost</u>	<u>Balance at</u> <u>1<sup>st</sup> Jan 2022</u> <u>GH¢</u>	<u>Addition</u> <u>GH¢</u>	<u>Disposal/</u> <u>Deletions</u> <u>GH¢</u>	<u>Balance at</u> <u>Dec. 2022</u> <u>GH¢</u>
Motor Vehicle	1,845,742	-	(2,616)	1,843,126
Furniture & Fixtures	517,634	205,901	(41,420)	682,115
Office Equipment	1,391,566	259,131	(59,252)	1,591,445
Computers	<u>3,620,148</u>	<u>1,428,166</u>	<u>(90,720)</u>	<u>4,957,594</u>
	<u>7,375,090</u>	<u>1,893,198</u>	<u>(194,008)</u>	<u>9,074,280</u>
<b><u>Depreciation</u></b>				
Motor Vehicle	1,612,872	232,870	(2,616)	1,843,126
Furniture & Fixtures	373,786	92,415	(41,420)	424,781
Office Equipment	543,124	272,122	(59,252)	755,994
Computers	<u>2,181,913</u>	<u>951,949</u>	<u>(90,720)</u>	<u>3,043,142</u>
	<u>4,711,695</u>	<u>1,549,356</u>	<u>(194,008)</u>	<u>6,067,043</u>
<b>Net Book Value at Dec., 2022</b>				<u>3,007,237</u>

**STUDENTS LOAN TRUST FUND***Financial Statements for the year ended 31 December 2023*

<b>15b. RIGHT OF USE ASSETS</b>	<b>2023</b>	<b>2022</b>
<b>Cost</b>	<b>GH¢</b>	<b>GH¢</b>
Balance at 1 January	2,499,758	-
Addition during the year	<u>1,786,983</u>	<u>2,499,758</u>
	<u>4,286,741</u>	<u>2,499,758</u>
<b>Amortization</b>		
Balance at 1 January	1,207,618	-
Charge during the year	<u>1,399,300</u>	<u>1,207,618</u>
	<u>2,606,918</u>	<u>1,207,618</u>
<b>Net Book Value</b>	<u>1,679,823</u>	<u>1,292,140</u>
<b>16a. ACCRUALS</b>		
Pension Contribution	250,990	176,415
Audit Fees	53,355	43,496
Welfare	-	3,495
Withholding taxes	123,187	96,665
Payee	429,299	385,253
Utilities	-	-
Social Security Services	684,875	684,875
Sundry Accruals	<u>195,113</u>	<u>164,606</u>
	<u>1,736,818</u>	<u>1,551,805</u>
<b>16b. ACCOUNTS PAYABLE</b>		
GT Scheme Loan	-	3,744
NIB Scheme Loan	12,672	14,016
College of Education Allowances	<u>32,811,687</u>	<u>1,280,709</u>
	<u>32,824,359</u>	<u>1,298,469</u>
<b>17. DEFERRED INTEREST INCOME</b>		
Balance as at 1 <sup>st</sup> January	377,896,560	304,940,259
Add: Accrued Interest	<u>92,713,569</u>	<u>81,480,206</u>
	470,610,129	386,420,465
Less: Interest Earned	<u>(12,576,618)</u>	<u>(8,523,905)</u>
Balance as at 31 <sup>st</sup> December	<u>458,033,511</u>	<u>377,896,560</u>
<b>18. STUDENTS LOAN PROTECTION SCHEME</b>		
Balance as at 1 <sup>st</sup> January	2,563,502	2,457,907
Additions during the year	<u>273,443</u>	<u>267,349</u>
	2,836,945	2,725,256
Interest Earned during the year	32,687	188,195
Less: Claims and Expenses	<u>(704,636)</u>	<u>(349,949)</u>
Balance as at 31 <sup>st</sup> December	<u>2,164,996</u>	<u>2,563,502</u>

**STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

19. CAPITAL FUND	<u>2023</u> GH¢	<u>2022</u> GH¢
Balance as at 1 <sup>st</sup> January	284,721,656	262,733,406
Capital Grant Receivable in the year	<u>95,439,168</u>	<u>21,988,249</u>
	<u>380,160,823</u>	<u>284,721,656</u>

**20. RECONCILIATION OF NET SURPLUS TO NET CASH FLOWS FROM OPERATING ACTIVITIES**

Operating surplus/deficit	(5,116,528)	(5,204,292)
Depreciation	2,684,346	2,756,974
Reversal of interest income	(12,576,618)	-
Gain/Loss on disposal of assets	-	(11,920)
Changes in loans	11,020,168	(13,988,136)
Reversal of interest income on investment	127,980	(46,904)
Changes in inventories	(114,283)	(7,621)
Changes in accounts receivable and prepayment	(1,562,792)	917,190
Changes in sundry accruals	185,008	(1,069,956)
Net increase in Teacher Training allowance	<u>23,140,003</u>	-
Net cash flow from operating activities	<u>17,787,284</u>	<u>(16,654,665)</u>

**21. BUDGET VARIANCE**

	Actual Outturn Accrual	Actual Outturn Cash	Basis Difference	Total Variance (Btw Final Budget and Total Outturn)	Performance Variance
	<u>GH¢</u>	<u>GH¢</u>	<u>GH¢</u>	<u>GH¢</u>	<u>GH¢</u>
<b>Revenue</b>					
Transfers	6,851,860	7,000,000	(148,140)	(5,250,309)	(5,102,169)
Interest Income	12,704,598	12,000,000	704,598	4,304,598	3,600,000
Other Income	<u>5,540</u>	<u>3,000</u>	<u>2,540</u>	<u>5,540</u>	<u>3,000</u>
	<u>19,561,998</u>	<u>19,003,000</u>	<u>558,998</u>	<u>(940,171)</u>	<u>(1,499,169)</u>
<b>Expenses</b>					
Compensation for Employees	12,151,378	11,772,636	378,742	(378,742)	-
Use of Goods & Services	8,785,508	8,000,000	785,508	(577,088)	208,420
Depreciation (consumption of fixed capital)	2,684,346	1,000,000	1,684,346	(2,684,346)	(1,000,000)
Impairment of Loans & Others Expenses	<u>1,057,301</u>	<u>950,000</u>	<u>107,301</u>	<u>(1,057,301)</u>	<u>(950,000)</u>
<b>Total Expenses</b>	<u>24,678,533</u>	<u>21,722,636</u>	<u>2,955,896</u>	<u>(4,697,476)</u>	<u>(1,741,580)</u>
<b>Surplus/(Deficit) for the Year</b>	<u>(5,116,535)</u>	<u>(2,719,636)</u>	<u>(2,396,899)</u>	<u>(5,637,648)</u>	<u>(8,034,547)</u>

There were no Capital Commitments at the reporting date 31st December, 2023 (2022-Nil).

## **STUDENTS LOAN TRUST FUND**

*Financial Statements for the year ended 31 December 2023*

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### **COMMENTARY ON BUDGET VARIANCE (VARIANCE, REASON FOR IT, IMPLICATION, REMEDIAL ACTION)**

At the end of 2023, the Trust Fund recorded an unfavourable variance of 5% on its revenue compared to the budget. The revenue fell short by about GH¢5.25 million due to short falls in revenue from GETFund and Communications service tax. Although, revenue from interest income was in excess by GH¢4.3 million, this could not offset the shortfall recorded in revenue from GETFund and Communications service tax.

At the end of 2023, the total expenditure also recorded an unfavourable variance of 24%. This was mainly due to the non-cash expenditure namely, depreciation and impairment of loans. Out of the variance of GH¢4.70 million, depreciation and impairment of loans, which were not budgeted, represented about GH¢3.74 million. The remaining variance was contribution by use of goods & service and compensation for employees.

Management will continue to strengthen budgetary controls to ensure the Trust Fund spends within budget as well as engage GETFund and Ministries of Education and Finance to allocate adequate funds to run the operations of the Trust Fund.

### **22. CONTINGENT LIABILITIES**

There were no Contingent Liabilities as at 31st December, 2023-(2022-Nil).

### **23. SEGMENTAL REPORTING ON STUDENTS LOAN PROTECTION SCHEME**

The Students Loan Trust Fund Act 2011 (Act 820) establishing the Fund requires borrower of the Fund to subscribe to a Students Loan Protection Scheme that indemnify the borrower against payment of outstanding debt to the Fund as a result of death or permanently disability. The loan protection covers the duration of the loan. 0.5% of the loan amount is deducted from loans granted to borrowers.

	<u>2023</u> GH¢	<u>2022</u> GH¢
<b>Revenue from Students Loan Protection Scheme:</b>		
Investment Interest earned during the year	32,687	188,193
Protection deduction during the year	<u>273,443</u>	<u>267,349</u>
	<u>306,130</u>	<u>475,542</u>
<b>The expenses related to the Students Loan Protection Scheme:</b>		
Claims paid during the year	658,500	318,684
Meeting expenses paid during the year	<u>33,776</u>	<u>31,266</u>
	<u>692,276</u>	<u>349,950</u>
<b>Assets related to the Students Loan Protection Scheme:</b>		
Investment	<u>2,585,977</u>	<u>2,563,502</u>
	<u>2,585,977</u>	<u>2,563,502</u>



**STUDENTS LOAN TRUST FUND***Financial Statements for the year ended 31 December 2023*

The liabilities related to the Students Loan Protection Scheme:	<u>2023</u>	<u>2022</u>
	<u>GH¢</u>	<u>GH¢</u>
Debtors (SLTF)	437,053	27,619
Accumulated Fund	<u>2,148,924</u>	<u>2,535,883</u>
	<u>2,585,977</u>	<u>2,563,502</u>

**24. CLASSIFICATION ACCORDING TO FUNCTION**

Educational expenses	<u>24,678,532</u>	<u>21,911,091</u>
	<u>24,678,532</u>	<u>21,911,091</u>

**STUDENTS LOAN TRUST FUND****STATEMENT OF RECEIPTS AND PAYMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2023****Receipts**

	<u>GH¢</u>	<u>GH¢</u>
Transfers received from GET Fund	4,000,000	5,000,000
Transfers received from MOE for Teacher Trainee allowances	108,235,038	116,928,108
Proceed from disposal of PPE	-	11,920
Transfers received from CST	3,697,669	1,070,596
Interest on Investment	85,491	46,904
Loan repayment from students during the year including interest	64,345,694	46,752,051
Capital Fund	<u>16,000,000</u>	<u>21,988,249</u>
	<u>196,363,892</u>	<u>191,797,828</u>

**Payments**

Loans disbursed during the year	(54,327,555)	(53,643,977)
Loan Protection Scheme Fund	(703,873)	105,594
Teacher Trainee Allowances disbursed during the year	(86,581,472)	(117,515,818)
Compensation for employees paid	(12,055,463)	(8,577,768)
Use of Goods & Services paid	(8,768,998)	(6,625,683)
Acquisition of Property, Plant and Equipment	(2,174,321)	(4,392,956)
Bank Charges Paid	(53,756)	(42,175)
Additional investment paid	<u>(118,179)</u>	<u>(1,235,098)</u>
	<u>(164,783,617)</u>	<u>(191,927,879)</u>
Net Increase/(Decrease) during the year	31,580,275	(130,051)
Cash and Bank Balance at 1st January	<u>8,554,726</u>	<u>8,684,777</u>
Cash and Bank Balances at 31st December	<u>40,135,001</u>	<u>8,554,726</u>