

# **Universities Staff Occupational Pension Scheme**

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**Annual Report and Financial Statements  
for the year ended 31 December 2022**

# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

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# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## GENERAL INFORMATION

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<b>Board of Trustees</b>	Mr. Andrews Doeh Agblobi Mrs. Dorren Mould Ayiku Mr. Richard Okyere Boapea Mr. Kizito K.E Ackom	Chairman 2023 Secretary 2023 Chairman 2022 Secretary 2022
<b>Sponsor of the Scheme</b>	Vice Chancellors Ghana University of Ghana, Legon P.O.Box 25	
<b>Secretariat and Registered Office</b>	C/o Vice Chancellor Ghana IPS Road, near UPSA Hostel.	
<b>Independent Trustee</b>	Charles Akun Egan P.O.Box WJ 821 25 Ashbread Road, SCC, New Weija	
<b>Scheme Administrators</b>	Petra Trust Company Limited 113, Airport West, Dzorwulu P.O.Box CT 3194 Cantonments, Accra	
<b>Fund Manager</b>	Tesah Capital limited Allied Height(Second Floor) 10 Olusegun Obasanjo Way Abelenkpe	
<b>Custodian</b>	CAL Bank Custody Services No.23 Independence Avenue Accra	
<b>Auditor</b>	Intellisys Chartered Accountants No. 2 Lardzeh Crescent North Dzorwulu P. O. Box KN 4169 Kaneshie-Accra	



# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Report of the trustees

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### To the members of Universities Staff Occupational Pension Scheme

#### Introduction

The Board of Trustees of Universities Staff Occupational Pension Scheme have pleasure in presenting their annual report together with the audited Financial Statements of the Scheme for the year ended 31 December, 2022.

#### Scheme's constitution and management

The Scheme is an Employer Sponsored defined contribution occupational pension Scheme established under a Trust Deed and in accordance with the National Pensions Act 2008 (ACT 766) as amended by National Pensions Act 2014, Act 883 and the Occupational and Personal Pension Schemes (General) Regulations, 2011 (L.I. 1990) to provide retirement benefits for employees of all public Universities in Ghana or any subsidiary or its associate that participates in the Scheme.

The management of the Scheme is under the control of the Board of Trustees and a Trust Deed that came into effect on 29 March, 2017. Members of the Board of Trustees are listed on page 2. The Trustees oversee the operation of the Scheme with a fiduciary duty to act in the interest of the Scheme's members.

The scheme is a tax-exempt pension fund under the National Pensions Act, 2008 (Act 766) and any amendments made to it thereafter. The Scheme's activities are bound by provisions of the National Pensions Act, 2008 (Act 766) as amended by the National Pensions (Amendment) Act 2014 (Act 883), Regulations made under it, Guidelines formulated and published and any Board directives that may be issued from time to time as well as the Governing Rules of the Scheme.

#### Trustees' responsibility in respect of the financial statements

The Trustees are responsible for the preparation of the Scheme's Financial Statements which:

- show a true and fair view of the financial transactions of the Scheme during the year and of the amount and disposition of its assets and liabilities and pension benefits after the end of the Scheme year
- show a summary of significant accounting policies, and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Trust Deed and Scheme's Rules and in conformity with the National Pensions Act, 2008 (Act 766) as amended by the National Pensions (Amendment) Act, 2014 (Act 883)
- determine internal controls necessary and appropriate for the preparation of Financial Statements and ensuring that adequate accounting records are kept and taking steps that are reasonable to safeguard the assets of the Scheme, prevent and detect fraud, error and other irregularities.

The Trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates in conformity with International Financial Reporting Standards and in the manner required by the National Pensions Act, 2014 (Act 883) and the Occupational and Personal Pension Schemes (General) Regulations, 2011 (L.I. 1990). The Trustees assert that the financial statements give a true and fair view of the state of the financial affairs of Universities Staff Occupational Pension Scheme.



# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Report of the trustees (continued)

To the members of Universities Staff Occupational Pension Scheme

### Governance statement to members of the scheme

As Trustees of the Scheme, we have reviewed and assessed our systems, processes and controls and other governance functions and found them to be consistent with the law.

We believe we have adopted best practices and acted in the best interests of all members of the Scheme and beneficiaries.

### Scheme membership statistics

#### I. Movement during the year

Description	Number at beginning	Additions	Transfers In	Withdrawals	Number at year end
Active members	10,395	474	4	175	10,698

#### II. Summary statistics

Transfers Out	Other withdrawal	Retirement (Statutory)	Retirement (Early)	Permanent Emigration	Incapacitated members	Death
0	4	165	3	0	0	3

#### Transfers in

This represents contributors who transferred their contribution from other schemes.

### Investment report

#### Statement of investment principles

We, the Trustees, attest that the Scheme's funds have been invested with the objective of obtaining safe and fair returns in accordance with the National Pensions Act 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883) and the Guidelines on Investment of Scheme Funds.

We confirm that there has been full compliance with prohibitions on investments which include but are not limited to, use of Pension Scheme assets as collateral, investing outside maximum allowable limits, investing outside the scope of assets stipulated by the Guidelines on Investment of Scheme Funds and investing in securities issued by any issuer for which there exists a conflict of interest.

# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Report of the trustees (continued)

To the members of Universities Staff Occupational Pension Scheme

Investment allocation			2022	2021
Asset Type	Maximum Allocation	Actual Allocation	Investment Income	Year End Value
			GHS	GHS
Government of Ghana Bonds	75 %	72%	25,906,301	141,097,447
Local Government Bonds	25 %	22%	2,954,896	41,696,571
Corporate Bonds	35 %	3%	1,518,413	5,583,200
Money Market instruments	35 %	0%	117,615	-
Equity Investments	20 %	0%	72,061	718,862
Collective Investments	15 %	1%	-	2,653,444
Cash and cash equivalents	-	2%	529,535	4,744,124
<b>Total</b>		<b>100%</b>	<b>31,098,821</b>	<b>196,493,648</b>
				<b>126,445,008</b>

The table above relates to the Scheme's active investments but for Accounts receivables of GHS 5,243,577 which represents contribution receivable as at the end of 2022. The Scheme has complied with asset allocation limits as prescribed by the NPRA guidelines on investment of Tier 2 and 3 Pension Scheme Funds.

### Financial statements highlights

The Statement of Changes in Net Assets Available for Benefits as presented on page 11 shows an increase in Net Assets available for benefits for the year of GHS 75,225,781 (GHS 64,483,771) for the previous financial year) and the Statement of Net Assets Available For Benefits on page 16 shows the Scheme's Net Assets as at 31 December 2022 amounting to GHS 201,196,267 (GHS 125,970,486 for the previous financial year).

### Expenses

All expenses of the Scheme are charged against the Scheme. We confirm that expenses charged and deducted from the Scheme funds are those allowable under the National Pensions Act, 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883), Guidelines on fees and charges and any other directives issued by the Authority from time to time.

Expense Type	Maximum Rate (%)	Actual Rate (%)	2022	2021
			Amount (GHS)	Amount (GHS)
NPRA Fee	0.33	0.33	582,029	336,552
Trustee Fees	1.33	0.62	1,094,246	614,664
Administrator Fees		0.61	1,282,976	740,369
Fund Manager Fee	0.56	0.35	614,120	354,125
Custodian Fee	0.28	0.18	317,470	183,574
Audit Fee			18,285	43,371
<b>Total</b>	<b>2.50</b>	<b>2.09</b>	<b>3,909,126</b>	<b>2,272,655</b>

The scheme administrator had a contract that had its fee as tax exclusive, and this makes the trustees to bear their tax liability out of the 1.33% of the net asset value. Thus, the actual payment rate was 0.72%.



# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Report of the trustees (continued)

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### To the members of Universities Staff Occupational Pension Scheme

#### Statement of disclosure to auditor

So far as the Trustees are aware, there is no relevant information of which the Scheme's Auditor is unaware. Additionally, Trustees have taken all necessary steps that ought to have been taken as Trustees to make them aware of all relevant audit information and to establish that the Scheme's Auditor is aware of that information.

The Trustees confirm that no matters have arisen since 31 December, 2022 which materially affects the Financial Statements of the Scheme for the year ended on that date.

The Financial Statements have been prepared in accordance with the Trust Deed and the National Pensions Act, 2008 Act (766) as amended by National Pensions Act 2014, Act 883 and the Occupational and Personal Pension Schemes (General) Regulations, 2011 (L.I. 1990).



# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Report of the trustees (continued)

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### To the members of Universities Staff Occupational Pension Scheme

#### 2022 Economic review

The combined effects of the Russian-Ukraine war and Covid-19 pandemic have led to a broad-based and sharper-than-expected slowdown in global economic growth, with record global inflation numbers not seen in over four decades. The weakened global economic growth for 2022 was driven by the downside effects of the geopolitical tensions including supply shocks, tighter monetary policies, and a cost-of-living crises for households. This was widespread affecting both advanced and developing economies. Subsequently, the IMF has revised the global growth forecast for 2023 from 3.40% to 2.70% in 2022. Central Banks across the globe, including the US Federal Reserve, European Central Bank and Bank of England, went through several rounds of monetary policy rate hikes in a bid to anchor inflation expectations

Consequently, this dampened investor risk appetite which culminated in extensive capital outflows from emerging and frontier markets leading to local currency pressures with second-order inflationary consequences. The consequences of these shocks on the Ghanaian economy were amplified by country specific vulnerabilities and weak economic structures.

On the domestic front, Gross Domestic Product (GDP) growth has been sporadic within the year, falling from 7.00% to 3.30% in Q1 2022, rising to 4.70% in Q2 2022 before falling further to 2.90% as at Q3 2022, the lowest since Q1 2021. The country ended the period under review with a GDP growth 3.10%. However the Economic growth was expected at 3.70% for 2022 down from the earlier projection of 5.80%, on account of rising inflation and supply-chain bottlenecks.

The government's overall debt stock, which represents 105.00% of GDP has compelled the Government of Ghana to seek a USD 3.00 billion IMF balance of payment support. A Staff Level Agreement was reached in December 2022, with the Board approval pending the conclusion of a successful restructuring of both domestic and external debts to sustainable levels as per the agreement with the IMF. The Domestic Debt Exchange Program (DDEP) encountered strong pushback from various investor groups especially, the Labour Unions, a class of individual bond holders and the pensions industry. Consequently, as per the second amended and restated Domestic Debt Exchange Program, pension funds have been exempted from the program.

The Government of Ghana in its efforts to reduce the Debt to GDP ratio to 55%, in present value terms by 2028, announced a suspension of payments on selected external debts on 19 December 2022. The announcement highlighted that the suspension would include payments on Ghana Eurobonds, commercial term loans, and most bilateral debt. Payments on multilateral debt, new debt contracted after 19 December 2022, and related short-term trade facilities will be excluded from this suspension. The government is also assessing certain specific debt related to projects with the highest socio-economic impact for Ghana, which may have to be excluded.

Following the announcement of the Domestic Debt Exchange Program (DDEP) and suspension of coupon and principal payments on external debt, Fitch Ratings downgraded Ghana's Long-Term Foreign-Currency (LTFC) Issuer Default Rating (IDR) to 'C' from 'CC', S&P Ratings downgraded Ghana's sovereign rating to 'selective default' from CC, and Moody's downgraded Ghana's Long-Term Issuer and Senior unsecured bond Ratings to Caa1 from B3 with a negative outlook. These multiple downgrades further worsen Ghana's credit profile on the International Capital Market (ICM) which would culminate into severe pressure on the country's foreign reserve and the Ghana Cedi's performance against the major currencies.



# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Report of the trustees (continued)

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### To the members of Universities Staff Occupational Pension Scheme

The Ghana Stock Exchange Composite Index declined and ended the year at -12.38%, driven by heightened uncertainty induced by runaway inflation, portfolio reversals and exchange rate pressures. The GSE market capitalization was GHS 64.51 billion at the end of December 2022, representing a slight growth of 0.02%, compared with a growth 18.60% in December 2021. The marginal improvement in market capitalization was largely on account of the listing of Ashanti Gold Corporation. In addition, the total outstanding shares of NewGold ETF, Tullow Oil PLC, and AngloGold Ashanti Limited were increased during the period.

Developments in interest rates broadly showed upward trends across the various sections of the yield curve, consistent with the tightening policy stance and heightened risk emanating from the deteriorated government debt profile. The 91-day and 182-day Treasury bill rates soared to 35.48% and 36.23% respectively, in December 2022, from 12.49% and 13.19% respectively, in the same period of 2021. Similarly, the rate on the 364-day instrument surged to 36.06% in December 2022 from 16.46% in December 2021.

Month-on-month inflation fluctuated significantly during the year driven by hikes in prices of imported goods following the significant depreciation of the Ghana Cedi within the year. Headline inflation rose sharply from 12.60% in December 2021 to 54.10% in December 2022. Despite the Bank of Ghana's efforts to anchor rising inflation, we missed our inflation target by a staggering 44.10% for 2022. The food and non-alcoholic beverages basket made the most contribution to the high inflation print for the year.

### 2023 Economic and financial market outlook

The 2022 fiscal year presented numerous challenges for financial markets globally, and many of these fears remain as we entered 2023. Supply-chain bottlenecks have not fully eased, with the war in Europe. This has prompted a re-evaluation of the expenditure priorities of major western countries amid concerns on what the outcome of the latest fixture of geopolitical tensions between China and US will be. Nevertheless, while the red-hot inflation prints that were recorded in 2022 appear to be moderating in 2023, it is imperative for global central banks to get the timing and magnitude of this cycle of interest rate hikes correct.

On the domestic front, 2023 heralded a challenged growth outlook for the Ghanaian economy, with a major structural reform of the domestic bond market in view and its uncertain impact on banks, insurance companies, asset managers and the financial system. Additionally, there are enduring price pressures across all sectors of the economy on consumer spending, producers, and businesses. According to Government's estimates, growth for this year is projected to be around 2.80% with the World Bank predicting a softer growth rate of 2.70%. It is expected that the Government-led economic recovery programs like CARES, YouStart, and a policy focus on the agricultural, manufacturing, and tourism sectors, would drive domestic growth in 2023.

The Central Bank views the worst part of the inflationary pressures to have been recorded in 2022, and the lagged effect of the restrictive monetary policies implemented last year will work to curtail the risk of inflation being embedded this year. Together, with favorable base effects, it is expected that inflation will moderate by the end of the calendar year. Following a 1,250-basis points rate increase in the monetary policy rate in 2022, it is expected that the monetary policy committee of the Bank of Ghana, not begin loosening the policy rate during the first half of this year until there is conviction that the broad risks to inflation are firmly on the downside.



# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Report of the trustees (continued)

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### To the members of Universities Staff Occupational Pension Scheme

Much of the currency outlook will rest on the timely announcement of an IMF programme by the government and the associated credibility this will signal to the markets about Ghana's path towards fiscal consolidation. Moreover, should the implementation of vital policies that are meant to transform the import dependent nature of the Ghanaian economy prove successful, it could lead to a change in the expected long-term exchange rate path as predicted by fundamentals. These policies include reducing the import volume of food and consumables that can be manufactured domestically as well as barter transactions designed to enhance the sourcing of forex for the pricing windows of refined petroleum products. Overall, cedi depreciation this year should hit the mid-teens by the end of the year.

Ghana's expected enrollment onto a balance of payments support program with the IMF should see better expenditure rationalization from the government and a serious commitment to meet defined program targets with the Bretton Woods Institution. While it is unlikely that overall revenue outturn will outperform projections for this year in part owing to the impact of the domestic bond restructuring on tax revenue, discretionary spending will have to be limited to priority projects as part of expenditure adjustments. Consequently, it is expected that the government's deficit target of 7.70% for 2023 will be achieved.

On the fixed income markets, the introduction of new benchmark government bonds onto the domestic market will see a sharp correction in treasury yields in 2023. Treasury bill rates are anticipated to retreat to the low teens after ending 2022 above 35.00%. The secondary market should see an improvement in yields from the distressed levels of last year, however, the trading of new benchmark bonds and old bonds does not provide clarity on where average yields would end up settling.

### 2023 Portfolio strategy

The new investment guidelines and our outlook on the general economic and financial market performance in 2022 lead us to the following portfolio strategy:

- Diversification into the alternative investments space for investments with less correlated returns to fixed income instruments.
- Refunding inflows from Cocoa Bills and Government of Ghana securities into other money market and structured investment vehicles.
- Investing in high-yielding income producing REITS and real assets.
- Take advantage of opportunities in the equities market to include stocks whose prices are highly discounted but have strong dividend yields into the Portfolio.
- Invest in short-term high yield NCDs, Reverse Repos and Fixed deposits with strong multi-national Banks.

### Scheme performance

The University Staff Occupational Pension Scheme generated a net return of 19.14 % for the year 2022 (2022 unit price of GHS 2.3507910 and 2021 unit price of GHS 1.973169). This performance compared unfavourably against an average 91-day Treasury bill rate of 23.90%, annual inflation of 54.10% year on year, and Ghana Cedi depreciation of 29.97% against the United States Dollar in 2022 using the Bank of Ghana interbank exchange rate. The Scheme size grew from GHS 125,970,486 at the beginning of the year to GHS 201,196,267 year end, representing a growth of 59.71%.



# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Report of the trustees (continued)

### Board of trustees

The current Board of Trustees as well as any changes made during the year is indicated as below:

Name	License Number	Position	Date Appointed	Date Exited
Mr.Charles Akun Egan	NPRA/ ESOPS/12051/15156	Independent Member	29-Mar-17	
Mrs.Christine Eudora Oppong	NPRA/ ESOPS/12051/15343	Member	29-Mar-17	
Mr.Abdul Majeed A. Sulemana	NPRA/ ESOPS/12051/15348	Member	29-Mar-17	
Mr. Richard Okyere Boapea	NPRA/ ESOPS/12051/15347	Member/ chairman	29-Mar-17	
Mr.Kenneth Botchway	NPRA/ ESOPS/12051/15346	Member	29-Mar-17	
Mr. Joseph Azangeo	NPRA/ ESOPS/12051/15349	Member	29-Mar-17	
Mr. Joseph Agalik Agalik	NPRA/15507	Member	29-Mar-17	
Mr. Emmanuel Jacob Eshun	NPRA/15508	Member	29-Mar-17	
Mr.Baba Atimbila	NPRA/15509	Member	29-Mar-17	
Mr.Kizito Ackom	NPRA/ ESOPS/12051/15504	Member/ secretary	29-Mar-17	
Mr.Emmanuel Annoh	NPRA/ ESOPS/12051/15506	Member/ vice chairman	29-Mar-17	
Mr.Arthur Daniel	NPRA/ ESOPS/12051/15505	Member	29-Mar-17	

# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Report of the trustees (continued)

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To the members of Universities Staff Occupational Pension Scheme

### Statutory requirement

The Trustees have complied with the requirements of the National Pensions Act 2008 (Act 766) as amended by National Pensions (Amendment Act) Act 2014 (Act 883) and the Occupational and Personal Pension Schemes (General) Regulations 2011 (L.I 1990), the guidelines and the directives by the Board of Trustees that have been issued from time to time.

### Trustees representation & going concern consideration

The Board of Trustees confirm that no matters have arisen since 31 December 2022 which materially will affect the Scheme's Financial Statements as presented. The Trustees have made an assessment of the ability of the Scheme to continue as a going concern and have no reason to believe the Scheme will not be a going concern in the year ahead.

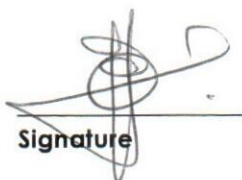
### Conclusion

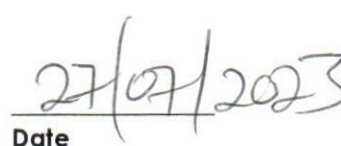
We would like to thank all our scheme members for the confidence reposed in us as their Trustees. We will look to exploit any opportunities in investment performance. In addition, we will continue with the on-going initiative to ensure the delivery of quality services and convenience for scheme members.

### Approval of trustees report

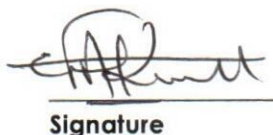
The annual trustees report set out on pages 3 to 11 were approved by the Board of Trustees and were signed on their behalf by:

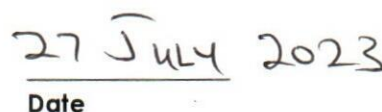
Andrews Doeh Agblobi  
Chairman, Board of Trustees

  
Signature

  
Date

Charles Egan  
Independent Trustee

  
Signature

  
Date



## INDEPENDENT AUDITOR'S REPORT

### To the Members of Universities Staff Occupational Pension Scheme

#### Opinion

We have audited the financial statements of Universities Staff Occupational Pension Scheme, which comprise the Statement of Net Assets Available for Benefits as at 31 December 2022, and the Statement of Changes in Net Assets Available for Benefits, Statement of Movement in Net Assets Available for Benefits and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Scheme as at 31 December 2022 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirement of the National Pensions Act, 2008 (Act 766), the National Pensions (Amendment) Act 2014 (Act 883) and the Occupational and Personal Pension Schemes (General) Regulations, 2011 (L.I. 1990).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Scheme 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 (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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. We have no key audit matter to report in this regard.

#### Emphasis of Matter

This section of our report is intended to describe the matters selected from those communicated with the Board of Trustees that, in our professional judgement, were most significant in our audit of the financial statements.



# **INDEPENDENT AUDITOR'S REPORT (Continued)**

## **To the Members of Universities Staff Occupational Pension Scheme**

### **IFRS 9 Compliance**

IFRS 9 published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, impairment on financial assets, as well as new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 requires that credit losses on financial assets are measured and recognised using the 'expected credit loss (ECL) approach. Credit losses are the difference between the present value (PV) of all contractual cashflows and the PV of expected future cash flows. The ECL approach results in the early recognition of credit losses since it includes, not only losses that have already been incurred, but also expected future credit losses.

The Scheme has adopted for the first time, IFRS 9, in the current year. The impairment on investment were therefore made in accordance with the adopted IFRS 9 approach.

### **Other Information**

The Board of Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Trustees for the Financial Statements**

The Board of Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard (IFRS) and the requirements of the National Pensions Act, 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883) and the Occupational and Personal Pension Schemes (General) Regulations, 2011 (L.I 1990), and for such internal controls as the trustees determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the 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 Trustees either intend to liquidate the or to cease operations, or have no realistic alternative but to do so.

### **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 misstatements, 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 risk of material misstatements 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 controls.



# INDEPENDENT AUDITOR'S REPORT

## To the Members of Universities Staff Occupational Pension Scheme

- Obtain an understanding of internal controls 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 controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

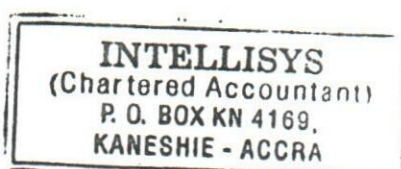
### Report on Other Legal and Regulatory Requirements

The National Pensions Act, 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883) and the Occupational and Personal Pension Schemes (General) Regulations, 2011 (L.I. 1990) requires that in carrying out our audit we consider and report to you 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 purpose of our audit.
- ii. Requirements specified in the Guidelines and under regulation 35 with respect to prohibited investment practices and the Guidelines on investment of pension funds under these Regulations have been complied with as at 31 December 2022.
- iii. In our opinion proper books of accounts have been kept by the Scheme so far as appears from our examination of those books, and
- iv. The Statement of Net Assets Available for Benefits as at 31 December 2022 and Statement of Changes in Net Assets Available for Benefits for the year ended 31 December 2022 are in agreement with the books of accounts.

The engagement partner on the audit resulting in this independent auditor's report is MyraStella Ansah (ICAG/P/1436).

*Intellisys*  
Intellisys (ICAG/F/2023/078)  
Chartered Accountants  
No. 2 Lardzeh Crescent  
North Dzorwulu  
Accra



Date: 27 July, 2023

# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Statement Of Changes In Net Assets Available For Benefits

Figures in GHS	Notes	2022	2021
<b>Dealings with members</b>			
Contributions	5	<b>78,132,130</b>	56,546,491
Benefits paid	6	<b>(2,774,363)</b>	(2,045,907)
<b>Net additions from dealings with members</b>		<b>75,357,767</b>	54,500,584
<b>Return on Investments</b>			
Investment income	7	<b>31,098,821</b>	16,509,886
Net gains on investment	8	<b>5,402,498</b>	1,502,723
<b>Net Returns on Investment</b>		<b>36,501,319</b>	18,012,609
Allowance for expected credit loss	9	<b>(32,716,290)</b>	(5,750,811)
Administrative Expenses	10	<b>(3,917,015)</b>	(2,278,611)
<b>Net Increase in Assets for the year</b>		<b>75,225,781</b>	64,483,771

The notes on pages 19 to 29 are an integral part of the financial statements.



# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022


## Statement Of Net Assets Available For Benefits

Figures in GHS	Notes	2022	2021
<b>Assets</b>			
Cash and cash equivalent	11	4,744,124	2,058,142
Investment	12	191,749,524	124,386,866
Accounts receivable	13	5,243,577	-
<b>Total Assets</b>		<b>201,737,225</b>	<b>126,445,008</b>
<b>Members Funds and Liabilities</b>			
Net Assets Available for Benefits		<b>201,196,267</b>	<b>125,970,486</b>
<b>Current Liabilities</b>			
Other payable	14	540,958	474,522
		<b>540,958</b>	<b>474,522</b>
<b>Total Funds and Liabilities</b>		<b>201,737,225</b>	<b>126,445,008</b>

The annual financial statements set out on page 15 to 29 were approved by the Board of Trustees on 27 July 2023 and were signed on their behalf by:

Andrews Doeh Agbobi


Chairman, Board of Trustees

  
Signature

27/7/2023  
Date

Charles Egan

Independent Trustee

  
Signature

27 July 2023  
Date

The notes on pages 19 to 29 are an integral part of the financial statements.

# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Statement Of Movement In Net Assets Available For Benefits

Figures in GHS	2022	2021
<b>Description</b>		
Net assets available for benefits at 1 January	<b>125,970,486</b>	61,486,715
Increase in net assets for the year	<b>75,225,781</b>	64,483,771
<b>Net assets available for benefits at 31 December</b>	<b><u>201,196,267</u></b>	<u>125,970,486</u>

The notes on pages 19 to 29 are an integral part of the financial statements.

# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Statement Of Cash Flows

Figures in GHS	Notes	2022	2021
<b>Cash flows from operating activities</b>			
Increase in net assets for the year		75,225,781	64,483,771
<b>Adjustments for:</b>			
Investment income		(31,098,821)	(16,509,886)
Allowance for expected credit loss		32,716,290	5,750,811
(Increase)/Fair value(gain)/loss		(5,402,498)	(1,502,723)
(Increase)/Decrease in receivables		(5,243,577)	-
Increase/Increase in payables		66,436	(238,116)
<b>Net cash flows from operating activities</b>		<b>66,263,611</b>	<b>51,983,857</b>
<b>Cash flows from investing activities</b>			
Investment income		31,098,821	15,241,035
Disposal/(Purchase) of money market securities		9,691,957	2,304,138
Disposal/(Purchase) of Corporate bonds		22,187	(6,434,679)
Purchase of Government of Ghana bonds		(75,409,691)	(55,613,332)
Purchase of local Government bonds		(28,980,903)	(9,030,039)
<b>Net cash flows used in investing activities</b>		<b>(63,577,629)</b>	<b>(53,532,877)</b>
Net increase/(decrease) in cash and cash equivalents		2,685,982	(1,549,020)
Cash and cash equivalents at beginning of the year		2,058,142	3,607,162
<b>Cash and cash equivalents at end of the year</b>	10	<b>4,744,124</b>	<b>2,058,142</b>

The notes on pages 19 to 29 are an integral part of the financial statements.



# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Accounting Policies

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### 1. Scheme information

The employer of staff from public universities is the sponsor of the Universities Staff Occupational Pension Scheme. The scheme is a tax-exempt approved plan under the National Pensions Act, 2008 (Act 766) and the National Pensions (Amendment) Act, 2014 (Act 883) and it is registered with the National Pensions Regulatory Authority (NPRA). Members and Employer contribution vary among participating employers.

### Statement of Compliance

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and the requirements of the National Pensions Act, 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883) and the Occupational and Personal Pension Schemes (General) Regulations, 2011 (L.I. 1990).

### 2. Basis of measurement

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain financial instruments. The actuarial value of pensions and other future benefits of the Scheme are not applicable to the financial statements. The principal accounting policies adopted in the preparation of these financial statements remains unchanged from the previous year.

#### 2.1 Functional and presentation currency

The financial statements are presented in the currency of the primary economic environment in which the scheme operates (functional currency), for that purpose the financial statements are presented in Ghana cedis (GHS).

#### Transactions and balance

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of changes in net assets.

#### 2.2 Contributions

Contributions are recognized in the period in which they fall due. The Contributions are in compliance with rates as per the National Pensions Act, 2008 (Act 766), National Pensions (Amendment) Act, 2014 (Act 883) and the scheme Governing Rules.

#### 2.3 Benefits

Benefits are recognized in the period in which they fall due. Benefits represent all valid benefit claims paid/payable during the year in compliance with the National Pensions Act, 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883) and the Occupational and Personal Pension Schemes (General) Regulations, 2011 (L.I. 1990) and the Scheme Governing Rules.

#### 2.4 Investment Income

Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable. Dividend Income from investments is recognised when the shareholders' right to receive payment has been established.



# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Accounting Policies

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### 2.5 Financial instruments

Financial assets and financial liabilities are recognised in the Scheme's balance sheet when the Scheme becomes a party to the contractual provisions of the instrument. Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the statement of changes in net assets available for benefits. If the transaction price differs from fair value at initial recognition, the Scheme will account for such difference as follows:

- if fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in the statement of changes in net assets available for benefits on initial recognition;
- in all other cases, the fair value will be adjusted to bring it in line with the transaction price (i.e. day 1 gain or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to the statement of changes in net assets available for benefits on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

#### a. Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the time frame established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding, are subsequently measured at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at FVTOCI;
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Scheme may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:



# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Accounting Policies

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- the Scheme may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, in OCI; and
- the Scheme may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL

if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option)."

### **b. Debt instruments at amortised cost or at FVTOCI**

The Scheme assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Scheme's business model for managing the asset.

For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal outstanding. For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal).

Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Scheme determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

The Scheme's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis."

The Scheme has more than one business model for managing its financial instruments which reflect how the Scheme manages its financial assets in order to generate cash flows. The Scheme's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Scheme considers all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that the Scheme does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Scheme takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;



# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Accounting Policies

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- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected). At initial recognition of a financial asset, the Scheme determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Scheme reassesses its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Scheme has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to statement of changes in net assets available for benefits. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to statement of changes in net assets available for benefits but transferred within equity.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

### c. Financial assets at FVTPL

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; or/and
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains/losses arising on remeasurement recognised in statement of changes in net assets available for benefits."

### d. Reclassification

If the business model under which the scheme holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting periods following the changes in business model that results in reclassifying the scheme's financial assets.

During the current financial year and previous accounting period there was no change in the business model under which the Scheme holds financial assets and therefore no reclassifications were made.

### e. Modification and derecognition of financial assets

A modification of the financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial assets. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date.

### f. Other financial liabilities

Other financial liabilities, including deposits and borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.



# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Accounting Policies

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The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

### **g. Derecognition of financial liabilities**

The Scheme derecognises financial liabilities when, and only when, the Scheme's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of changes in net assets available for benefits.

### **2.6 Provisions**

Provisions are recognised when the Scheme has a present legal or constructive obligation as a result of past events; it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably estimated. Where the obligation is expected to be settled over a period of years, the provision is discounted using a discount rate appropriate to the nature of the provision.

### **2.7 Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of net assets available for benefits.

### **2.8 New standards, amendments and interpretations not yet adopted**

#### **IFRS 9 - Financial Instruments**

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, as well as new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018. The Scheme is however yet to adopt IFRS 9.

### **3. Financial risk management, objective and policies**

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

- i. Asset/Portfolio/Credit risk
- ii. Liquidity risk
- iii. Equity price risk
- iv. Interest rate risk
- v. Market risk
- vi. Operational risk

This note presents information on the scheme's exposure to each of the risk the scheme's objectives, policies and procedure and processes for measuring and managing risk.

# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Accounting Policies

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### 3.1 Risk Management framework

- The Board of Trustees have overall responsibility for the establishment and oversight of the Scheme's Risk Management framework.
- The Scheme's Risk Management policies are established to identify and analyse the risks faced by the Scheme, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.
- The Board of Trustees, through the standards and procedures aims to develop a disciplined and constructive control environment, in which all Trustees understand their roles and obligations.
- The Board of Trustees are responsible for monitoring compliance with risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to risks faced by the Scheme.

### 3.2 Asset/Portfolio/Credit Risk

An Investment Asset Allocation Policy which is aimed at ensuring that the Board of Trustees positions the Scheme's portfolio to amass optimal returns within the changing market environment and expectations while ensuring that the corpus, risk and performance of the investment portfolio remains relatively safe and sound, is reviewed and approved by the Board of Trustees.

The approved Statement of Investment Policy serves as the guide for all investment activities of the Scheme.

In assessing the risk inherent in the portfolio, each asset class risk is measured with a keen eye on mitigating measures and controls on the risk. The first part of the measurement exercise, is the establishment of the Expected Return on each asset class.

The second part comprises the assessment of the risk characteristics of each asset; particularly in combination with the current portfolio. The risk of the individual assets is measured in the context of the effect of their returns on the overall portfolio volatility. The risk of financial loss to the Scheme if a counterparty to a financial instrument fails to meet its contractual obligations.

### 3.3 Liquidity risk

Liquidity risk is the risk associated with a situation where a Scheme does not have sufficient financial resources available to meet all of its obligations and commitments when they fall due, or can access them at an excessive cost. The Scheme maintains an investment policy, as approved by the Board of Trustees, which contains asset mix guidelines which help to ensure the Scheme is able to liquidate investments to meet its pension benefit or other obligations.

### 3.4 Market risk

Market Risk is the risk associated with changes in market prices, such as interest rate, equity prices and foreign exchange rates that will affect the Scheme's income or the value of its portfolio of financial instruments. Market price risk is managed by the Administrator through construction of a diversified portfolio of instruments traded on various markets and across various industries. In addition, market price risk may be hedged using derivative financial instruments such as futures contracts.

### 3.5 Equity Price risk

Listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.



# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Accounting Policies

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### 3.6 Interest Rate risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

### 3.7 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Scheme, processes, personnel, outsourcing, technology and infrastructure, and from external factors other than market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

### 4. Use of estimates and Judgement

The preparation of financial statement in conformity with IFRS requires that, the Board of trustees makes judgement, estimates and assumption that affects the application of policies and reported amounts of assets, liabilities, income and expense. Estimates and underlying assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgement about the carrying values of assets and liabilities that are not readily apparent from the other sources. Actual results may differ from these estimates.

# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Notes To The Annual Financial Statements

Figures in GHS	2022	2021
<b>5. Contributions</b>		
Members' contributions for the year amounted to GHS 78,132,130 (2021: GHS 56,546,491).		
<b>6. Benefits</b>		
Pension benefits paid and due to members for the year amounted to GHS 2,774,363 (2021: GHS 2,045,907).		
<b>7. Investment income</b>		
Government of Ghana securities	25,906,301	11,548,895
Local Government securities	2,954,896	1,652,502
Corporate debt securities	1,518,413	905,218
Call interest income	529,535	285,565
Money market securities	117,615	2,070,777
Dividends received from quoted companies	72,061	46,929
	<b>31,098,821</b>	<b>16,509,886</b>
<b>8. Net gains/ (losses) on investment</b>		
<b>Unrealised gain/(loss)</b>		
Gain/(loss) on valuation of Quoted equity	(113,141)	238,236
Loss on valuation of Corporate bond	(32,412)	(9,956)
Gain on valuation of Local Government bond	2,694,187	283,206
Gain on valuation of Ghana Government bond	1,051,206	56,252
Gain on valuation of collective investment	160,915	419,842
<b>Realised gain/(loss)</b>		
Gain/(loss) on disposal of Ghana Government bond	12,581	(6,408)
Gain on disposal of Local Government bond	1,629,162	521,551
	<b>5,402,498</b>	<b>1,502,724</b>
<b>9. Credit/(Allowance) for expected credit loss</b>		
Provision for the year	32,716,290	5,750,811
This represents the Scheme's Expected Credit Loss (ECL) measured in accordance with IFRS 9. The Expected Credit Loss is computed on bond held by the scheme.		
<b>10. Administrative expenses</b>		
Audit fees	18,285	43,371
Fund manager fees	614,120	354,125
Investment charges	7,889	5,956
Custody fees	317,470	183,574
NPRA fee	582,029	336,552
Trustee fees	1,094,246	614,664
Administrator fees	1,282,976	740,369
	<b>3,917,015</b>	<b>2,278,611</b>
<b>11. Cash and cash equivalent</b>		
Call accounts	4,744,124	2,058,142



# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Notes To The Annual Financial Statements

Figures in GHS	2022	2021
<b>12. Investment</b>		
Government of Ghana Bond	168,679,447	92,205,969
Local Government Bond	50,511,272	17,207,020
Corporate Bond	7,653,600	7,708,199
Money market securities	-	9,691,957
	<b>226,844,319</b>	126,813,145
Impairment loss	<b>(38,467,101)</b>	(5,750,811)
<b>Total of investment held at amortised cost</b>	<b>188,377,218</b>	121,062,334
Collective Investment	2,653,444	2,492,529
Quoted Securities	718,862	832,003
<b>Total investment</b>	<b>191,749,524</b>	124,386,866

Collective investment disclosed above represents investment in mutual funds held with EDC Investment Limited, Databank Brokerage Limited and Stanbic Investment Managements Services.

### Debt investment securities at amortised cost

Concentration by type at year 2022	Debt investment securities	Allowance for impairment loss	Total	Year end 2022
Government of Ghana Bond	168,679,447	(27,582,000)	141,097,447	141,097,447
Local Government Bond	50,511,272	(8,814,701)	41,696,571	41,696,571
Corporate Bond	7,653,600	(2,070,400)	5,583,200	5,583,200
Money Market Securities	-	-	-	-
<b>Total</b>	<b>226,844,319</b>	<b>(38,467,101)</b>	<b>188,377,218</b>	<b>188,377,218</b>

Concentration by type at year 2021	Debt investment securities	Allowance for impairment loss	Total	Year end 2021
Government of Ghana Bond	92,205,969	(4,236,674)	87,969,295	87,969,295
Local Government Bond	17,207,020	(1,022,054)	16,184,966	16,184,966
Corporate Bond	7,708,199	(492,084)	7,216,115	7,216,115
Money Market Securities	9,691,957	-	9,691,957	9,691,957
<b>Total</b>	<b>126,813,145</b>	<b>(5,750,811)</b>	<b>121,062,334</b>	<b>121,062,334</b>

### Allowance for impairment loss

An analysis of the Scheme's credit risk exposure per class of financial asset, internal rating and "stage" without taking into account the effects of any collateral or other credit enhancement is provided in the following tables. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts. For exposure commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively:

# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Notes To The Annual Financial Statements

Figures in GHS	2022				2021	
Debt investment securities for the year 2022						
	Stage 1	Stage 2	Stage 3			
	12-month					
	ECL	Lifetime ECL	Lifetime ECL	POCI	Total	Year end 2022
Grade 1-3: Low to fair risk	226,844,319	-	-	-	226,844,319	226,844,319
Total gross carrying amount	226,844,319	-	-	-	226,844,319	226,844,319
Loss allowance	(38,467,101)	-	-	-	(38,467,101)	(38,467,101)
	188,377,218	-	-	-	188,377,218	188,377,218

<b>Debt investment securities for the year 2021</b>						
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI	Total	Year end 2021
Grade 1-3: Low to fair risk	126,813,145	-	-	-	126,813,145	126,813,145
Total gross carrying amount	126,813,145	-	-	-	126,813,145	126,813,145
<b>Loss allowance</b>	(5,750,811)	-	-	-	(5,750,811)	(5,750,811)
	<b>121,062,334</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>121,062,334</b>	<b>121,062,334</b>

This table summarises the loss allowance as at year end by class of exposure\ asset.

Investment at amortised cost	<b>38,467,101</b>	<b>5,750,811</b>
Debt investment securities at amortised cost	-	-
Debt investment securities at FVTOCI	-	-
	<b>38,467,101</b>	<b>5,750,811</b>

The table below analyse the movement of the loss allowance during the year per class of assets.

### Loss allowance-Debt investment securities at amortised cost

2022	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI	Total
Loss allowance as at 1 January 2022	5,750,811	-	-	-	5,750,811
Loss allowance for the year	32,716,290	-	-	-	32,716,290
Loss allowance as at 31 December 2022	38,467,101	-	-	-	38,467,101
2021	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI	Total
Loss allowance as at 1 January 2021	-	-	-	-	-
Loss allowance for the year	5,750,811	-	-	-	5,750,811
Loss allowance as at 31 December 2021	5,750,811	-	-	-	5,750,811

The scheme did not recognise any other class of POCI financial assets during the period



# Universities Staff Occupational Pension Scheme

Annual Report and Financial Statements for the year ended 31 December 2022

## Notes To The Annual Financial Statements

Figures in GHS	2022	2021
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### 13. Accounts receivable

Contribution receivable	<b>5,243,577</b>	-
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Below is an analysis of the contribution receivable as of year end;

	Current	31-60 days	61-90 days	Over 90 days	Total
Contribution	1,895,377	575,856	992,646	1,779,698	<b>5,243,577</b>

### 14. Other payable

Fund manager fees	<b>68,893</b>	38,404
Benefit payable	<b>93,417</b>	68,061
Audit fee payable	<b>18,285</b>	36,370
Administrator fees	<b>142,666</b>	275,140
NPRA fees	<b>64,721</b>	36,589
Trustees fees	<b>117,674</b>	-
Custody fees	<b>35,302</b>	19,958
	<b>540,958</b>	474,522

### 15. Income Tax

Under Section 89 (1) of the National Pensions Act, 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883) and Income Tax Act 2015 (Act 896) as amended, the Scheme is exempt from taxation.

### 16. Contingent and Commitments

As at the date of reporting, there were no outstanding commitments or contingencies.

### 17. Event after the reporting date

Events subsequent to the Statement of Net Assets Available for Benefits date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material. As at the end of the reporting period, there were no events after the reporting period that relate to the year under consideration.

### 18. Going Concern

The Board of Trustees believe that the Scheme will be a going concern in the year ahead. For this reason we continue to adopt the going concern basis in preparing the annual financial statements.