



CEDAR PENSION SCHEME

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2019



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CHAIRMAN'S REMARKS

Dear Employers and Scheme Members,

It is my pleasure to present you with the Cedar Pension Scheme Annual Report and Financial Statement for the year ended 31 December 2019. As we write this year's report, we are in the midst of the greatest pandemic battle we have experienced in a generation. Our prayers goes out to the individuals, including healthcare workers and front line responders, most deeply hit by the COVID-19 crisis.

As a Pension Fund Trustee, Axis invests on behalf of our members in a fiduciary capacity. The money we manage is not our own. It belongs to the thousands of hard working men and women across the length and breadth of the country who are saving to finance their retirement goals. We have a deep responsibility to our clients to ensure your money is invested prudently.

After 10 years of implementation of the National Pensions Act, 2008 (Act 766), it is important to take stock, reflect on our successes and re-strategize for the next decade. Without doubt, the pension reform has been a monumental achievement for Ghana. Pension assets to GDP reached 9.3% in 2018, from 5.59% in 2013. An evolving savings culture, inspired by tax incentives and robust governance, has helped mobilize over GH¢13b in long-term capital as at December 2018.

As we begin the new decade, it is important to reflect upon and present to you your Fund's activities in 2019. The financial sector-wide clean up in 2019 led to hundreds of licenses revoked across savings and loan, finance houses and asset management companies. The private pensions industry was largely spared from the harsh brunt of the clean-up due to pre-emptive regulations by the National Pension Regulatory Authority (NPRA).

The Trustees of the Cedar Pension Scheme invested the assets under our management with due care and diligence. Net Asset Value (NAV) increased from GH¢127.97 million to GH¢176.38 million, with total inflows (contributions and transfer-in) of GH¢31.26 million, benefit payments of GH¢2.28 million and net investment income of GH¢21.63 million representing a year-to-date return of 14.73%. The 2019 investment returns' represents 6.04% above average inflation rate of 8.69%, which is consistent with the Fund's investment objective.

The reported return is net of a total impairment of GH¢ 916,472 taken on our investment in two listed bonds; PBC Ltd and Edendale Properties Ltd. These issuers failed to pay full principal after their bond matured. The impairment provision is therefore in line with prudent accounting requirement. We are hopeful of recovery in the near future. Any recovery will accrue to members as gains.

The events of the past three years confirms the critical importance of our financial literacy and retirement planning campaigns. In 2019, we intensified our educational outreach to members of our scheme. We organized 80 retirement planning outreaches across our member organizations with about 2,756 participants in attendance. Regrettably, members are apathetic to this initiative. Nonetheless, we are not perturbed because we believe the initiative is in the best interest of members. These efforts will therefore continue unabatedly in the coming years. We owe it a duty to liberate the masses from the constant financial pitfalls through investment and retirement savings education.

We organized an industry first annual general meeting for the Cedar Pension Scheme. We also brought together our members who are nearing retirement; in what was also an industry first, for a comprehensive one-day education on navigating life after retirement.

Lastly, I would want to use this opportunity to extol the virtue of long term investing. No one can build wealth without consistently investing over a very long time. We all know this; however the challenge of self-discipline makes it extremely hard to save for the long term. Issues relating to financial self-discipline arise when choices and their consequences are separated in time. For instance, how do I forgo present consumption for some benefit which might be 10, 20 or 30 years away?

It is for this reason that we are better off allowing complementary retirement saving schemes like Tier 3 including personal pension schemes to fulfill our retirement needs without interrupting it. If you want an evidence of what consistent long term saving does, take a look at your Cedar Pension fund (Tier 2) account balance.

Check out the break down between investment income and contributions. Imagine what your Provident Fund account will look like today if you had one and have not drawn down since it began. Most importantly imagine how your retirement future will look like if you decide today you will not interrupt the growth of your provident fund.

2020 will see us continue to accelerate investments in products, services and technology. Members should be able to update their beneficiary details on our Client Relationship Management (CRM) platform and access our services on USSD short code 1860. We encourage you to explore all our digital channels to ensure you are close to us. On behalf of the Board of Trustees, I thank all participating employers and scheme members for your continued trust in our stewardship. I wish you well.



Robert Marshall Bennin
Chairman, Board of Trustees

SCHEME ADMINISTRATION REPORT

Establishment, Nature and the Status of the Scheme

The Scheme is a defined Contribution Scheme which provides Lump Sum benefits on Retirement and such other ancillary benefits to members who meet the qualifying conditions stipulated under the National Pensions Act, 2008 (Act 766).

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), 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 of the Scheme are ultimately responsible for administration of the Scheme and their responsibility to the Scheme is established by a Trust Deed and Scheme Governing Rules approved on 1st November 2012. Scheme Governing Rules and Trust Deed both of which are subject to Act 766, form the basis of establishing the Scheme.

Licence Number	Trustee Name	Position	Appointment Date	Date of Exit
NPRA17007	Robert Marshall Bennin	Chairman	13/10/2017	
NPRA/MTOPS/12002/15001	Afriyie Oware	Member	12/11/2012	
NPRA19024	Dorcas Okantey	Member	09/01/2019	
NPRA17025	Daniel Kwasi Sarpong	Member	13/10/2017	
NPRA19025	Matthew Mani	Member	28-Jun-19	
NPRA19026	Ato Boateng	Independent Trustee	28-Jun-19	
NPRA/MTPFS/12001/15003	Simon Komla Agbenyegah Ayivi	Member	12/11/2012	28-Jun-19
NPRA/MTPFS/12001/15002	Ivy Naa Odey Hesse	Independent Trustee	13/09/2016	28-Jun-19

Scheme Membership Statistics

	2019	2018	2017
Members as at 1st January	30,187	23,152	18,495
Additions	6,019	6,318	4,970
Withdrawals	191	717	313
Members as at 31st December	36,015	30,187	23,152

Summary statistics

Description	Deferred Contributions	Transfers In	Transfers Out	Early Withdrawal	Retirement (Statutory)	Retirement (Early)	Permanent Emigration	Incapacitated Members	Deaths
Numbers	1,377	86	66	-	111	-	7	-	7

Financial Highlights

Activity	2019(GH¢)	2018(GH¢)	2017(GH¢)
Contributions	31,258,543	31,272,912	16,885,569
Net Investment Income	21,636,283	16,526,124	12,669,288
Benefits Paid	2,283,342	4,002,749	938,665
Assets Under Mgt.	176,383,963	127,965,752	86,390,251

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), Guidelines on Fees and Charges and any other directives issued by the Authority from time to time.

			2019	2018
Fee Type	Maximum Rate (% p.a.)	Actual Rate (% p.a.)	Amount (GH¢)	Amount (GH¢)
NPRA Fees	0.33	0.33	487,418	340,083
Trustee (Administrator) Fees	1.33	1.33	1,744,088	1,098,320
Pension Fund Custodian Fees	0.25	0.18	263,694	190,779
Pension Fund Mgr. Fees	0.56	0.50	667,597	524,757
Audit Fees			8,502	4,251

Member Communication & Scheme Information

Scheme Information is disseminated through scheme brochure, SMS, emails, the Client Access Portal and the Mobile App downloadable on Google Play Store and the App Store.

Access to Benefit Statements & Scheme Information

Scheme members have a 24-hour online access to their benefit statements via <https://-cap.axispension.com/crm/> and the Axis Mobile App. Members may use their SSNIT numbers or Axis membership numbers to log on to the platform to view and print statements. All scheme members are encouraged to take advantage of this platform to update themselves with the growth and performance of their retirement savings. Members can also update their beneficiary details using the Axis Mobile App.

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INVESTMENT REPORT

Economic & Market Overview

In the 2019 the key drivers of global markets were the trade tensions between the USA and China and central bank monetary policy easing. Geopolitics and trade disputes influenced asset prices and market volatilities. Global Central Banks reduced policy rates with the aim of offsetting the trade shocks and sustaining the economic expansion in spite of the late stage of the business cycle. The expansionary monetary policy tilt were key drivers of strong assets returns across global markets.

The Ghanaian economy saw robust economic growth albeit below 2018 and 2017 growth outturns. Third quarter economic growth rate was 5.6% compared to 6.7% and 5.7% in the first quarter and second quarter respectively. Overall, we expect full year 2019 GDP to come in stronger due to stronger fourth quarter holiday demand and boost from the Tourism Authority's Year of Return Initiative. Year-end Inflation declined to 7.9% from same period 2018 figure of 9.3% driven mainly by a fall in food inflation - 7.2% in 2019 compared with 8.4% in 2018 - coupled with the rebasing and reconstitution of the inflation basket in September 2019.

Government's short term treasury rates were relatively unchanged in the year under review increasing marginally by just 0.1% across both the 91 and 182 days bills to close the year at 14.7% and 15.15% respectively. The primary market yield of the 2 and 5 year notes increased by 1.5% and 3% respectively while the 3year frequently issued bond yield fell by 0.3%. On the secondary market, we saw weak performance across the government sector with the S&P Ghana Sovereign Bond Index recording end of year USD return of 2%.

The equities market continued its bearish run in 2019. The general market fell by 12.25%, while the financial composite declined by 6.23%. The fall in stocks is in spite of a rebound in earning per shares across most of the listed companies. Overall, weaker sentiments due to a protracted financial sector clean up exercise and favorable developed market stock performance weakened offshore demand and drove equities southward.

Investment Policy

The strategic asset allocation for the Cedar Pension Scheme remains unchanged. The Cedar Pension Scheme is a master-trust scheme made up of three investment packages (investment plans) namely Growth, Moderate, Capital Preseverstion and Plan. These investment plans are underlined by segregated asset class-based constituent fund namely; The Growth, Moderate, Capital Preseverstion and Plan

In whatever asset class we invest in, our goal is clear, i.e. to grow the value of the Fund so members enjoy decent pensions at retirement. Cedar Pension Scheme return objective are therefore to achieve a stable real return of 5% and/or attain a return that exceeds the 364 days Government Paper return on a rolling 5 year basis. Below is the strategic global asset allocation of the scheme:

Asset Class	Policy Allocation	Control Ranges (%)
Corporate bonds & debts ¹	10%	+10% to -5%
Government notes & bonds ²	45%	+10% to -10%
Treasury bills	5%	+10% to -5%
Money market securities	15%	+5% to -10%
Equity	15%	+5% to -7.5%
Alternative investments	10%	+5% to -5%
Local government and statutory agency	15%	-5%
Mutual fund	5%	+5% to -5%

Statement of Investment Principles

We the Trustees attest that Scheme funds have been invested with the objective of obtaining safe and fair returns in accordance with National Pensions Act, 2008 (Act 766). We confirm that there has been full compliance with prohibitions on investments which include but are not limited to, use of Pension Fund assets as collateral, investing outside maximum allowable limits, investing outside the scope of Assets stipulated by the Investment Guidelines and investing in securities issued by any issuer for which there exists a conflict of interest.

Portfolio Execution & Performance

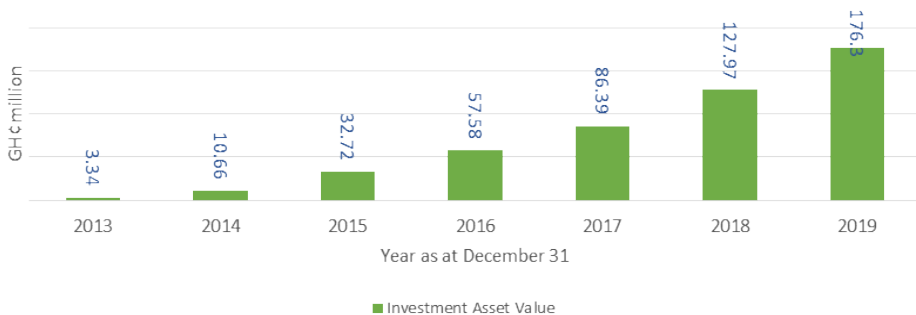
The table highlights our significant increase in our Local Government and Statutory Agency (LGSA) and Treasury Securities allocation, while we cut back in our bank fixed deposit exposures in 2019. We increased our exposure in equities during the fourth quarter of 2019 to lower the average purchase cost of key holding as we believed the general fall in price present great buying opportunities in our top equity picks.

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Asset	Maximum Allocation(%)	Actual Allocation(%)	Investment Income Earned (GH¢)	2019 Year End Value (GH¢)	2018 Year End Value (GH¢)
Government Treasuries	60%	60%	16,510,676	106,669,057	65,246,699
Corporate Bonds/REITS	35%	7%	1,975,926	12,608,001	11,487,229
Money Market	35%	9%	1,950,541	15,148,677	12,886,408
Local Gov't & Stat.Agency Securities	35%	12%	2,841,389	20,626,091	15,979,151
Open and Closed Ended Funds	15%	2%	677,627	3,878,859	5,623,815
Alternative Investments	15%	1%	(43,586)	1,140,697	670,652
Listed Equities	5%	6%	(448,763)	10,645,769	8,635,397
Cash and Receivables	20%	3%	101,252	6,049,513	7,922,024
Total		100%	23,565,062	176,766,664	128,451,375

Strong Net Asset Growth since Inception

Below is the evolution of the Cedar Pension Scheme net asset value (NAV) over the past 6 years





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Investment Management Mandates

The Cedar Pension Scheme assets are invested to reflect segregated asset class based constituent funds namely; Equity Fund, Government Bond Fund, Income plus Credit Fund and Alternative Asset Funds. This strategy is designed to improve investment returns within an asset class and to optimize efficiency in management of assets. The arrangements for segregated management of the scheme's assets, as at December 31, 2019, are set out below:

Constituent Fund	Fund Manager	% of the Fund
Government Bond Constituent Fund	Databank Asset Management Ltd	45.16%
Income and Credit Fund	Stanlib Ghana Ltd.	36.08%
Equity Constituent Fund	IC Asset Manager Ltd.	18.76%
Alternative Assets Constituent Fund	Stanlib Ghana Ltd.	0.67%

Constituent Funds

Government Bond Constituent Fund

	Maturity	Target Allocation	Lower Limit	Upper Limit
Treasury Bonds/Notes ¹	>2- 10 Years	100%	78%	122%
Portfolio Total		100%	78%	122%

Tactical Allocation

Money Market Securities	1 – 270 days	10%	0%	15%
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Income plus Credit & Alternative Assets Constituent Fund

Asset Class	Target Allocation	Lower Limit	Upper Limit
Government Securities (up to 1 Tenor)	17%	0%	50%
Money Market Securities	50%	17%	67%
Corporate Notes & Bond (2-10 Years)	33%	17%	67%
Portfolio Total	100%	33%	183%

Tactical Allocation

Asset Class	Maturity	Target Allocation	Lower Limit	Upper Limit
Government Notes & Bonds	1-5yrs	5%	0%	10%

Equity Constituent Fund

Asset Class	Target Allocation	Lower Limit	Upper Limit
Listed Equities	100%	50%	133%

Tactical Allocation

Asset Class	Target Allocation	Lower Limit	Upper Limit
Listed Equities	100%	50%	133%

Performance of Investment Packages

The Cedar Pension Scheme net return for 2019 was 14.73% at the global level, outperforming inflation by 6.04%. This returns however is different from what is reflected in member's accounts. The Fund applies life cycle investing strategy where members are allocated to different investment packages based on their age. Clearly, investment needs and appetite towards risks tend to differ with age. The scheme has therefore been designed to place younger members in more aggressive portfolios with automatic shift to conservative portfolios as they approach retirement. This is best practice globally for Defined Contribution investing and we at Axis are proud to lead the industry in the application of this strategy since inception in 2012. The table below summarizes the age ranges for the various retirement plans:

Retirement Plan	Moderate Retirement Plan	Moderate Retirement Plan	Preservation Retirement Plan
Age Range	< 40 years	40-49 years	> 50 years

Cedar Pension Scheme Historical Performance

Retirement Plans against Benchmarks	2019 Annualized	3-Years CAGR	5-Years CAGR	Since inception CAGR	Cummulative Returns Since Inception
Growth Portfolio Retirement Plan	13.68%	15.63%	18.05%	18.93%	237%
Moderate Portfolio Retirement Plan	15.04%	16.82%	20.00%	20.51%	269%
Preservation Portfolio Retirement Plan	15.63%	17.33%	21.25%	21.67%	295%
Average Scheme's Return	14.73%	16.65%	19.83%	20.61%	271%
Inflation Benchmark	8.69%	10.30%	13.06%	13.17%	138%
US Dollar	11.86%	8.54%	11.55%	16.38%	189%

*CAGR: Compounded Annual Growth Rate

Outlook & Portfolio Strategy

With a trade truce between the United States of America and China in the offing, 2020 held economic growth prospect. Central bank monetary easing in developed economy was growth supportive until the sudden impact of the COVID-19 pandemic. The human and economic toll of the COVID-19 pandemic cannot be understated. While we expect the worst of the impact to be felt in H1-2020, it could extend beyond this period. 2020 may see the worst peacetime performance for the global economy since the Great Depression of 1929-31.

Global credit rating agency, Fitch predicts world economic activity to decline by 1.9% in 2020 with US GDP down by 3.3%, the Eurozone down by 4.2% and the UK down by 3.9%. China's recovery from the disruption in Q1-20 will be sharply curtailed by the global recession and annual growth will be below 2%. Ghana's economic growth which was tipped to grow at 6.8% is now expected to grow by only 2.6%, the lowest in 36 years. Government fiscal deficit is expected to exceed initial forecast of 4.7% to 7.8% as a result of; significant shortfall in petroleum receipts estimated at GH¢5.7 billion, shortfalls in import duties, shortfall in other tax revenues, and increase in health related expenditure amidst general tightening financial conditions. Together revenue shortfall is expected to exceed GH9 bn.

In Ghana, to mitigate the impact of COVID-19 on economic growth, the central bank eased prime rate by 1.5% to 14.5%, reduced required reserves from 10% to 8%, relaxed provisioning requirement and made use of macro-prudential policy to encourage lending by banks. The fiscal authorities on the other hand will prop up the economy through a release of GH¢ 1 billion into the Coronavirus Alleviation Program to support businesses that are hard hit by the crisis. Government will further access about GH¢3.1 billion in IMF's Rapid Credit Facility, cut GH¢1.2 billion of recurrent expenditure and capital spending, as well as possibly amending legislation to borrow as much as 10% of the previous year's fiscal revenue from the Bank of Ghana (BOG). We believe the combination of monetary and fiscal policies will help alleviate the economic pains from COVID-19.

Our goal is to build a resilient portfolio that will help us weather the COVID-19 storm while we take advantage of the situation to snap up asset which hitherto will be selling at a premium. In this regard, Government of Ghana intermediate term notes shall continue to dominate our total portfolio. We have seen yields on Government notes and bonds increasing by between 200 bps and 300 bps due to foreign investors sell off driven by the COVID-19 pandemic fear. The fund shall opportunistically pick up yields on government bonds to enhance portfolio return.

The weakening that will be brought upon our fiscal positions implies the local currency may depreciate against other hard currency. This coupled with the fact that asset prices have declined present an opportunity to buy Ghana's Eurobond which is currently selling at a huge discount. We shall over time expose about 10% of our portfolio to this asset class as it provides a hedge against the perennial currency depreciation and an opportunity for good coupons.

We remain very cautious about the general credit environment and will not add much exposure to our credit or corporate bond portfolio. We will evaluate our current corporate credit holdings individually and cut back significantly when credit conditions among issuers deteriorate substantially.

We will maintain our equities holding in line with our strategic asset allocation. In equities our preference are companies with resilient balance sheet, consistently high returns on equities, leaders in their industry and selling at a discount compared with peers. We believe the general stock market is under-valued and will not turn down an opportunity to buy great companies with exceptional management on the low.

We have already committed about USD 2.0 million to two private equity funds, Oasis Africa VC Fund and Injaro Ghana Venture Capital Fund. We will continue to make cash available to them when they make a call on the committed capital. We believe in times of market stress such as we are facing, private equity as an asset class usually stands out in terms of performance and will count on this asset class to make our investment worthwhile.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The National Pensions Act, 2008 (Act 766) requires the Trustees to prepare financial statements for each financial year which gives a true and fair view of the financial transactions of the Scheme for the year and of the disposition at year end of its assets and liabilities. It also requires the Trustees to ensure that the Scheme keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Scheme. They are also responsible for safeguarding the assets of the Scheme.

The Trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the National Pensions Act, 2008 (Act 766) and the Occupational and Personal Pension (General) Regulations, 2011 (L.I. 1990). The Trustees have instituted appropriate internal controls to avert cases of fraud or error from which material misstatements may arise.

The Trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards and in the manner required by the National Pensions Act, 2008 (Act 766) and the Occupational and Personal Pension (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 CEDAR PENSION SCHEME.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CEDAR PENSION SCHEME

Opinion

We have audited the accompanying financial statements of Cedar Pension Scheme, which comprise Statement of Net Assets available for benefits as at 31st December, 2019, and the Statement of Changes in Net Assets available for benefits and Statements of Cash Flows for the year ended and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 19 to 35.

In our opinion, the financial statements give a true and fair view of the financial position of the Scheme at 31 December 2019 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the National Pensions Act, 2008 (Act 766) and the Occupational and Personal Pension (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 ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Trustees for the Financial Statement

The Trustees are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the National Pensions Act, 2008 (Act 766) and the Occupational and

Personal Pension (General) Regulations, 2011 (L.I. 1990), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Trustees are also responsible for overseeing the Scheme's financial reporting process.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a

material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund’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 Fund to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Fund or its activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

Key Audit Matter

In accordance with ISAs, this part of our report is intended to describe the matters communicated with those charged with governance that we have determined, in our professional judgment, were most significant in the audit of the financial statements.

Key audit matters identified during the audit have been communicated to those charged with governance in a separate management letter.

Report on Other Legal and Regulatory Requirements

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, proper books of accounts have been kept, and the Trustees of the Scheme have complied with the prohibited investment practices requirements under Regulation 35 as well as the requirements of all other regulations specified by the Occupational and Personal Pension Schemes (General) Regulations, 2011 (L.I. 1990), the requirements of the National Pensions Act, 2008 (Act 766), the requirements of the National Pension (Amendment) Act, 2014 (Act 883) so far as appears from our examination of the books.

Signature

The engagement partner on the audit resulting in this Independent Auditor’s report is **John Armstrong Yao Klinogo** (ICAG/P/1116)



For and on behalf of John Kay & Co.
(ICAG/F/2020/128)
Chartered Accountants

11th May, 2020
Accra.

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS AS AT
31ST DECEMBER, 2019

	Note	2019 GH¢	2018 GH¢
ASSETS			
Bank Balance	4	2,332,715	4,329,876
Investments Held at Amortized Cost	5	155,786,783	105,063,314
Fair Value Through Profit and Loss	6	15,665,325	15,466,037
Receivables	7	2,981,841	3,592,148
TOTAL ASSETS		176,766,664	128,451,375
LIABILITIES			
Administrative Expenses Payable	8	317,735	303,615
Benefits Payable	16	37,533	46,655
Other Payables	14	27,433	135,353
TOTAL LIABILITIES		382,701	485,623
TOTAL LIABILITIES		176,383,963	127,965,752
Represented By:			
NET ASSETS AVAILABLE FOR BENEFITS		176,383,963	127,965,752

The Financial Statements on pages 19 to 35 were approved by the Trustees on 19th March, 2020 and were signed on their behalf by:

ON BEHALF OF THE BOARD OF TRUSTEES

Afriyie Oware

Trustee

Signature

19th March, 2020

Date

Matthew Mani

Trustee

Signature

19th March, 2020

Date

STATEMENTS OF ACCOUNTS

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED 31ST DECEMBER, 2019

	Note	2019 GH¢	2018 GH¢
DEALINGS WITH MEMBERS			
Contributions	9	31,258,543	31,272,912
Benefits	10	(2,283,342)	(4,002,749)
Net Additions from Dealings with Members		28,975,201	27,270,163
RETURNS ON INVESTMENTS			
Investment Income	11	22,587,036	16,642,257
Brokerage Fees/Commissions		(34,281)	(26,703)
Provision for Impairment Loss	15	(916,472)	(89,430)
Net Investment Income		21,636,283	16,526,124
Net Gains / (Losses) on Investment Income	12	978,026	(62,596)
Administrative Expenses	13	3,171,299	2,158,190
Increase In Net Assets For The Year		48,418,211	41,575,501

STATEMENT OF MOVEMENT IN NET ASSETS AVAILABLE FOR BENEFITS FOR
THE YEAR ENDED 31ST DECEMBER, 2019

	Note	2019 GH¢	2018 GH¢
Net Assets Available For Benefits As At 1st January		127,965,752	86,390,251
Increase (Decrease) In Net Assets For The Year		48,418,211	41,575,501
Net Assets Available For Benefits As At 31st December	17	176,383,963	127,965,752

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31ST DECEMBER, 2019

Note	2019 GH¢	2018 GH¢
Increase in Net Assets for the Year	48,418,211	41,575,501
Adjusted for: Investment Income (Non-Cash)	(9,289,809)	(5,625,691)
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase/(Decrease) in Benefits Payable	(9,122)	-
Increase/(Decrease) in Admin Exp. Payable	14,120	132,615
Increase/(Decrease) in Other Payables	(107,920)	135,353
Increase/(Decrease) in Receivables	610,307	318,076
Net Cash Generated from Operating Activities	39,635,787	36,535,854
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Treasury Bonds	(53,151,911)	(32,069,378)
Purchase of Treasury Bills	(3,140,091)	(16,245,298)
Purchase of Ordinary Shares	(4,120,998)	(8,103,193)
Purchase of Money Market Securities	(27,851,835)	(19,992,159)
Purchase of Corporate Bonds	(1,200,000)	(2,880,164)
Purchase of Units in Open / Close Ended Funds	(138,753)	(1,653,110)
Purchase of LGSA Securities	(25,800,033)	(16,036,243)
Proceeds from Disposal of Treasury Bonds	21,377,128	14,502,215
Proceeds from Disposal of Treasury Bills	13,081	18,396,468
Proceeds from Disposal of Ordinary Shares	1,000,518	61,491
Proceeds from Disposal of Money Mkt Sec	26,276,314	26,040,462
Proceeds from Disposal of Corporate Bonds	370,059	733,319
Proceeds from Disposal of Units of Open/Closed End Funds	2,896,327	25,576.00
Proceeds from Disposal of LGSA Securities	21,837,246	3,589,720
Net Cash Used in Investing Activities	(41,632,948)	(33,630,294)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,997,161)	2,905,560
Cash and Cash Equivalents as at 1st January	4,329,876	1,424,316
Cash and Cash Equivalents as at 31st December	2,332,715	4,329,876

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

1. SCHEME INFORMATION

The Scheme is a defined Contribution Scheme which provides Lump Sum benefits on Retirement and such other ancillary benefits to members who meet the qualifying conditions stipulated under the National Pensions Act, 2008 (Act 766). Axis Pension Trust Ltd is the sponsor of the Cedar Pension Scheme. As at the date of reporting, the number of members of Cedar Pension Scheme is 36,015.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Financial Statements of the Scheme have been prepared in accordance with International Financial Reporting Standards (IFRS) and in compliance with the National Pensions Act, 2008 (Act 766), the Occupational and Personal (General) Regulations (L.I. 1990) and relevant Guidelines.

2.2 Basis of Measurement

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

2.3 Use of Estimates and Judgement

The preparation of financial statements in conformity with IFRS requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and the associated 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 the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2.4 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Quoted Investments

The financial assets at fair value through profit or loss are determined by reference to their quoted bid price at the reporting date. Changes in market values are recognised in the Statement of Changes in Net Assets Available for Benefits.

(ii) Cash and Cash Equivalents

The fair value of cash and cash equivalents approximates their carrying values.

(iii) Non-Derivative Financial Liabilities

Fair value, which is determined for disclosure purposes, is calculated on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Instruments with maturity period of 6 months are not discounted as their carrying values approximate their fair values.

2.5 Fair value of Financial Instruments

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under IFRS 13 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Scheme has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

2.6 Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Functional and Presentation Currency

The financial statements are presented in Ghana Cedis (GH¢), which is the Scheme's

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

3.2 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) and the Scheme Governing Rules.

3. SIGNIFICANT ACCOUNTING POLICIES CONTD.

3.3 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) and the Scheme Governing Rules.

3.4 Investment Income

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

3.5 Financial Assets

The Trustees determine the classification of Financial Assets of the Scheme at initial recognition.

Financial Assets are classified as follows:

a. Financial Assets at Fair Value through Profit or Loss (FVTP&L)

Fair value through profit or loss is the classification of instruments that are held for trading

or for which the entity's business model is to manage the financial asset on a fair value basis i.e. to realise the asset through sales as opposed to holding the asset to collect contractual cash flows. Upon initial recognition as financial asset or financial liability, it is designated by the Trustees at fair value through profit or loss except for investments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. The trustees have elected to classify all investments in equity under FVTP&L.

b. Investment Held at Amortised Cost

Investments held at amortised cost are non-derivative financial assets with fixed or determinable payments and fixed maturity. In determining the classification of financial assets to the above class, two test criteria are applied;

Business model test: The objective of the entity's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The Trustees have assessed the business model of the Pension Scheme and cash flow characteristics of its fixed income investments and elected to classify all fixed income instruments under amortised cost.

c. Initial Recognition of Financial Asset

Purchase and sales of financial assets held at fair value through profit or loss and liabilities are recognized on the date the Trustees commit to purchase or sell the asset. Financial assets are initially recognized at fair value plus directly attributable transaction costs, except for financial assets at fair value through profit or loss.

d. Subsequent Measurement of Financial Asset

Financial Assets classified as fair value through profit or loss are subsequently measured at fair value with the resulting

changes recognized in the Statement of Changes in Net Assets.

e. De-recognition

Financial assets are derecognized when the right to receive cash flows from the financial assets has expired or where the Scheme has transferred substantially all risks and rewards of ownership. Any interest in the transferred financial assets that is created or retained by the Scheme is recognized as a separate asset or liability.

Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expired.

3. SIGNIFICANT ACCOUNTING POLICIES CONTD.

f. Amortized Cost Measurement

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

g. Identification and Measurement of Impairment

A financial asset or a group of financial assets are impaired using the "expected credit loss" model, where the Trustees calculate the allowance for credit losses by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes.

The Expected Credit Loss Model (ECL) is used in the recognition of impairment losses. The ECL means that on the day an entity recognizes (enters into a an investment contract) a financial asset, it has to provide from day 1 credit losses up to 12 months expected credit loss even if the financial assets are not credit impaired. When the issuer's credit risk worsens due to some observed conditions, then a lifetime ECL must be booked.

Objective evidence that financial assets are impaired can include default or delinquency by a debt issuer and other observable data that suggests adverse changes in the payment status of the debt issuer.

The Trustees first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Trustees determine that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized, are not included in a collective assessment of impairment.

Future cash flows in a group of financial assets that are collectively valued for impairment are estimated on the basis of the historical loss experience for assets with credit risk characteristics similar to those in the Scheme. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based, and to remove the effects of conditions in the historical period that do not exist currently.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the Statement of Changes in Net Assets.

3.6 Provisions

Provisions are recognized when the Scheme has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of 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.

3.7 Cash and Cash Equivalents

Cash and cash equivalents as referred to in the Cash Flow Statement comprises, current and call accounts with banks.

3.8 Standards, Amendments and Interpretations issued but not yet effective

As at the end of the reporting period, there were no new standards, amendments to standards and interpretations issued but yet to be effective for pension fund reporting.

4. BANK BALANCE

	2019	2018
	GHC	GHC
Call Account	2,332,715	4,329,876
Total Bank Balance	2,332,715	4,329,876

5. INVESTMENTS HELD AT AMORTISED COST

	2019	2018
	GHC	GHC
Treasury Notes	103,183,671	65,246,699
Corporate Bonds	13,612,421	11,004,984
Treasury Bills	3,485,386	-
Fixed Deposits	15,150,159	12,921,910
Local Gov't and Statutory Agencies Securities	20,626,091	15,979,151
Total Investments Held at Amortised Cost	156,057,728	105,152,744
Expected Credit Loss	(270,945)	(89,430)
Net Investments Held at Amortised Cost	155,786,783	105,063,314

6. FAIR VALUE THROUGH PROFIT AND LOSS

	2019 GH¢	2018 GH¢
State Insurance Company	3,020	12,179
Access Bank Ghana Ltd	747,500	573,325
Scancom Ghana Ltd	3,100,202	3,446,138
Benso Oil Palm Plantation Ltd	62,920	111,980
Standard Chartered Bank	270,934	660,765
Ecobank Transnational Incorporation	-	72,000
Ecobank Ghana Ltd.	2,557,047	612,075
CAL Bank	891,926	687,099
Ghana Commercial Bank	76,500	398,466
Enterprise Group Ltd.	860,475	401,184
Mega Capital	514,280	514,280
Ghana Oil Company	1,057,890	234,178
Total Petroleum	152,841	225,080
Societe Generale	187,821	230,648
Fanmilk Ghana Ltd.	157,343	456,000
Guinness Ghana Breweries Ltd	5,070	-
Oasis Africa Venture Capital Fund	1,140,697	670,652
Stanlib Income Fund	193,012	75,642
Stanlib Cash Trust Fund	28,780	25,068
Republic Bank Unit Trust	-	25,077
Republic Bank REIT	-	536,173
EDC Fixed Income Fund	-	2,248,196
Omega Income Fund	2,043,199	1,794,890
Omega Equity Fund	884,766	808,190
Heritage Fund	91,828	95,338
Databank Mutual Fund	637,274	551,414
Total Fair Value Through Profit and Loss	15,665,325	15,466,037

7. RECEIVABLES

	2019 GH¢	2018 GH¢
Coupon Receivable on Edendale Bond	2,193,927	1,860,478
Other Receivables	1,522,871	1,731,670
	3,716,798	3,592,148
Expected Credit Loss (PBC)	(714,000)	-
Expected Credit Loss (Edendale)	(20,957)	-
Total Receivables	2,981,841	3,592,148

8. ADMINISTRATIVE EXPENSES PAYABLE

	2019	2018
	GHC	GHC
Asset Based Fees		
NPRA Fees	47,893	34,649
Trustee (Administrator) Fees Payable	166,901	120,747
Pension Fund Manager Fees Payable	72,566	87,584
Pension Fund Custodian Fees Payable	26,124	56,384
Audit Fees Payable	4,251	4,251
Total Administrative Expenses Payable	317,735	303,615

9. CONTRIBUTIONS

	2019	2018
	GHC	GHC
Contributions Received	44,700,944	19,152,533
Contributions Receivable	2,193,927	1,860,478
Transfer In	5,835,4388	,348,091
Net Contribution	31,258,543	31,272,912

10. BENEFITS

	2019	2018
	GHC	GHC
Lump Sum Benefit Paid	2,245,809	3,956,094
Lump Sum Benefit Payable	37,533	46,655
Total Benefits	2,283,342	4,002,749

11. INVESTMENT INCOME

	2019	2018
	GH¢	GH¢
Interest on Treasury Bonds	15,045,745	9,748,419
Interest on Treasury Bills	345,294	304,110
Interest on Money Market Securities	1,950,541	1,856,222
Interest on Corporate Bonds	1,973,185	1,950,838
Interest on Local Gov't & Stat. Agency Sec.	2,841,389	2,569,669
Dividend Income	329,630	92,277
Interest on Bank Deposits	101,252	120,722
Total Investment Income	8,644,158	3,975,728

12. GAINS / LOSSES ON INVESTMENT INCOME

	2019	2018
	GH¢	GH¢
Loss in valuation of Ordinary Shares holdings	(640,063)	(1,502,045)
Loss from disposal of Ordinary Share Investments	(138,330)	-
Gain from valuation of holdings in Open/Closed End Funds	476,445	709,999
Gain from disposal of Open / Closed End Fund Investments	201,182	12,184
Gain in valuation of Treasury Bonds	1,119,637	605,943
Gain from valuation of holdings in REITs	-	64,025
Gain in disposal of Treasury Bonds	-	41,270
Gain from disposal of holdings in REITs	2,741	6,028
Loss from Valuation of Private Equity	(43,586)	-
Net Gains / (Losses) on Fair Value Through P/L	978,026	(62,596)

13. ADMINISTRATIVE EXPENSES

	2019	2018
	GH¢	GH¢
Asset Based Fees		
NPRA Fees	487,418	340,083
Trustee (Administrator) Fees	1,744,088	1,098,320
Pension Fund Manager Fees	667,597	524,757
Pension Fund Custodian Fees	263,694	190,779
Audit Fees	3,162,797	2,153,939
	8,502	4,251
Total Administrative Expenses	3,171,299	2,158,190

14. OTHER PAYABLES

	2019	2018
	GH¢	GH¢
Unexplained Credit to Account	27,433	135,353
Total Administrative Expenses	27,433	135,353

15. IMPAIRMENT LOSS

	2019	2018
	GH¢	GH¢
IFRS 9 opening balance adjustment	89,430	-
Provision for Impairment loss on Corporate Bond	180,033	53,928
Provision for impairment loss on FD	1,482	35,502
Provision for Impairment Loss on Receivables (Edendale and PBC)	734,957	-
	1,005,902	89,430

16. BENEFITS PAYABLE

	2019	2018
	GH¢	GH¢
Lump Sum Benefit Payable	37,533	46,655
	37,533	46,655

17. NET ASSETS AVAILABLE FOR BENEFITS

	Contribution GH¢	Net Investment Income GH¢	Total GH¢
Balance as at 1st January	87,565,139	40,400,613	127,965,752
Additions	31,258,543	19,443,010	50,701,553
Deductions	(2,283,342)	-	(2,283,342)
Balance as at 31st December	116,540,340	59,843,623	176,383,963

2018			
	Contribution GH¢	Net Investment Income GH¢	Total GH¢
Balance as at 1st January	60,294,976	26,095,275	86,390,251
Additions	31,272,912	14,305,338	45,578,250
Deductions	(4,002,749)	-	(4,002,749)
Balance as at 31st December	87,565,139	40,400,613	127,965,752

18. BROKERAGE FEES/COMMISSIONS

This refers to service charges assessed by brokers in return for handling the purchase or sale of securities on behalf of the Scheme.

19. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

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

- Asset/Portfolio/Credit risk
- Liquidity risk
- Market risk
- Operational risk

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

Risk Management framework

The 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 analyze the risks faced by the Scheme, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The 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 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.

(a) Asset/Portfolio/Credit Risk

Credit risk is the risk that counterparties (i.e. financial institutions and companies) in which the Fund's assets are invested will fail to discharge their obligations or commitments to the Fund, resulting in a financial loss to the Fund.

The Fund's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meets the standards set out in the NPRA guidelines and the Fund's investment policy statement.

b) Liquidity risk

Liquidity risk is the risk that the fund either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due. The fund's approach to managing liquidity is to ensure that it will maintain adequate liquidity in the form of cash and very liquid instruments to meet its liabilities (including benefits) when due.

The following are contractual maturities of financial assets:

31 December 2019:

Financial Assets	3 months or less (GH¢)	4 - 6 Months (GH¢)	7 - 12 Months (GH¢)	More than 12 Months (GH¢)
Fixed Deposits	3,959,603	2,307,102	124,773	755,276
Corporate Bond	231,781	593,057	379,788	1,724,828
Government Securities	2,961,910	10,537,455	15,555,943	16,537,639
Local Gov't and Statutory Agencies Securities	7,300,343	510,711	-	5,423,956
	14,453,637	13,948,325	16,060,504	24,441,699

19. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES (CONTD.)

The following are contractual maturities of financial liabilities:

31 December 2019:

Financial Assets	3 months or less (GH¢)	4 - 6 Months (GH¢)	7 - 12 Months (GH¢)	More than 12 Months(GH¢)
Benefit Payable	37,533	-	-	-
Administrative Expenses Payable	317,735	-	-	-
Other Payables	27,433	-	-	-
	382,701	-	-	-

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates on investments will affect the fund's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(d) Equity Price risk

Listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Fund's policy over equity price risk is to minimize its exposure to equities and only deal with equities that meets the standards set out in the NPRA guidelines and the Fund's investment policy statement.

(e) 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. The investment managers advise the Trustees on the appropriate balance of the portfolio between equity, fixed rate interest, and variable rate interest investments. The Fund has no interest bearing liabilities.

(f) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Fund's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of Fund behaviour. Operational risks arise from all of the Fund's operations and are faced by all pension schemes.

The Fund's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Fund's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the administrator. This responsibility is supported by the development of following policies and standards;

- governing rules and trust deed;
- investment policy statement;
- requirements for the reporting of non-compliance with regulatory and other legal requirements;

- training and professional development;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

Compliance with the Fund governing rules is supported by a programme of annual reviews undertaken by the external auditor. The results of these reviews are discussed with Trustees.

20. TAX

Under Section 89 (1) of the National Pensions Act, 2008 (Act 766), the Scheme is exempt from income tax.

21. COMMITMENTS AND CONTINGENCIES

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

22. EVENTS AFTER THE REPORTING PERIOD

Events subsequent to the balance sheet 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.

