2021

AXIS PENSION PLAN

ANNUAL REPORT AND
FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2021

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PARTICULARS OF SERVICE PROVIDERS / ADVISORS

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CHAIRMAN'S REMARKS

Dear Scheme Members,

On behalf of the Board of Trustee of the Axis Pension Plan. We will like to welcome you to another successful year of investing your hard earned money to ensure you realize your goal of meeting your retirement objectives. We express our profound gratitude to you and look forward to a stronger relationship this year. We hold in very high esteem our role as fiduciary and always look forward to give an account of our stewardship of your scheme every year through this medium.

This year's letter is even more crucial given the unprecedented economic challenges we are confronted with, exacerbated by continued upward price pressure in basic food commodities and transportation costs. As is always the case, our report will highlight the superiority of long term investing, touching briefly on the macroeconomic context within which the scheme operates and the performance of the scheme.

Each year we extol the virtue of long term thinking as it relates to investing for retirement. This is because majority of our scheme members are investing to finance retirement and therefore their time horizon can span decades. The financial security we seek to help our members achieve is not created overnight. It is a long term endeavor and that informs our investment approach. The Good Book in Psalm 126:6 describes the process of investing succinctly in the following words "We cried on the way to plant our seeds, but we will celebrate and shout as we bring in the crops."

This underscores the usual refrain that investing is hard and delaying consumption is difficult. Setting aside money monthly for a future benefit which is decades away requires a lot of self-discipline and mental fortitude. If investing were easy the street would be littered with very wealthy retirees.

We however believe members in our schemes, especially the voluntary Tier 3, who make the deliberate choice not to withdraw their investment or interrupt it unnecessarily stand a greater chance for a pleasurable retirement outcome.The year under review was full of contrast. The first 9 months showed some promising macroeconomic numbers whiles the last quarter saw a significant worsening in key macroeconomic variables. For instance, inflation which began the year at 10.4% touched a year low of 7.0% in July and gradually began to climb, touching 12.6% by year end. The increase in inflation was driven by global supply chain challenges brought on by the corona virus pandemic.

Despite the difficult and volatile macroeconomic environment, the average return the Axis Pension Plan was 16.56%. This return represents as well as 0.10% above benchmark 364 days GOG Treasury bills. Total asset under management represented by the Schemes Net Asset Value (NAV) for year-end December 2021 was GHS183.71million from GHS 130.26 million for year ended 2020.

The year under review also saw the National Pension Regulatory Authority (NPRA) come out with new investment guidelines. The guidelines is aimed at ensuring safety of pension fund assets and achieving fair returns on the funds as well as the following objectives of investment options;

a) enhance the ability of Trustees and Fund Managers to make sound investment decisions; and
b) create an environment that enables pension funds to impact positively on the Ghanaian economy.

The guideline, has introduced three mandatory constituent funds for all Tier 2 Schemes namely, Moderately Aggressive Portfolio, Moderately Conservative Portfolio and Conservative Portfolio. The same can be implemented for Tier 3 schemes albeit not mandatory.

CHAIRMAN'S REMARKS

Thankfully, right from inception Axis Pension Trust had implemented the constituent fund for the Axis Pension Plan. This means we are amongst the very first Pension Trustees to meet the NPRA deadline for the implementation of the new constituent fund structure.

The year under review also saw us engage with our clients on multiple forums. To name a few, the Axis Pension Trust Open Forum gave us the opportunity to give account of the stewardship of your money and the Axis Pension Trust Pre-retirement Conference was organized to help clients nearing retirement plan and prepare ahead for their retirement. We continue unabatedly in our retirement planning staff engagement for our clients at their various workplaces.

We continue to improve our level of engagements with our clients through technology. Our members can actively engage with us and transact on our online Client Relationship Management (CRM) platform and our USSD short code *1860#. Members can also use these same media to enroll on to the Axis Pension Plan to supplement their future retirement earnings. On behalf of the Board of trustees, I thank all participating scheme members for your continued trust in our stewardship. Have a great 2022.

Robert Marshall Bennin
Chair, Board of Trustees

REPORT OF THE TRUSTEES

The Trustees present their report together with the audited Financial Statements of the Scheme for the year ended 31st December, 2021.

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 12th November 2012. Scheme Governing Rules and Trust Deed both of which are subject to Act 766, form the basis of establishing the Scheme.

Trustees

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

LICENCE NO.	NAME	POSITION (Member/Independent/Chairman)	DATE OF APPOINTMENT	DATE OF EXIT
NPRA17007	Robert Marshall Bennin	Chairperson	13/10/2017	-
NPRA/MTOPS/12002/15001	Afriyie Oware	Member	12/11/2012	-
NPRA19024	Dorcas Okantey	Member	09/01/2020	-
NPRA17025	Daniel Kwesi Sarpong	Member	13/10/2017	-
NPRA19025	Matthew Mani	Member	28/06/2019	-
NPRA19026	Ato Boateng	Independent Trustee	28/06/2019	-

Scheme Membership Statistics

Movement During The Year:

	2021	2020	2019
Members as at 1st January	33,942	27,101	12,949
Additions	5,914	7,825	15,433
Withdrawals	994	984	1,281
Members as at 31st December	38,862	33,942	27,101

b. Summary Statistics :

	Deferred Contributors	Transfers In	Transfers Out	Early Withdrawal	Retirement (Statutory)	Retirement (Early)	Permanent Emigration	Incapacitated Members	Death
Numbers		79	4	718	251		-	-	21

Financials

Activity	2021 (GH¢)	2020 (GH¢)	2019 (GH¢)
Contributions	71,570,576	58,385,459	44,700,944
Net Investment Income	23,488,810	16,137,518	8,566,881
Benefits Paid	44,806,601	18,507,565	10,502,200
Assets Under Management	183,708,290	130,262,112	77,013,359

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.

			2021	2020
Fee Type	Maximum Rate (% p.a.)	Actual Rate (% p.a.)	Amount (GH¢)	Amount (GH¢)
NPRA Fees	0.33	0.33	495,694	324,358
Trustee (Administrator) Fees	1.33	1.33	2,133,708	1,368,103
Pension Fund Custodian Fees	0.25	0.18	401,073	257,162
Pension Fund Mgr. Fees	0.56	0.50	800,209	472,631
Audit Fees			16,695	16,538

Member Communication

Scheme information is disseminated through SMS and Emails. Our client access portals on our website and mobile app give our clients access to real time scheme information and tools to plan adequately for retirement. For remote access, you may dial *1860# on MTN and Vodafone or send "hi" to Afrakomah, our WhatsApp chatbot on 026 1860 000 to access our suite of services.

Access to Benefit Statements

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. 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.

INVESTMENT REPORT

Economic and Market Overview

Global economic growth continued to show signs of recovery from the pandemic owing to combined aggressive monetary and fiscal policy support as well as intensification of vaccination campaigns and the successful implementation of public health measures, especially in advanced and developed economies. The downside has however been the unbalanced nature of economic recovery in emerging and frontier economies on account of vaccine inequity - leading to slower vaccination progress - and more muted policy support from their respective central banks and fiscal authorities due to lack of fiscal space and an often fragile local currency.

For all the hope and optimism of a buoyant 2021 as economies' opened up, rising inflation expectation due to supply chain bottlenecks, rising commodity prices and rising input costs dampened real economic growth prospects especially as central banks began to pivot towards tighter financing conditions - transitioning from quantitative easing (QE) and accommodative monetary policy, to quantitative tightening (QT) with possibilities of multiple interest rate hikes. Consequently, the International Monetary Fund (IMF) in its "World Economic Outlook January 2022 Forecast" reported real GDP growth of 5.9 percent in 2021, a healthy recovery from the (3.1) percent slump in 2020. In its outlook for 2022, it expects growth to taper from 5.9 percent in 2021 to 4.4 percent due to rising prices, quantitative tightening and higher interest rates.

On the domestic stage, the local economy continued its strong momentum from the pandemic related economic slump recorded in 2020. The latest Ghana Statistical Service (GSS) economic print revealed that real GDP growth for the first three quarters of 2021 averaged 5.3 percent, compared with an average contraction of (0.6) percent recorded in the same period of 2020. Whilst, non-oil GDP growth averaged 6.9 percent against a contraction of (0.3) percent over the same comparative period. Even more encouraging from the growth narrative was the fact that economic growth was broad-based with the agricultural sector and services sector growing by an average of 9.2 percent and 13.4 percent respectively. The industrial sector on the other hand continued to drag overall growth with a contraction of (2.0) percent during the said period.

A number of idiosyncratic and market related risk elements heightened during the course of the year which in effect could slow Ghana's path to sustained economic recovery. Lackluster fiscal revenue growth combined with increased public expenditure is driving the country's debt to unstainable levels with public debt to GDP tipping the 80 percent mark. Increasing financing risk due to the high debt and interest burden was felt in the rates and currency market with spreads on the country's Eurobonds widening to distress territory, north of 10 percent. Despite the local currency appreciating in the first quarter of the year by 0.55 percent against the US Dollar, it ended the year losing (4.1) percent of its value.

Developments in the domestic interest rate market showed mixed results across various tenures on the yield curve. Short term treasury rates continued to be supported by increased structural liquidity during the year under review as yields declined despite the persistent upward movement in prices as measured by the consumer price index. The 91-day, 182-day, and 364-day treasury security declined by 1.59 percent , 0.94 percent and 0.52 percent respectively to settle at 12.49 percent, 13.19 percent and 16.46 percent respectively. On the other hand, rates on the 2 year and 5 year bonds increased by 1.25 percent 1.15 percent to settle at 19.75 percent and 21 percent respectively with other longer tenures remaining range bound with little to no movement.

With regards to risk assets, a rebound in investor confidence underpinned by steady increase in economic activity and a return to robust real GDP growth propelled the local bourse to a 43.66 percent gain during full year 2021 compared with loss of (3.98) percent in full year 2020. Total market capitalization of the Ghana Stock Exchange (GSE) at the end of December 2021 was GHS 64.5 billion, representing a growth of 18.61 percent.

INVESTMENT REPORT

Indeed, for all the economic disruption this virus has caused - individuals, business leaders and governments have learnt to pivot through the chaos aided by the adoption of technology and digital trends. The resiliency of the Ghanaian continues to be the pride of the nation!

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.

Particulars of Investment Policy

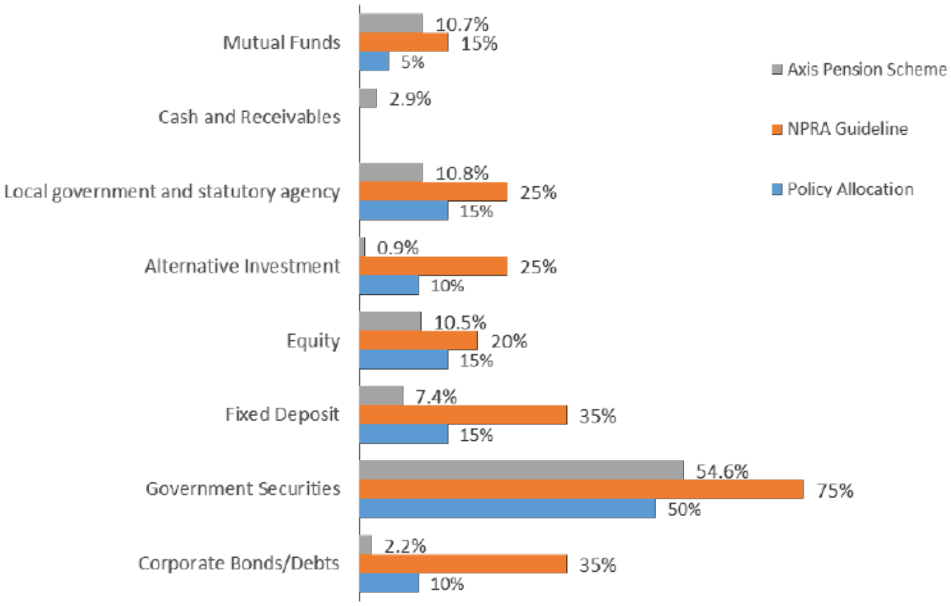
The Axis Pension Plan is a personal pension scheme made up of two investment packages (investment plans) namely growth and capital preservation accounts. These investment plans are underlined by segregated asset class-based constituent fund namely; Equity, Government Bond, Income and Credit Constituent Funds.

Axis Pension Plan return objectives is 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	10%	+10% to -5%
Government notes & bonds	45%	+10% to -10%
Treasury bills	5%	+10% to -5%
Fixed deposit	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%

Asset	Maximum Allocation(%)	Actual Allocation(%)	Investment Income Earned (GH¢)	2021 Year End Value (GH¢)	2020 Year End Value (GH¢)
Treasury Notes	70%	55%	14,296,191	101,513,238	83,241,150
Corporate Bonds/ (REITs)	35%	2%	765,557	4,018,017	2,959,103
Money Market	35%	7%	3,021,739	13,780,628	10,986,410
Local Government & Statutory Agencies Securities	20%	11%	4,200,409	19,997,439	18,746,410
Listed Equities	15%	11%	5,485,901	19,474,386	7,885,341
Open and Closed Ended Funds	15%	11%	1,302,588	19,932,811	1,731,223
Cash and Receivables		3%	257,547	5,386,380	5,040,795
		100%	**28,683,432**	**184,102,899**	**130,590,432**

Actual Allocations Compared With Policy Allocations

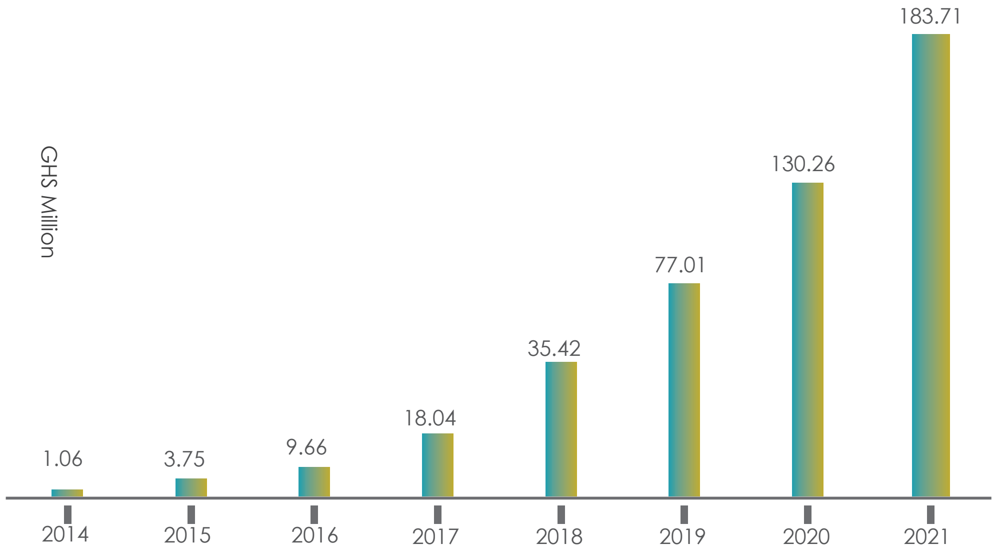


Portfolio Execution and Investment Performance

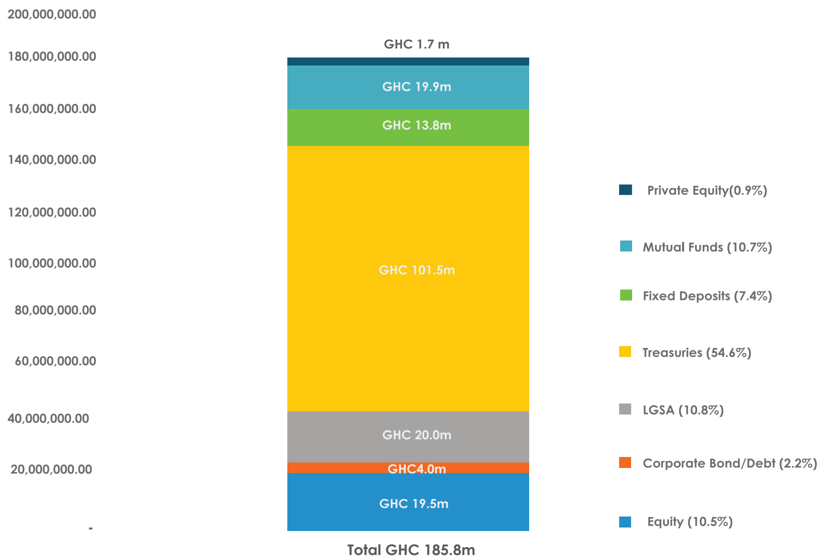
The table highlights our significant increase in our Treasury Securities allocation, whiles we cut back in our bank fixed deposit exposures. The increase in Treasuries was because of its safe haven status, particularly during the height of the pandemic. We strategically increased our allocation in equities especially in companies we believed were undervalued despite the general rally in stocks in 2021.

Asset Class	Q1-2021	Q2-2021	Q3-2021	Q4-2021
Equity	8,891,601	10,836,280	15,426,982	19,474,386
Corporate Bond/Debt	3,484,310	3,995,307	4,027,894	4,018,017
LGSA	22,711,527	24,223,882	19,105,428	19,997,439
Treasury Notes/Bonds	86,655,276	82,009,475	80,773,713	101,513,238
Cash and Receivables	5,044,498	9,667,414	8,684,323	5,386,380
Fixed deposits	11,897,408	23,558,954	30,792,316	13,780,628
Collective investment schemes	8,047,458	8,345,197	10,358,825	19,932,811
Private Equity			1,237,218	1,679,961
Total	**146,732,077**	**162,636,509**	**170,406,699**	**185,782,860**

Strong Net Asset Growth since Inception



Diversified Assets Reflect Our Asset Mix Strategy



Investment Management Mandates

The Axis Pension Plan assets are invested to reflect segregated asset class based constituent funds namely; Equity Fund, Government Bond Fund and Income plus Credit Fund. 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, 2021, are set out below

Financials

Constituent Fund	Fund Manager	Market Value (GH¢)	% of the Fund
Government Bond Constituent Fund	Blackstar Advisors Ltd	58,560,505.91	32.7%
Income and Credit Fund	Stanbic Investment Mgt Service Ghana Ltd.	96,160,216.89	53.76%
Equity Constituent Fund	IC Asset Manager Ltd.	24,148,724.53	13.5%

Constituent Funds

Equity Constituent Fund

Asset Class	Target Allocation	Lower Limit	Upper Limit
Listed Equities	100%	60%	133%
Tactical Allocation			
Equity and Balanced Mutual Fund	30%	0%	40%
Money Market	10%	0%	10%

Income and Credit Constituent Fund

Asset Class	Target Allocation	Lower Limit	Upper Limit
Government Securities (up to1 Tenor)	17%	0%	50%
Money Market Securities	50%	17%	67%
Corporate Notes & Bond (2-10 Years)	33%	17%	67%
Portfolio Total	100%	33%	183%

Government Bond Constituent Fund

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

Tactical Allocation

	Maturity	Target Allocation	Lower Limit	Upper Limit
Money Market Securities	1 – 270 days	10%	0%	15%

Performance of Investment Packages

The Axis Pension Plan net return for 2021 was 16.56% at the global level, outperforming inflation by 3.96%. This return 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 2013. The NPRA has adopted this practice for industry-wide implementation by all pension schemes in the new guidelines for investments.

Government Bond Constituent Fund

Retirement Plan	Growth Retirement Plan	Preservation Retirement Plan
Age Range	<40 years	>40 years

Axis Pension Plan Historical Performance

Retirement Plans against Benchmarks	2021 Annualized	3-Years CAGR	5-Years CAGR	Since inception CAGR	Cumulative Returns Since Inception
Growth Portfolio Retirement Plan	16.82%	15.93%	15.60%	18.26%	282%
Preservation Portfolio Retirement Plan	16.30%	17.39%	17.55%	19.93%	328%
Average Scheme's Return	16.56%	16.66%	16.58%	19.10%	305%
Inflation Benchmark	10.00%	9.54%	10.16%	12.57%	158%
US Dollar	4.09%	6.56%	6.7%	12.23%+	152%

Outlook & Portfolio Strategy

With the official forecast from the treasury pinning domestic real GDP growth for 2022 at 5.8 percent, Ghana is expected to maintain its growth momentum. The outlook was reinforced by the IMF in its "Regional Economic Outlook Sub-Saharan Africa October 2021 report" as it forecasts the Ghanaian economy to grow by 6.2 percent in 2022. Despite the positive outlook, we are of the base opinion that recent price pressures, the sharp deterioration of the local currency, rising debt levels and tighter financing conditions present enormous tail risk to the growth outlook.

FY2021 was a test of resiliency – with many economies and markets returning to positive growth territory after the uncertainty caused during the heights of the pandemic. In 2022, rising inflation, geopolitical tensions, tighter external financing conditions and a persistent global pandemic are minefields institutional investors have to navigate. Nonetheless, 2022 has a strong foundation for what we hope will be a vibrant cycle powered by stronger growth and structural reforms.

Our goal remains the same which is to build a portfolio that will remain resilient in any economic and business cycle whilst we look to take tactical advantage of any dislocation in asset prices. In this regard and within our mandate, Government of Ghana intermediate term notes shall continue to dominate our total portfolio. We believe that segment of the yield curve offers a healthy risk adjusted return whilst being liquid enough to support our portfolio management strategy. The fund shall opportunistically pick up yields on government bonds to enhance portfolio return.

Downside risk to the local currency is heightened by the country's fiscal and debt positon. In addition, taking into cognizance the hawkish pivot of the US FED, and increasing geopolitical tensions, emerging market assets may experience periods of volatility and that will present opportunity to gain exposure to Ghana's Eurobond at favorable prices. 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 foreign currency denominated income via coupon payments. Furthermore, we are increasingly looking for opportunities to build-up exposure in real assets through exchange traded funds (ETFs) as a diversifier to the portfolio and a hedge to supply shocks caused by geopolitical events. This asset class also has the added benefit of acting as a hedge to local currency depreciation because the underlying assets are quoted in hard currency.

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 holdings in equities in line with our strategic asset allocation. In equities, our preference are companies with resilient balance sheet, generating consistently high returns on equity, 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 at favorable prices.

Statement of Trustees Responsibilities

The National Pensions Act, 2008 (Act 766) requires the Trustees to prepare financial statements for each financial year which give 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

Downside risk to the local currency is heightened by (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 AXIS PENSION PLAN.

Statutory Requirements

The Trustees have complied with the requirements of the National Pensions Act, 2008 (Act 766), Regulations made under it, Guidelines and Board Directives that have been issued.

Auditor

John Kay and Co have been with the Scheme since 1st September, 2013 and have expressed their willingness to continue in office as Auditors of the Scheme.

ON BEHALF OF THE BOARD OF TRUSTEES

Afriyie Oware		19/04/2022
Trustee	Signature	Date
Ato Boateng		19/04/2022
Trustee	Signature	Date

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AXIS PENSION PLAN

Opinion

We have audited the accompanying financial statements of Axis Pension Plan, which comprise Statement of Net Assets available for benefits as at 31st December, 2021, 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 18 to 35.

In our opinion, the financial statements give a true and fair view of the financial position of the Scheme at 31 December 2021 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 fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Trustees for the Financial Statements

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

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

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

• 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.

1. Income Recognition

The Scheme generates income largely from the investment of the assets of the scheme made up of members' contributions as well as the undistributed portion of the assets of the scheme brought forward from the previous accounting period. Some of these investments straddles the end of the accounting year under review and hence a key consideration for the appropriate recognition of the income of the scheme is the cut-off date. The income of the scheme for the year should be recognized only if they accrue or are derived during the year up to and including the year end date, being 31 December 2021. Income that accrues beyond this date should be recognized in the following accounting year.

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

1. Reviewed the design and implementation of the scheme's income recognition procedure to determine the adequacy of controls over the scheme's investment valuation procedures and income recognition at the year-end;
2. Obtained evidence of the existence and accuracy of interest income thereon of a sample of significant investments whose maturity dates are after the year-end by reviewing their particulars and re-computing the expected year-end interest income; and
3. Evaluated the adequacy of the accounting policies and the disclosures on income recognized in the scheme's statement of changes in net assets available for the benefits.

2. Impact of COVID-19

The COVID-19 Global Pandemic had an impact on almost all sectors of the economy within which the scheme operates during the year under review. For the purposes of ensuring that amounts and disclosures made in the financial statements show a true and fair view, having had regard to the effect of the pandemic, management was expected to reassess the assumptions and judgments underlying estimates made and their related disclosures, and to recognize an expected credit loss or an impairment of assets where as a result of the pandemic, such a loss or impairment must be recognized in accordance with the International Financial Reporting Standard.

The audit team performed the following procedures to ensure that the effect of the pandemic have been taken into consideration in preparing the financial statements:

1. Assessed the level of compliance with the policies and directives from Government of Ghana and National Pensions Regulatory Authority on the pandemic which are applicable to the operations of the scheme;
2. Reviewed the credit risk assessment of the scheme's assets as a result of COVID-19 and reviewed the adequacy procedures performed to determine the impairment provisions made; and
3. Re-performed the procedures to determine the accuracy of the level of expected credit losses and impairments recognized in the financial statements.

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992) of Ghana

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, proper books of accounts have been kept by the Fund so far as it appears from our examination of those books.

This audit opinion is signed by:

GILBERT LOMOFIO
(P/No-ICAG/P/1417)

For and on behalf of John Kay & Co.
(ICAG/F/2022/128)
Chartered Accountants
Accra.

John Kay & Co
..2022

AXIS PENSION PLAN
Financial Statements for the year ended 31st December 2021

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS AS AT 31ST DECEMBER, 2021

	Note	2021 GH¢	2020 GH¢
ASSETS			
Bank Balance	4	5,386,380	4,473,473
Investments Held at Amortized Cost	5	139,309,322	115,933,073
Fair Value Through Profit and Loss	6	39,407,197	9,616,564
Receivables	7	-	567,322
TOTAL ASSETS		**184,102,899**	**130,590,432**
LIABILITIES			
Administrative Expenses Payable	8	375,397	280,309
Benefits Payables	16	4,196	48,011
Other Payables	14	15,016	-
TOTAL LIABILITIES		**394,609**	**328,320**
TOTAL ASSETS LESS LIABILITIES		**183,708,290**	**130,262,112**
Represented By:			
NET ASSETS AVAILABLE FOR BENEFITS		**183,708,290**	**130,262,112**

The Financial Statements on pages 22 to 35 were approved by the Trustees on .... and were signed on their behalf by:

ON BEHALF OF THE BOARD OF TRUSTEES

Afriyie Oware	....	19/04/2022
Trustee	Signature	Date
Ato Boateng	....	19/04/2022
Trustee	Signature	Date

AXIS PENSION PLAN
Financial Statements for the year ended 31st December 2021

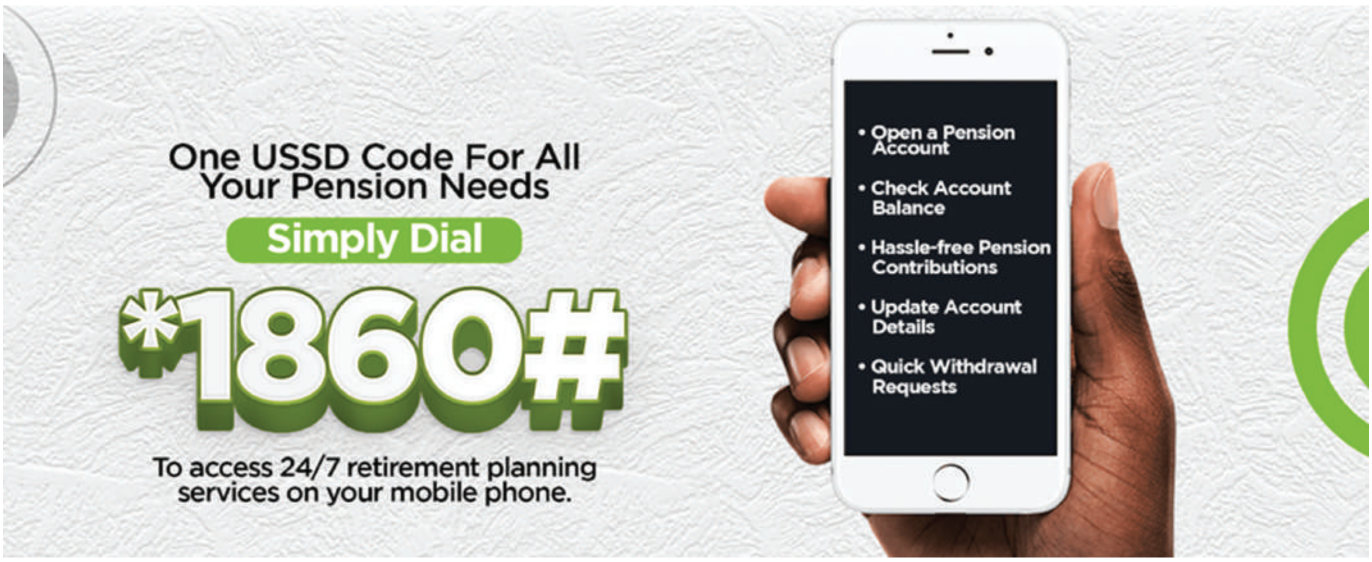
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED 31ST DECEMBER, 2021

	Note	2021 GH¢	2020 GH¢
DEALINGS WITH MEMBERS			
Contributions	9	71,570,576	58,385,459
Benefits	10	(44,806,601)	(18,507,565)
Net Additions from Dealings with Members		**26,763,975**	**39,877,894**
RETURNS ON INVESTMENTS			
Investment Income	11	23,538,373	18,441,608
Brokerage Fees/Commissions		(33,866)	(17,044)
Impairment Loss	15	(15,697)	(2,287,046)
Net Investment Income		**23,488,810**	**16,137,518**
Net Gains / (Losses) on Investment Income	12	**7,040,772**	**(327,867)**
Administrative Expenses	13	**(3,847,379)**	**(2,438,792)**
Increase (Decrease) In Net Assets For The Year		**53,446,178**	**53,248,753**

AXIS PENSION PLAN
Financial Statements for the year ended 31st December 2021

STATEMENT OF MOVEMENT IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED 31ST DECEMBER, 2021

	Note	2021 GH¢	2020 GH¢
Net Assets Available For Benefits As At 1st January		**130,262,112**	**77,013,359**
Increase (Decrease) In Net Assets For The Year		53,446,178	53,248,753
Net Assets Available For Benefits As At 31st December	17	**183,708,290**	**130,262,112**



STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER, 2021

	2021 GH¢	2020 GH¢
Increase (Decrease) in Net Assets for the Year	53,446,178	53,248,753
Adjusted for: Investment Income (Non-Cash)	(5,295,471)	(5,074,599)
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase/(Decrease) in Benefits. Payable	(43,815)	(119,378)
Increase/(Decrease) in Admin Exp. Payable	95,088	142,013
Increase/(Decrease) in Other Payables	15,016	(4,093)
Increase/(Decrease) in Receivables	567,322	(418,193)
Net Cash Generated from Operating Activities	**48,784,318**	**47,774,503**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Treasury Bonds	(92,210,329)	(95,236,488)
Purchase of Treasury Bills -	(6,622,971)	
Purchase of Ordinary Shares	(8,684,362)	(5,466,083)
Purchase of Money Market Securities	(60,108,822)	(33,246,253)
Purchase of Corporate Bonds	(1,000,000)	(2,288,685)
Purchase of Units in Open / Close Ended Funds	(18,573,000)	(500,000)
Purchase of LGSA Securities	(27,544,934)	(15,771,485)
Proceeds from Disposal of Treasury Bonds	65,688,949	54,430,255
Proceeds from Disposal of Treasury Bills	6,534,969	13,144,643
Proceeds from Disposal of Ordinary Shares	1,072,858	45,381
Proceeds from Disposal of Money Mkt Sec	58,016,232	29,870,936
Proceeds from Disposal of Corporate Bonds	89,576	2,415,198
Proceeds from Disposal of Units of Open/Closed End Funds	1,465,008	-
Proceeds from Disposal of LGSA Securities	27,382,444	11,367,402
Net Cash Used in Investing Activities	**(47,871,411)**	**(47,858,150)**
Net Increase (Decrease) in Cash and Cash Equivalents	**912,907**	**(83,647)**
Cash and Cash Equivalents as at 1st January	4,473,473	4,557,120
Cash and Cash Equivalents as at 31st December	**5,386,380**	**4,473,473**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2021

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 Axis Pension Plan. As at the date of reporting, the number of members of Axis Pension Plan is 38,912.

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 2011 (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.

2.3 Use of Estimates and Judgment

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.

3.3 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
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.

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 valuated 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.

f. Subsequent Measurement of Financial Asset

Available for Sale financial assets are subsequently measured at fair value with the resulting changes recognized in Statement of Movement in Net Assets Available for Benefits. The fair value changes on available for sale financial assets are recycled to the Statement of Changes in Net Assets when the underlying asset is sold, matured or derecognized. 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.

g. 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.

h. 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.

i. Identification and Measurement of Impairment

The Trustees assess at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets are impaired. A financial asset or a group of financial assets are impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event has an impact on the estimated future cash flows of the financial asset, or group of financial assets that can be reliably estimated.

Objective evidence that 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. Impairment losses on available for sale financial assets are recognized by transferring the difference between the acquisition cost and the current fair value out of Net Assets in the Statement of Changes in Net Assets available for benefits.

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.

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Future cash flows in a group of financial assets that are collectively valuated 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.

f. Subsequent Measurement of Financial Asset

Available for Sale financial assets are subsequently measured at fair value with the resulting changes recognized in Statement of Movement in Net Assets Available for Benefits. The fair value changes on available for sale financial assets are recycled to the Statement of Changes in Net Assets when the underlying asset is sold, matured or derecognized. 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.

g. 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.

h. 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.

i. Identification and Measurement of Impairment

The Trustees assess at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets are impaired. A financial asset or a group of financial assets are impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that loss event has an impact on the estimated future cash flows of the financial asset, or group of financial assets that can be reliably estimated.

Objective evidence that 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. Impairment losses on available for sale financial assets are recognized by transferring the difference between the acquisition cost and the current fair value out of Net Assets in the Statement of Changes in Net Assets available for benefits.

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 valuated 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.

Impairment losses on Available-for-Sale financial assets are recognized by transferring the difference between the amortized acquisition cost and current fair value out of Net Assets to the Statement of Changes in Net Assets. When a subsequent event causes the impairment loss on an Available-for-Sale financial asset to decrease, the impairment loss is reversed through the Statement of changes in net assets. However, any subsequent recovery in the fair value of an impaired Available-for-Sale financial asset is recognized directly in Net Assets.
occurring after the impairment was recognized, t

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

	2021 GH¢	2020 GH¢
Call Account	5,386,380	4,473,473
Total Bank Balance	5,386,380	4,473,473

5. INVESTMENTS HELD AT AMORTISED COST

	2021 GH¢	2020 GH¢
Treasury Notes	101,513,238	76,706,181
Corporate Bonds	4,053,122	2,978,510
Treasury Bills	6,534,969	
Fixed Deposits	13,780,628	10,986,410
Local Gov't and Statutory Agency Securities	19,997,439	18,746,410
Total Investments Held at Amortised Cost	139,344,427	115,952,480
Expected Credit Loss	(35,105)	(19,407)
	139,309,322	115,933,073

6. FAIR VALUE THROUGH PROFIT AND LOSS

	2021 GH¢	2020 GH¢
Access Bank Ghana Ltd	132,300	184,380
Standard Chartered Bank	71,050	57,085
Total Ghana Ltd	1,248,996	-
Ecobank Ghana Ltd.	6,299,534	3,803,566
CAL Bank	2,465,798	345,207
Enterprise Group Ltd.	3,301,739	1,201,620
Mega African Capital Plc	118,580	131,560
Scancom Ghana Ltd	3,450,996	1,721,235
Societe Generale	82,556	44,030
Fanmilk Ghana Ltd.	616,384	145,108
Ghana Oil Company Ltd	6,492	251,550
Octanedc Bond Fund	608,733	542,285
Omega Income Fund	183,747	183,747
Omega Equity Fund	518,539	518,539
Heritage Fund	45,811	45,811
Databank Money Market Fund	9,879,659	440,841
EDC Fixed Income Fund	8,696,322	-
Private Equity - Oasis Africa VC Fund	1,679,961	-
Total Fair Value Through Profit and Loss	**39,407,197**	**9,616,564**

7. RECEIVABLES

	2021 GH¢	2020 GH¢
Matured Cal Bank FD	-	567,322
Total Receivables	**-**	**567,322**

8. ADMINISTRATIVE EXPENSES PAYABLE

	2021 GH¢	2020 GH¢
Asset Based Fees		
NPRA Fees	50,237	36,392
Trustee (Administrator) Fees Payable	202,470	146,670
Pension Fund Manager Fees Payable	76,116	56,089
Pension Fund Custodian Fees Payable	38,058	27,569
Audit Fees Payable	8,516	13,589
Total Administrative Expenses Payable	**375,397**	**280,309**

9. CONTRIBUTIONS

	2021 GH¢	2020 GH¢
Contributions Received	71,570,576	58,385,459
Net Contribution	**71,570,576**	**58,385,459**

10. BENEFITS

	2021 GH¢	2020 GH¢
Lump Sum Benefit Paid	44,802,405	18,459,554
Taxes Payable on Withdrawals	2,932	-
Benefits Payable	1,264	48,011
Total Benefits	**44,806,601**	**18,507,565**

11. INVESTMENT INCOME

	2021 GH¢	2020 GH¢
Interest on Treasury Bonds	12,904,897	9,958,320
Interest on Treasury Bills	768,203	1,138,930
Interest on Money Market Securities	3,021,739	2,318,476
Interest on Corporate Bonds	765,557	894,794
Interest on Local Gov't & Stat. Agency Sec.	3,924,717	3,448,358
Dividend Income	646,500	213,830
Interest on Bank Deposits	257,547	178,162
Other Income	1,249,213	290,738
Total Investment Income	**23,538,373**	**18,441,608**

12. GAINS / LOSSES ON INVESTMENT INCOME

	2021 GH¢	2020 GH¢
Gain / (Loss) in valuation of Ordinary Shares holdings	3,977,541	(126,597)
Gain/ (Loss) from disposal of Ordinary Share Investments	621,830	(17,859)
Gain / (Loss) from valuation of holdings in Open/Closed End Funds	1,093,596	109,736
Gain/ (Loss) from disposal of Open / Closed End Fund Investments	208,992	-
Gain / (Loss) in valuation of Treasury Bonds	178,085	(11,673)
Gain / (Loss) from valuation of holdings in REITs	-	-
Gain/(Loss) in disposal of Treasury Bonds	445,006	(281,474)
Gain / (Loss) from disposal of holdings in REITs	-	-
Gain / (Loss) from Valuation of Private Equity	240,030	-
Gain/Loss from disposal of LGSAs	275,692	-
Net Gains / (Losses) on Fair Value Through P/L	**7,040,772**	**(327,867)**

13. ADMINISTRATIVE EXPENSES

	2021 GH¢	2020 GH¢
Asset Based Fees		
NPRA Fees	495,694	324,358
Trustee (Administrator) Fees	2,133,708	1,368,103
Pension Fund Manager Fees	800,209	472,631
Pension Fund Custodian Fees	401,073	257,162
Audit Fees	16,695	16,538
Total Administrative Expenses	**3,847,379**	**2,438,792**

14. OTHER PAYABLES

	2021 GH¢	2020 GH¢
Returned Benefits	9,875	-
Other Payables	5,141	-
	15,016	**-**

15. IMPAIRMENT LOSS

	2021 GH¢	2020 GH¢
Charge through statement of changes in net assets available for benefits	15,697	2,287,046
	15,697	**2,287,046**

16. BENEFITS PAYABLE

	2021 GH¢	2020 GH¢
Lump Sum Benefit Payable	1,264	48,011
Taxes Payable on Withdrawals	2,932	-
	4,196	**48,011**

17. NET ASSETS AVAILABLE FOR BENEFITS

			2021
	Contribution	Net Investment Income	Total
	GH¢	GH¢	GH¢
Balance as at 1st January	102,735,108	27,527,004	130,262,112
Additions	71,570,576	26,682,203	98,252,779
Deductions	(44,806,601)	-	(44,806,601)
Balance as at 31st December	**129,499,083**	**54,209,207**	**183,708,290**

			2020
	Contribution	Net Investment Income	Total
	GH¢	GH¢	GH¢
Balance as at 1st January	62,857,214	14,156,145	77,013,359
Additions	58,385,459	13,370,859	71,756,318
Deductions	(18,507,565)	-	(18,507,565)
Balance as at 31st December	**102,735,108**	**27,527,004**	**130,262,112**

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.

19. FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES

31 December 2021:

Financial Assets	3 months or less (GH¢)	4 -6 Months (GH¢)	7 -12 Months (GH¢)	More than 12 Months (GH¢)
Fixed Deposits	11,657,210	2,123,418	-	-
Corporate Bond	-	502,411	-	3,515,606
Government Securities	343,746	1,154,568	33,079,511	66,935,413
Local Government and Statutory Agencies Securities	3,115,105	1,812,320	382,000	14,688,014
	15,116,061	**5,592,717**	**33,461,511**	**85,139,033**

The following are contractual maturities of financial liabilities:

31 December 2021:

Financial Assets	3 months or less (GH¢)	4 -6 Months (GH¢)	7 -12 Months (GH¢)	More than 12 Months (GH¢)
Benefit Payable	4,196	-	-	-
Administrative Expenses Payable	375,397	-	-	-
Other Payables	15,016	-	-	-
	394,609	-	-	-

(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