



Health Sector  
Occupational  
Pension Scheme

# ANNUAL REPORT 2021



MEDICAL  
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# ANNUAL REPORT **2021**

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# 1. NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the **1st Annual General Meeting** of the **Health Sector Occupational Pension Scheme (HSOPS)** will be held and streamed live from the Labadi Beach Hotel on **Wednesday, 19th October 2022 at 10:00am.**

## MAIN AGENDA

1. Welcome Address by the Board Chair
2. Introduction of Board of Trustees
3. Summary of the Audited Financial Statements of the Scheme and the Reports of the Trustees and the Auditors thereon for the year ended December 31, 2021.
4. Scheme Performance Update - 2021 Fact Sheet
5. Key Activities for 2022
6. Q&A Session

## REGISTERING FOR THE AGM VIA ZOOM

To register for the AGM: Enter the following link: <https://bit.ly/HSOPSAGM>. After registering, **you will receive a confirmation email containing information about joining the AGM.**

For enquiries, kindly contact the HSOPS Secretariat on 0302690802 or send an email to [info@hsopsghana.com](mailto:info@hsopsghana.com)

**By Order of the Board of Trustees**



Dr. Derek Amoateng  
(Chairman - Board of Trustees)





## 2. ABOUT THE SCHEME

### 2.1 VISION

Ensure retirement income security for all health sector workers in Ghana

### 2.2 MISSION

To secure health sector Tier 2 contributions, ensure appreciable growth and pay appropriate lump sum benefits to members upon retirement.

### 2.3 BRIEF HISTORICAL DEVELOPMENT/EVENTS OF THE SCHEME

- 1 In 2011, GRNMA and HSWU agreed to form a Tier 2 Scheme for their members at an Organized Labour engagement at Ho where the GESOPS and Mines Sector Schemes were showcased as being at their inception stages.
- 2 A nine (9) member Working Group with representatives from GRNMA and HSWU developed the required modalities for the selection and appointment of the first Service Providers of the scheme.
- 3 The nine (9), member Working Group became the First Board of Trustees of the Scheme with Mr. Reynolds Ofosu Tenkorang as the Chair.
- 4 The Board of Trustees oversaw the selection and appointment of the first Service Providers of the Scheme namely, Enterprise Trustees Limited. HFC Bank, Frontline Capital Advisors and NDK Financial Services later became New World Securities Limited as Scheme Administrator, Custodian, Fund Managers respectively.
- 5 An application for licensing of the Board of Trustees and the registration of the HSOPS was submitted to the National Pensions Regulatory Authority (NPRA).
- 6 On 12th November 2012, the HSOPS was formally registered as an Employer Sponsored Occupational Pension Scheme under the National Pensions Act 2008 (Act 766) by the National Pension Regulatory Authority. The Board of Trustees were also duly licensed by the Regulator, NPRA.
- 7 The HSOPS started receiving the 5% contribution of some health sector IGF staff directly into its Custodian account from some health sector Employers.
- 8 The Board of Trustees was reconstituted to a 13-member Board with the addition of Government representatives and other representatives from the other major Unions and Associations within the health sector. Dr. Margaret Chebere was appointed the Chairperson.
- 9 Public sector Trade Unions and Associations under FORUM including health sector Unions, went to court over the management of Tier 2 contributions of public sector workers held in Bank of Ghana as Temporary Pension Fund Account. This was after many threats of strikes, press statements and press conferences.
- 10 The case was finally taken out- of- court and settled with an MOU that required all the Public Sector Pension Schemes to have representatives from Ministry of Finance, Ministry of Employment and Labour Relations, Attorney Generals

	Department and others in addition to Government being the appointing authority for the Chairmen of all the Boards of Trustees. The Government was also to appoint the Custodian and one Fund Manager for all the Schemes
11	The Board of Trustees was reconstituted to a 15-member Board following the Consent Judgment between the Government and the FORUM of Public Sector Unions. Hon. Antwi-Boasiako Sekyere became the new Chairman.
12	The Scheme received its first direct contribution on behalf of the members on the Controller and Accountant General's Department payroll.
13	The Board of Trustees instituted Standing Committees consisting of members of the Board to assist the Board of Trustees in delivering on its mandate. The committees were, Investment, Education and Benefit Claim Committees.
14.	The Investment Committee of the Scheme aligned the Statement of Investment Policy of HSOPS to the 2nd Revised Guidelines on Investment of Pension Funds issued by the NPRA.
15	The Investment Committee developed a Performance Calculation Policy based on the Global Investment Performance Standards.
16	The Scheme received from Government the HSOPS portion of the Temporary Pension Fund Account (TFPA) held by the Bank of Ghana. The funds came in largely as securities, especially in the form of bonds with tenures between 2 and 12 years. Only a small portion came into the Scheme as cash.
17	Following the National Elections and change in government, the Board of Trustees was reconstituted with changes in government appointees on the Board. Dr. Derek Amoateng was appointed as Chairman of the Board.
18	The Board of Trustees launched the Scheme's website ( <a href="http://www.hsopsghana.com">www.hsopsghana.com</a> ) at an event that took place at GS Plaza Hotel in Accra.
19	Delta Capital Advisors a Fund Manager was appointed by government to replace the existing Fund Manager, UMB Investment Holdings Limited appointed by the previous government.
20	The HSOPS established a Secretariat at the GRNMA Greater Accra branch premises at Zoti Junction near Korle-Bu Teaching Hospital. It was commissioned by Hon. Ignatius Baffour Awuah, Minister of Employment and Labour relations.
21	The license of Frontline Capital Advisors a Fund Manager of the Scheme was revoked by the Securities and Exchange Commission (SEC) as part of the Financial sector restructuring by government.
22	The Board of Trustees appointed Bora Capital Advisors as the new Fund Manager to replace Frontline Capital Advisors Limited following their nomination by the Unions/Associations.
23	The Board of Trustees started paying the Benefits due retirees or their beneficiaries.
25	The Board of Trustee had its first Webinar to educate all Health Sector Workers through the work of the Education Committee.
26	Board of Trustees through its Benefit Claim Committee developed a Benefit Policy for the Scheme.

## 2.4 GOVERNANCE

### SCHEME BOARD OF TRUSTEES

The current 15-member Board of Trustees (BOT) for the HSOPS are as indicated below.



Dr. Derek Amoateng  
Board Chairman



Dr. Kwabena Opoku-Adusei  
Vice Chairman



Mrs. Perpetual Ofori-Ampofo  
Board Secretary



Andrews D. Agblobi  
Independent Trustee



David Tenkorang-Twum  
Member



Dr. Justice Yankson  
Member



Gaetan C. Adangabey  
Member



Hamidu Adakurugu  
Member



Emmanuel Yaw Appiah  
Member



Grace Oppong Dolphy  
Member



Solomon Osei Gyamera  
Member



Peter Obiri-Yeboah  
Member



Franklin Owusu Ansah  
Member



Alexander Kwaku Kyei  
Member



## 2.4.2 BOARD COMMITTEES

The Board of Trustees in performing of their duties usually work through standing and ad-hoc committees. There are three major committees, namely Benefit Payment Committee, Investment Committee and Education Committee. These committees perform some functions on behalf of the entire Trustees.

### Investment Committee

The members of the committee are;

- Dr. Derek Amoateng - Chairman
- Solomon Osei Gyamerah - Vice Chair
- Peter Obiri-Yeboah Secretary
- Andrews Agblobi - Independent Trustee
- Grace Oppong Dolphy - Member
- Franklin Owusu Ansah - Member
- Dr. Justice Yankson - Member

### Responsibility

The Committees' main mandate is to ensure proper policies and procedures are in place to ensure prudent investment decisions for the scheme and members.

- They ensure proper investment of cash contribution and maturing securities in permitted mixture of assets class to minimise investment risks in line with the schemes statement of investment policy.
- The Committee is also responsible for approving the daily investments and monitoring the performance of the two Pension Fund Managers.

### Education Committee

The members of the Committee are:

- Perpetual Ofori- Ampofo - Chairperson
- Franklin Owusu- Ansah - Secretary
- Peter Obiri-Yeboah - Member
- Emmanuel Appiah - Member
- Alexander Kwaku-Kyei - Member
- Gaetan Charles-Adangabey - Member
- Oscar Kum-Amisah - Member

### Responsibility

The committee's primary responsibility is to ensure adequate policies, programs and learning materials are available for the education of the Scheme Members. It also provides support in managing the Scheme's website and other social media channels.

### Benefit Payment Committee

The members of the committee are

- Dr. Derek Amoateng - Chairman
- Andrews Agblobi - Vice-Chair
- Dr. Justice Yankson - Secretary
- Perpetual Ofori-Ampofo - Member
- David Tenkorang -Twum - Member
- Dr. Opoku Adusei - Member
- Harnidu Adakurugu - Member

### Responsibility

The Committee's primary responsibility is to ensure adequate processes and policies are in place to pay lump sum benefits to valid applicants upon the receipt of application forms.



## 2.5 SCHEME CONTACT INFORMATION

The scheme has a fully functioning Secretariat that provides administrative services to scheme members. The secretariat activities are complimented by an official website that provides relevant information as well as a portal for member interactions.

### HSOPS National Secretariat

Physical Location:	Greater Accra GRNMA Secretariat, Zoti Junction, behind the Korle-Bu Teaching Hospital.
Telephone Number:	0302690802
Digital Address:	GA-220-1036
Email:	health.pension12@gmail.com / info@hsopsghana.com
Website:	www.hsopsghana.com
Post Office Box:	P. O. Box KB 997 Korle-Bu, Accra, Ghana

### HSOPS Kumasi Office\*(OPENING SOON)

Physical Location:	17 Block O Situate at Ahodwo, Kumasi
Telephone Number:	0322008360

## 2.6 SERVICE PROVIDERS/AUDITOR OF THE HSOPS

The activities of the scheme are done with the support of various service providers.

### Details of Service providers

#### PENSION FUND CUSTODIAN

**CAL Bank Ghana Limited**  
23 Independence Ave. Accra  
0244601170

#### PENSION FUND MANAGER (S)

(1) **Bora Capital Advisors Ltd**  
No.3 Dano Court, East Legon, Accra.  
0507712343

#### ADMINISTRATOR

**Enterprise Trustees Limited**  
Advantage Place, Mayor Road,  
Ridge West, Accra  
0302634704

#### (2) **Delta Capital Ltd**

Farrar Av., Barnes Rd., Adabraka  
0303936754

#### AUDITOR

#### **KHN Chartered Accountants & Financial Advisors**

Hse. No. 115, Abokobi, Accra  
0275566045/ 0249110656

## 2.7 GENERAL MEMBERSHIP

The Scheme covers all employees of the Ghana Health Service, Teaching Hospitals, Faith Based Health Facilities (CHAG and Ahmadiya Muslim Mission) who are on government payroll and employees paid from Internally Generated Fund (IGF). It also includes staff of the major health sector Unions and associations.

The year 2021 began with a membership of 147,139 and ended with 174,959 as at 31st December 2021. This translates to a 19% increase in membership over the preceding year.

### 3.0 BOARD CHAIRMAN'S REMARKS TO MEMBERS OF THE HEALTH SECTOR OCCUPATIONAL PENSION SCHEME (HSOPS)



Dear valued Members of HSOPS, Hon. Ministers, Hon. Deputy Ministers, Directors, Leaders of Unions/Associations, the media, Ladies and Gentlemen, it is with great pleasure that I welcome all of you to the 1st Annual General Meeting (AGM) of the Health Sector Occupational Pension Scheme (HSOPS).

On behalf of the Board of Trustees, I wish to thank you for your continuous support for the Scheme over the years. This maiden AGM is being organized under the theme 'Sustaining the Growth of Pension Funds: The Role of Trustees'.

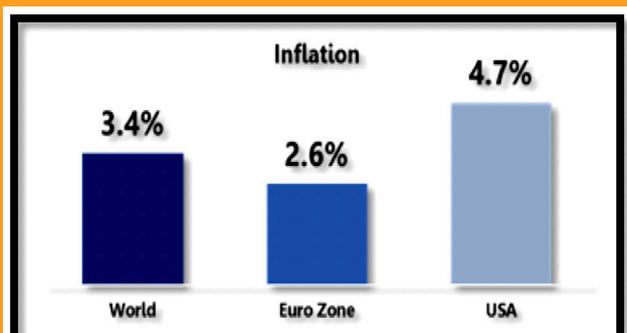
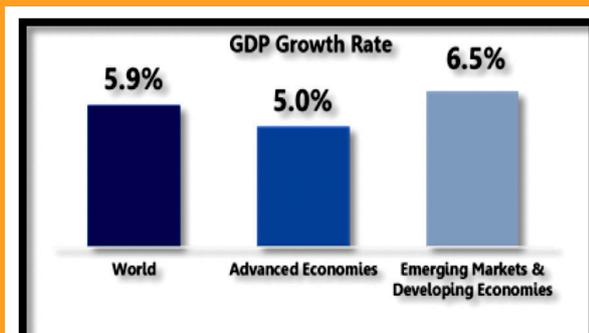
I will begin with an overview of the economy within which the Fund operated in the year under review and proceed with an account of the performance of the Scheme in 2021.

#### Global Economic Overview

Overall, 2021 was yet another year of global turmoil with the emergence of new COVID-19 variants further prolonging the recovery efforts. The global economic recovery faced significant headwinds amid new waves of COVID-19 infections, persistent labour market challenges, lingering supply-chain challenges and rising inflationary pressures. There were somewhat positive developments which resulted in further opening up of

the world economy. These include the worldwide access to COVID-19 vaccines, access to rapid tests kits, and availability of new knowledge and treatments modalities which have all worked in concert to reduce the burden posed by the dreadful pandemic which has bewildered the whole world in the last couple of years.

According to the International Monetary Fund (IMF), the Global growth rate in



2021 stood at 5.9 percent, a recovery from the 4.9 percent recorded in 2020. The rise in global energy prices and supply chain disruptions resulted in higher and more broad-based inflation (3.4%) than anticipated.

### **The Overview of the Ghanaian Economy**

The Ghanaian economy, experienced its lowest growth in four decades with 0.4% in 2020 following the outbreak of the pandemic, rebounded strongly to 5.4 percent growth rate in 2021. The V-Shape recovery was due to the high commodity prices and the resumption of full economic activities.

The headline inflation rate during the year increased from 9.9 percent at the end of 2020 to end the year 2021 at 12.6 percent. The increase was driven by both food and non-food inflation particularly fuel, housing, and utilities price pressures. In spite of this interest rates generally remained low most part of the year 2021.

Throughout the country, business activities started in the second part of the year after broad vaccination against the virus created the environment for full resumption of investment activities.

### **Membership of the Board of Trustees**

The Scheme was overseen by a 15 member Board of Trustees representing major stakeholders in the sector. There were no changes in the constitution of the Board of Trustees during the year under review. I am grateful to the Trustees for

their invaluable contributions towards the achievements made in this fiscal year.

### **Assets Allocations**

The Board of Trustees of HSOPS continue to comply with the assets allocation mix provided under the National Pensions Regulatory Authority (NPRO) Investment Guidelines and the Scheme's Statement of Investment Policy (SIP). It is worth noting that the scheme complied fully with the NPRO investment guidelines and suffered no sanctions in the year under review.

Overall, the assets within the portfolio were allocated with the mindset to preserve fund value, minimize risk and at the same time obtain a optimal return with a target of 3.5 percent real return above inflation. Details of asset allocation can be found in this annual report. Investments are made after a rigorous engagement between the Investment Committee and the two pension fund managers as well as support from other experts where necessary with the aim of making appropriate timely choices to enhance the portfolio.

### **Investment performance**

The HSOPS Scheme which had a humble beginning in 2012 with an Asset under Management (AUM) of GHS 2,040 mainly from IGF staffs' contribution, had grown to over GHS 2.1 billion at the end of 2021. At the end of the year the scheme's AUM made up of the main contributions received and the TPFA as transferred



together with returns made on these two stood at GH¢ 2,107,917,127.03 compared to the previous year end position of GH¢ 1,622,825,140.90. This change over the period translates to GH¢ 485,091,986.13 representing an 30% growth for the year. On a yearly basis, the scheme continues to earn impressive investment return on the fund, such that in 2021, the scheme

recorded GHS 345 million as investment gains alone.

This constituted a 21.25 percent nominal return which was far above the Trustees set benchmark. The Scheme had a net rate of return of 18.72 percent and a real return (after inflation) of 8.65 percent at the end of the fourth quarter in 2021.

Figure 1: Return chart for 2021



**Benefit Payment**

In terms of benefit payment, the Trustees started mass benefit payment in fiscal year of 2020. Total benefit payment surge significantly from GHS 9,784,964 in 2020 to GHS 27,738,622 in 2021 following a comprehensive process put in place to streamline the efforts made in 2020 to build a formidable benefit payment process bereft of any manipulations. A total of 1,721 members received their benefits.

either through compulsory retirement, early retirement, porting out to other schemes or death. The total membership of scheme stood at 174, 959 at the end of 2021, representing a 19% increase from previous year.

**Membership of the Scheme**

With regards to the membership of the Scheme, on the monthly basis, HSOPS Scheme continue to have new members joining the Scheme either from IGF enrolment or new staff rolled onto the CAGD payroll. In 2021, about 54,815 new members joined the scheme and some 1,721members also exited the Scheme

**Key Activities / Events**

In addition to the above, many key events were held by the Board with the hope of achieving its overall goal.

During the year under review, the trustees together with service providers undertook a number of activities and initiatives to help improve scheme operations and the needs of members. These included the following:

1. Improving KYC and member on boarding as well as beneficiary nomination processes through direct

collaboration and support from agencies, institutions and facilities related to the scheme;

2. Development of a new scheme SIP to ensure the smooth implementation and compliance with the latest investment guidelines gazetted by the NPRA in September 2021 for the industry;

3. Intensive nationwide member education and stakeholder engagements through in-person and virtual means including the development and deployment of scheme mobile Apps as an alternative channel for members to access and update the records in the comfort of their homes or offices. In this vein, many facilities were visited for educational purposes and to onboard more facilities and contributors. A webinar was done and several stakeholder engagements were made. May I use this medium to thank the leaders of the various unions and associations in the health sector, the HR managers and officers and all those contributed this in one way or another. Additional modalities used were the website: [www.hsopsghana.com](http://www.hsopsghana.com) and USSD code \*714\*333# .

4. An aggressive nationwide IGF facility enrolment and engagement drive to ensure that no health worker is left out of Tier 2 pension coverage. Many IGF staff are still yet to onboard but 2021 saw a significant rise in enrolment of new facilities IGF contributors.

5. Equipping the national secretariat in korle bu, Accra with the needed resources and personnel

### Challenges

I cannot end this message without a word on the myriad of operational challenges faced in the course of the year under review:

1. Delays in transfer (payment) of monthly member contributions to the scheme by the CAGD and its negative impact on future pensions have continued to beset the scheme. To address this the board engaged the controller and accountant general, NPRA, the various ministries responsible and other stakeholder in many fronts. All 2021 arrears have subsequently been paid.

2. Pension management is all about data and without appropriate data it is always difficult to properly manage the process. There are still many contributors with incomplete membership enrolment details in our database and several attempt to engage them to complete have proved futile. By this, I am encouraging every member to go to the nearest ETL office, HSOPS office (Zoti Accra, soon Kumasi), or website [www.hsopsghana.com](http://www.hsopsghana.com) to complete the enrolment and benefit nomination forms. The forms can also be obtained from the various HR offices in the facilities, filled and forwarded to the secretariat either directly or through the regional HR offices.

3. TPFA database is still yet to be finalized by all stakeholders. Trustees continued to engage the various committees involved as well as the NPRA to bring an end to this age long issue.

4. Lastly, there are many facilities who have employed workers and are paying them from internally generated funds but have overtly left out payment of tier 2 contributions in direct contravention of National Pensions Act, Act 766 as amended. We reached out to a number of facilities in the year under review to correct this anomaly. Whereas many positive responses were made, many facilities heads have still not complied.

## Conclusion

The year 2021, though turbulent recorded positive outcomes in the scheme and we are hopeful that the trajectory will continue in the year 2022 irrespective of the economic challenges that confronts the economy of Ghana. By all accounts, this is a tough environment to maximise returns whilst mitigating risk of default. The Board of Trustees will continue to oversee the task of striking the right balance between the opportunities and risks to ensure it achieves its overall objective of preserving scheme members' contribution, adding value to it and paying lump sum benefits on retirement in the light of allowable regulation.

To end, I would like to express my sincere appreciation to the Board of Trustees, all Service Providers and the budding secretariat for their role in ensuring the smooth running of the scheme. To our cherished members, thank you for your support over the past years. We look forward to continuous growth of the scheme in the coming year as we work to ensure retirement income security for all members.

Thank you.  
Dr. Derek Amoateng



# 4.0 INVESTMENT AND SCHEME PERFORMANCE

## 4.1 Investment of Assets

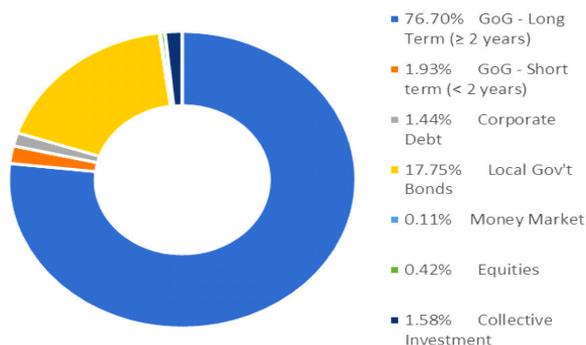
### Investment Goal

The goal of the Fund is to achieve a Total Rate of Return sufficient to provide generous current distributions to the Fund’s beneficiaries and to allow for the growth necessary to increase future benefits. In pursuance of the requirement of the National Pensions Act, 2008 (Act 766) Section 153 (4), the Trustees of the Scheme shall maintain asset classes, each with a different investment objective.

### Investment Allocation

The Trustees invest the pension fund assets based on its own Statement of Investment Policy (SIP) which was formulated from the Investment Guidelines issued by the NPRA. The assets were invested in permissible assets that have been predefined with set limits. The chart below indicates the portfolio allocation as at 2021.

Figure 2: Allocation 2021



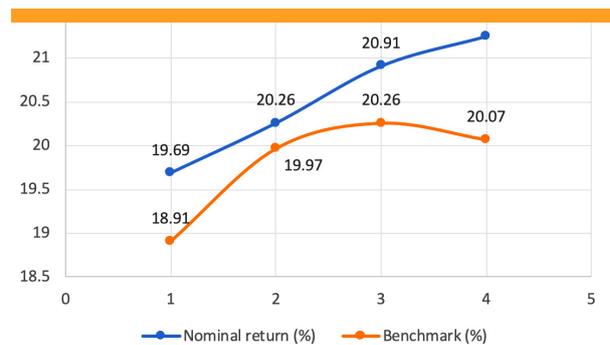
## 4.2 SCHEME PERFORMANCE

### Nominal and benchmark return

The scheme recorded an impressive investment performance in the fiscal year 2021 as against that of 2020. The

nominal consolidated rate of return on a yearly basis was 21.25% as compared to 19.89% in the fourth quarter of 2020.

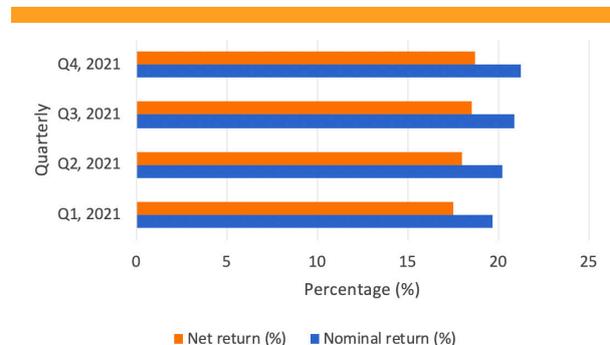
Figure 3: Nominal and benchmark return over 2021 in quarters



### Net and nominal return

The net return was consistently above 17% on a quarterly basis throughout the fiscal year of 2021.

Figure 4: Net and nominal return



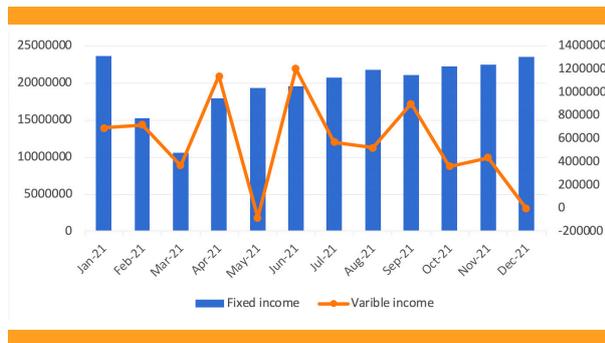
### Investment earned income in 2021

The investment earned income in year 2021 was divided into fixed income assets made of Government securities, corporate bonds and bank securities while the variable was made up of shares and collective investments that were equity related.

Clearly, the largest contributor to earned

income was the fixed income as compare to the variable income. Overall, a total investment earned income of GHS 262, 805,125 was generated in the fiscal year 2021.

Figure 5: Investment earned income 2021



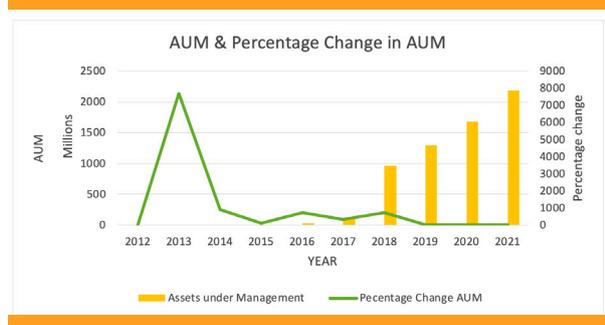
### Unit Price

The scheme commenced with a price of a unit of 50.00 in 2012. The price for a unit ending December 2021 was 177.96 compared to 149.88 ending December 2020.

### 4.3 ASSETS UNDER MANAGEMENT (AUM)

From its humble beginnings with a total of GHS2,040 ending 2012, the fiscal year 2021 ended with a total AUM of GHS 2.1 billion. The AUM growth for the year 2021 was 30%. See Figure 6 for details.

Figure 6: AUM & Percentage Change in AUM since Inception



## 5.0 SCHEME MEMBERSHIP AND BENEFIT PAYMENT

### 5.1 SCHEME MEMBERSHIP

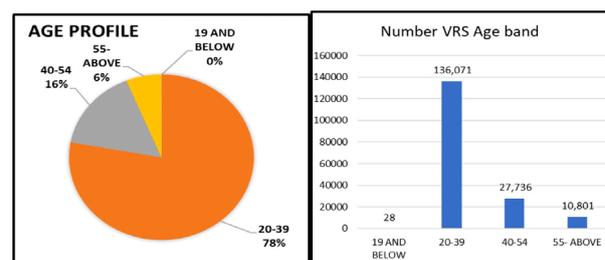
#### Total members

The scheme recorded a 19 percent increase in total membership from 147,139 in 2020 to end the fiscal year with a total membership of 174,959 in 2021. There has been a steady growth of the new members as well on a quarterly basis. This total membership excludes those that were fully paid benefits and exited the Scheme.

#### Age Profile

The average age of the members of the Scheme was far below the retirement age in Ghana as at 2021. Approximately 78 percent of the existing members were under age 40 years. This makes the Scheme have a bright future as those that will be retiring based on the possible retirement age brackets were far less than 10 percent. See Figure 7 for details.

Figure 7: Age Profile in age bands

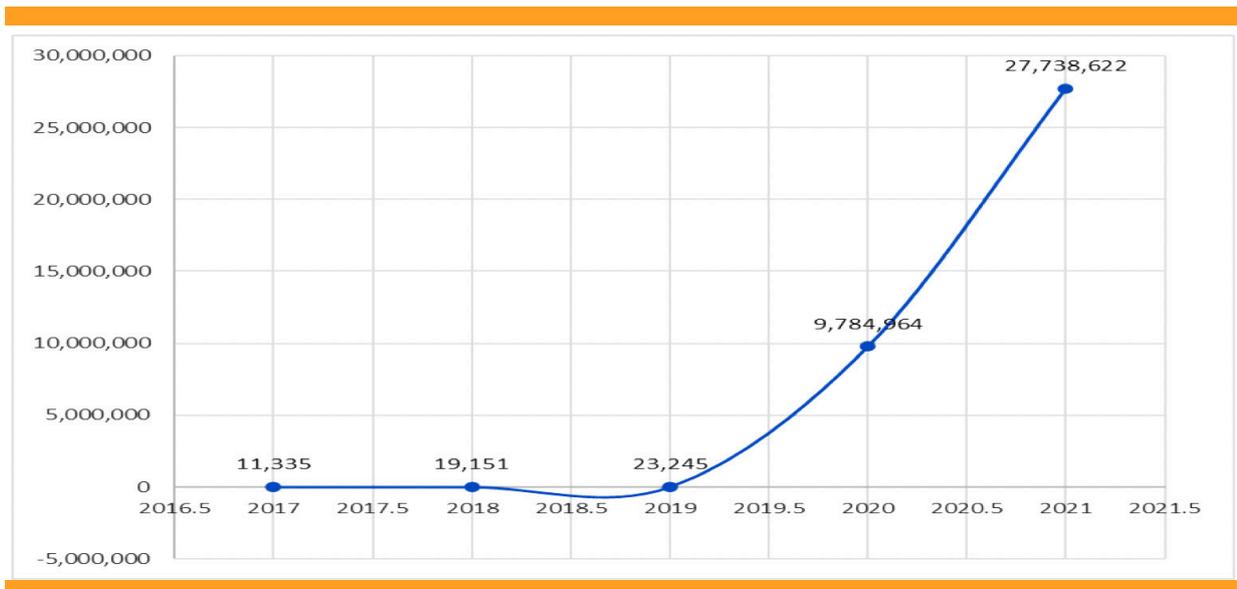


### 5.2 BENEFIT PAYMENTS

The scheme commenced benefit payments from 2017 where a few applications were processed for persons who fell under the 10 years exemption

clause for those born before 1960 and others on reasons rather than mandatory retirement. Thereafter in July 2020 a comprehensive process was put in place to commence bulk benefit payments for persons retiring in 2020 and beyond as well as a category of retiree who were born between 1955 and 1959 who had earlier on contributed to the scheme before the National Pension Amendment in 2014. This category of persons was paid 1 percent and the 4 percent was held in the account awaiting the finalization of TPFA matters. See Figure 8 for details.

Figure 8: Details of benefits paid since inception



## 6.0 FINANCIAL STATEMENT

### 6.1 REPORT OF THE BOARD OF TRUSTEES TO MEMBERS OF THE HEALTH SECTOR OCCUPATIONAL PENSION SCHEME 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

KHN Chartered Accountants and Financial Advisors have been with the Scheme since 16th June, 2015. Having served as the Auditors of the Scheme for six years, they have expressed their willingness to be rotated in accordance with the Companies Act, 2019 (Act 992) Section 139(11).

#### ON BEHALF OF THE BOARD OF TRUSTEES

Dr. Derek Amoateng  
(Chairman)



.....  
Signature

25/4/2022

.....  
Date

Andrews D. Agblobi  
(Independent Trustee)



.....  
Signature

22/04/2022

.....  
Date

### 6.2 INDEPENDENT SCHEME AUDITOR'S REPORT TO MEMBERS OF THE HEALTH SECTOR OCCUPATIONAL PENSION SCHEME 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 financial affairs of Health Sector Occupational Pension Scheme.

### **Opinion**

We have audited the financial statements of Health Sector Occupational Pension Scheme set out on pages 16 to 33, which comprise the Statement of Net Assets Available for Benefits as at 31 December 2021; the Statement of Changes in Net Assets Available for Benefits; Statement of Movement in Net Assets Available for Benefits; and Statement of Cashflows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies. In our opinion, the accompanying financial statements present fairly, in all material

respects, the financial position of Health Sector Occupational Pension Scheme as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), and the requirements of 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Scheme in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards); (the Code), issued by the International Ethics Standards for Accountants (IESBA). We have fulfilled our other ethical responsibilities in accordance with the Code.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon,

and we do not provide a separate opinion on these matters. The material ones are addressed in the Management letter provided.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

### **Other Information**

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

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

The 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), and for such internal controls as the Trustees determine necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to error or fraud.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

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

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

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

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

### Opinion

In our opinion, the accompanying Financial Statements give a true and fair view of the financial transactions of the Scheme for the year ended 31st December, 2021 and of the disposition at that date of its assets and liabilities, other than the liabilities to pay benefits after the end of the year, 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).

*KHN Chartered Accountants*

Signed by Frank Sinatra Nkrumah  
(ICAG/P/1553)

For and on behalf of: KHN Chartered  
Accountants and Financial Advisors  
(Chartered Accountants)

Firm License No. (ICAG/F/2022/232)  
Accra. Ghana.

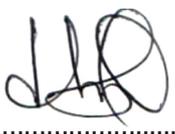
Date: 22/4/22

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

Description	Note	2021 Current Year GHS	2020 Previous Year GHS
<b>ASSETS</b>			
Bank Balance	4	1,425,182	4,828,893
Held to Maturity	5	1,471,850,942	991,215,285
Available for Sale	6	8,825,759	5,572,619
Fair Value through Profit and Loss	7	33,393,843	28,697,159
TPFA	18	592,729,633	592,429,186
Receivables	8	85,296,285	63,414,562
<b>TOTAL ASSETS</b>		<b>2,193,521,644</b>	<b>1,686,157,704</b>
<b>LIABILITIES</b>			
Benefits Payable	9	(1,429,026)	(2,000,000)
Administrative Expenses Payable	10	(2,936,601)	(1,973,842)
<b>TOTAL LIABILITIES</b>		<b>(4,365,627)</b>	<b>(3,973,842)</b>
<b>TOTAL ASSETS LESS LIABILITIES</b>		<b>2,189,156,017</b>	<b>1,682,183,862</b>
<b>Represented By:</b>			
<b>NET ASSETS AVAILABLE FOR BENEFITS (NET ASSET VALUE)</b>		<b>2,189,156,017</b>	<b>1,682,183,862</b>

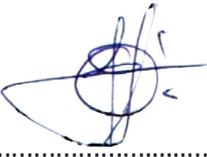
The Financial Statements on pages 17 to 33 were approved by the Trustees on 22/04/2022 and were signed on their behalf by:

Dr. Derek Amoateng  
(Chairman)

  
.....  
Signature

25/4/2022  
.....  
Date

Andrews D. Agblobi  
(Independent Trustee)

  
.....  
Signature

22/04/2022  
.....  
Date

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

Description	Note	2021 GHS	2020 GHS
<b>DEALINGS WITH MEMBERS</b>			
Contributions	11	260,069,626	284,010,008
Less: Benefits Paid	12	(27,738,622)	(9,784,964)
<b>A: Net Additions from Dealings with Members</b>		<b>232,331,004</b>	<b>274,225,045</b>
<b>RETURNS ON INVESTMENTS</b>			
Investment Income	13	345,243,976	150,902,072
Less: Brokerage Fees/Levies/Commission		(78,561)	658,209
Transfer to TPFA Assets		(237,434,580)	(15,341,669)
<b>B: Net Investment Income</b>		<b>107,730,835</b>	<b>136,218,612</b>
<b>C: Net Gains / (Losses) on Investment Income</b>	14	<b>2,115,173</b>	<b>(1,083,666)</b>
<b>D: Administrative Expenses</b>	15	<b>(26,624,083)</b>	<b>(17,511,045)</b>
<b>E. (Premium)/Discounts on Bonds (17,075,471)</b>		<b>(11,549,274)</b>	
<b>Less: Contribution Receivable-2020</b>		<b>(63,414,562)</b>	<b>(33,996,952)</b>
<b>F. Impairments</b>	19	<b>739,434</b>	<b>(7,025,084)</b>
<b>Increase (Decrease) In Net Assets For The Year (A+B+C-D-E-F)</b>		<b>241,328,527</b>	<b>333,751,438</b>

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

Description	Note	2021 GHS	2020 GHS
Net Assets Available For benefits As At 1st January		738,687,442	401,515,428
Increase (Decrease) In Net Assets For The Year		241,328,527	333,751,438
TPFA	18	1,204,443,362	943,496,420
Fair Value Reserve (Available for Sale Financial Assets)		4,696,686	3,420,576
Net Assets Available For Benefits As At 31st December	16	2,189,156,017	1,682,183,862



## STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31ST DECEMBER, 2021

Description	Note	2021 GHS	2020 GHS
Increase (Decrease) in Net Assets for the Year Adjusted for: Contribution Receivable - 2020 (Non Cash)		241,328,527 (63,414,562)	333,751,438 (33,996,952)
Fair Value on Open/Closed End Funds		(6,811,859)	(2,336,909)
		-----	-----
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>171,102,106</b>	<b>297,417,577</b>
Increase/ (Decrease) in Benefits Paid		(17,953,658)	(7,761,719)
Increase (Decrease) in Admin. Expense Payable		962,759	784,360
Increase (Decrease) in Benefits Payable		858,052	2,000,000
(Increase) Decrease in Receivables		(21,881,723)	(29,417,610)
<b>Net Cash Generated from Operating Activities</b>		<b>133,087,536</b>	<b>263,022,608</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Treasury Bonds			
Purchase of Treasury Bills/Bonds		(272,272,840)	(616,322,870)
Purchase of Ordinary Shares		-	-
Purchase of Money Market Securities		(2,000,000)	-
Purchase of Corporate Bonds		(30,100,128)	-
Purchase of Open/Closed Securities		-	-
Proceeds from Disposal of Treasury Bonds		57,626,065	223,558,036
Proceeds from Disposal of Ordinary Shares		100,973	3,083,549
Proceeds from Disposal of Money Market Securities		2,098	-
Proceeds from Disposal of Corporate Bonds		710,000	-
Proceeds from Disposal of Open/Closed Securities		-	-
TPFA Coupons & Proceeds		109,362,585	129,630,786
		-----	-----
Net Cash Used in Investing Activities		(136,491,246)	(260,050,499)
Net Increase (Decrease) in Cash and Cash Equivalents		(3,403,711)	2,972,109
Cash and Cash Equivalents as at 1st January		4,828,893	1,856,784
Net Increase (Decrease) in Cash and Cash Equivalents		(3,403,711)	2,972,109
Cash and Cash Equivalents as at 31st December		1,425,182	4,828,893

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

## 1.0 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). The Unions and Association and the Government of Ghana are the sponsors of the Health Sector Occupational Pension Scheme (HSOPS). The Health Sector Occupational Pension Scheme (HSOPS) has been established to provide lump sum pension benefits to all employees within the Health Sector who proceed on retirement.

## 2.0 BASIS OF PREPARATION

### 2.1 Statement of Compliance

The Financial Statement of the Scheme have been prepared in accordance with the 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 have been modified to include full implementation of IFRS 9 related to expected credit

losses on investments.

### 2.3 Use of Estimates and Judgement

The preparation of financial statements in conformity with IFRS requires management to make judgement, 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 various others factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement 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 major 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.

### 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.
- 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

### 3.1 CHANGES IN ACCOUNTING POLICIES

The Scheme has initially adopted IFRS 9 and IFRS 15 from January 2018.

A number of other new standards are also effective from 1 January 2018, but they do not have a material effect on the Scheme's financial statements due to the transition method chosen by the Scheme in applying IFRS 9, comparative information throughout these financial statements has not generally been restated to reflect its requirements. The adoption of IFRS 15 did not impact the timing or amount of contribution and investment income from contracts with customers and the related assets and liabilities recognized by the Scheme.

Accordingly, the impact on the comparative information is limited to new disclosure requirements.

The effect of initially applying, these standards are mainly attributed to the

following:

- an increase in impairment losses recognized on financial assets.
- additional disclosures related to IFRS 9.
- additional disclosures related to IFRS 15

Except for the changes below, the Scheme has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements.

### 3.2 IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial instruments: Recognition and Measurement. The requirements of IFRS 9 represent a significant change from IAS 39. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

The Scheme has adopted significant amendment to IFRS 7 Financial Instrument: Disclosures that are applied

to disclosures about 2018 but have not been applied to the comparative information.

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

### **3.3 Functional and Presentation Currency**

The financial statements are presented in Ghana Cedis (GHS), 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.

### **3.4 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.

### **3.5 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.

### **3.6 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.

### **3.7 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**

A Financial Asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

##### **i. Held for Trading**

A financial asset is classified as held for trading if it is acquired principally for the purpose of selling or repurchasing in the near future; or part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

##### **ii. Designated at Fair Value through Profit or Loss**

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.

#### **b. Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

### **c. Available-for-Sale Financial Assets**

Available-for-Sale financial assets are non-derivative financial assets that are designated on initial recognition as available for sale and are held for an indefinite period of time and may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

### **d. Held-to-Maturity Investments**

Held-to-Maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Trustees have the positive intention and ability to hold to maturity.

### **e. Initial Recognition of Financial Asset**

Purchase and Sales of financial assets held at fair value through profit or loss, available for sale financial assets 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.

### **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 losses are subsequently measured at fair value with the resulting changes in the Statement of Changes in Net Assets.

### **g. De-recognition**

Financial assets are de-recognized 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 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.

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.

### **3.8 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.

### **3.9 Cash and Cash Equivalents**

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

### **3.10 Standards, Amendments and Interpretations issued but not yet effective**

These will be inserted at the date of preparation of the financial statements as standards and amendments changes year on year.

#### 4. BANK BALANCE

Description	2021 GHS	2020 GHS
Cal Bank	1,425,182	4,828,893
Total Bank Balance	1,425,182	4,828,893

#### 5. HELD TO MATURITY INVESTMENTS

Description	2021 GHS	2020 GHS
<b>Bank Deposits:</b>		
1-Year	2,000,000	12,897,805
Accrued Interest	225,205	2,159,521
Expected credit loss	(22,252)	
<b>Government Bonds:</b>		
2-Year	38,125,379	40,940,256
3-Year	51,787,462	60,014,962
5-Year	103,418,711	124,286,653
6-Year	59,452,827	26,628,491
7-Year	47,641,951	81,775,969
10-Year	59,904,638	247,158,870
12-Year	15,632,482	119,665,480
15-Year	348,442,260	232,350,806
20-Year	112,598,868	6,001,000
<b>Local Gov't &amp; Statutory Body Bonds:</b>		
182-Day	533,000	1,299,349
5-Year	5,658,018	
6-Year	11,536,619	
7-Year	12,052,351	
10-Year	326,381,069	
12-Year	203,630,853	
Accrued Interests	80,417,246	53,111,595
<b>Corporate Bonds:</b>		
3-Year	2,495,686	-
6-Year	500,000	-
Accrued Interest	1,018,255	-
Expected credit loss	(30,412)	
<b>GoG (Premium)/Discount</b>	<b>(11,549,274)</b>	<b>(17,075,471)</b>
<b>Total Held to Maturity Investments</b>	<b>1,471,850,942</b>	<b>991,215,285</b>

## 6. AVAILABLE FOR SALE INVESTMENTS

Description	2021 GHS	2020 GHS
Listed Shares	8,825,759	5,572,619
<b>Total Available for Sale Investments</b>	<b>8,825,759</b>	<b>5,572,619</b>

## 7. FAIR VALUE THROUGH PROFIT AND LOSS

Description	2021 GHS	2020 GHS
Open/ Closed End Funds	33,393,843	28,697,159
<b>Total Fair Value Through Profit and Loss</b>	<b>33,393,843</b>	<b>28,697,159</b>

## 8. RECEIVABLES

Description	2021 GHS	2020 GHS
<b>Contributions Outstanding</b>		
For Less than 30 days	17,059,257	12,722,478
Between 30 to 90 days	51,177,771	37,981,509
Over 90 days	17,059,257	12,710,575
<b>Total Receivables</b>	<b>85,296,285</b>	<b>63,414,562</b>

## 9. BENEFITS PAYABLE

Description	2021 GHS	2020 GHS
<b>Contributions Outstanding</b>		
Lump Sum Benefit Payable	1,429,026	2,000,000
<b>Total Benefits Payable</b>	<b>1,429,026</b>	<b>2,000,000</b>

## 10. ADMINISTRATIVE EXPENSES PAYABLE

Description	2021 GHS	2020 GHS
<b>Asset Based Fees</b>		
NPRA Fees	421,108	287,603
Administrator Fees Payable	510,434	348,610
Pension Fund Managers Fees Payable	469,198	347,525
Pension Fund Custodian Fees Payable	216,937	148,162
Trustees Fees	1,243,924	766,941
Audit Fees Payable (Negotiated)	75,000	75,000
<b>Total Administrative Expenses Payable</b>	<b>2,936,601</b>	<b>1,973,842</b>

## 11. CONTRIBUTIONS

Description	2021 GHS	2020 GHS
Contributions Received	174,773,341	220,595,446
Contributions Receivable	85,296,285	63,414,562
<b>Net Contribution</b>	<b>260,069,626</b>	<b>284,010,008</b>

## 12. BENEFITS

Description	2021 GHS	2020 GHS
Lump Sum Benefit Paid	26,309,596	7,784,964
Lump Sum Benefit Payable	1,429,026	2,000,000
Withdrawals		
Taxes Paid on Withdrawals		
<b>Total Benefits</b>	<b>27,738,622</b>	<b>9,784,964</b>



### 13. INVESTMENT INCOME

Description	2021 GHS	2020 GHS
Interest on GOG & ESLA Bonds	340,462,128	147,461,069
Interest on Bank Securities	855,605	2,098,006
Interest on Corporate Bonds	2,403,154	62,597
Dividend Income	558,599	369,999
Other Income	964,490	910,400
<b>Total Investment Income</b>	<b>345,243,976</b>	<b>150,902,072</b>

### 14. GAINS / LOSSES ON INVESTMENT INCOME

Description	2021 GHS	2020 GHS
Gain/ (Loss) in valuation of Ordinary Share holdings	2,113,918	(616)
Gain/ (Loss) from disposal of Ordinary Share Investments	1,255	(1,083,050)
Gain/ (Loss) from valuation of holdings in Open / Closed End Funds	4,696,686	-
Gain/ (Loss) from valuation of holdings in Open / Closed End Fund Investments		
Gain / (Loss) in valuation of Treasury Bonds		
Gain / (Loss) on disposal of Treasury Bonds		
Gain / (Loss) from valuation of holdings in REITs		
Gain / (Loss) from disposal of REITs		
Gain / (Loss) in valuation/disposal of Corporate Bond		
<b>Net Gains / (Losses) on Investment</b>	<b>6,811,859</b>	<b>(1,083,666)</b>

## 15. ADMINISTRATIVE EXPENSES

Description	2021 GHS	2020 GHS
<b>Asset Based Fees</b>		
NPRA Fees	4,196,465	2,779,636
Scheme Administrator Fees	5,086,625	3,369,256
Pension Fund Managers Fees	3,792,630	2,442,857
Pension Fund Custodians Fees	2,161,815	1,431,934
Trustees Fees	11,311,548	7,412,363
Audit Fees (Negotiated)	75,000	75,000
<b>Total Administrative Expenses</b>	<b>26,624,083</b>	<b>17,511,045</b>

## 16. NET ASSETS AVAILABLE FOR BENEFITS

Current Year (2021)			Previous Year (2020)			
Contribution	Net Investment Income (Cumulative)	Total	Contribution	Net Investment Income (Cumulative)	Total	
GHS	GHS	GHS	GHS	GHS	GHS	
Balance as at 1st January,	552,991,088	183,696,354	738,687,442	312,762,996	88,752,432	401,515,428
Additions	260,069,626	107,809,396	367,879,021	284,010,008	135,560,403	419,570,411
TPFA	1,204,443,362	-	1,204,443,362	943,496,420	-	943,496,420
(Deductions)	(91,153,184)	(30,700,625)	(121,853,809)	(43,781,916)	(38,616,481)	(82,398,397)
Balance as at 31st December,	1,926,350,891	262,805,125	2,189,156,017	1,496,487,508	185,696,353	1,682,183,862



## 17. DEDUCTIONS

Description	2021 GHS	2020 GHS
<b>Asset Based Fees</b>		
(a) Reversal – Contribution Receivable 2020	(63,414,562)	(33,996,952)
Benefits Paid	(26,309,596)	(784,964)
Benefits Payable	(1,429,026)	(2,000,000)
	<b>(91,153,184)</b>	<b>(43,781,916)</b>
(b) Administrative Expenses	(26,624,083)	(17,511,045)
Brokerage Fees/Levies/Commissions	(78,561)	658,209
Discounts/(Premiums) on Bonds	(11,549,274)	(17,075,471)
Gain/(Loss) on Investments	6,811,859	2,336,909
Impairments	739,434	(7,025,084)
	<b>(30,700,625)</b>	<b>(38,616,481)</b>

## 18. TPFA ASSETS

Description	2021 GHS	2020 GHS
Market Value 31/12	592,729,633	592,429,186
Coupons Received	454,019,593	269,714,203
Investment Returns	176,163,350	86,525,463
Benefits Paid	(18,469,213)	(5,172,432)
	<b>1,204,443,362</b>	<b>943,496,420</b>

**Table 9 TPFA Assets Transfer**

Tenor	Securities	Issue	Rate Date	Cost/Face Value	Maturity Date
3640	GOG-BD-02/11/26- A4338-1511-19.00	14-Nov-16	19.00%	343,610,825.00	2-Nov-26
5460	GOG-BD-15/03/32- A4430-1531-19.75	3-Apr-17	19.75%	128,275,071.00	15-Mar-32
2548	GOG-BD-25/03/24- A4429-1531-19.75	3-Apr-17	19.75%	38,778,919.00	25-Mar-24
1820	GOG-BD-28/11/22- A4611-1566-17.60	4-Dec-17	17.60%	62,973,666.00	28-Nov-22
	<b>TOTAL</b>			<b>573,638,481.00</b>	

**Note:** These are the Running TPFA investments at cost (market value: **Ghs 592,729,633**) as at 31/12/21.

### 19. IMPAIRMENTS

The table below provides details of the impairment amount in the financial statements for 2021 financial year.

The outstanding receivable from PBC Limited which had been impaired in the previous year was recovered in full during the current financial year. The expected credit losses provided on the Consolidated Bank MMS were also recovered in full. These amounts have been credited accordingly.

Expected credit losses on the GT Bank, IZWE and Bayport securities have been provided for as stated below in accordance with International Financial Reporting Standards (IFRS 9).

Invested Funds	Rate %	Amount
GT Bank FD	1	22,252
IZWE 6 YR FXR BOND	1	5,356
BAYPORT 3 YR FXR NOTE	1	25,055
PBC Ltd. Unsecured FR		(710,000)
Consolidated Bank BD		(7,699)
Consolidated Bank BD		(74,399)
<b>TOTAL</b>		<b>(739,434)</b>

### 20. 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**

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

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

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

The second part comprises the assessment of the risk characteristics of each asset; particularly in combination with the current portfolio. The risk of the individual assets is measured in the context of the effect of their returns on the overall portfolio volatility.

The risk of financial loss to the Scheme if counterparty to a financial instrument fails to meet its contractual obligations.

### **(b) Liquidity risk**

Liquidity risk is the risk associated with a situation where a Scheme does not have sufficient financial resources available to meet all of its obligations and commitments when they fall due, or can access them at an excessive cost.

### **(c) Market risk**

Market Risk is the risk associated with changes in market prices, such as interest rate, equity prices and foreign exchange rates that will affect the Scheme's income or the value of its portfolio of financial instruments.

### **(d) Equity Price risk**

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

### **(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.

### **(f) Operational risk**

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

## **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.

The COVID-19 pandemic continues to negatively impact economic activity in many Global Economies, including Ghana. Measures taken by the Government of Ghana to minimize the spread of the pandemic have led to some organizations' operations being affected positively or negatively. Therefore, Fund Managers must continue to scan the environment to minimize the negative impact of the pandemic on the Scheme's invested assets and finances.

As the SEC expects Fund Managers to clearly disclose material risks and uncertainties, we recommend that the Fund Managers of HSOPS will need to assess the impact of COVID-19 in various financial assets they have invested in on behalf of the Scheme

especially the equity investments, including the risk factors, management discussion and analysis , the business valuation reports, legal proceedings, disclosure controls and procedures, internal control over financial reporting, and financial statements.

As at the date of presentation, we the Auditors of HSOPS, is not aware of any other material COVID-19 events that have occurred between the date of the statement of financial position and the date the financial statements were approved by the Trustees that are likely to affect the current year financial statements.



# Gallery









# Health Sector Occupational Pension Scheme 2021 Annual Scheme Fact Sheet

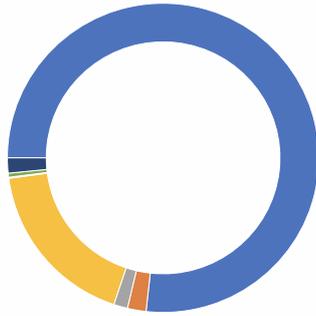


**VISION:** Ensure retirement income security for all health sector workers in Ghana

**MISSION:** To secure health sector Tier 2 contributions, ensure appreciable growth and pay appropriate lump sum benefits to members upon retirement.



## ASSET ALLOCATION



## Scheme Details

Name of Scheme	Health Sector Occupational Pension Scheme
Inception Date	November, 2012
Currency	Ghana Cedis
Unit Price (NAV per unit)	177.96
Fund Size	GHS 2.108 billion
Membership Size	174,959 (permanent & IGF)
Management fee	2.13% p.a (all service providers)
Administrator	Enterprise Trustees Limited
Fund Managers	Delta Capital Limited & Bora Capital Advisors
Custodian	CAL Bank Ghana
Auditor	KHN Chartered Accountants & Financial Advisors
Regulator	National Pensions Regulatory Authority



Download HSOPS Ghana mobile app (launching soon)



Contact any of Enterprise Trustees offices to assist you personally



Dial USSD \*714\*333# and follow prompts to access your account



Visit scheme website on [www.hsopsghana.com](http://www.hsopsghana.com) to access portal

For enquiries: [health.pension12@gmail.com](mailto:health.pension12@gmail.com) • [info@hsopsghana.com](mailto:info@hsopsghana.com)  
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