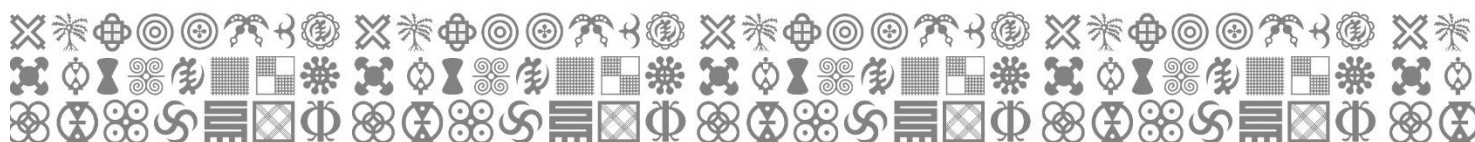




2024 ANNUAL REPORT



ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024



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RETIREMENT TIP!

Take charge of your pensions

Regularly check your pension statements to ensure your contributions are on track and your employer is making accurate payments on your behalf



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ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

PARTICULARS OF SERVICE PROVIDERS/ADVISORS

Chairman of the Board of Trustees

Nathaniel Otoo
Mariville Estates, Spintex Road
P.O. Box LA 720
La, Accra
+233 (0) 59 692 1135
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Secretary to the Board of Trustees

Okyeame Sarfo
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osarfo@gespensions.com.gh

Sponsor of the Scheme

Ghana Education Service
The Public Relations Unit, Ministry of Education
K Block Ground Floor, Ministries
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Custodian

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ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024



Administrator

GLICO Pensions Trustee Limited
Glico House
47 Kwame Nkrumah Avenue
P. O. Box GP 4251, Accra
+233 (0) 302 246 140, 264142
Info@glicopensions.com

Independent auditor

PricewaterhouseCoopers
Chartered Accountants
PwC Tower
A4 Rangoon Lane
Cantonments City
PMB CT 42, Cantonments, Accra
+233 (0) 302 761 500

Independent Trustee

Petra Trust Company Limited
113 Airport West, Dzorwulu
Accra
+233 (0) 242 435 037
info@petratrust.com



Do You Know?

that it is now **MANDATORY** to present your
Ghana Card for all GESOPS transactions?

*In compliance with the latest directive from the National Pensions
Regulatory Authority (NPRA), we wish to inform you that the Ghana
Card is now the only accepted form of identification for all
transactions.*

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ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

Chairman's Message – 2024 Audit Report

On behalf of the Board of Trustees, I am pleased to present the 2024 audit report for the GES Occupational Pension Scheme (GESOPS). This year marked a significant milestone in our journey, as we successfully implemented the second phase of our three-year strategic plan. This achievement was made possible through the integration of advanced technology to enhance operational efficiency and the unwavering commitment of our stakeholders.

We made remarkable progress in member data collection ensuring its integrity. We worked to improve service delivery and financial sustainability, ensuring that the Scheme remains resilient and continues to provide value to its members.

Membership Engagement and Services

As part of our commitment to bridging the knowledge gap and ensuring transparency, we expanded our nationwide engagement efforts. In 2024, our team conducted face-to-face training sessions across 7 regions, reaching 17,198 members in 157 districts. In addition, 343 executives and members of the various unions benefited from novel virtual member training sessions tailored to enhance the understanding of pensions and the Scheme's operations.

Data Collection and Member Information Update

Ensuring accurate and up-to-date member records remains our top priority, thus in 2024 the data collection exercise yielded significant results, where we gathered accurate data of 231,400 members from 12 out of 16 regions. The remaining four regions (Bono, Bono-East, North-East, and Greater Accra) will be completed in 2025, further strengthening our member database for better service delivery. It is our objective to have 100% accurate data on all our members.

Member Contributions

In 2024, GESOPS received a total of GHS 713 million in contributions, covering April 2023 to March 2024. Notably, 53% of these contributions (for August to October 2023 and January to March 2024) were received in the form of two Government of Ghana bonds with coupon rates of 8.35% and 8.50%, maturing in 2027 and 2028, respectively.

However, as of December 2024, contributions for eight months remained outstanding. The Board is actively engaged with key stakeholders to ensure continued financial stability for the Scheme.

Investment Performance and Asset Growth

Prudent investment strategies have been central to GESOPS' financial sustainability. As a result, Assets Under Management (AUM) grew from GHS 9.59 billion in December 2023 to GHS 11.91 billion by the end of 2024, reflecting a 24.22% nominal growth, primarily driven by investment returns of 20.54%.

A key financial development in 2024 was the finalization of the Government's second debt restructuring phase in October. Under this program, the Scheme exchanged its Eurobonds worth USD 28.6 million for new Eurobonds, in a 70:30 distribution between Discount bond (Disco – which reduced the nominal value of the exchanged bonds by 37% and has a 5% coupon rate maturing in 2029 and 2035) and Par bond (which comes with no reduction in nominal value and a 1.5% coupon rate maturing in 2037) options, aligning with the Scheme's risk and liquidity management objectives.

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024



Benefit Payments to Members

Delivering timely and accurate benefits remains a core mandate of GESOPS. In 2024, a total of GHS 214 million was disbursed to 5,262 retired members or beneficiaries. The Board continues to prioritize efficient fund management and enhanced service delivery, leveraging technology and staff development initiatives to ensure a seamless experience for retired members and as well as active members.

Looking Ahead

As we transition into 2025, GESOPS remains committed to safeguarding members' retirement benefits, strengthening financial sustainability, and embracing innovation. We will continue to engage stakeholders, enhance data integrity, and adopt forward-looking investment strategies to drive long-term growth.

I extend my deepest appreciation to our Board members, management, staff, and all stakeholders whose dedication and contributions have made 2024 a year of significant achievements. Together, we remain steadfast in our mission to secure a financially stable and rewarding retirement for all our members.

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

REPORT OF THE TRUSTEES

The Trustees submit the Scheme's report together with the audited financial statements for the year ended 31 December 2024.

Establishment, nature and 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 qualified conditions stipulated under the National Pensions Act, 2008 (Act 766) as amended.

The Scheme is a tax-exempt pension scheme under the National Pensions Act, 2008 (Act 766) and any amendments made to it thereafter. The Scheme's activities are bound by provisions of the National Pensions Act, 2008, (Act 766), as amended, 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.

The Trustees are ultimately responsible for administration and management of the Scheme and their responsibility to the Scheme is established by a Trust Deed and Scheme Governing rules approved on 1 September 2016 and amended on 23 March 2023. The Scheme Trust Deed and Governing rules both of which are subject to Act 766, form the basis of establishing the Scheme.

Scheme membership statistics

Description	Number at beginning of period	Additions	Withdrawals	Number at end of period
Active members	457,499	21,244	(7,490)	471,253

Summary statistics of withdrawals

Description	
Retirement (Statutory)	6,375
Death	743
Retirement (Early)	317
Transfers Out	49
Incapacitated Members	5
Permanent Emigration	1
Deferred Contribution	-
Partial withdrawal	-
	7,490

As at the end of the period, there were 4 active members as part of total additions in respect of Transfers In. Deferred contributors are those who have left the scheme but are yet to have their benefits transferred to another scheme. There are no deferred contributors as at 31 December 2024.

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

Investment report

Statement of Investment Principles

We, the Board of 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), National Pensions (Amendment) Act, 2014 (Act 883) and the Occupational and Personal Pension Schemes (General) Regulations, 2011 (L.I.1990).

Particulars of Investment Policy

The provision of reasonable retirement benefits will require the achievement of investment returns that exceed inflation (as measured by the official Consumer Price Index) after allowing for fees and expenses. The safety of principal is the foremost objective of the investment program. Investments will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

The Board of Trustees will periodically establish benchmark yields for various categories of the Scheme's investment. The general principles governing investment decisions are contained in the Scheme's Statement of Investment Policy.

The objective of the Trustees in the management of the Scheme's assets is to ensure that contributions from members are invested in such a manner that the benefits due to members and their beneficiaries can be paid from the Scheme's assets as and when they fall due.

Investment allocation

The table below shows the Scheme's asset mix as set out in the Statement of Investment Policy and the actual asset mix as at 31 December 2024.

	Maximum	Actual	Investment income 2024	Gross amount 2024
Asset type	%	%	GH¢ ' 000	GH¢ ' 000
Government securities	75	76.14	1,682,569	8,194,222
Local government securities	25	0.00	31	243
Money market securities	35	16.84	337,345	1,812,816
Corporate debt securities	35	0.61	11,870	65,359
Equity investments	20	3.78	24,495	406,293
Collective investments	15	1.32	-	142,212
Alternative investments measured at amortised cost	15	0.68	34,357	73,531
Alternative investments measured at fair value	15	0.63	-	67,956
Total		100.00	2,090,667	10,762,632

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

Investment strategies

The choice of investment instruments reflects our assessment of the economy and expected performance of the different asset classes.

Net assets available for benefits

Net assets available for benefit of members as at 31 December 2024 is GH¢11,500,367,000. The movement in the Scheme's net asset is set out on page 20 of the financial statements.

Expenses

All expenses incurred by the Scheme during the year ended 31 December 2024 have been recognised in the financial statements. We confirm that expenses charged and deducted from the Scheme funds are those allowable under the National Pensions Act, 2008 (Act 766) and any amendments made to it, guidelines on fees and charges and any other directives issued by the National Pensions Regulatory Authority from time to time. Details of fees payable to all service providers are disclosed in the financial statements under note 14.

Type	Maximum Rate	Actual Rate	2024	2023
			Amount	Amount
			GH¢'000	GH¢'000
National Pensions Regulatory Authority fees	0.33%	0.33%	34,681	26,303
Trustee (Board of Trustees, Administrator and Independent Trustee) fees	1.33%	0.94%	98,315	86,400
Custodian fees	0.28%	0.11%	11,562	10,430
Fund Managers' fees	0.56%	0.23%	24,466	20,905
Audit fees	Not applicable	Not applicable	<u>248</u>	<u>170</u>
Total			<u>169,272</u>	<u>144,208</u>

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

Trustees

The membership of the Board of Trustees are as follows:

Name	License number	Position	Date of appointment	Date of exit
Nathaniel Otoo	NPRA 17041	Board Chairman	January 2018	Not applicable
Anna Pearl Akiwumi Siriboe	NPRA 16055	Member	February 2016	Not applicable
Christian Addai-Poku	NPRA 16062	Member	February 2016	Not applicable
King Ali Awudu	NPRA 16060	Member	February 2016	Not applicable
Eric Kofi Agbe-Carbonu	NPRA 19054	Member	April 2019	Not applicable
Akligoh Sampson	NPRA 17042	Member	January 2018	Not applicable
Thomas Tanko Musah	NPRA 21033	Member	August 2021	Not applicable
Elvis Prince Biney	NPRA 21032	Member	October 2021	Not applicable
Isaac Baah	NPRA 21034	Member	August 2021	Not applicable
Mark Dankyira Korankye	NPRA 21037	Member	May 2021	Not applicable
Herbert Forson Ako	NPRA 21027	Member	May 2021	Not applicable
Richmond Sakyi	NPRA 22015	Member	25 July 2022	Not applicable
Daniel Dweteh-Agyare	NPRA 23030	Member	23 March 2023	Not applicable
Eric Nkansah	NPRA 23029	Member	23 March 2023	Not applicable
Petra Trust Company Limited	NPRA 12001	Independent Trustee	July 2016	Not applicable

Auditor

The Scheme's auditor, PricewaterhouseCoopers, have expressed their willingness to continue in office as auditor of the Scheme.

On behalf of the board of trustees

Name of Trustee:

NATHANIEL OTOO

Signature:

[Handwritten Signature]

For Independent Trustee:

Petra Trust (Igf Fynn)

Signature:

[Handwritten Signature]

21st May 2025

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024



Nathaniel Otoo
Chairman

License number:
NPRA 17041

Date of appointment:
January 2018

Date of exit:
Not applicable



**Anna Pearl Akiwumi
Siriboe**
Member

License number:
NPRA 16055

Date of appointment:
February 2016

Date of exit:
Not applicable



**Dr. Christian Addai-
Poku**
Member

License number:
NPRA 16062

Date of appointment:
February 2016

Date of exit:
Not applicable



Thomas Tanko Musah
Member

License number:
NPRA 21033

Date of appointment:
August 2021

Date of exit:
Not applicable



Eric Kofi Agbe-Carbonu
Member

License number:
NPRA 19054

Date of appointment:
April 2019

Date of exit:
Not applicable



King Ali Awudu
Member

License number:
NPRA 16060

Date of appointment:
February 2016

Date of exit:
Not applicable



Mark Dankyira Korankye
Member

License number:
NPRA 21037

Date of appointment:
May 2021

Date of exit:
Not applicable



Elvis Prince Biney
Member

License number:
NPRA 21032

Date of appointment:
October 2021

Date of exit:
Not applicable



Isaac Baah
Member

License number:
NPRA 21034

Date of appointment:
August 2021

Date of exit:
Not applicable

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024




Sampson Akligoh
Member

License number:
NPRA 17042

Date of appointment:
January 2018

Date of exit:
Not applicable



Herbert Forson Ako
Member

License number:
NPRA 21027

Date of appointment:
May 2021

Date of exit:
Not applicable



Richmond Sakyi
Member

License number:
NPRA 22015

Date of appointment:
July 2022

Date of exit:
Not applicable




Daniel Dweteh-Agyare
Member

License number:
NPRA 23030

Date of appointment:
March 2023

Date of exit:
Not applicable




Dr. Eric Nkansah
Member

License number:
NPRA 23029

Date of appointment:
March 2023

Date of exit:
Not applicable



Kofi Fynn
Independent
Trustee

License number:
NPRA 12001

Date of appointment:
July 2016

Date of exit:
Not applicable



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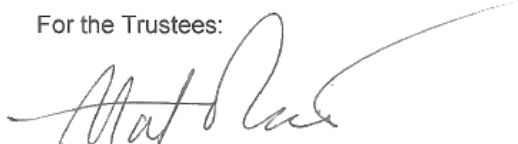
STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Occupational and Personal Pension Schemes (General) Regulations, 2011 requires the Trustees to prepare financial statements in a prescribed form for each financial year. It also requires the Trustees to ensure that the Scheme keeps proper accounting records of its income, expenditure, liabilities and assets, and that the contributions are remitted to the custodian in accordance with the rules of the Scheme.

The Trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the Occupational and Personal Pension Schemes (General) Regulations, 2011. The Trustees further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

The Trustees certify that to the best of their knowledge and belief that the information furnished to the auditor for the purposes of the audit was correct and complete in every respect.

For the Trustees:



Nathaniel Otoo
Chairman of the Board of Trustees



Kofi Fynn
For: Petra Trust Company Limited, Independent Trustee

24th May 2025



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- ✓ Select option 2 [Reset PIN]
- ✓ Enter your Staff ID
- ✓ Enter your new PIN
- ✓ Re-enter the new PIN



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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GHANA EDUCATION SERVICE OCCUPATIONAL
PENSION SCHEME**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Ghana Education Service Occupational Pension Scheme (the "Scheme") as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards with the IAS 29 directive issued by the Institute of Chartered Accountants Ghana (ICAG) and in the manner required by the Occupational and Personal Pension Schemes (General) Regulations, 2011.

What we have audited

We have audited the financial statements of Ghana Education Service Occupational Pension Scheme for the year ended 31 December 2024.

The financial statements comprise:

- the statement of net assets available for benefits as at 31 December 2024;
- the statement of changes in net assets available for benefits for the year then ended;
- the statement of movement in net assets available for benefits;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising a summary of material accounting policy information and other explanatory information.

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.

Independence

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

Key audit matters

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GHANA EDUCATION SERVICE OCCUPATIONAL
PENSION SCHEME (continued)**

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter									
<p>Derecognition loss on investment securities</p> <p>The gross Eurobond investment securities balance and derecognition loss as at 31 December 2024 were as follows:</p> <table><tr><th>Financial statement line item</th><th>Gross amount</th><th>Derecognition loss</th></tr><tr><td></td><td>GH¢'000</td><td>GH¢'000</td></tr><tr><td>Investment securities</td><td>253,130</td><td>86,907</td></tr></table> <p>The Government of the Republic of Ghana reached an agreement in principle with the Eurobond holders regarding the treatment of the Eurobonds. Outstanding Bonds were exchanged for new ones based on two options known as the Disco Option or the Par Option.</p> <p>Derecognition loss for investment securities is material to the financial statements in terms of magnitude and level of subjective judgment applied by management.</p> <p>A derecognition loss GH¢86.9 million was recognised as a result of the exchange of eligible bonds under the programme.</p> <p>The fair values of the new instruments on the date of exchange and the associated derecognition gain or loss was determined using discounted cash flow (DCF) models. The DCF models estimated the discount factors for the categories of bonds exchanged.</p> <p>The determination of the discount rate was an area of significant judgement</p> <p>The accounting policies, critical estimates and judgements and impairment charge are set out in 2f, 3, 8 and 17 to the financial statements.</p>	Financial statement line item	Gross amount	Derecognition loss		GH¢'000	GH¢'000	Investment securities	253,130	86,907	<p>We obtained an understanding of the Eurobond based on the Exchange Memorandum issued by the Government of Ghana.</p> <p>We obtained an understanding for the option chosen by the Scheme based on the approval of the Board.</p> <p>We assessed the reasonableness of the discount rates used for determining the present value of cashflows expected from new bonds by:</p> <ul style="list-style-type: none">• reviewing the methodology adopted in determining the discount rate;• agreeing the inputs used in the calculation of the market prices; and• reviewing the accuracy of the computation of the discount rate. <p>We assessed the appropriateness of the related disclosures for investment securities in the financial statements in accordance with IFRS 9.</p>
Financial statement line item	Gross amount	Derecognition loss								
	GH¢'000	GH¢'000								
Investment securities	253,130	86,907								

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GHANA EDUCATION SERVICE OCCUPATIONAL
PENSION SCHEME (continued)**

Other information

The Trustees are responsible for the other information. The other information comprises Particulars of service providers/advisors, Report of the Trustees and Statement of Trustees' responsibilities but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 on the other information, 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 in the manner required by Occupational and Personal Pension Schemes (General) Regulations, 2011, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 the Trustees either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for overseeing the Scheme's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GHANA EDUCATION SERVICE OCCUPATIONAL
PENSION SCHEME (continued)**

- 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;

Auditor's responsibilities for the audit of the financial statements (continued)

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

We communicate with the 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 also provide the Trustees with a statement that we have complied with relevant ethical requirements regarding independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Trustees, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

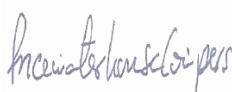
**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF GHANA EDUCATION SERVICE OCCUPATIONAL
PENSION SCHEME (continued)**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

The Occupational and Personal Pension Schemes (General) Regulations, 2011 requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) in our opinion proper books of account have been kept by the Scheme, so far as appears from our examination of those books; and
- iii) the Scheme's balance sheet (statement of net assets available for benefits) and profit and loss account (statement of changes in net assets available for benefits) are in agreement with the books of account; and
- iv) with respect to the provisions of Section 35 of the Occupational and Personal Pension Schemes (General) Regulations, 2011, we did not identify any instances of non-compliance based on procedures we performed.

The engagement partner on the audit resulting in this independent auditor's report is Destiny Selorm Attatsitsey (ICAG/P/1619).



PricewaterhouseCoopers (ICAG/F/2025/028)
Chartered Accountants
Accra, Ghana
26 May 2025





"Whatever the mind of man
can conceive and believe,
it can achieve"

- Napoleon Hill

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ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024



STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

(All amounts are in thousands of Ghana cedis)

Year ended 31 December			
	Note	2024	2023
Dealings with members			
Contributions	4	832,441	682,556
Transfer in	5	33	23
Benefits expense	6	<u>(225,019)</u>	<u>(209,664)</u>
Net additions from dealings with members		<u>607,455</u>	<u>472,915</u>
Returns on investments			
Investment income	7	2,090,667	2,751,547
Brokerage fees		(543)	(92)
Net gain on investment	9	<u>162,337</u>	<u>34,915</u>
Net investment income		<u>2,252,461</u>	<u>2,786,370</u>
Other income	10	37,958	42,165
Administrative expenses	11	(169,272)	(144,208)
Derecognition loss	8	(86,907)	(899,043)
Impairment release on financial assets	8	<u>16,210</u>	<u>(47,996)</u>
Increase in net assets for the year		<u>2,657,905</u>	<u>2,210,203</u>

The notes on pages 22 to 40 are an integral part of these financial statements.

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

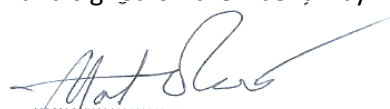


STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

(All amounts are in thousands of Ghana cedis)

At 31 December			
	Note	2024	2023
Assets			
Cash and bank balances	12	197,749	225,907
Matured investments receivable	13	-	11,730
Contributions receivable	13	621,300	499,763
Financial assets at amortised cost	8	10,146,171	7,992,553
Financial assets at fair value through statement of changes in net assets available for benefits	8	616,461	181,405
		<u>11,581,681</u>	<u>8,911,358</u>
Liabilities			
Administrative expenses payable	14	16,233	14,961
Benefits payable	15	65,081	53,935
		<u>81,314</u>	<u>68,896</u>
Total assets less liabilities		<u>11,500,367</u>	<u>8,842,462</u>
Represented by:			
Net assets available for benefits		<u>11,500,367</u>	<u>8,842,462</u>

The financial statements on pages 18 to 40 were approved for issue by the Board of Trustees on 21 May 2025 and signed on their behalf by:


 Nathaniel Otoo
 Chairman of the Board of Trustees


 Kofi Fynn
 For: Petra Trust Company Limited, Independent Trustee

The notes on pages 22 to 40 are an integral part of these financial statements.

STATEMENT OF MOVEMENT IN NET ASSETS AVAILABLE FOR BENEFITS

(All amounts are in thousands of Ghana cedis)

	Year ended 31 December	
	2024	2023
Net assets available for benefits		
At start of year	8,842,462	6,632,259
Increase in net assets for the year	<u>2,657,905</u>	<u>2,210,203</u>
At end of year	<u>11,500,367</u>	<u>8,842,462</u>

The notes on pages 22 to 40 are an integral part of these financial statements.

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024



STATEMENT OF CASH FLOWS

(All amounts are in thousands of Ghana cedis)

Year ended 31 December			
	Note	2024	2023
Cash flows from operating activities			
Contributions received		334,544	571,517
Benefits paid		(213,873)	(193,269)
Administrative expenses paid		<u>(168,001)</u>	<u>(141,512)</u>
Net cash generated from operating activities		<u>(47,330)</u>	<u>236,736</u>
Cash flows from investing activities			
Investment income received		1,407,775	1,768,740
Purchase of financial assets	8	(11,785,732)	(8,936,787)
Redemption of financial assets	8	<u>10,039,962</u>	<u>7,725,501</u>
Net cash generated from/(used in) investing activities		<u>(337,995)</u>	<u>557,454</u>
(Decrease)/increase in cash and cash equivalents		<u>(385,325)</u>	<u>794,190</u>
Cash and cash equivalents at start of year	12	1,095,623	301,433
Movement in cash and cash equivalents		<u>(385,325)</u>	<u>794,190</u>
Cash and cash equivalents at end of year	12	<u>710,298</u>	<u>1,095,623</u>

The notes on pages 22 to 40 are an integral part of these financial statements.

NOTES

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).

Ghana Education Service is the sponsor of the Ghana Education Service Occupational Pension Scheme. As at the date of reporting, the number of employees of Ghana Education Service Occupational Pension Scheme was 471,523.

Ghana Education Service Occupational Pension Scheme has been established to provide pension benefits to employees of the Ghana Education Service who proceed on retirement.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of the Scheme have been prepared in accordance with International Financial Reporting Standards (IFRS) with the IAS 29 directive issued by the Institute of Chartered Accountants, Ghana (ICAG) and presented in compliance with the National Pensions Act, 2008 (Act 766) as amended, the Occupational and Personal Pension Schemes (General) Regulations, 2011 (L.I. 1990) and relevant guidelines.

The ICAG issued a directive in January 2025 to accountants in business and accountants in practice on the application of IAS 29 in Ghana. The ICAG asserts in the directive that based on its analysis of the quantitative and qualitative indicators referred to in IAS 29, Ghana was not a hyperinflationary economy as of December 2024, therefore, IAS 29 will not be applicable for December 2024 financial reporting period. In compliance with the directive, the financial statements of the Company, including the comparative figures, have not been stated in terms of the measuring unit current at the end of the reporting period.

The financial statements summarise the transactions of the Scheme and deal with the net assets available to the members. They do not take account of obligations to pay benefits that fall due after the end of the year.

The financial statements are presented in Ghana Cedis (GHC). The financial statements have been prepared under the historical cost convention, except as modified by the revaluation of financial assets at fair value through statement of changes in net assets available for benefits. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

NOTES (continued)

(All amounts are in thousands of Ghana cedis)

(b) Changes in accounting policies and disclosures

i) New and amended standards adopted by the Scheme

The Scheme has applied the following standards and interpretations for the first time to financial reporting periods commencing on or after 1 January 2024:

- Classification of Liabilities as Current or Non-current — Amendments to IAS 1
- Lease Liability in a Sale and/ Leaseback — Amendments to IFRS 16
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Changes in accounting policies and disclosures (continued)

ii) New and amended standards not yet adopted by the Scheme

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the Scheme. These standards are not expected to have a material impact on the scheme in the current or future reporting periods and on foreseeable future transactions.

(c) Contributions receivable

Contributions from members are accounted for in the period in which they fall due.

(d) Benefits payable

Benefits payable to seceding members are recognised as liabilities in the period in which they fall due.

(e) Income from investments

Interest income is recognised for all interest-bearing instruments using the effective interest method. Interest income includes coupons earned on fixed income investments and accrued discount and premium on treasury bills and other discounted instruments.

Dividend income for equity investments is recognised when the right to receive payment is established.

(f) Financial assets and liabilities

Initial recognition and measurement

NOTES (continued)

(All amounts are in thousands of Ghana cedis)

Financial assets and financial liabilities are recognised when the Scheme becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Scheme commits to purchase or sell the asset.

At initial recognition, the Scheme measures a financial asset or financial liability at its fair value plus or minus transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the Scheme recognises the difference as follows:

- (i) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
- (ii) In all other cases, the differences are deferred and the timing of recognition of deferred day one gain or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

Classification and subsequent measurement

Financial assets

The Scheme applies IFRS 9 and classified its financial assets in the following measurement categories:

- At fair value through statement of changes in net assets available for benefits; and
- At amortised cost.

(f) Financial assets and liabilities (continued)

Classification and subsequent measurement (continued)

The classification depends on the Scheme's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of changes in net assets available for benefits.

For investments in equity instruments that are not held for trading, this will depend on whether the Scheme has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through statement of changes in net assets available for benefits.

NOTES (continued)

(All amounts are in thousands of Ghana cedis)

The Scheme classifies its financial assets at amortised cost only if the asset is held within a business model whose objective is to collect the contractual cash flows, and the contractual terms give rise to cash flows that are solely payments of principal and interest.

The business model reflects how the Scheme manages the assets in order to generate cash flows. Factors considered by the Scheme in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to the Board of Trustees, how risks are assessed and managed and how the Fund managers are compensated.

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Scheme assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the 'SPPI test').

Impairment

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Scheme uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Scheme's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Derecognition

The Scheme derecognises financial assets when the contractual rights to the cash flows from these assets expire, or it transfers the rights to receive the contractual cash flows on the financial assets in transactions in which substantially all the risks and rewards of ownership of the financial assets are transferred or which the Scheme neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial assets. Any interest in transferred financial assets that is created or retained by the Scheme is recognised as a separate asset or liability.

Financial liabilities

The Scheme's holding in financial liabilities represents mainly benefits payable and administrative expenses payable to members and service providers respectively. Such financial liabilities are initially recognised at fair value and subsequently measured at amortised cost.

Derecognition

The Scheme derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

NOTES (continued)

(All amounts are in thousands of Ghana cedis)

Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the net assets available for benefits when, and only when, the Scheme has a legal right to set off the amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Fair value measurement

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial instruments fair value is determined using valuation techniques.

(g) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.

(h) Provisions

Provisions are recognised 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.

(i) Administrative expenses

Administrative expenses are recognised in the statement of changes in net assets available for benefits when incurred.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In particular, estimates are made by the Trustees in determining the impairment charge on financial assets held at amortised cost.

Determining fair values

The determination of fair values for financial assets for which there is no observable market price requires the use of valuation models. The fair value hierarchy of the financial assets of the Scheme is set out in note 18.

NOTES (continued)

(All amounts are in thousands of Ghana cedis)

3. Critical accounting estimates and judgements (continued)

Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires the use of models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of counter parties defaulting and the resulting losses).

The method applied in the determination of impairment charge on the Scheme's financial assets measured at amortised cost is set out under notes 2(f) and 17 of these financial statements.

Hold to collect financial assets

The Scheme classifies some non-derivative assets with fixed or determinable payments and fixed maturity as hold to collect. This classification requires significant judgement. In making this judgement, the Scheme uses the Business model and Solely for Payment and Principal and Interest (SPPI) model to assess that the purpose for holding these assets was to collect the contractual cash flows associated with the assets. If the Scheme were to fail to keep these investments to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – the Scheme is required to reclassify the entire category as hold to collect and sell. Accordingly, the investments would be measured at fair value instead of amortised cost.

4. Contributions

	2024	2023
Members' contribution received for the year	211,141	182,793
Contributions receivable	<u>621,300</u>	<u>499,763</u>
	<u>832,441</u>	<u>682,556</u>

Potential surcharge for late receipt of contribution for the year ended 31 December 2024 was GH¢128,585,547 (2023: GH¢103,269,874). None of the surcharged amount for the year was received (2023: nil).

Potential surcharge relates to the 3% penal interest rate payable on contributions not paid within the specified period in accordance with Section 64 (1) of National Pensions Act, 2008 (Act 766) as amended.

Penal interest income accrued during the year has not been recognised in the financial statements as it is not probable that the amount will be received by the Scheme.

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FOR THE YEAR ENDED 31 DECEMBER 2024



NOTES (continued)

4. Contribution (continued)

The table below provides the details of the potential surcharge for late receipt of contributions.

Year ended 31 December 2024

Month	Date Due	Date received	Days overdue	Contribution due	Potential surcharge
December 2023	15 January 2024	09 October 2024	268	56,304,456	15,089,594
January 2024	15 February 2024	23 October 2024	251	68,552,587	17,206,699
February 2024	15 March 2024	23 October 2024	222	68,764,663	15,265,755
March 2024	15 April 2024	23 October 2024	191	68,846,812	13,149,741
April 2024	15 May 2024	Not received yet	230	68,852,231	15,836,013
May 2024	15 June 2024	Not received yet	199	68,551,664	13,641,781
June 2024	15 July 2024	Not received yet	169	69,506,844	11,746,657
July 2024	15 August 2024	Not received yet	138	70,224,863	9,691,031
August 2024	15 September 2024	Not received yet	107	69,081,920	7,391,765
September 2024	15 October 2024	Not received yet	77	68,848,848	5,301,361
October 2024	15 November 2024	Not received yet	46	68,968,728	3,172,561
November 2024	15 December 2024	Not received yet	16	68,286,810	1,092,589
					<u>128,585,547</u>

Year ended 31 December 2023

Month	Date Due	Date received	Days Overdue	Contribution due	Potential surcharge
December 2022	15 January 2023	09 October 2023	267	40,862,735	10,910,350
January 2023	15 February 2023	09 October 2023	236	52,607,795	12,415,440
February 2023	15 March 2023	09 October 2023	208	56,565,406	11,765,604
March 2023	15 April 2023	12 December 2023	241	55,666,356	13,415,592
April 2023	15 May 2023	1 February 2024	230	57,350,557	13,190,628
May 2023	15 June 2023	1 February 2024	199	55,217,526	10,988,288
June 2023	15 July 2023	Not received yet	169	55,305,556	9,346,639
July 2023	15 August 2023	Not received yet	138	55,305,556	7,632,167
August 2023	15 September 2023	Not received yet	107	55,305,556	5,917,694
September 2023	15 October 2023	Not received yet	77	55,305,556	4,258,528
October 2023	15 November 2023	Not received yet	46	55,305,556	2,544,056
November 2023	15 December 2023	Not received yet	16	55,305,556	<u>884,889</u>
					<u>103,269,874</u>

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FOR THE YEAR ENDED 31 DECEMBER 2024



NOTES (continued)

(All amounts are in thousands of Ghana cedis)

5. Transfers in

	2024	2023
Accrued benefit of members received from other Schemes	<u>33</u>	<u>23</u>

6. Benefit expense

Benefits to members	214,290	193,302
Benefit to SSNIT	<u>10,729</u>	<u>16,362</u>
	<u>225,019</u>	<u>209,664</u>

7. Investment income

Dividend income	24,495	12,700
Interest on:		
Call deposits	60,031	33,465
Money market securities	277,314	78,066
Government of Ghana bonds and notes	1,682,569	2,376,292
Local Government securities	31	122,504
Corporate bonds	11,870	93,635
FX Exchange Gains/Losses	-	35,020
Alternative Investments	<u>34,357</u>	<u>(135)</u>
	<u>2,090,667</u>	<u>2,751,547</u>

8. Financial assets

Financial assets at fair value through statement of changes in net assets available for benefits

	2024	2023
Equity investments	406,293	166,443
Collective investment schemes	142,212	14,962
Alternative investments	<u>67,956</u>	<u>-</u>
	<u>616,461</u>	<u>181,405</u>

Movement on financial assets at fair value through statement of changes in net assets available for benefits is as follows:

<u>Year ended 31 December 2024</u>	Collective Investment	Equity Investments	Alternative Investments	Total
At start of year	14,962	166,443	-	181,405
Additions	123,134	96,493	53,092	272,719
Fair value gain	<u>4,116</u>	<u>143,357</u>	<u>14,864</u>	<u>162,337</u>
At end of year	<u>142,212</u>	<u>406,293</u>	<u>67,956</u>	<u>616,461</u>

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024



NOTES (continued)

(All amounts are in thousands of Ghana cedis)

8. Financial assets (continued)

Financial assets at fair value through statement of changes in net assets available for benefits (continued)

<u>Year ended 31 December 2023</u>	Collective investment	Equity Investments	Total
At start of year	15,284	63,351	78,635
Additions	-	67,856	67,856
Fair value gain	<u>(322)</u>	<u>35,236</u>	<u>34,914</u>
At end of year	<u>14,962</u>	<u>166,443</u>	<u>181,405</u>

Equity investments are listed on the Ghana Stock Exchange. The collective investment are investments in unit trusts and mutual funds. Alternative investments are investments in other private equity funds which include venture capitals funds and exchange traded funds.

Financial assets at amortised cost

<u>Year ended 31 December 2024</u>	Fixed deposits	Government securities	Corporate debt	Alternative investments	Total
<i>Gross financial assets:</i>					
At start of year	867,109	7,203,823	44,284	-	8,115,216
Settlement on exchange /additions	5,225,493	6,951,039	35,404	189,986	12,401,922
Exchange bonds /matured securities	(4,352,165)	(6,508,091)	(18,207)	(118,122)	(10,996,585)
Translation gain on investment	37,036	-	-	922	37,958
Derecognition loss	-	(86,907)	-	-	(86,907)
Accrued interest	<u>35,343</u>	<u>634,601</u>	<u>3,878</u>	<u>745</u>	<u>674,567</u>
At end of year	<u>1,812,816</u>	<u>8,194,465</u>	<u>65,359</u>	<u>73,531</u>	<u>10,146,171</u>
<i>Impairment provision:</i>					
At start of year	-	(120,006)	(2,657)	-	(122,663)
Reversal of impairment recognised	-	106,453	-	-	106,453
Impairment release for the year	-	<u>13,553</u>	<u>2,657</u>	-	<u>16,210</u>
At end of year	-	-	-	-	-
Net financial assets	<u>1,812,816</u>	<u>8,194,465</u>	<u>65,359</u>	<u>73,531</u>	<u>10,146,171</u>

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024



NOTES (continued)

(All amounts are in thousands of Ghana cedis)

8. Financial assets (continued)

Financial assets at amortised cost (continued)

<u>Year ended December 2023</u>	<u>Fixed deposits</u>	<u>Government securities</u>	<u>Corporate debt</u>	<u>Total</u>
<i>Gross financial assets:</i>				
At start of year	-	5,764,131	650,444	6,414,575
Settlement on exchange/addition	846,997	8,878,569	13,081	9,738,647
Exchange bonds/matured securities	-	(7,104,393)	(621,108)	(7,725,501)
Translation gain on investment	-	42,165	-	42,165
Modification loss	-	(899,043)	-	(899,043)
Accrued interest	<u>20,112</u>	<u>522,394</u>	<u>1,867</u>	<u>544,373</u>
At end of year	<u>867,109</u>	<u>7,203,823</u>	<u>44,284</u>	<u>8,115,216</u>
<i>Impairment provision:</i>				
At start of year	-	(375,926)	(39,041)	(414,967)
Derecognition of impairment	-	301,259	39,041	340,300
Release/(charge) for the year	<u>-</u>	<u>(45,339)</u>	<u>(2,657)</u>	<u>(47,996)</u>
At end of year	<u>-</u>	<u>(120,006)</u>	<u>(2,657)</u>	<u>(122,663)</u>
Net financial assets	<u>867,109</u>	<u>7,083,817</u>	<u>41,627</u>	<u>7,992,553</u>

Fixed deposits and treasury bills set out above which mature within 91 days from their purchase dates are GH¢512,548,412 (2023: GH¢869,716,011).

Purchases and redemption of financial assets for the purpose of the cashflow statements

	<u>2024</u>	<u>2023</u>
<i>Cash purchases of investment securities:</i>		
Purchases of financial assets at amortised cost	<u>12,401,922</u>	9,738,647
Purchases of financial assets at FVPL	<u>272,718</u>	67,856
Bonds received as contribution payment	<u>(376,360)</u>	-
Transfer to cash and cash equivalent	<u>(512,548)</u>	<u>(869,716)</u>
	<u>11,785,732</u>	<u>8,936,787</u>
<i>Redemption of investment securities:</i>		
Redemption upon maturity of financial assets at amortised cost	<u>1,299,126</u>	912,683
	<u>2024</u>	<u>2023</u>
Disposal of financial assets at amortised cost	<u>9,697,459</u>	6,812,818
91 day opening treasury bill balances added to cash and cash equivalent	<u>(869,716)</u>	-
Derecognition loss on Eurobond facilities	<u>(86,907)</u>	-
	<u>10,039,962</u>	<u>7,725,501</u>

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024



NOTES (continued)

(All amounts are in thousands of Ghana cedis)

9. Net (loss)/gain on investment income

	2024	2023
Gain from valuation of equity investments	143,357	34,982
Gain/(Loss) from valuation of collective investments	4,116	(67)
Gain from valuation of alternative investments	14,864	-
	<u>162,337</u>	<u>34,915</u>

10. Other income

Translation gain	37,939	42,165
Other income	19	-
	<u>37,958</u>	<u>42,165</u>

11. Administrative expenses

Administrator's fees	28,941	26,116
Board of Trustees' fees	61,412	52,981
Independent Trustee	7,962	7,303
Fund managers' fees	24,466	20,905
Custodian's fees	11,562	10,430
Auditor's remuneration	248	170
National Pensions Regulatory Authority fees	34,681	26,303
	<u>169,272</u>	<u>144,208</u>

12. Cash and bank balances

Cash at bank	<u>197,749</u>	<u>225,907</u>
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For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

Cash at bank	197,749	225,907
Fixed deposits and treasury bills maturing within 91 days of purchase	<u>512,548</u>	<u>869,716</u>
	<u>710,297</u>	<u>1,095,623</u>

13. Matured investments receivable

Matured investment	-	11,730
Release of impairment on matured investments receivable in 2024 was nil (2023: GH¢14,465)		

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FOR THE YEAR ENDED 31 DECEMBER 2024



NOTES (continued)

(All amounts are in thousands of Ghana cedis)

13. Matured investments receivable (continued)

Contributions receivable	2024	2023
For less than 30 days	68,978	55,361
Between 30 and 60 days	68,287	55,306
Between 60 and 90 days	68,969	55,306
More than 90 days	415,066	333,790
	<u>621,300</u>	<u>499,763</u>

The fair value of the accounts receivables is deemed to be approximate the carrying amount due to the short-term nature.

14. Administrative expenses payable

	2024	2023
Due to National Pension Regulatory Authority fees	3,169	2,658
Due to Administrator fees	2,507	2,381
Due to Custodian fees	1,002	950
Due to Fund Manager fees	2,143	1,989
Due to Board of Trustees fees	5,358	4,979
Due to Independent Trustees fee	690	655
Audit fee and expenses	248	170
Sundry payable	<u>1,116</u>	<u>1,179</u>
	<u>16,233</u>	<u>14,961</u>

The fair value of the Scheme's other payables is deemed to approximate the carrying amount. All administrative expenses payable are current.

15. Benefits payable

	2024	2023
Benefits payable to members	83	69
Refund to SSNIT	<u>64,998</u>	<u>53,866</u>
	<u>65,081</u>	<u>53,935</u>

All benefits payable are due no later than one year.

The Refund to SSNIT represents 4% contributions and its associated returns that were payable to SSNIT in respect of retiring members who were fifty (50) years and above at the inception of the National Pensions Act 2008 (Act 766). These beneficiaries are exempt under Section 60(1) to (2) of Act 766, as amended by Section 2(1) to (4) of the National Pensions Amendment Act, 2014 (Act 883).

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NOTES (continued)

(All amounts are in thousands of Ghana cedis)

16. Net assets available for benefits

The movement in the Scheme's net assets available for benefits is set out below

<u>Year ended 31 December 2024</u>	Cumulative contribution	Net investment income and expenses	Total
At 1 January	4,503,088	4,339,374	8,842,462
Additions	832,474	2,307,172	3,139,646
Deductions	<u>(225,019)</u>	<u>(256,722)</u>	<u>(481,741)</u>
At 31 December	<u>5,110,543</u>	<u>6,389,732</u>	<u>11,500,367</u>
<u>Year ended 31 December 2023</u>			
At 1 January	4,030,196	2,602,063	6,632,259
Additions	682,556	2,828,650	3,511,206
Deductions	<u>(209,664)</u>	<u>(1,091,339)</u>	<u>(1,301,003)</u>
At 31 December	<u>4,503,088</u>	<u>4,339,374</u>	<u>8,842,462</u>

17. Financial risk management objectives and policies

The board of trustees are responsible for monitoring compliance with risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to risks faced by the Scheme.

The Scheme's established risk management procedures, identify and analyse the risk faced by the Scheme, to set appropriate risk limits, controls and to monitor risks and adhere to policy.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Scheme is exposed to market risk arising from interest rate risk and price risk on investments.

Interest rate risk

The Scheme's fixed deposit holdings and corporate bonds expose it to cash flow interest rate risk. Investments in fixed rate government bonds and bank deposits expose it to fair value interest rate risk. The Fund managers

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advise the Trustees on the appropriate mix of the portfolio of fixed rate interest investments. The Scheme has no interest-bearing liabilities.

At 31 December 2024, an increase/decrease in interest rates of 1% with all other variables held constant would have resulted in an increase/decrease in net assets available for benefits' of GH¢18,781,745 (2023: GH¢9,123,106) arising substantially from the change in market values of securities.

17. Financial risk management objectives and policies

Market risk (continued)

Price risk (continued)

The Scheme's exposure to equity securities price risk arises from investments held by the Scheme classified as fair value through statement of changes in net assets available for benefits. To manage its price risk arising from investments in equity securities, the Scheme diversifies the portfolio. Diversification of the portfolio is done in accordance with the limits set by the Scheme rules.

The equity investments are publicly traded on the Ghana Stock Exchange. A 1% change in share price of these investments with all variables held constant will increase/ decrease net asset available for benefits by GH¢4,062,926 (2023: GH¢1,559,445) arising substantially from the change in market values of securities.

A 1% change in price of investments in collective investment schemes with all variables held constant will increase/decrease net asset available for benefits by GH¢1,422,124 (2023: GH¢149,627) arising substantially from the change in market values of securities.

Credit risk

The Scheme holds treasury bills and bonds issued by the Government of Ghana and fixed deposits issued by financial institutions licensed by the Bank of Ghana.

The Scheme's maximum exposure to credit risk is as follows:

	2024	2023
Bank balances	197,749	225,907
Government securities	8,194,222	7,203,823
Corporate bonds	65,359	44,284
Fixed deposits	1,812,816	867,109
Local securities	243	-
Alternative securities	73,531	-
Contribution receivable	621,300	499,763
Matured investments receivable	-	11,730
	<u>10,965,220</u>	<u>8,852,616</u>

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NOTES (continued)

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The Scheme adopts a three-stage approach for impairment assessment based on changes in credit quality from initial recognition.

- Stage 1 – Where there has not been a significant increase in credit risk (SICR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.
- Stage 2 – When a financial instrument experiences a SICR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.
- Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

17. Financial risk management objectives and policies (continued)

POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. The ECL allowance is only recognised or released to the extent that there is a subsequent change in the expected credit losses.

The Scheme financial instruments exposed to credit risk are as follows:

31 December 2024					
	Stage 1	Stage 2	Stage 3	POCI	Total
Cash and bank balances	197,749	-	-	-	197,749
Financial assets at amortised cost	2,810,082	7,082,959	-	253,130	10,146,171
Contributions receivable	621,300	-	-	-	621,300
Gross carrying amount	3,629,131	7,082,959	-	253,130	10,965,220
Loss allowance	-	-	-	-	-
Carrying amount	3,629,131	7,082,959	-	253,130	10,956,220

31 December 2023				
	Stage 1	Stage 2	Stage 3	Total
Bank balances	225,907	-	-	225,907
Financial assets at amortised cost	982,092	563,534	6,569,590	8,115,216
Contribution receivable	499,763	-	-	499,763
Matured investments receivable	11,730	-	-	11,730
Gross carrying amount	1,719,492	563,534	6,569,590	8,852,616
Loss allowance	(2,657)	(13,501)	(106,505)	(122,663)
Carrying amount	1,716,835	550,033	6,463,085	8,729,953

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Investment securities

The Scheme's investments comprise investments in Government of Ghana bonds and Cocoa Board bonds.

Impact of Ghana's Domestic Debt Exchange Programme (DDEP) on investment securities

On 31 July 2023, the Government of Ghana announced the pensions' Domestic Debt Programme (DDEP). The Programme invited eligible bondholders to voluntarily exchange eligible local currency bonds issued by the Government of Ghana, ESLA and Daakye bonds for a new series of bonds to be issued by the Government.

The Programme sought to extend the tenures of the eligible securities and reduce their coupons to an effective rate of about 22.35%. The Government also explained that the holders of the old bills will receive two (2) new bonds that mature in 2027 and 2028 at the rates of 58% and 57% for each year respectively. Also, included as part of the exchange is an interest only bond ending in 2027 and 2028 in the ratio of 50% and 50% for both years

The Scheme assessed the bonds and bills eligible for exchange under the DDEP as credit-impaired. As a result, the carrying amounts of the existing bonds were reduced to the fair value of the new bonds calculated as the present value of the cash flows using discount rates of 25% representative of the sovereign risk of the country.

The difference between the fair value of the new instruments and the carrying amount of the original assets was recognised as modification gain or losses in the statement of changes in net assets available for benefits.

Modification Assessment of Government of Ghana Eurobonds

The Scheme used the principles of IFRS 9 to assess for modification. Where the contract terms of debt instruments are modified, an assessment is performed to ascertain if the new terms are "substantially different" from the old terms. This is to determine if the modification is significant or not. Where the modification is deemed to be significant, the old instrument is derecognized and the new instrument recognized as a new asset in line with the standard.

On June 24, 2024, the Government of Ghana (GoG) reached an Agreement in Principle (AIP) with Eurobond holders, represented by the International Steering Committee and Regional Steering Committee (the "Steering Committees"), to restructure approximately \$13.1 billion of external debt. The restructuring initiative was aimed at alleviating Ghana's debt burden and fostering economic recovery, as part of an IMF-supported program.

Below is the summary of the terms of the exchanged:

- Investors had two options to choose from; Discount option and par option (capped at USD1.6 million). The bondholders agreed to a nominal haircut of 37% on the principal amount, resulting in a reduction of approximately \$4.7 billion of claims. The haircut applied to only the discount option.
- Bondholders will also provide cash flow relief amounting to approximately \$4.4 billion during the IMF program period, easing the financial pressure on the GoG.

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- The Eurobond restructuring involved the issue of five (5) new Eurobonds with maturities extending up to 2037 to replace the old Eurobonds. This was aimed at providing the government with fiscal space that would ensure financial stability.

The scheme participated in the Eurobond exchange program and opted for the combination of 70% discount option and 30% par option. A total of USD28.6 million of the old Eurobonds was exchanged for new Eurobonds with total face value of USD22.7 million after suffering haircut.

Valuation of Eurobonds

The restructure of the government of Ghana Eurobonds was considered significant modification of the financial asset. As a result, the old Eurobonds were derecognized and the new bonds received was recognized as new financial assets. In line with IFRS 9, the new bonds were recognized at fair value. A discount rate of 8% was used to determine the prices of the new bonds at on the day of the exchange. The market prices of the bonds immediately after the exchange is significantly different from our valuation prices.

	2024
Carrying amount on date of exchange	340,811
Fair value on date of exchange	(253,904)
Derecognition loss	<u>86,907</u>

Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash balances to cover anticipated benefit payments. The Trustees agree with the Fund manager on the amount to be invested in assets that can be easily liquidated. The Scheme's financial liabilities are set out in notes 14 and 15 of these financial statements.

18. Financial instruments by category

The financial assets of the Scheme have been classified as follows:

	Financial assets at amortised cost	Financial assets at fair value through statement of changes in net assets available for benefits	Total
At 31 December 2024			
Equity investments	-	406,293	406,293
Collective investments	-	142,212	142,212
Alternative investments	73,531	67,956	141,487
Government securities, fixed deposits and corporate bonds	10,072,640	-	10,072,640
Matured investments receivable	-	-	-
Contribution receivable	621,300	-	621,300
Cash and bank balances	<u>197,749</u>	<u>-</u>	<u>197,749</u>
	<u>10,965,220</u>	<u>616,461</u>	<u>11,581,681</u>

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18. Financial instruments by category (continued)

At 31 December 2023

Equity investments	-	166,443	166,443
Mutual Fund investments	-	14,963	14,963
Government securities, fixed deposits and corporate bonds	7,992,553	-	7,992,553
Matured investments receivable	11,730	-	11,730
Contribution receivable	499,763	-	499,763
Cash and bank balances	<u>225,907</u>	<u>-</u>	<u>225,907</u>
	<u>8,729,953</u>	<u>181,406</u>	<u>8,911,359</u>

The fair value of the Scheme's financial assets at amortised cost is GH¢9,194,764 (2023: GH¢8,555,353).

The financial liabilities of the Scheme as at 31 December 2024 set out below have been classified as financial liabilities measured at amortised cost.

	2024	2023
Benefits payable	65,081	53,935
Administrative expenses payable	<u>16,325</u>	<u>14,961</u>
	<u>81,406</u>	<u>68,896</u>

The fair value of the Scheme's financial liabilities is deemed to approximate the carrying amount due to the short-term nature.

19. Fair value measurements

Fair value hierarchy

IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Scheme's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 – Quoted prices in active markets for identical assets or liabilities. This level includes equity securities listed on the Ghana Stock Exchange.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

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Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

The hierarchy of the financial assets of the Scheme at the end of the year is as follows:

Fair value hierarchy (continued)

	Level 1	Level 2	Level 3	Total
At 31 December 2024				
Financial assets at fair value through statement of changes in net assets available for benefits	<u>406,293</u>	<u>142,212</u>	<u>67,956</u>	<u>616,461</u>
At 31 December 2023				
Financial assets at fair value through statement of changes in net assets available for benefits	<u>155,945</u>	<u>14,963</u>	<u>10,498</u>	<u>181,406</u>

Financial assets measured at level 3 in the fair value hierarchy as at 31 December 2024 GH¢67,955,622 (2023: 10,498,035).

20. Tax status of the Scheme

The Ghana Education Service Occupational Pension Scheme has been approved by the National Pensions Regulatory Authority and is exempt from income tax on its investment income in accordance with Section 94 (2) of the Internal Revenue Act 2015 (Act 896) as amended.

21. Related parties

Related party transactions and balances

Related party transactions during the year relates to fees paid or payable to the Board of Trustees who are also members of the Scheme.

Related party transactions and balances are set out in notes 4, 5, 6, 11, 13, 14 and 15 to the financial statements.

22. Commitments and contingencies

There are no commitments and contingencies as at 31 December 2024 (2023: nil).

23. Subsequent events


The Board of Trustees are not aware of any other material events that have occurred between the date of the statement of net assets available for benefits and the date the financial statements are approved that require disclosure in or adjustment in the financial statements.



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