Social Security and National Insurance Trust

Report and financial statements 2016

Contents

Social Security and National Insurance Trust

Corporate information

Secretary:

Mrs. Gifty Joan Annan
Pensions House,
P.O. Box MB.149, Ministries, Accra

General Counsel:

Mr. Peter Hayibor
Pensions House,
P.O. Box MB.149, Ministries, Accra

Auditors:

Ernst & Young
Chartered Accountants
G15 White Avenue, Airport Residenctial Area
P.O. Box KA16009, Aiport, Accra

Bankers:

Ghana Commercial Bank Limited

SG Bank Limited
Universal Merchant Bank (Ghana) Limited
Ecobank (Ghana) Limited
Agricultural Development Bank
Standard Chartered Bank Ghana Limited
Barclays Bank Ghana Limited
Ghana International Bank PLC
HFC Bank Limited

The Trustees submit their report together with the audited financial statements of Social Security and National Insurance Trust for the year ended 31 December 2016.

1 The Trust and the Scheme

(a) The Trust

The Social Security and National Insurance Trust (The Trust) manages and operates the Basic National Social Security Pensions Scheme in accordance with the National Pensions Act, 2008 (Act 766). Full implementation of Act 766 commenced in the year 2010. Employees of companies operating in Ghana are required by law to be members of the Scheme. The Trustees' particular responsibilities include the administration of membership records, the collection and payments of contributions into the Fund, the payment of benefits and the management of the assets of the Scheme.

(b) The Scheme

The basic National Social Security Scheme is the first of a 3-tier Pension Scheme established by the National Pensions Act, 2008 (Act 766).

The other tiers are:

Tier 2 - A mandatory fully funded and privately managed occupational scheme.

Tier 3 - A voluntary fully funded and privately managed Provident Fund and Personal Pension Plan.

The basic National Social Security Scheme is a defined benefits Social Insurance Scheme under which members contribute during their working life and receive monthly pension in the event of Old age, Invalidity; or in the case of Death, the members' dependants receive a Survivor's Lump sum Benefit.

Contributions and Other Features

- The worker contributes 5.5% of monthly basic salary.
- The employer contributes 13% of the worker's monthly basic salary.
- The minimum contribution shall be 18.5% of the approved monthly equivalent of the national minimum daily wage.
- 2.5% is transferred to the National Health Insurance Fund for provision of medical insurance.
- 5% is paid to Tier 2.
- SSNIT effectively withholds 11% for the administration of Tier 1.

- The minimum contribution period shall be 180 months (15 years) in aggregate. This minimum contribution period would have come into effect in 2015. However, the amended Act 883 has extended it to 2020
- The new minimum age at which a person may join the Basic National Pension Scheme is 15 years and the maximum is 45 years.
- A fifteen year annuity period is guaranteed.

- Pensions are paid monthly to qualified members.
- The Pension benefits are earnings related and based on a formula prescribed in the law governing the scheme. Other factors which affect the level of benefits are the age at which members apply for old age pension and also how long a member contributes to the Scheme.
- The Pension paid will fall between 37.5% and 80% of the average of the three best years' salary depending on

  how long a member contributed to the scheme at age 60 and the scheme the member belongs to.
- Those unable to contribute up to the minimum 180 months under Act 766 or 240 months under Act 247, receive a return of their contributions accumulated at a prescribed interest rate.
- A member can opt for early retirement between ages 55 and 59 and receive a reduced pension.
- Pensions are reviewed annually based on the changes in the average wage of contributing members and other economic indicators.

Pensioners of the Scheme made up of those on old age and invalidity pension, receive monthly benefits through their bank accounts.

Benefits

Old Age Pension is paid monthly to a retired member of the Scheme. The member who retires at age 60, which is the compulsory retirement age, and has contributed for not less than 180 or 240 months in aggregate depending on the scheme the member belongs, is entitled to a full pension.

Invalidity Pension is paid monthly to a member who is totally incapable of earning a living through working. The member must have contributed for 12 months within the last 36 months preceeding the incidence of the invalidity.

Survivor's Lump Sum Benefit is paid in a lump sum to the nominated dependants of a member upon his/her death. This could happen when the member dies whilst in service or during retirement but not after age 75 years.

2 Statement of Trustees' responsibility

The Trustees are responsible for the preparation of the financial statements for each financial year that give a true and fair view of the state of affairs of the Trust. In preparing those financial statements, the board of Trustees have selected suitable accounting policies that are reasonable and prudent. The Trustees believe in full disclosure and therefore adopt standard accounting practices (International Financial Reporting Standards) and ensure adequate internal controls to facilitate reliability of the financial statements.

The Trustees are responsible for ensuring that the Trust keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust. The Trustees are also responsible for safeguarding the assets of the Trust and taking reasonable steps for the prevention and detection of fraud and other irregularities.

3 Corporate Governance

The Trust acknowledges the importance of, and is committed to the principles of good corporate governance which include transparency and accountability.

The Board of Trustees is responsible for ensuring that the highest standards of corporate governance are achieved in directing and controlling the Trust's business.

The Board is assisted in the discharge of its duties by the under mentioned sub-committees which meet frequently in between Board meetings.

Finance & Investment Committee

The Finance and Investment Committee is made up of the following members:

Hon. (Mrs.) Mona Quartey	-	Chairperson
Mr. Kofi Asamoah	-	Member
Mr. Prince William Ankrah	-	Member
Mr. K. D. Boateng	-	Member
Mr. Terence Ronald Darko	-	Member
Mr. Ernest Thompson (Director General)	-	Member

This Committee reviews, advises and makes recommendations to the Board on financial accounting and treasury policies, corporate plans and budgets and financial operations of the Trust.

It also advises and makes recommendations on major transactions, major acquisitions, divestments and property development.

Audit Committee

The Audit committee is made up of the following members:

Hon. (Mrs.) Mona Quartey	-	Chairperson
Mr. Alex Frimpong	-	Member
Lt. Col. (Rtd) James Adamu - Koto	-	Member
Naba Alhaji M. A. Azonko	-	Member
Mr. Ernest Thompson (Director General)	-	Member

This Committee provides oversight of risk management activities, audit processes and reviews audit reports and the Trust's risk portfolio.

It evaluates the integrity of the financial management system and accuracy of the Trust's financial reports, as derived from policies, guidelines and established procedures and makes recommendations to the board.

Other functions of the committee are to co-ordinate, monitor and facilitate compliance with existing laws, rules and regulations.

Administration, Welfare and Legal Committee

The Administration, Welfare and Legal Committee is made up of the following members:

Mr. Kofi Asamoah	-	Chairman
Mr. Alex Frimpong	-	Member
Naba Alhaji M. A. Azonko	-	Member
Lt. Col. (Rtd) James Adamu - Koto	-	Member
Mrs. Regina Atsutsey	-	Member

Mr. Theodore A.Nee-Okpey	-	Member
Mr. Ernest Thompson (Director General)	-	Member

This committee evaluates Human Resources policies, reviews remuneration systems and considers issues relating to discipline of senior management personnel.

It reviews policies for the acquisition, maintenance, security and disposal of physical assets of the Trust and further, it evaluates and make proposals to the board on key legal strategies required to be taken .

Technical and Operations Committee

The Technical and Operations Committee is made up of the following members:

Mr. Prince William Ankrah	-	Chairman
Mr. Terence R. Darko	-	Member
Mr. Theodore A.Nee-Okpey	-	Member
Mr. Ernest Thompson (Director General)	-	Member

This committee evaluates and makes recommendations to the Board on policies for ensuring the solvency of the Social Security Scheme.

It also develops policies and guidelines for assessment of benefits adequacy, service delivery improvement and initiatives and strategies for expansion of the scheme.

The committees have met regularly and submitted appropriate reports to the Board of Trustees.

4 Membership

	2016	2015
Membership at 1 January	**1,862,680**	1,689,771
New members	**186,609**	188,183
	2,049,289	1,877,954
Withdrawals	**(26,106)**	(15,274)
Membership at 31 December	**2,023,183**	1,862,680

The above represents the registered membership of the scheme. The active membership, however stood at 1,353,610 (2015 : 1,242,385) as at 31 December 2016.

5 Pensioners

During the year the number of pensioners increased from 156,262 to 174,164

6 Actuarial valuation

It is the policy of the Trust to arrange for an external actuarial valuation of the Scheme every three years. The latest actuarial review of the Scheme as at 31st December, 2014, concluded that, the SSNIT scheme is not financially sustainable over the period covered by the projections from 2014 to 2064 as contained in Acturial Report dated 22 November 2017.

7 Finance

The Basic National Social Security Pensions Scheme which the Trust manages is a defined benefits partially funded scheme and uses a scaled-premium method of financing.

It is financed through the combined contributions of employees and employers as well as investment income.

The scaled-premium financing method used allows for substantial growth of reserves before equilibrium is reached after a specified time when liabilities exceed assets. Contributions are not priced to market, (that is, fully funded) and as such it is referred to as a partially-funded scheme.

A signficant portion of the benefits are derived from investment income. The choice of scaled-premium and the accumulation of reserves that such a choice permits, helps to minimize unfunded liablities thereby reducing the necessary intergenerational transfers common to schemes that use the pay-as-you-go financing method.

The National Pensions Scheme uses a reduced combined contribution rate of 11.0% to finance benefits. This has resulted in a reduction of the investible funds needed to grow the Scheme's reserves and will therefore reduce the equilibrium period.

8 Investments

The Trust is the only legally authorised institution to operate a National Social Security Pension Scheme in Ghana and consequently has the responsibility, amongst others, for investing the Scheme's resources in order to fulfil its obligations to current and prospective pensioners. This entails a diversified investment of the Scheme's resources into promising areas of the Ghanaian economy, in particular, the financial, manufacturing and service sectors, and residential and commercial properties.

The investment portfolio is mostly locally based and structured into short, medium and long term investments. The main categories of the investments are Government stocks, bonds, equities, residential and commercial properties, loans and short term cash deposits.

Report of the Trustees (continued)

The composition of the Scheme's investment portfolio and returns at 31 December 2016 and 2015 were as follows:

	2016		2015	
	Portfolio	**Rate of Return**	Portfolio	Rate of Return
	%	**%**	%	%
Investment Properties	**20.18**	**3.37**	18.40	39.13
Available for Sale	**44.73**	**2.10**	45.12	12.09
Held to maturity	**22.46**	**34.06**	23.61	17.83
Loans and receivables	**12.16**	**10.03**	12.42	39.59
Student loans	**0.47**	**12.18**	0.45	12.44
	--------		--------	
	100.00		100.00	
	--------		--------	

Investment properties
These are long term investments and carried at market values determined periodically. Investment properties are not subject to depreciation.

Available for sale
This relates to investment in listed and unlisted equities.

Held to maturity
This relates to bonds, treasury bills and fixed deposits.

Loans and receivables
Represent advances to companies less related impairment allowance.

Board of Trustees
The Board of Trustees are required to submit the annual accounts of the Trust to the Auditor General or his appointed representative for the audit. It is a requirement that the annual audited accounts of the Trust, is signed by the Board of Trustees.

The 2016 audited Financial Statements of the Trust was completed in 2018 after the exit of the Board and Management that presided over the affairs of the Trust.

The current Board of Trustees, assumed office in April, 2017 but are required to sign the Financial Statement of the Trust for the year ended, 31st December, 2016.

Trustees: Dr. Kwame Addo Kufuor - Chairman
Hon. (Mrs.) Abena Osei-Asare
Mr. Alex Frimpong
Mr. Daniel Acheampong

By order of the Board of Trustees:

Trustee: **2018**

Director General: **2018**

Actuary's Report

To the Members of the Social Security and National Insurance Trust

The report on the Actuarial Valuation of the Social Security and National Insurance Trust Scheme as of 31 December 2014 was prepared under Article 53 of the National Pensions Act, 2008 (Act 766).

In our opinion,

– the data on which this report is based are sufficient and reliable although there are some aspects related to the reconciliation of the data and the mortality rates which create some uncertainties;

– the assumptions used are, individually and in aggregate, reasonable and appropriate; and

– the methodology employed is appropriate and consistent with accepted actuarial practice.

Based on the results of this valuation, we hereby certify that the SSNIT scheme is not financially sustainable over the period covered by the projections from 2014 to 2064. This means that in considering applicable financing rules and the future demographic and economic environment in which it will operate, the current assets of the SSNIT scheme, together with future contributions, will not be sufficient to pay all future benefits and administrative and operational expenses over the period covered by the projections. This report has been prepared, and our opinions given, in accordance with internationally accepted actuarial practice as provided by the *International Standard of Actuarial Practice 2: Financial Analysis of Social Security Programs.*

Georges Langis, FSA, FCIA
Senior Actuary
ILO external collaborator

Cristina Lloret, Actuary SAA
Actuary
ILO Enterprises Department

André Picard, FSA, FCIA
Chief Technical Adviser
Head of Actuarial Services Unit
ILO Social Protection Department

Independent Auditor's Report
To the Members of the Social Security and National Insurance Trust

Report on the financial statements

Opinion

We have audited the financial statements of Social Security and National Insurance Trust set out on pages 11 to 48, which comprise the Statement of net assets available for benefits as of 31 December 2016, the Statement of changes in net assets available for benefits and Statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the Statement of net assets available for benefits of Social Security and National Insurance Trust as of 31 December 2016, its financial performance and of its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the National Pensions Act, 2008 (Act 766) as amended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits ofSocial Security and National Insurance Trust. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the Social Security and National Insurance Trust.We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Trustees' Report and Actuary's Report. The other information 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 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.

Independent Auditor's Report
To the Members of the Social Security and National Insurance Trust

Report on the financial statements (Continued)

Responsibilities of the Trustees for the Financial Statements

The trustees are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the National Pensions Act, 2008 (Act 766) 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material 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:

· 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 Trust's internal control.

· Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

· Conclude on the appropriateness of the directors' 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 Trust'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 Trust to cease to continue as a going concern.

Independent Auditor's Report
To the Members of the Social Security and National Insurance Trust

Report on the financial statements (Continued)

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 directors 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.

Signed by Victor Gborglah (ICAG/P/1151)
For and on behalf of Ernst & Young ICAG/F/2018/126)
Chartered Accountants
Accra, Ghana

Date:

Social Security and National Insurance Trust

Statement of net assets available for benefits
As at 31 December 2016

Statement of net assets

	Note	2016 GH¢'000	2015 GH¢'000
Non-current assets			
Property, plant & equipment	4	**426,851**	382,547
Intangible asset - Computer software	4c	**105,953**	139,786
Investment properties	5a	**1,596,884**	1,460,609
Investment in Subsidiaries	5e	**54,149**	90,843
Non-current financial assets	6a	**5,516,721**	5,677,858
		7,700,558	7,751,643
Current assets			
Housing stock	9	**2,969**	2,958
Inventories	8	**3,281**	2,114
Current financial assets	6b	**1,005,651**	1,231,686
Prepayments and advances	6c	**71,465**	16,236
Cash and bank balances	7	**4,037**	55,523
		1,087,403	1,308,517
Current liabilities			
Accounts payable	10	**(355,949)**	(223,667)
Ghana Education Trust Fund	11	**(26,418)**	(26,418)
		(382,367)	(250,085)
Net current assets		**705,036**	1,058,432
Total assets less current liabilities		**8,405,594**	8,810,075
Represented by			
Net assets at 1 January		**8,810,075**	7,427,318
Current year movement		**(404,481)**	1,382,757
Net assets at 31 December available for benefits		**8,405,594**	8,810,075

The notes on pages 16 to 50 form an integral part of these financial statements.

The financial statements on pages 1 to 50 were approved by the Board of Trustees on …………… 2018 and were signed on its behalf by:

…………………………………………… **Trustee**

…………………………………………… **Director General**

Social Security and National Insurance Trust

Statement of changes in net assets available for benefits
For the year ended 31 December 2016

	Note	2016 GH¢'000	2015 GH¢'000
Income			
Contributions received	13	**1,848,961**	2,122,381
Net investment income	14a	**425,436**	375,169
Other income	14b	**30,943**	91,027
		2,305,340	2,588,577
Direct costs			
Operational cost	15a	**(180,230)**	(116,205)
Benefits	15b	**(1,748,834)**	(1,235,746)
		(1,929,064)	(1,351,951)
Surplus of income over direct costs		**376,276**	1,236,626
General and administrative expenses	16	**(401,138)**	(268,572)
		(24,862)	968,054
Transfer to National Health Insurance Scheme	18	**(339,615)**	(355,321)
Net surplus		**(364,477)**	612,733
Movement in net assets available for benefits			
Surplus of income over expenditure		**(364,477)**	612,733
Net increase in the value of investments	19	**(40,004)**	770,024
Net current year movement in net assets available for benefits		**(404,481)**	1,382,757

The notes on pages 16 to 50 form an integral part of these financial statements.

Social Security and National Insurance Trust

Statement of cash flows
For the year ended 31 December 2016

	Notes	2016 GH¢'000	2015 GH¢'000
Operating activities			
Net suprlus		**(364,477)**	612,733
Depreciation - Tangible assets	**4**	**33,640**	25,326
Amortisation - Intangible assets - Computer software	**4c**	**49,905**	31,807
Profit/Loss on disposal of Fixed Assets		**63**	(16,299)
Provision for impairment/Revaluation Loss		**21,305**	11,548
		(259,564)	665,115
Adjustment for movement in working capital			
(Increase)/Decrease in housing stock	**9**	**(11)**	63
(Increase) in inventories	**8**	**(1,167)**	(965)
(Increase) in current financial assets (more than 91 days but less than 1 year)		**(302)**	(263,334)
(increase)/Decrease in prepayment		**(55,229)**	9,602
Increase in payables	**10**	**132,282**	79,185
(Increase) in investment properties	**5d**	**(159,393)**	(102,615)
(Increase) in investment in subsidiaries	**5f**	**-**	(216)
Decrease/(Increase) in Non current financial assets		**156,832**	(191,979)
Net cash (used for) / generated from operating activities		**(186,552)**	194,856
Investing activities			
Purchase of property, plant & equipment	**4**	**(77,647)**	(37,416)
Purchase of intangible assets - Computer software	**4c**	**(16,072)**	(89,552)
Proceeds from the sale of property, plant & equipment		**750**	24,939
		(92,969)	(102,029)
Increase in cash and cash equivalent		**(279,521)**	92,827
Cash and cash equivalents at 1 January		**496,473**	403,646
Balance at 31 December		**216,952**	496,473

Analysis of cash and cash equivalent

Current financial assets (Within 91 days)	**212,915**	440,950
Cash & bank balances	**4,037**	55,523
	216,952	496,473

The notes on pages 16 to 50 form an integral part of these financial statements.

1. **Corporate information**

The Social Security and National Insurance Trust (SSNIT) is a statutory public Trust established under NRCD 127 to administer Ghana's National Pension Scheme. The Social Security Law (PNDC Law 247) under which the current Social Security Scheme used to operate was passed in 1991. This was repealed by the National Pensions Act, 2008 (Act 766) which provides for a three tier pension scheme. SSNIT is mandated by the law to manage the 1st tier which is compulsory for all Ghanaian workers.

The SSNIT is presently the largest non-banking financial institution in the country. Its primary responsibility is to replace part of lost income due to Old Age, Invalidity, or Death through the administration of a Social Security Scheme. The principal activities of the SSNIT are described in the Report of the Trustees.

The address of the Head Office of the SSNIT is Pension House, Ministries, Pension Road, Accra.

2. **Basis of preparation**

2.1 Statement of compliance

The Financial Statements of the Trust have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretation as issued by the International Accounting Standards Board (IASB).

2.2 Basis of measurement

The financial statements have been prepared under the historical cost basis as modified to include fair valuation of specified investment properties, financial assets and liabilities to the extent required or permitted under accounting standards and as set out in the relevant accounting policies. The financial statements are presented in Ghana Cedi (GHS) and all values are rounded to the nearest thousand Ghana except when otherwise indicated.

2.3 Basis of consolidation

The Trust is an investment entity and, as such, does not consolidate the entities it controls. Instead, interests in subsidiaries are classified as fair value through profit or loss, and measured at fair value. Investments in associates are also classified as fair value through profit or loss, and measured at fair value.

2.4 Use of estimates and judgement

The preparation of the Trust's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

2 Basis of preparation conitued

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting 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 described below. The Trust based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Trust. Such changes are reflected in the assumptions when they occur.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the Statement of net assets available for benefits cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Fair value of investment properties

The fair value of investment properties was assessed by SSNIT Internal Valuers and reviewed by Property Appraisal & Investment Consult, an accredited independent valuer with a recognised and relevant professional qualification, and with recent experience in the location and category of the investment properties being valued.
The fair value of completed investment property has been determined on a market value basis in accordance with IVS, as set out by the IVSC. In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

Fair value of investment in private equity investment funds

The Fund invests in private equity funds, which are not quoted in an active market and which may be subject to restrictions on redemptions such as lock up periods, redemption gates and side pockets.

The Fund's investment manager considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing, to ensure they are reasonable and appropriate and therefore the NAV of these funds may be used as an input into measuring their fair value.

2 Basis for preparation continued

Provisions
Provisions are recognised when the Trust has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.5 Accounting policies
The accounting policies adopted are consistent with those of the previous financial year.

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

3.1 Functional and Presentation currency
The financial statements are presented in Ghana cedis (GH¢), which is the Trust's functional and presentation currency and values are rounded to the nearest thousand (GH¢'000) except when otherwise stated.

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 recognised in the Statement of changes in net assets.

3.2 Contributions
Contributions are accounted for on a cash basis. An accrual basis is not considered appropriate because it would result in substantial debtor accounts which may not be recoverable. However, where satisfactory payment arrangements have been concluded, contributions on behalf of Government workers are accrued.

The Contribution rates used are stipulated in the National Pensions Act, 2008 (Act 766) which stipulates the following rates:

Workers' contribution	5.50%
Employers' contribution	13.0% of Workers' Pay

Members who were 50 years and above in 2010 and did not opt for the National Pension Act, 2008 (Act 766 still contribute 17.5% of their salary under the transitional period of 10 years.

3.3 Investment income

Interest earned on investment securities is reported as interest income. Dividends received are included separately in dividend income. Investment income is reported net of management cost and impairment. Interest income is recognised for financial instruments (corporate loans) measured at amortised cost using the effective interest method. Financial Assets include debt securities which management intends to hold until maturity and are stated at fair value. They also include equity securities which are stated at fair value.

3 Significant accounting policies-continued

3.3 Investment income - continued

When a financial asset or a group of similar financial assets have been written down as a result of impairment, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Interest Income and expenses on financial assets and liabilities held at fair value through profit or loss are recognized in the Statement of changes in net assets in the period they arise. Fees and commissions, income and expenses that are an integral part to the effective interest rate on financial instruments are included in the measurement of the effective interest rate.

3.4 Benefits paid

Benefits paid represent all valid benefit claims paid during the year. These include lump sum payments made under the Pension Scheme.

3.5 Financial assets

a. Categorisation of financial assets

The Trust classifies its financial assets in the following categories: financial assets held at fair value through profit or loss; loans and receivables; available-for-sale financial assets; and held-to-maturity investments. Management determines the categorisation of its financial assets at initial recognition.

b. 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

i. Held for trading

The Trust classifies financial assets as held for trading when they have been purchased for short term profit making through trading activities or form part of a portfolio of financial instruments that are managed together for which there is evidence of a recent pattern of short-term profit taking. Held for trading assets are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognised in net investment income. Interest and dividend income is recorded in net investment income according to the terms of the contract, or when the right to payment has been established.
Included in this classification is equities and short positions that have been acquired principally for the purpose of selling.

3 Significant accounting policies-continued

3.5 Financial assets - continued

ii. Designated at fair value through profit or loss

Financial assets and financial liabilities classified in this category are those that have been designated by management upon initial recognition. Management may only designate an instrument at FVPL upon initial recognition when one of the following criteria are met, and designation is determined on an instrument-by-instrument basis:
The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis.
Or
The assets and liabilities are part of a group of financial assets, financial liabilities, or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.
Or
The financial instrument contains one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in net gain or loss on financial assets and liabilities designated at FVPL. Interest earned or incurred is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount/premium and qualifying transaction costs being an integral part of instrument, while dividend income is recorded in other operating income when the right to the payment has been established.

c. Loans and receivables

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

d. 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. The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis

e. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Trust has the positive intention and ability to hold to maturity. This comprises investments in short-term Government securities and medium term investments in Government bond and other securities such as corporate bonds. Investments in securities are categorised as held-to-maturity financial assets.

3 Significant accounting policies-continued

3.5 Financial assets - continued

f. 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 recognised on the date the Trust commits to purchase or sell the asset. Loans and receivables are recognised when cash is advanced to borrowers.

Financial assets are initially recognised at fair value plus directly attributable transaction costs, except for financial assets at fair value through profit or loss.

g. Subsequent measurement of financial asset

Available for sale financial assets are subsequently measured at fair value with the resulting changes recognised in equity. 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 derecognised. Financial assets classified as at fair value through profit or loss are subsequently measured at fair value with the resulting changes recognised in the income.

h. Derecognition

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

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

i. Fair value measurement

The determination of fair value of quoted financial assets and liabilities in active markets are based on quoted market prices or dealer price quotations. If the market for a financial asset or liability is not actively traded or the asset is unlisted, the Trust establishes fair values by using valuation techniques. These techniques include the use of arm's length transactions discounted cash flow analysis, and valuation models and techniques commonly used by market participants in setting a price.

The valuation techniques may be adjusted to allow for a number of factors as appropriate because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction.

j Amortised cost measurement

The amortised 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 amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

k. Identification and measurement of Impairment

The Trust assesses 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 borrower, restructuring of a loan and other observable data that suggests adverse changes in the payment status of the borrowers. Impairment losses on available for sale financial assets are recognised by transferring the difference between the acquisition cost and the current fair value out of equity to the Statement of Change in Net Assets available for benefits.

3 Significant accounting policies-continued

3.5 Financial assets - continued

The Trust first assesses 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 Trust determines 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 recognised, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on a loan and receivable has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the Statement of changes in net assets. If a loan and receivable has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure, less cost of obtaining and selling the collateral, whether or not foreclosure is probable. For the purposes of a collective evaluation of basis of impairment, financial assets are grouped on the basis of similar credit risk characteristics. These characteristics are relevant to the estimation of future cash flows for the group of such assets being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the historical loss experience for assets with credit risk characteristics similar to those in the Trust. 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 recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the Statement of changes in net assets.

Impairment losses on available-for-sale financial assets are recognised by transferring the difference between the amortised acquisition cost and current fair value out of equity 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 recognised directly in equity.

l. Investments in securities

This comprises investments in short-term Government securities and medium term investments in Government and other securities such as bonds. Investments in securities are categorised as held-to-maturity financial assets.

3 Significant accounting policies-continued

3.6 Property, plant and equipment

(i). Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use. "Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(ii). Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Trust and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in the Statement of changes in net assets as incurred.

(iii). Depreciation

Depreciation is recognised in the Statement of changes in net assets on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The principal annual depreciation rates used are as follows:

Freehold properties	2%
Leasehold properties	Over the unexpired lease period
Motor vehicle	25%
Furniture	25%
Equipment	20%
Computer Hardware	25%
Computer Software	25%

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds from disposal with the carrying amounts of property, plant and equipment and are recognised in the Statement of changes in net assets as other income.

Disposal

(iv). An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains and losses on disposal are included in the Statement of changes in net assets.

3.7 Employee Benefits

(a) Short term benefits

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus if the Trust has a constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3 Significant accounting policies-continued

3.7 Employee Benefits - Contnued

(b) Post employment benefits
The Trust has a Staff Occupational Scheme for all employees who have completed serving their probation period.

Employees contribute 7.5% of their basic salary to the Scheme while the Trust contributes 12.0%. The obligation under the plan is limited to the relevant contribution and these are settled on due dates by the Fund Manager.

The Staff Occupational Scheme is a retirement plan under which the Trust pays fixed contributions; there is no legal or constructive obligation to pay further contributions. The assets of the plan are held separately from those of the Trust in a fund under the control of Trustees.
The total expense charged to income of GH¢ 19,010,919 (2015: GH¢ 15,082,090) represents contributions paid to these plans by the Trust at rates specified in the rules of the plan.

(c) Termination benefits
Termination Benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Trust recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

3.8 Provisions

Provisions are recognised when the Trust 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 Investment properties

Investment properties are treated as long term investments and carried at market values determined periodically. Investment properties are not subject to depreciation. Increases in their carrying amounts are credited to the movements of net assets. Decreases that offset previous increases of the same asset are charged against the movement of net assets. All other decreases are charged to the revenue account.

3.10 Actuarial position

The financial statements summarise the transactions and net assets of the Pension Scheme. The financial statements do not take account of liabilities to pay pensions and other benefits in the future. This is considered in the Actuarial Valuation Report.

The financial and actuarial status of the Scheme is assessed triennially by an independent consulting Actuary. The last Actuarial Valuation Report was prepared upon a cumulative assessment of the Trust's financial results and position as at 31st December 2014.

3.11 Inventory

Inventory is valued at the lower of cost and net realisable value. Cost includes all direct expenditure incurred in bringing the goods to their present location and condition, and is determined using weighted average method.

3 Significant accounting policies-continued

3.12 Cash and cash equivalent

Cash and cash equivalents as referred to in the cash flow statement comprises cash on hand, non–restricted current accounts with banks and short term investment with an original maturity of three months or less.

3.13 Standards, amendments and interpretations issued but not yet effective

At the date of authorisation of these financial statements the following standards, revisions and interpretations were in issue but not yet effective.

The Trust has decided not to early adopt any of the standards.

3.13.1 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments, which replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. The Group plans to adopt the new standard on the required effective date and will not restate comparative information. During 2017, the Group has performed a detailed impact assessment of all three aspects of IFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group in 2018 when the Group will adopt IFRS 9. Overall, the Group expects no significant impact on its statement of financial position and equity except for the effect of applying the impairment requirements of IFRS 9. The Group expects an increase in the loss allowance resulting in a negative impact on equity.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014, and amended in April 2016, and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Group plans to adopt the new standard on the required effective date using the full retrospective method. During is permitted. The Group plans to adopt the new standard on the required effective date using the full retrospective method. During 2016, the Group performed a preliminary assessment of IFRS 15, which was continued with a more detailed analysis completed in 2017.

3 Significant accounting policies-continued

3.13 Standards, amendments and interpretations issued but not yet effective - continued

IFRS 16: Leases

IFRS 16 was issued in January 2016 and it replaces IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted, but not before an entity applies IFRS 15. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs. In 2018, the Group will continue to assess the potential effect of IFRS 16 on its consolidated financial statements.

3 Significant accounting policies-continued

3.13 Standards, amendments and interpretations issued but not yet effective - continued

Transfers of Investment Property — Amendments to IAS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with IAS 8 is only permitted if it is possible without the use of hindsight. Effective for annual periods beginning on or after 1 January 2018. Early application of the amendments is permitted and must be disclosed. The Group will apply amendments when they become effective. However, since Group's current practice is in line with the clarifications issued, the Group does not expect any effect on its consolidated financial statements.

Annual Improvements 2014 - 2016 Cycle

IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

• An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.

• If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair valuemeasurement applied by that investment entity associate or joint venture to the investment entityassociate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 January 2018, with earlier application permitted. If an entity applies those amendments for an earlier period, it must disclose that fact. These amendments are not applicable to the Group.

4. Property, plant & equipment - 2016

Cost	Land & buildings GH¢'000	Equipment GH¢'000	Furniture & fittings GH¢'000	Motor vehicles GH¢'000	Capital work in progress GH¢'000	Total GH¢'000
At 1 January	324,176	111,554	8,498	14,345	45	458,618
Additions	9,907	-	-	-	67,740	77,647
Transfers	45,267	10,074	2,125	10,302	(67,768)	-
Assets reclassified to	-	-	-	(1,698)	-	(1,698)
Revaluation	2,002	-	-	-	-	2,002
Disposals	(715)	(536)	(148)	(774)	-	(2,173)
	380,637	121,092	10,475	22,175	17	534,396
Depreciation/Impairment						
At 1 January	11,548	49,247	6,315	8,961	-	76,071
Charge for the year	6,262	23,648	1,078	2,652	-	33,640
*Revaluation	(806)					(806)
Disposals	(299)	(167)	(120)	(774)	-	(1,360)
At 31 December	16,705	72,728	7,273	10,839	-	107,545
Net book value	363,932	48,364	3,202	11,336	17	426,851

Disposal schedule

	Cost GH¢'000	Accum. Depn. GH¢'000	NBV GH¢'000	Proceeds GH¢'000	Profit/(Loss) on disposal GH¢'000
Land & Building	715	299	416	540	124
Motor vehicle	774	774	-	138	138
Equipment	536	167	369	29	(340)
Furniture & fittings	148	120	28	43	15

2,173	1,360	813	750	(63)
==========	=========	=========	============	==========

* This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

4b. Property, plant & equipment - 2015

Cost	Land & buildings GH¢'000	Equipment GH¢'000	Furniture & fittings GH¢'000	Motor vehicles GH¢'000	Capital work in progress GH¢'000	Total GH¢'000
At 1 January	236,784	86,830	7,543	15,120	554	346,831
Additions	5,077	-	-	-	32,339	37,416
Transfers	6,736	24,791	1,036	285	(32,848)	-
Special additions	84,737	-	-	-	-	84,737
Disposals	(9,158)	(67)	(81)	(1,060)	-	(10,366)
						-
	324,176	111,554	8,498	14,345	45	458,618
Depreciation/Impairment						
At 1 January	10,801	30,680	5,544	8,147	-	55,172
Charge for the year	3,996	18,621	835	1,874	-	25,326
*Transfer -	(14,249)					(14,249)
Provision for impairment	11,548					11,548
Disposals	(548)	(55)	(63)	(1,060)	-	(1,726)
At 31 December	11,548	49,246	6,316	8,961	-	76,071
Net book value	312,628	62,308	2,182	5,384	45	382,547

Disposal schedule

	Cost GH¢'000	Accum. Depn. GH¢'000	NBV GH¢'000	Proceeds GH¢'000	Profit/(Loss) on disposal GH¢'000
Land & Building	9,158	548	8,610	24,640	16,030

Motor vehicle	1,060	1,060	-	138	138
Equipment	67	55	12	126	114
Furniture & fittings	81	63	18	35	17
	10,366	1,726	8,640	24,939	16,299

* This transfer relates to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued asset.

4c. Intangible Asset - Computer Software

	2016 GH¢'000	2015 GH¢'000
Cost		
At 1 January	179,594	90,042
Additions	16,072	89,552
Transfers	-	-
Revaluation	-	-
Disposals	-	-
	195,666	179,594
Amortisation		
At 1 January	39,808	8,001
Charge for the year	49,905	31,807
Disposals	-	-
At 31 December	89,713	39,808
Net book value	105,953	139,786

5a. Investment properties

	Note	2016	2015
		GH¢'000	GH¢'000
Commercial properties	5b	1,350,145	1,320,223
Work in progress-real estate under construction	5c	246,739	140,386
		1,596,884	1,460,609

The fair value of investment properties was assessed by SSNIT Internal Valuers and reviewed by Property Appraisal & Investment Consult, an accredited independent valuer with a recognised and relevant professional qualification, and with recent experience in the location and category of the investment properties being valued.
The fair value of completed investment property has been determined on a market value basis in accordance with IVS, as set out by the IVSC. In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

The highest and best use of the investment properties is not considered to be different from its current use. Rental income earned and received from the investment properties during the year was GH¢ 49,421,000 (2015:GH¢ 54,333,000).

Direct expenses incurred in relation to the investment properties that generated rental income during the year was GH¢ 11,925,000 (2015: GH¢ 7,094,000). During the year and as at the year-end, no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal were present. The Fund does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

5b. Commercial properties

	2016	2015
	GH¢'000	GH¢'000
Balance at the beginning	1,320,223	931,938
Additions	62,947	11,967
Transfer	-	-
SSNIT occupancy	(9,907)	(4,672)
Net Gain/(Loss) from Fair Valuation	(23,118)	380,990
	1,350,145	1,320,223

The valuation report has been prepared with the following assumptions.

i That no high alumina cement concrete or calcium chloride or other potentially deleterious material was used in the construction of the property or has since been incorporated.

ii That the assets are not subject to any unusual or especially onerous restrictions encumbrances or outgoings and that in the absence of titles to the lands, assumptions of the usual lease terms have been made.

iii The properties and the values are unaffected by any matters which would be revealed by a local search and replies to the usual enquiries or by any statutory notice and that neither the properties nor their intended used are or would be unlawful.

iv That inspection of those parts which are unexposed will neither reveal material defects nor cause the valuer to alter the valuation materially.

v That the physical conditions of the buildings were based on visual inspection only. No liability is assumed for the soundness of the structures since no engineering or soil tests were made of the building.

vi Information and data gathered from the relevant land sector agencies and other authorities pursuant to preparing the valuation report and other secondary data are true and correct.

vii Information furnished by accredited officers of the Trust is believed to be true and correct. However, no warranty is given for its accuracy.

Social Security and National Insurance Trust

Notes to the financial statements conitnued
31 December 2016

		2016	2015
5c.	**Real estate under construction**	GH¢'000	GH¢'000
	Balance at 1 January	140.386	45.066
	Additions during the year	159,721	103,643
	Transfer to completed investment property	(53,368)	(8,323)
	At 31 December	246,739	140,386
5d.	**Investment properties additions**		
	Estate under construction	159,721	103,643
	Commmercial properties net of tranfer from Estate under construction	9,579	3,644
		169,300	107,287
	SSNIT Occupancy catered for in PPE	(9,907)	(4,672)
		159,393	102,615
5e	**Investment in Subsidiaries**		
(i)	**SSNIT Hospital**		
	Balance at the beginning	87,895	28,713
	Additions	-	212
	Revaluation Gain/(Loss)	(36,341)	58,970
		51,554	87,895
(ii)	**SSNIT Guest House**		
	Balance at the beginning	2,724	765
	Additions	-	-
	Revaluation Gain/(Loss)	(353)	1,959
		2,371	2,724
(iii)	**Bridal Trust Ltd**		
	Balance at the beginning	224	220
	Additions	-	4
	Revaluation Gain/(Loss)	-	-

	224	224
Total Investment in Subsidiaries	54,149	90,843

5f Investment in Subsidiaries Additions

SSNIT Hospital	-	212
SSNIT Guest House	-	-
Bridal Trust Ltd	-	4
	-	216

		2016	2015
		GH¢'000	GH¢'000
6a.	**Non-Current Financial assets**		
(i)	**Available for sale investments**		
	Listed equities	1,448,285	1,764,214
	Unlisted equities	2,029,869	1,734,783
		3,478,154	3,498,997
(ii)	**Held to maturity investments**		
	Ghana Government bonds	1,188,829	1,073,629
	HFC mortgage bonds	-	28,056
	Corporate bonds	113,792	127,654
	Treasury Note more than one year	5,000	5,000
		1,307,621	1,234,339
(iii)	**Loans and receivables**		
	Corporate loans		
	Gross	1,391,189	1,663,832
	Impairment	(660,243)	(719,310)
		730,946	944,522
	Total Non-current financial assets	5,516,721	5,677,858
6b.	**Current financial assets**		
(i)	**Held to maturity investments**		
	Treasury bill maturing within 91 days	-	210,455
	Treasury bill maturing after 91 days	50,000	89,282
	Fixed deposit maturing within 91 days	212,915	230,495
	Fixed deposit maturing after 91 days	203,325	113,692
		466,240	643,924
(ii)	**Loans and accounts receivable**		
	Students loans	176,970	176,101

Impairment	(140,199)	(140,199)
	36,771	35,902

		2016 GH¢'000	2015 GH¢'000
(iii)	**Corporate loans**		
	Gross	711,964	424,873
	Impairment	(483,075)	(381,325)
		228,889	43,548
(iv)	**Other accounts receivable**		
	Investment income	132,332	77,732
	Staff debtors	32,297	3,436
	Current accounts of subsidiaries	21,120	21,078
	Sundry debtors	88,002	406,066
		273,751	508,312
	Total current financial assets	1,005,651	1,231,686

Analysis of corporate loans by business segment

	2016 GH¢'000	%	2015 GH¢'000	%
Financial	1,340,338	64.86	1,384,202	66.27
Service	709,173	34.32	689,166	32.99
Manufacturing	16,872	0.82	15,338	0.73
Gross loans and advances	2,066,383	100.00	2,088,706	100.00
Less impairment allowance	(1,143,318)		(1,100,635)	
	923,065		988,071	

6c	**Prepayments and advances**	2016 GH¢'000	2015 GH¢'000
	Prepayment	331	751
	Advances to contractors	71,084	15,429
	Deposits for houses	50	56
		71,465	16,236

7 Cash and bank balances

	2016	2015
	GH¢'000	GH¢'000
Call deposits	-	9,262
Current account balances	4,037	46,261
	4,037	55,523

Social Security and National Insurance Trust

Notes to the financial statements continued
31 December 2016

8. Inventory

	2016	2015
	GH¢'000	GH¢'000
Stationery	3,010	1,904
Spare parts	232	205
Fuel and lubricants	39	5
	3,281	2,114

9. Housing stock

Opening balance	2,958	3,021
Additions during the year	11	-
Transfers During the year	-	-
Disposals	-	(63)
Closing balance	2,969	2,958

10. Accounts payable

Retention fees	7,399	7,656
Suppliers and accrued liabilities	325,582	172,985
Rent received in advance	17,536	2,224
Sundry payables	3,181	39,795
Renturned pensions	2,251	1,007
	355,949	223,667

11. Ghana Education Trust Fund

The Ghana Education Trust Fund (GETFUND) made available to the Trust an amount of GH¢26.42 million (2015: GH¢26.42 million) for onward lending to students under the Students Loan Scheme. The fund from GETFUND is interest free and there is no timeline for the repayment of the fund provided to the Trust.

12. Segmental reporting

Segmental Information is presented in respect of the Trust's business segments. The Trust is organised into three main business segments: Operations, Investment and Administration. The Branch and Area offices together with the coordination functions constitute the operations segment which is primarily responsible for Contribution collection and benefits payment. The Investment segment manages the Treasury, Investment and Development functions of the Trust while the Administrative segment is responsible for general administration.

2016	Operations GH¢'000	Investments GH¢'000	Administrations GH¢'000	Total GH¢'000
Contributions	1,848,961	-	-	1,848,961
Investment income	-	904,135	-	904,135
Other income	-	-	30,943	30,943
	1,848,961	904,135	30,943	2,784,039
Investment management expenses	-	(16,070)	-	(16,070)
Diminution in fair value of listed shares	-	(167,158)	-	(167,158)
Diminution in fair value of Unlisted shares	-	(244,167)		(244,167)
Provision for bad and doubtful debts	-	(51,304)	-	(51,304)
Benefits	(1,748,834)		-	(1,748,834)
Operational costs	(180,230)	-	-	(180,230)
Administration costs	-	-	(401,138)	(401,138)
Total operating expenses	(1,929,064)	(478,699)	(401,138)	(2,808,901)
Surplus of Income before NHIS	(80,103)	425,436	(370,195)	(24,862)
Transfer to NHIS	(339,615)	-	-	(339,615)
Surplus of Income after expenditure	(419,718)	425,436	(370,195)	(364,477)
Total assets				8,787,961
Total liabilities				382,367

2015	Operations GH¢'000	Investments GH¢'000	Administrations GH¢'000	Total GH¢'000
Contributions	2,122,381	-	-	2,122,381
Investment income	-	933,326	-	933,326
Other income	-	-	91,027	91,027
	2,122,381	933,326	91,027	3,146,734
Investment management expenses		(13,017)		(13,017)
Diminution in fair value of shares	-	(3,199)	-	(3,199)
Diminution in fair value of Unlisted shares	-	(71,297)		(71,297)
Provision for bad and doubtful debts	-	(470,644)	-	(470,644)
Benefits	(1,235,746)		-	(1,235,746)
Operational costs	(116,205)	-	-	(116,205)

Administration costs	-	-	(268,572)	(268,572)
Total operating expenses	(1,351,951)	(558,157)	(268,572)	(2,178,680)
Surplus of Income before NHIS	770,430	375,169	(177,545)	968,054
Transfer to NHIS	(355,321)	-	-	(355,321)
Surplus of Income after expenditure	415,109	375,169	(177,545)	612,733
Total assets				9,060,160
Total liabilities				250,085

13. Contribution Received

		2016	2015
		GH¢'000	GH¢'000
Accountants General		589,480	877,909
Government subvented organisations		37,359	20,800
Private sector		1,222,122	1,223,672
		1,848,961	2,122,381

14a. Net investment income

		2016	2015
Government and corporate bonds		454,813	168,732
Term deposits and treasury bills		124,551	123,626
Students loans		4,427	4,408
Corporate loans		97,718	427,144
Rent		49,421	54,333
Dividend		115,070	104,550
Miscellaneous income	14a (i)	58,135	50,533
		904,135	933,326
Investment management	14a (ii)	(16,070)	(13,017)
Changes in fair value of listed shares		(167,158)	(3,199)
Diminution in the value of Unlisted shares		(244,167)	(71,297)
Impairment allowance		(51,304)	(470,644)
		425,436	375,169

14a (i) Miscellaneous income

Miscellaneous Investment income is made up of all the income from the under listed sources

	2016	2015
Profit on sale of commercial and residential properties	14,244	6,455
Interest earned on HFC bonds	333	317
Interest earned on Call accounts	34,048	24,762
Interest earned on Current accounts	2,337	2,173
Equity distribution call received	557	4,799
Interest income (others)	6,616	12,027
	58,135	50,533

14a (ii) Investment Management Expenses

Investment expenses arising from investment properties that generate rental income	11,925	7,094
Investment expenses arising from investment properties that did not generate rental income	4,145	5,923
Total Investment Management Expenses	16,070	13,017

Social Security and National Insurance Trust

Notes to the financial statements continued
31 December 2016

14a (iii) Movement in provision for impairment

		2016	2015
		GH¢'000	GH¢'000
Balance at 1 January		1,240,834	770,190
Increase during year charged to income		51,304	470,644
Deacrease charge against corporate loan		(8,620)	-
Balance at 31 December		1,283,518	1,240,834
Corporate loan	(6a (iii) & 6b(iii))	1,143,318	1,100,635
Student Loan	6b(ii)	140,199	140,199
		1,283,517	1,240,834

14b. Other income

Other income is made up of income from the under listed sources

	2016	2015
Bid/Documentation fee	109	43
Loan processing fee	468	48
Profit on disposal of shares	8,721	-
Profit on disposal of fixed assets	(63)	16,299
Penalty on delayed contribution	8,779	12,706
Exchange gain	(14,119)	33,952
Management fees from NHIS	4,075	4,264
Miscellaneous income	22,973	23,715
	30,943	91,027

15a. Operational cost

	2016	2015
Personnel costs	117,851	99,497
Utility costs	5,540	3,123
Travel and accommodation	286	440
Public education	377	366
Depreciation	47,896	4,659
General expenses	8,280	8,120
	180,230	116,205

15b. Benefits

	2016	2015
Old age and invalidity	1,458,391	1,116,765

Death and survivors	290,443	118,981
	1,748,834	1,235,746

16. General and administrative expenses

General and administrative expenses include:

Depreciation of fixed assets	35,319	52,448
Auditors' remuneration	617	364
Trustees emoluments	2,714	1,333
Others	362,488	214,427
	401,138	268,572

17. Financial risk management

The Trust 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 Trust's exposure to each of the risks, the Trust's objectives, policies and processes for measuring and managing risk and the Trust's management of capital.

Risk management framework

The Board of Trustees has overall responsibility for the establishment and oversight of the Trust's risk management framework.

The Trust's risk management policies are established to identify and analyse the risks faced by the Trust, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Trust, through the standards and procedures aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Trust's Executive Committee is responsible for monitoring compliance with risk management polices and procedures, and for reviewing the adequacy of the risk management framework in relation to risks faced by the Trust.

(a) Asset/portfolio/credit risk

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

The Investment and Development Division of the Trust continually monitors the risk environment and as and when deemed necessary, the Investment Asset Allocation Policy is reviewed and submitted for further review and authorization by the Board.

The approved Investment Asset Allocation Policy serves as the guide for all investment activities within the Trust.

In constructing an Optimal Asset Allocation for the Trust, the Investment and Development Division assesses the associated risk inherent in investing in each of the asset classes and the overall portfolio as a whole. The analysis is also attentive to the occurrence of deviations from the estimated Expected Return as it is these inevitable deviations that jeopardise the attainment of expected results and hence the risk.

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 are measured in the context of the effect of their returns on the overall portfolio volatility.

Combinations of assets duly assessed are then made in proportions that are projected to at least yield the minimum Expected Portfolio return of a positive 2.5% above inflation. The overall objective of the Investment Asset Allocation Policy is to ensure return optimisation, that is, the highest possible return achievable under tolerable risk levels.

The risk of financial loss to the Trust if a counterparty to a financial instrument fails to meet its contractual obligations, arises principally from loans and advances to companies and other Institutions and investment securities.

Loans are designated as impaired and considered non-performing where recognised weakness indicates that full payment of either interest or principal becomes questionable .

An individual impairment provision is raised, being the difference between the loan carrying amount and the present value of estimated future cash flows.

Provisions are raised where necessary based on the results of independent asset reviews, economic conditions as well as local knowledge and experiences. Where it is considered that there is no realistic prospect of recovering an element of an account against which an impairment provision has been raised, then that amount will be written off.

Collateral and other credit enhancements

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty. Guidelines are in place covering the acceptability and valuation of each type of collateral. The main types or collateral obtained are as follows:

For commercial lending, charges over real estate properties, inventory and trade receivables. For student loan, guarantee by three SSNIT contributors with a minimum of five years contribution.

It is the Trust's policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim. In general, the Trust does not occupy repossessed properties for business use.

The Trust does not use of master netting agreements with counterparties with whom a significant volume of transactions are undertaken.

Credit quality by class of financial assets

The Trust manages the credit quality of financial assets using internal credit ratings. The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the Trust's internal credit rating system. The amounts presented are gross of impairment allowances.

Financial assets are summarised as follows:	Loans and receivable	Held to Maturity	Available for sale
	GH¢'000	GH¢'000	GH¢'000
2016			
Neither past due nor impaired	101,670	1,773,861	3,478,154
Past due but not impaired	273,751	-	-
Impaired	2,178,454	-	-
Gross	**2,553,875**	**1,773,861**	**3,478,154**
Less: allowance for impairment	(1,283,517)	-	-
Net	**1,270,358**	**1,773,861**	**3,478,154**

2015	Loans and receivable GH¢'000	Held to Maturity GH¢'000	Available for sale GH¢'000
Neither past due nor impaired	84,747	1,878,263	3,498,997
Past due but not impaired	508,312	-	-
Impaired	2,180,060	-	-
Gross	2,773,119	1,878,263	3,498,997
Less: allowance for impairment	(1,240,834)		
Net	1,532,285	1,878,263	3,498,997

Impaired loans

Impaired loans and securities are loans and securities for which the Trust determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan/ securities agreements.

Past due but not impaired loans

Loans and receivables where contractual interest or principal payments are past due but the Trust believes that impairment is not appropriate on the basis of the level of security/ collateral available and/ or the stage of collection of amounts owed to the Trust.

Concentration of risk

The Trust monitors concentrations of credit risk by sector. An analysis of concentrations credit risk at reporting date is shown below:

Analysis by business segment

	2016 GH¢'000	%	2015 GH¢'000	%
Financial	1,340,338	63.73	1,384,202	65.15
Service	709,173	33.72	689,166	32.44
Manufacturing	16,872	0.80	15,338	0.72
Student loan	36,771	1.75	35,902	1.69
Gross loans & advances	2,103,154	100.00	2,124,608	100.00
Less impairment allowance	(1,283,517)	-	(1,100,635)	
	819,637	100	1,023,973	

(b) Liquidity risk

The Trust defines liquidity risk as the risk associated with the situation where it does not have sufficient financial resources available to meet all of its obligations and commitments as they fall due, or can access them only at excessive cost.

Management of liquidity risk

It is the policy of the Trust to maintain adequate liquidity at all times. Hence the Trust's approach to managing liquidity is to be in a position to meet all obligations to pay pensioners, suppliers and contractors, to fulfil commitments to lend and to meet any other commitments.

The Treasury Department maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities such as Treasury Bills, Fixed Deposits (Repurchase Agreements) and Calls to ensure that sufficient liquidity is maintained within the Trust.

The Finance Division of the Trust is responsible for ensuring the attainment of the liquidity objectives of the Trust. These responsibilities include the provision of authorities and development of policies and procedures.

Exposure to liquidity risk

The key measure used by the Trust for managing liquidity risk is the sustainability ratio which is the ratio of total expense to investment income. For this purpose, total expense is considered as including benefits expense and administrative expense. Details of the reported sustainability ratio at the reporting date and 31 December 2015 is as follows:

At 31 December	2016 GH¢'000	2015 GH¢'000
Investment income	425,436	375,169
	=============	========
Administrative expense	401,138	268,572
Benefits	1,748,834	1,235,746
	--------------------	-------------
Total expense	2,149,972	1,504,318
	=============	=========
Administrative coverage ratio	1.06	1.40
Benefits coverage ratio	0.24	0.30
Sustainability ratio	0.20	0.25

Non-derivative financial assets and liabilities held for managing liquidity risk

At 31 December 2016

	On demand	Not more than one year	Over one year	Total
Assets	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cash and bank balance	4,037	-	-	4,037
Available for sale investments	-	-	3,478,154	3,478,154
Held to maturity investments	-	494,214	1,729,329	2,223,543

Corporate and students loan	-	1,093,389	2,104,730	3,198,119
Other accounts receivable	88,002	185,749	-	273,751
Total financial assets (contractual maturity dates)	92,039	1,773,352	7,312,213	9,177,604
Liabilities				
Payables	328,763	24,935	-	353,698
Ghana education trust fund	-	26,418	-	26,418
Total financial liabilities (contractual maturity dates)	328,763	51,353	-	380,116

2015	On demand	Not more than one year	Over one year	Total
Assets	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cash and bank balance	55,523	-	-	55,523
Available for sale investments	-	-	3,498,997	3,498,997
Held to maturity investments	-	682,559	1,632,413	2,314,973
Corporate and students loan	-	739,198	2,517,211	3,256,409
Other accounts receivable	406,066	102,246	-	508,312
Total financial assets (contractual maturity dates)	461,589	1,524,003	7,648,622	9,634,214
Liabilities				
Accounts payable	212,780	9,880	-	222,660
Ghana education trust fund	-	26,418	-	26,418
Total financial liabilities (contractual maturity dates)	212,780	36,298	-	249,078

(c) Market risk

Market Risk is the risk that changes in market prices, such as interest rate, equity prices and foreign exchange rates will affect the Trust income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Trust is developing policies, processes and evaluating methodologies to better manage this risk.

(i) Interest /return rate risk

The table below sets out the return on the Trust's investment portfolio for the year 2016 as compared to 2015

	2016	2015
	Rate of return %	Rate of return %
Investment properties	3.37	39.13

Available for sale	2.10	12.09
Held to maturity	34.06	17.83
Loans and receivables	10.03	39.59
Student loans	12.18	12.44

(ii) Foreign exchange risk

The Trust operates wholly within Ghana and its assets and liabilities are carried in local currency. The Trust maintains deposits with some of its bankers and lends to some companies in foreign currencies

The exchange rates used for translating the major foreign currency balances at the period were as follows:

	2016	2015
	GH¢	GH¢
US Dollar	4.1811	3.7925
GB Pound	5.0604	5.6235
Euro	4.3813	4.1499

(iii) Foreign Currency sensitivity

The following tables demostrate the sensitivity to a reasonably possible change in USD, EURO and GBP exhange rates, with all other variables held constant. The impact on the Trust's income surplus is due to changes in the fair value of monetary assets and liabilities. The impact on the Trust's income surplus is the same.

		Balance	Change in rate	Effect on Net Surplus
2016		GH¢'000		GH¢'000
	USD	3,180	10.25%	325.84
		3,180	-10.25%	(325.84)
	GBP	660	-10.01%	(66.09)
		660	10.01%	66.09
	EURO	130	5.58%	7.25
		130	-5.58%	(7.25)

2015

USD	1,510	18.56%	280.26
	1,510	-18.56%	(280.26)
GBP	938	13.00%	121.91
	938	-13.00%	(121.91)
EURO	-	6.55%	-
	-	-6.55%	-

(d) Equity price risk

The Trust's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Trust manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Trust's investment committee on a regular basis. The board of Trustee reviews and appproves all equity investment decisions. At the reporting date, the exposure to listed equity securities at fair value was GH¢ 1,448,285. A descrease of 10% on the GSE market index could have an impact of approximately GH¢ 144,829 on the income or net assets available for benefits, depending on whether the decline is signifcant or prolonged. An increase of 10% in the value of the listed securities would only impact net assets available for benefit but would not have an effect on net surplus.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust's exposure to the risk of changes in market interest rates relates primarily to the Trust's loans with floating interest rates.

The Trust manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possibly change in interest rates on that portion of loans affected. With all other variables held constant, the Trust's net surplus is affected through the impact on floating rate lendings, as follows:

		Increase /decrease in basis points	Effect on net surplus
2016	GH¢'000		GH¢'000
GH¢	2,066,383	2.05%	42,360.85
	2,066,383	-2.05%	(42,360.85)
2015	2,088,706	2.05%	42,818.47
GH¢	2,088,706	-2.05%	(42,818.47)

(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Trust, processes, personnel, 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. Operational risks arise from

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

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each Division. This responsibility is supported by the development of overall standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls procedures to address the risks identified.
- requirements for the reporting of operational losses and proposed remedial action
- procedures to address the risks identified
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Compliance with the Trust's standards is supported by a programme of periodic reviews undertaken by Internal Audit sometimes with assistance from external consultants. The results of reviews are discussed with the management of the business unit to which they relate, with reports submitted to the Audit committee, a sub committee of the Board.

18. Transfers to National Health Insurance Scheme

Transfers made are in accordance with National Pensions Act, 2008 (Act 766) Section 63 (4) which requires 2.5 percentage points out of each member's 13.5% contribution to the SSNIT Pension Scheme to be paid into the National Health Insurance Fund.

19. Net increase in the value of investments

	2016 GH¢	2015 GH¢
Revaluation of listed shares	(230,823)	(283,948)
Revaluation Surplus - Fixed Assets	6,536	98,986
Revaluation of workers housing	-	-
Revaluation of commercial properties	(5,541)	380,990
Revaluation of unlisted investments	227,204	509,596
Revaluation Investments in subsidiaries	(36,694)	60,929
Indexation of HFC Bonds	(686)	3,471
	(40,004)	770,024

20. Tax

Under Section 54 of the National Pensions Act, 2008 (Act 766), the Trust is exempt from corporate tax and such other taxes and duties as may be determined by the Minister of Finance & Economic Planning.

21. Fair value of financial statements

(1) Fair value hierarchy

IFRS 13 requires disclosures relating to fair value measurements using a three-level fair value hierarchy. The level within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement. Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability. The following table shows financial instruments recognised at fair value, categorised between those whose fair value is based on:

• Level 1 –Quoted (unadjusted) market prices in active markets for identical assets or liabilities

• Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

• Level 3 –Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

This hierarchy requires the use of observable market data when available. The Trust considers relevant observable market prices in its valuation where possible. There has been no movement of financial instruments between different levels in the current year. Financial instruments measured at fair value at 31 December 2016 and 31 December 2015 were classified as follows:

Recurring fair value measurement of assets and liabilities

2016	Valuations based on observable inputs		
Financial assets	Level 1	Level 2	Level 3
Investment in subsidiaries	GH¢'000	GH¢'000	GH¢'000
SSNIT Hospital	-	-	51,554
SSNIT Guest House	-	-	2,371
Bridal Trust Ltd	-	-	224
Equities			
Listed equity	1,448,285	-	-
unlisted equity	-	231,459	1,715,404
Unlisted managed funds	-	-	83,006
Investment properties	-	-	1,596,884
Available for sale investments	1,448,285	231,459	3,449,443
2015			
Financial assets			
Investment in subsidiaries			
SSNIT Hospital	-	-	87,895
SSNIT Guest House	-	-	2,724
Bridal Trust Ltd	-	-	224
Equities	-	-	-
Listed equity	1,764,214	-	-
unlisted equity	-	237,882	1,409,767
Unlisted managed funds	-	-	87,134
Investment properties	-	-	1,460,609
Available for sale investments	1,764,214	237,882	3,048,353

Transfers between Levels

During 2016 financial year there was no transfer between levels of the fair value hierachy

Valuation techniques

Listed investment in equity securities

When fair values of publicly traded equity securities, managed funds and derivatives are based on quoted market prices, or binding dealer price quotations, in an active market for identical assets without any adjustments, the instruments are included within Level 1 of the hierarchy. The Fund values these investments at bid price for long positions and ask price for short positions.

Unlisted equity investments

The Trust invests in private equity companies which are not quoted in an active market. Transactions in such investments do not occur on a regular basis. The Trust uses a market based valuation technique for these positions.

21. Fair value of financial statements - continued

Description of the valuation techniques

Unlisted managed funds
The Trust invests in managed funds, including private equity funds, which are not quoted in an active market and which may be subject to restrictions on redemptions such as lock up periods, redemption gates and side pockets. The Fund's investment manager considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing, to ensure they are reasonable and appropriate and therefore the NAV of these funds may be used as an input into measuring their fair value. In measuring this fair value, the NAV of the funds is adjusted, as necessary, to reflect restrictions on redemptions, future commitments, and other specific factors of the fund and fund manager. In measuring fair value, consideration is also paid to any transactions in the shares of the fund. Depending on the nature and level of adjustments needed to the NAV and the level of trading in the fund, the Fund classifies these funds as either Level 2 or Level 3.

Investment property
The fair value of investment property was determined by SSNIT Internal Valuers and reviewed by Property Appraisal & Investment Consult using recognised valuation techniques. These techniques comprise both the Market/Comparison Approach and Replacement Cost Approach. Under the Market Approach, a property's fair value is estimated by an analysis of recent sales of comparable properties in both the subject neighbourhood and other comparable neighbourhoods. The analysed data is adjusted to reflect differences in location, time and terms of sale and physical characteristics between the subject property and the comparable property. The Depreciated Replacement Cost Approach is based on the assumption that cost and value are related. This involves findng the estimate of the gross replacement cost of a building which is the estimated cost of erecting a building or a modern substitute building, having the same gross internal floor area as that existing, at prices current at the relevant date. The figure is then reduced to reflect the physical deterioration, functional and economic obsolescence of the building and environmental constraints to arrive at the depreciated replacement cost of the building. To this, is added the existing use value of the land, which is found by the Market Approach to value. The fair value of investment property is included within Level 3.

Valuation process for Level 3

Quantitative information of significant unobservable inputs – Level 3

Description	Valuation Technique	Unobservable Input
Investment properties	Fair Market Value	Analysis of recent sales of comparable properties in both the subject neighbourhood and other comparable neighbourhoods.
SSNIT Hospital	Average of adjusted Net Assets, DCF and EBITDA	Analysis of 4 years financial statements, projection of cashflows and compareable EBITDA multiples of similar companies
Bridal Trust	Adjusted Net Assets	Financial statements for 2016 year end.
SSNIT Guest House	Adjusted Net Assets	Financial statements for 2016 year end.

Level 3 reconciliation
The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period:

	SSNIT Hospita	SSNIT Guest House Ltd	Bridal Trust	unlisted equity	Investment properties	Unlisted managed funds	Total
Balance as at 1 Jan 16	87,895	2,724	224	1,409,767	1,460,609	87,134	3,048,353
Revlaluation gains and(losses)	(36,341)	(353)	-	4,688	(23,118)	(6,508)	(61,632)
Purchases	-	-	-	309,685	159,393	2,380	471,458
Sales	-	-	-	(8,736)	-		(8,736)
Capital Calls	-	-	-	-	-		-
Distribution	-	-	-	-	-		-
Transfer in/(out)	-	-	-	-	-	-	-

Balance as at 31 December 2016	51,554	2,371	224	1,715,404	1,596,884	83,006	3,449,443
							-
Balance as at 1 Jan 15	28,713	765	220	579,306	977,004	61,451	1,647,459
Total gains and losses in profit or loss	58,970	1,959	-	360,390	380,990	8,378	810,687
Purchases	212	-	4	470,071	102,615	17,305	590,207
Sales	-	-	-	-	-		-
Capital Calls	-	-	-	-	-		-
Distribution	-	-	-	-	-		-
Transfer in/(out)	-	-	-	-	-	-	-
Balance as at 31 December 2015	87,895	2,724	224	1,409,767	1,460,609	87,134	3,048,353

21. Fair value of financial statements continued

(2) Financial instruments not measured at fair value

The table below summarises the carrying amounts and fair values of those financial assets and liabilities not presented on the Trust's statement of financial position at their fair value:

	2016		2015	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Assets	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Cash and bank balance	4,037	4,037	55,523	55,523
Held to maturity investments (i)	1,773,861	1,773,861	1,878,263	1,878,263
Corporate and students loans (ii)	996,606	996,606	1,023,972	1,023,972
Other accounts receivable (iii)	273,751	273,751	508,312	508,312
	3,048,255	3,048,255	3,466,070	3,466,070
Liabilities				
Payables (iv)	355,949	355,949	223,667	223,667
Ghana education trust fund (v)	26,418	26,418	26,418	26,418
	382,367	382,367	250,085	250,085

(i) Held to maturity investments
Held to maturity investments include treasury bills and fixed deposits. The estimated fair value of fixed interest bearing deposits and treasury bills are based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity. The carrying amount approximates their fair values.

(ii) Corporate and students loans
Corporate and students loans are net of charges for impairment. The estimated fair value of Corporate and students loans represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value. The carrying amount approximates their fair value.

(iii) Other accounts receivable
The estimated fair value of other accounts receivable represents the discounted amount of estimated future cash flows expected to be received. The carrying amount approximates their fair value.

(vi) Accounts payable
(v) Ghana education trust fund
The estimated fair value of Ghana education trust fund is based on discounted cash flows using prevailing money-market interest rates for debts with similar risk and remaining maturity. The carrying amount approximates their fair value.

22. Contingent liabilities and provisions

(a) Contingencies and commitments

(ii) Contingent liability

There were a number of legal proceedings outstanding against the Trust at 31 December 2016. These are pending litigations that may result in a material liability to the Trust. It is estimated that the maximum amount would not exceed GH¢ 3,170,000 (2015 - GH¢ 3,174,000).

23. Events after the reporting period.

There were no events after the reporting date requiring adjustment or disclosure in the financial statement.