



STUDENTS LOAN TRUST FUND

# ANNUAL

REPORT 2019

# MISSION

To provide TIMELY financial SERVICES to eligible Ghanaian tertiary students.

# VISION

Inspiring and unleashing greater prospects.

## ADDRESS:

Students Loan Trust Fund  
PMB CT 223, Cantonment, Accra.  
No. 47, 3rd Crescent, Accra  
Asylum Down Accra  
GA-027-2322



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# Message from THE CHAIR OF THE BOARD OF TRUSTEES.

In 2015, the United Nations adopted 17 Sustainable Development Goals (SDGs). Of the 17, SDG4 is devoted to education, with specific mention of higher education in target 4.3, which aims to ensure by 2030, "equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university."

Similarly, the African Union's (AU), Committee of 10 Heads of State and Government, often referred to as the C-10 have reiterated that higher education is one of the pillars that will enable Africa to effectively implement the transformative development strategy of the AU known as the Agenda 2063.

The SLTF was established with the knowledge that tertiary education leads to financial inclusion, economic well-being and social mobility for the individual. There are also benefits for the wider society, since a skilled workforce fosters economic development.

In the lifetime of this Board of Trustees, we have seen some significant developments in student loan administration in Ghana. The loan amount has been increased by fifty percent to account for rising living and educational costs. We have also seen noteworthy improvement in the recovery of disbursed loans, as well as greater visibility for the Fund and increased public discourse on issues affecting it.

The implementation of the landmark Free Senior High School policy will also have important implications for our operations from 2020, when the first cohort of Free Senior High School beneficiaries graduate. Many of these graduates from disadvantaged backgrounds, will be the first generation of their family with a real chance of accessing tertiary education.

As a Board, we are leading efforts to increase Government funding for the SLTF, while exploring other means of sustainable financing, to ensure that no Ghanaian who qualifies for tertiary education is denied the opportunity due to lack of funding.

We are cognizant of the reality that to achieve this, we need to diversify our sources of funding. This is why the Board is giving management all the needed guidance and support to achieve that.

We also note with satisfaction the greatly improved performance of the Fund in recovering loans. In 2019 we exceeded our target, however we are confident that we have the capacity to do even better. We are confident that the continued implementation of our **strategies**

will lead to even more impressive results in 2020.

The Board of Trustees as a whole, and through its various Standing Committees has provided guidance, assessed risk and overseen the work of the management and staff of the SLTF in several areas including financial reporting, reputation management, ethics, technological roll-out and staff development.

We will continue to provide strategic direction for the fund, to enable it serve the growing number of intelligent, dynamic, entrepreneurial and ambitious youth, who desire to pursue tertiary education.

**MR. JACOB KWABENA ADJEI**

BOARD CHAIRMAN

# CEO's Message

The Students Loan Trust Fund in 2019 posted an impressive performance on all fronts. SLTF remains an important organization in the tertiary education sector in particular and the country in general, because of the critical role we play in growing the human resource base of the country. In the year under review, we continued to deliver on our mandate of creating greater access to tertiary education for disadvantaged Ghanaians.

The tertiary education sector consists of about 262 institutions, including public universities/university colleges, public specialized/professional colleges, chartered private tertiary institutions, private tertiary institutions, polytechnics, technical universities and public and private colleges of education. Over 340,000 students were enrolled in these institutions with the SLTF providing financial aid to about 10% of the student population.

As the tertiary education sector continues to grow, the Fund has endeavored to remain relevant by bringing our services closer to students, making repayment more convenient for borrowers and introducing innovations to make the customer experience more rewarding.

## Disbursement Performance

Beneficiaries of the Fund use the financial assistance they receive for an array of goods and services which make their academic pursuits easier. Borrowers also come from diverse backgrounds, including those who rely heavily on the loans to remain in school, to those who use the loan to subsidize finances received from other sources. Students are known to use the loan for payment of tuition fees, hostel fees, purchase of books, acquisition of learning tools like personal computers, and for general living expenses.

In the year under review, a total of GHC75,964,069.47 was paid to 30,870 students. Of this number, 20,684 continuing students were paid an amount of GHC50,974,069.47 while 10,186 first time borrowers received an amount of GHC24,990,000.00.

A more detailed breakdown of the disbursed loans can be found elsewhere in this report, including information on loans disbursed by institution and by programme of study.

## Recovery Performance

Over the past three years, the Fund has put considerable effort into recovering loans from borrowers and we have started reaping the benefits of a range of strategies put in place to improve our recovery position. Initiatives that

have been successfully initiated include increased stakeholder and public education on repayment, more aggressive pursuit of recalcitrant borrowers, including publication of names and photographs in the national press, an annual recovery month full of various activities, introduction of more convenient payment platforms and the institution of a diaspora recovery programme, where borrowers living abroad are educated on how to repay their loans.

The success of our recovery efforts have been greatly helped by the inter-departmental approach to achieving targets.

As a result, the Fund was able to collect GHS 36.6M which exceeded the year target of GHC35.6 million.

The repayment amount in the year under review also exceeded the previous year amount of GHS 27.4m. The SLTF commits to build on this performance in the coming year.

## Disbursement of Teacher Trainee Allowances

In line with Government policy to restore teacher trainee allowances, the SLTF has been tasked with the disbursement of allowances since 2018. The Fund has taken a number of steps to improve on the disbursement system it inherited, including the replacement of cash with electronic payment to students, in an effort to make disbursement quicker, more efficient and in conformity with Government's digitization agenda.

In the year under review the Fund disbursed to a total of GHC 77,743,984 to 47,759 students in 46 Public Colleges of Education.

## Stakeholder Engagements

The Fund took very deliberate steps to engage with stakeholders over the period, using various platforms. Facebook, Instagram and Twitter have been used effectively to communicate with students and receive real time feedback on our products and service delivery. An annual summit for student leaders has also been instituted to keep student leadership informed about plans, new initiatives and challenges faced by the Fund in the execution of its mandate. There is also an electronic platform where student leaders can interact with SLTF staff at any time. These deepened engagements averted students picketing when loan disbursements delayed during the year.

The mass media has also been used effectively to disseminate messages about loan disbursement and recovery to stakeholders.

## Human Resource Development

The SLTF aspires to become a truly modern and ultra-efficient organization that delivers on its mandate of creating access to tertiary education for all Ghanaians. To achieve this, we are aware of the need to ensure that our employees are given all the necessary assistance to develop professionally and achieve their full potential for their individual benefit and the benefit of the organization. Towards this end, we have continued to identify and sponsor individual and group trainings for staff in Ghana and abroad.

## Challenges

As the number of students pursuing tertiary education rises in tandem with the cost of tertiary education itself, the SLTF will always struggle to disburse adequate loan amounts to eligible Ghanaian students, considering the limited funding available. In spite of this, we continue to engage with stakeholders as we explore new and sustainable models of funding to continue our critical role in the sector.

## Nana Kwaku Agyei Yeboah

CEO, Board Secretary



# GOVERNANCE

The Students Loan Trust Fund (SLTF) was established in December 2005 under the Trustee Incorporation Act 1962, Act 820. The objectives of the Trust Fund are to provide financial resources for the sound management of the Trust for the benefit of students and to help promote and facilitate the national ideals enshrined in Article 28 and 38 of the 1992 Constitution.

The Trust Fund is governed by a Board of Trustees that comprises distinguished individuals of relevant backgrounds requisite to the business of SLTF. The Board of Trustees are responsible for the Trust Funds' corporate governance and strategic policy direction for the realization of its mandate.

No.	Name	Institution	Position
1.	Mr. Jacob Kwabena Agyei	Government Appointee	Board Chair
2.	Nana Kwaku Agyei Yeboah	CEO, SLTF	Member (Board Secretary)
3.	Hon. Yaw Owusu-Boateng	Government Appointee	Member
4.	Mrs. Evelyn Daawee-Keelson	Rep, Attorney General's Department	Member
5.	Mr. Richard Darko	Government Appointee	Member
6.	Madam Angela Kyeremanten-Jimoh	Government Appointee	Member
7.	Ms. Sophia Kokor	Government Appointee	Member
8.	Mr. Joseph B. Denteh	Rep, Ghana Education Trust Fund	Member
9.	Mrs. Wilhelmina Asamoah	Rep, Ministry of Education	Member
10.	Mrs. Hilda Agyepong Asante	Rep, National Council for Tertiary Education (NCTE)	Member
11.	Mr. John Kojo Boateng	Rep, Social Security & National Insurance Trust, (SSNIT)	Member
12.	Ms. Yvonne Asare-Yeboah	Rep, Ghana Employers Association	Member
13.	Mr. Elvis Osei Amponsah	Rep, Ghana National Union of Polytechnic Students, (GNUPS)	Member

# PROFILES OF BOARD MEMBERS



**MR. JACOB KWABENA ADJEI**  
THE BOARD CHAIRMAN

Mr. Jacob Kwabena Adjei is the Board Chair of the Students Loan Trust Fund and also the Group Chief Finance Officer at GOIL. He holds certification from the Institute of Chartered Accountants Ghana and a B.Sc Administration (Accounting Option) from the University of Ghana, Legon.

Mr. Kwabena Adjei has over 25 years experience in the downstream Oil Industry having worked with ExxonMobil, GOIL and Goenergy. He is a Finance and Procurement Specialist who is able to use combined Accounting, Investment/Treasury, Procurement and Managerial skills to contribute to the success of any organization.

He was appointed to chair the SLTF Board of Trustees in September 2017. Since then, he has provided the needed leadership and support for the efficient management of the Fund.



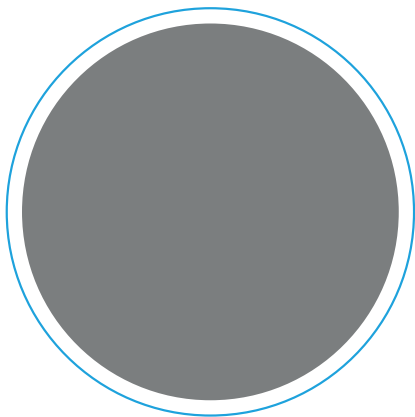
**NANA KWAKU AGYEI YEBOAH**  
BOARD OF TRUSTEES  
CEO, BOARD SECRETARY

Nana Kwaku Agyei Yeboah is the Chief Executive Officer (CEO) of the Students Loan Trust Fund (SLTF). He holds a double Master's degree in Social Work Administration and Education from Universities of Connecticut, USA and Cambridge College, Springfield, Massachusetts, USA, respectively; and is an Alumnus of the University of Ghana, Legon. Nana Yeboah also holds an advanced Paralegal Certificate from Elms College, Chicopee, Massachusetts, USA.

The CEO has over thirty (30) years' experience in areas of Social Work Administration and Education, both in Ghana and abroad, including but not limited to: Policy Formulation; Programme development/design; Project implementation; Mass communication; as well as Conflict Management and Resolution. In addition, Nana Agyei Yeboah also has a passion for Fundraising; and Events' Organisation and Management.

Prior to joining the Students Loan Trust Fund, Nana Agyei Yeboah was a Social Work Administrator for the State of Connecticut, Hartford CT, USA, at the Department of Children and Families. Other experiences as Social Work Administrator and an Educationist are: Residential Director, North Central Counselling Services, USA; Programme Supervisor, Centre for Human Development, USA; and teaching experiences at Women Teachers' College, Niger State, Nigeria; and Osei Kyeretwie Senior High School, Kumasi, Ghana.

Nana Kwaku Agyei Yeboah took over the leadership of the Fund in April, 2017, where he brings his strong leadership ability to communicate effectively at all levels; strong organisation and interpersonal skills; problem solving prowess; goal orientation and his drive for success to deliver on the Vision, Mission and Objectives of the Fund. His Vision is to increase visibility of the Fund; make the Fund grow and create a congenial work place environment where each worker's potential will be harnessed.



**HON. YAW OWUSU-BOATENG**  
GOVERNMENT APPOINTEE

Hon. Yaw Owusu-Boateng, an accomplished Educationist, was a former Member of Parliament of Asene/ Akroso /Manso Constituency in the Eastern Region of Ghana between 2009 -2012 and 2013 to 2016.

He has over thirty-eight (38) years' work experience with much spent in the Educational Sector both home and abroad. He also has in-depth experience in Education, Teaching, Diaspora Relations and Governance.

Hon. Owusu-Boateng has worked in various capacities in the Educational Sector. He was a Programme Co-ordinator, American Field Service (AFS), Inter-Cultural Exchange Program Sponsored by the U.S State Department, Ghana Office, Accra. During his active career, he served as a Library and Information Assistant at the Industrial Research Institute of the Council for Scientific and Industrial Research. In his enormous contribution made in the Educational sector, Hon. Owusu-Boateng was a Teacher of Economics, Geography and Government at some Secondary Schools in Ashanti and Eastern Regions of Ghana as well as Chafford school, Reiham and St. Marys High school Croyden both in London, UK. Hon Owusu- Boateng is a product of University of Copenhagen (Denmark) with Distinction in Post Graduate Diploma in Education (Comparative Education, Research and Project Management)

He also holds a degree in B. A Social Science and Diploma in Education both from the University of Cape Coast.

Hon. Yaw Owusu-Boateng had served on various Committees such as the Privileges, Special Budget, Education, Gender & Children and Foreign Affairs Committees of Parliament.

He is married with three (3) children.



**MRS. EVELYN DAAWEE-KEELSON**  
REP. ATTORNEY GENERAL'S DEPT.

Mrs. Evelyn Daawee- Keelson is a dedicated, hardworking and reputable legal expert in the field of Law. She brings to the Board, her eighteen (18) years' experience as a lawyer, particularly, her involvement in several criminal prosecutions, drafting of legal documents and processes, writing legal advice/opinions to law enforcement agencies and public service in general. She is currently a Chief State Attorney at the Attorney-General's Office and a part-time lecturer in Criminal Procedure at the Ghana School of Law.

Previously, Mrs. Daawee- Keelson served on the Board of the Trust Fund, representing the Attorney – General's Department in her capacity as a Principal State Attorney. Again, she has served on a number of National Committees and Commissions of Enquiry and has enormous experience in Public Service.

She holds an LLM from the University of Aberdeen in Scotland. She has also graduated from Ghana School of Law and the University of Ghana with Barrister at Law and LLB (Hons) and respectively.



**MADAM ANGELA  
KYEREMANTEN-JIMOH**  
BOARD MEMBER

Angela is the first female Country General Manager for IBM in Africa, responsible for its Ghana operations. She started her career in London at GL Trade, a leading French Software Company, in marketing where she rose to become the Marketing Manager for London Northern- Europe. She later moved to ABN AMRO Futures and Options in London as a Marketing Executive working for the Commodities traders with her focus on marketing to the Hedge Fund community in London. Prior to returning to Africa, Angela worked for UBS Investment Bank in London as a marketing Executive. In Ghana, Angela started her career at UBA Bank Ghana as head of Prestige banking and later joined GT Bank as Head of Consumer Banking. In 2011, Angela joined IBM as the territory Marketing Executive responsible for West Africa. She later moved to Nairobi Kenya with IBM as the Strategy Leader for Central, East and West Africa, prior to returning to Ghana as the Country General Manager in 2015.

Angela is a seasoned Marketer with over 17 years' experience in marketing and sales. At IBM, she has been responsible for pioneering some of the largest deals in both West and East Africa. Angela was awarded the Information Technology Service CEO of the year for 2017 (Entrepreneurs Foundation of Ghana) and was ranked amongst the top fifty women corporate leaders in Ghana in both 2016 and 2017 (The African Network of Entrepreneurs – TANOE) Angela is a board member of the American Chamber of Commerce (AMCHAM), Allianz Life Insurance and the Students Loan Trust Fund (Ghana).

She is a graduate of Harvard Business School in Leadership Development, holds an MSc in International Business, BA in Marketing and French and a product of Achimota College and Wesley Girls High School in Ghana.



**MS. SOPHIA KOKOR**  
GOVERNMENT APPOINTEE

Ms. Sophia Kokor is a highly innovative and results-oriented Lawyer with post qualification experience and background in Development, Corporate Strategy, Monitoring, Evaluation Policy Planning and Law. Currently, she is an Associate Lawyer with the Minkah-Premo and Co Legal Firm in Accra.

Until her appointment with the Minkah –Premo and Co Law Firm, Ms. Kokor served in various capacities as the Head of Programmes and Events, Policy Analyst and Administrator both at the Danquah Institute between 2007 to 2011. She also had a brief stint with the Barclays Bank Ghana, and the Social Investment Fund's Ghana Poverty Reduction Programme (GPRP), Kumasi.

Ms. Kokor is a Resource Person, for the Young African Leaders Initiative (YALI) on Legal Considerations for Entrepreneurs since 2015. She had also Consulted for National and International projects such as Strategic Investment, Evaluating the Paris Declaration on Aid Effectiveness, GPRS II, NHIS, for the GIPC, MOFEP, MOWAC, UNICEF and UNDP among others.

Ms. Kokor holds a BL (Qualifying Certificate in Law) and LLB both from the Ghana School of Law, University of Ghana, Legon. She graduated with Bachelor of Science degree in Planning from the Kwame Nkrumah University of Science and Technology, Kumasi.



**MR. RICHARD DARKO**  
GOVERNMENT APPOINTEE

Mr. Richard Darko is the Director of Finance of the Ghana Institute of Management and Public Administration (GIMPA). He had previously worked at the same institution both as a Project Accountant and an Adjunct Lecturer.

He has over twenty (20) years work experience and has technical competence in Strategic Planning, Accounting and Finance, Management Consulting and Investment Portfolio Management. He has worked with several organizations at different positions including CEO of the Student Loans Trust Fund and Senior Accountant, Controller and Accountant General's Department and as a Data Manager at the Meteorological Services Department, Ghana

He holds an MBA in Business Administration from GIMPA and is a Fellow of the Chartered Association of Certified Accountants (FCCA), UK. Mr. Darko is also a member of the Institute of Chartered Accountants, Ghana and the Institute of Directors, Ghana.

He is a graduate of the Kwame Nkrumah University of Science & Technology, Kumasi, Ghana



**MRS. WILHELMINA ASAMOAH**  
REPRESENTATIVE OF  
MINISTRY OF EDUCATION

Mrs. Wilhelmina Asamoah is a Senior Civil Servant. Currently, she is a Director at the Ministry of Education.

She has served in various capacities in the Research, Statistics & Information Department – Special Projects Division of the Ministry of Tourism and also worked as the Deputy Registrar of Scholarships at the Scholarships Secretariat. Mrs. Asamoah also served as the Education Scholarships Secretariat Representative, attached to the Ghana High Commission in London and mainly dealt with student funding, welfare and academic progress.

She holds a Postgraduate Diploma in International HR & Globalisation from the University of Leicester, UK. Mrs Asamoah has obtained a Post graduate Diploma in Public Administration and a Postgraduate Certificate in Public Administration both from GIMPA.

She is also a graduate of the Kwame Nkrumah University of Science & Technology and holds a degree in Social Sciences.



**MRS. HILDA AGYEPONG ASANTE**  
REPRESENTATIVE OF NATIONAL  
COUNCIL FOR TERTIARY EDUCATION

Mrs. Hilda Agyepong Asante is a seasoned Administrator and Lawyer with experience in Management, Governance, Public Policy, Law, Media and Public Relations. She has about twenty (20) years working experience in Public Service, fourteen (14) of which has been in Tertiary Education Management.

She is currently the Head of the Publications and Public Relations, Department of the National Council for Tertiary Education. She serves on the Governing Councils and Committees of some tertiary institutions.

Mrs. Agyepong Asante also has experience in Legal Practice particularly in Corporate, Commercial, Mining and Natural Resources Law as well as the scope of regulatory requirements for doing business in Ghana. She has also worked with the Television Division of the Ghana Broadcasting Corporation in Accra.

She holds Master of Public Administration (MPA), Bachelor of Laws (LLB) and Bachelor of Arts (BA) degrees all from the University of Ghana. She has also graduated from the Ghana School of Law and is a qualified Barrister and Solicitor of Law.



**MS. YVONNE ASARE – YEBOA**  
REPRESENTATIVE OF GHANA  
EMPLOYERS ASSOCIATION

Yvonne Asare –Yeboa, currently the Senior Manager, Training and Administration of the Ghana Employers’ Association is an accomplished professional with over ten (10) years’ hands on experience in Human Resource Administration and Customer Relations. She is also a Member of the National Apprenticeship Council.

During her working experience at the Ghana Employers Association, Ms. Asare -Yeboa assiduously acted in various capacities as Customer Relations Officer, Senior Administrative Officer; Training & Admin. Manager.

Again, she acted as Advisor to many employers in the areas of collective bargaining, union-management joint consultations, employee engagements / separation and matters related to general management.

She holds a Postgraduate Diploma in Industrial Relations from the Association of Business Executives (UK). She also holds a Master of Administration (Marketing Option) and Bachelor’s Degree in Sociology both from the University of Ghana, Legon.

Ms. Asare Yeboa possesses excellent interpersonal, communication and negotiation skills. She enjoys adventure, travels and reading



**MR. JOHN KOJO BOATENG**  
SSNIT’s REPRESENTATIVE

Mr. John Kojo Boateng is the Social Security and National Insurance Trust (SSNIT) representative on the SLTF Board of Trustees. He has held various positions in SSNIT, during his twelve years with the organization, including Koforidua Area Manager.

He is currently in charge of the Accra South area.

Mr. Boateng holds a BA in Social Science, a Bachelor of Laws (LLB), as well as an MA in Public Administration from the Ghana Institute of Management and Public Administration.



**MR. ELVIS OSEI AMPONSAH**  
STUDENTS’ REPRESENTATIVE

Elvis Osei Amponsah is a student activist who has for the past six years dedicated his time to seeking students’ welfare through advocacies which influence decisions by the Government and educational institutions to the advantage of students.

He was the President of the Polytechnic Engineering Students Association of Ghana at Kumasi Polytechnic where he pursued an HND in Electrical Engineering. Whilst in Kumasi Polytechnic, Elvis served on several committees of students following his nomination as the Engineering Students representative to the Students Representative Council (SRC).

His hardwork, dedication and passion towards Students welfare led him to the National Students Leadership level where he had the privilege to serve as the spokesperson (PRO) for the Ghana National Union of Polytechnic Students (GNUPS). Whilst serving GNUPS, he exhibited his keen interest in National policies particularly those that affected students in Ghana through his regular reviews and commentaries by way of publications of Press Statements.

He has been part of several processes initiated by the Ghana National Union of Polytechnic Students in seeking adequate redress to some of the major challenges confronting students in Ghana. His loyalty towards the good course of students informed his nomination by GNUPS and subsequent approvals by His Excellency the President of Ghana and the Council of State to represent Ghanaian Students on the SLTF Board. He has a Bachelor’s Degree in Telecommunication Engineering and a Higher National Diploma in Electrical Engineering from the Koforidua Technical University and The Kumasi Technical University respectively.

# MANAGEMENT TEAM



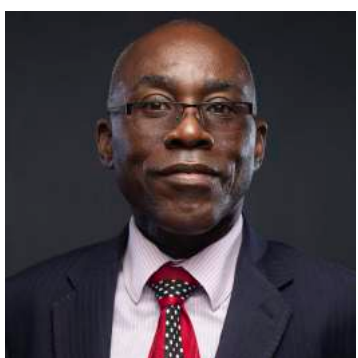
**NANA KWAKU AGYEI YEBOAH**  
CEO

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**MR. YAW AMPONSAH-AMOAH**  
DIRECTOR, FINANCE & ADMINISTRATION

Mr. Yaw Amponsah-Amoah is the Director, in charge of Finance and Administration at the Students Loan Trust Fund. He has over 25 years varied working experience in Accounting, Finance and Investment. He has previously worked as a Senior Investment Officer for Activity Venture Finance Company, Manager at Price Water Coopers (PWC) Ghana, and Chief Accountant for Barry Callebaut (GH) Ltd.

Mr. Amponsah-Amoah is a Chartered Accountant by Profession. He is a Fellow of the Association of Chartered Certified Accountants (ACCA) and a member of the Institute of Chartered Accountants (ICA), Ghana. He also holds an MBA (Business Finance) from University of Hull, UK.



**MRS. GIFTY APPIASIE**  
DEPUTY DIRECTOR,  
INTERNAL AUDIT

Mrs. Gifty Appiasie has been the Deputy Director of Internal Audit, at the Trust Fund since April 2014. She previously worked with World Vision, Ghana, as a Sector Auditor, the National Health Insurance Authority (NHIA), as Quality Assurance Manager, Operations Manager and an Internal Auditor for over seven (7) years. She also served with the Internal Revenue Service (IRS) now Ghana Revenue Authority (GRA) as a District Accountant for over five (5) years

She serves on the following Audit Committees: -Association of African Higher Education Financing Agencies (AAHEFA), National Commission on Civic Education (NCCE) and Office of the Administrator of Stool Lands (OASL) where she chairs the Committee.

She holds an MBA (Auditing) from the Institute of Professional Studies Legon, Accra and is a member of the Association of the Chartered Certified Accountants (ACCA) having obtained certification up to the professional level. She is also a member of the Institute of Internal Auditors, Ghana (IIA)



**MR. KOFI ABBEW NKUMAH**  
PRINCIPAL MANAGER, OPERATIONS

Mr. Kofi Abbew Nkrumah is the Head of Operations. He has over 19 years work experience in the field of Microfinance and was a Director of Operations for Christian Rural Aid Network. Prior to that, he worked with Plan Ghana, Microfinance and Small Loans Scheme, and Akoti Rural Bank in various capacities.

He holds an Executive MBA from University of Ghana and a BSc. Land Economy from Kwame Nkrumah University of Science and Technology.



**MS. ROSEMARY ARYEE**  
PRINCIPAL MANAGER, TECHNICAL  
& RESOURCE MOBILIZATION

Ms. Rosemary Aryee is the Principal Manager of the Technical and Resource Mobilization Department of the Trust Fund. She joined the Fund as Administrative Manager with responsibilities for Human Resource management and moved on to become Loan Disbursements Manager. She has over 25 years' cumulative work experience in Executive Secretarial Practice, Corporate Administration, Human Resource Practice, Procurement Management, Students' Loan Administration and Fund Raising.

Prior to her appointment to the Students Loan Trust Fund, she worked with the London Probation, UK; Adecco Recruitment Consultants, UK; Solar Light Co Ltd, Ghana; Ghana Oil Palm Development Company and Graphic Communications Group Limited, Ghana. She has industry experience spanning the public service, private sector and international organizations.

She holds a MSc in Corporate Governance from the London South Bank University, UK; Post-Graduate Certificate in Business Administration from GIMPA, Accra and BA Secretaryship (French option) from the University of Cape Coast. She is also a Graduate of the Institute of Chartered Secretaries and Administrators, (ICSA) UK.



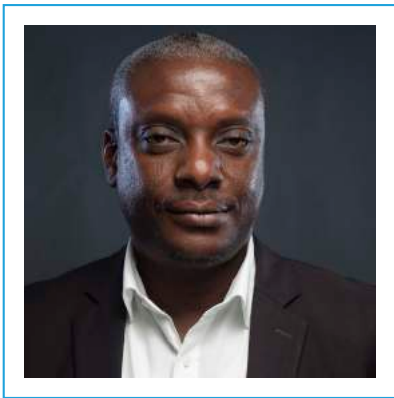
**MR. JUPITER NYAMADI**

PRINCIPAL MANAGER, PLANNING,  
RESEARCH & INFORMATION SYSTEMS

Mr. Jupiter Nyamadi is the Principal Manager of Planning, Research & Information Systems of the Students Loan Trust Fund. He has over 15 years of work experience in IT Project Management, Enterprise IT Governance, Business Analysis, Enterprise Software Development, Database Management, Information Security and IT Service Management.

He has held various senior IT positions at Explainer DC, Alcam Design, Meshcode Ltd. and Data Telecom Ltd.

He holds a PMP, ITIL, Commonwealth Executive MBA and BSc. Computer Science, both from the Kwame Nkrumah University of Science & Technology and is a member of the Project Management Institute (PMI).



**MR. GEORGE FERGUSON LAING**

AG. PRINCIPAL MANAGER,  
PUBLIC RELATIONS

George Ferguson Laing is a Communications Specialist with over fifteen years of practice in the sector. His experience spans Academia, Media Management, technical and vocational education, and more recently social protection systems. He is Head of Public Relations at the Students Loan Trust Fund where he has provided Strategic Communications direction for the organization for the past three years.

He previously served as Communications Coordinator at the Council for Technical and Vocational Education and Training (COTVET).

He also served as a World Bank Consultant on the Ghana National Household Registry project, under the Ministry of Gender, Children and Social Protection.

Other positions held include General Manager, Broadcasting for Global Media Alliance an integrated marketing communications firm which owns brands like E.TV, Happy FM and Y FM.

His experience in Academia saw him hold various positions at the Africa University College of Communications including Dean of Students, Director of International Affairs, and Short Course Coordinator. He also taught various courses at the Undergraduate and Diploma levels, including Mass Communications and Strategic Communications.

He currently serves on the boards of COTVET and the Skills Development Fund (SDF).

George has an MA in Communications from the University of Westminster, as well as an MA in Organizational Leadership and Governance and a BA in Political Science, both from the University of Ghana.



## DEPARTMENTAL REPORTS

# FINANCE

## INTRODUCTION

The Finance Department's primary role is to provide relevant, reliable and timely financial information to interested stakeholders including periodic management account, annual report and annual budget to assist them in their decision making. The Department also ensures that funds are well managed to meet the Trust Funds mandate of providing loans to eligible Ghanaian Students.

The Department continued to play its traditional role of maintaining proper financial records of the Trust Fund's activities, that conform to International Financial Reporting Standards (IFRS) and the requirements of the Ghana Companies Code 1963 (Act 179). This section discusses the financial performance of the Trust Fund for the year ended December 2019.

## HIGHLIGHT OF FINANCIAL PERFORMANCE

The table below shows an overview of the financial performance of the Trust Fund for the period ending December 2019.

## OVERVIEW OF FINANCIAL PERFORMANCE

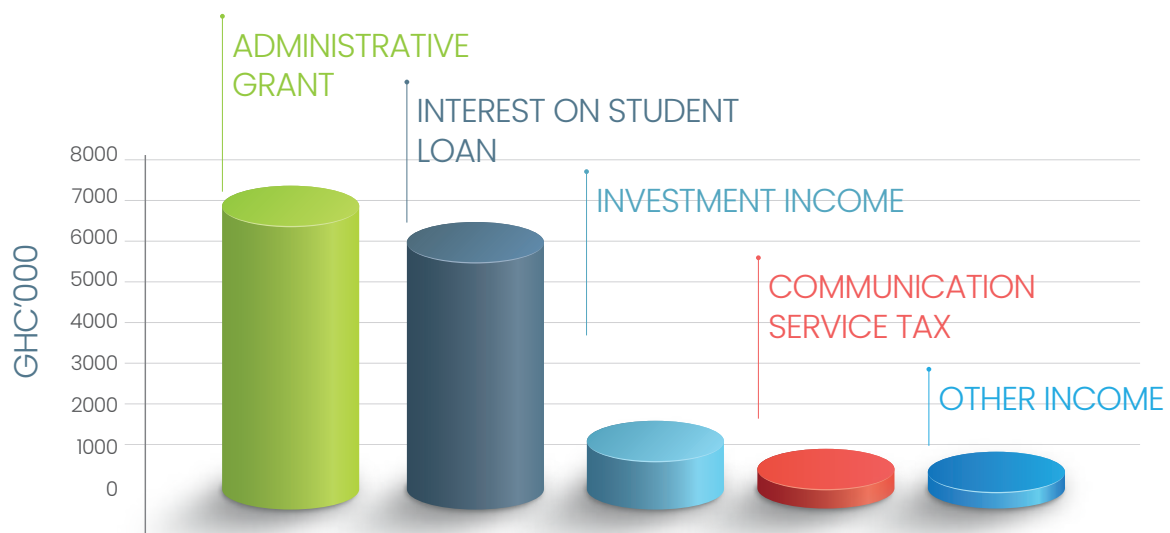
Component	2019 GH¢'m	2018 GH¢'m	% Growth
Operating Surplus	2.52	1.36	85%
Loan Repayments	36.6	26.51	38%
Students Loan (Net) Portfolio	434.8	364.21	19%
Total Assets	498.31	380.02	26%

# INCOME

The Trust Fund's total income consists of Administrative grants, Interest on investment, Interest on students' loan and Other Income. In 2019, total income amounted to GH¢14.93 million compared to GH¢10.04 million in 2018. This was mainly due to significant increases in administrative grants and interest on students' loans repaid.

Interest on Students' loan increased from GH¢4.49 million in 2018 to GH¢ 6.36 million in 2019 as a result of improved loan repayments. Administrative grants rose from GH¢3.50 million in 2018, to GH¢7.48 million in the year under review, due to additional funds received for disbursing the Teacher Trainee allowance.

The chart below gives a pictorial view of the income received in 2019:

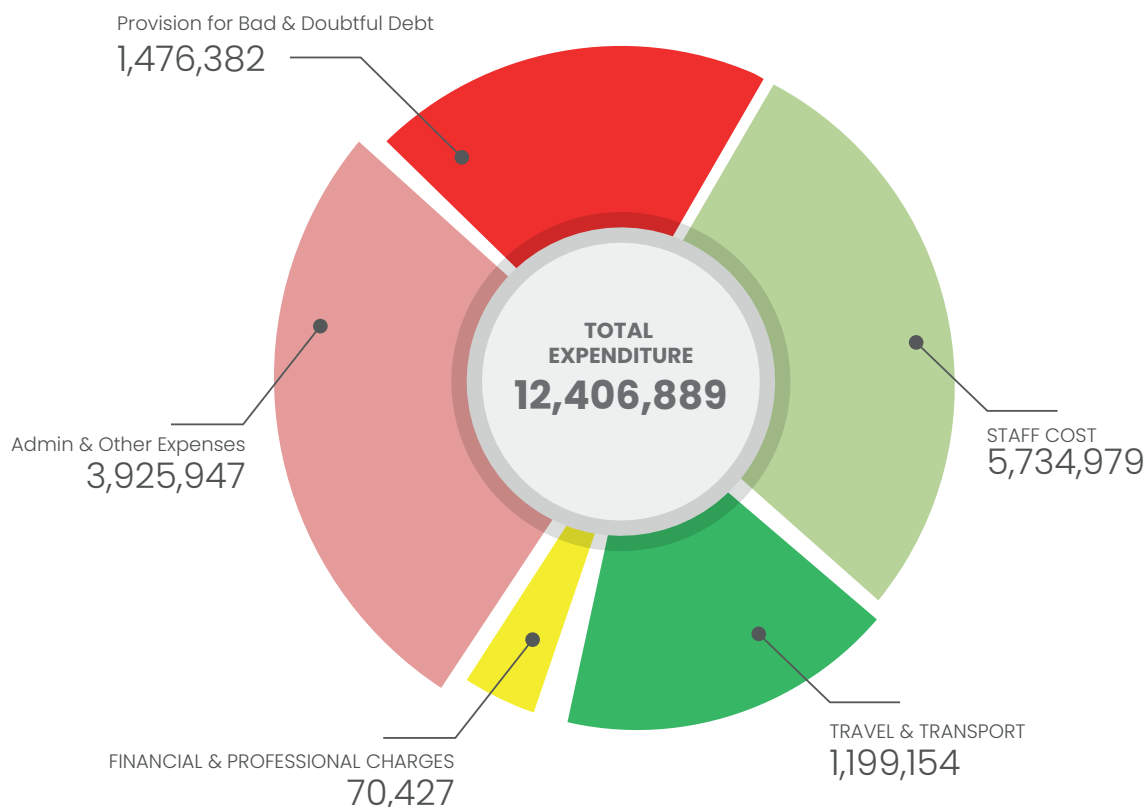


## ALLOCATION FROM GETFUND

The GETFund continues to provide a major source of funding to the Trust Fund, to cover both loan disbursement and operational expenses through its annual allocation. In the year under review, an amount of GH¢ 18 million was received compared to its allocation of GH¢ 35 million. At the end of December 2019, the GETFund's cumulative allocation and releases to the Trust Fund over the Fourteen (14) years amounted to GH¢ 252.96 million and GH¢ 210.50 million respectively.

## OPERATING EXPENSES

The Trust Fund's operating expenses comprise of staff costs, travelling & transport and administrative & other expenses. It also includes financial & professional charges and provision for bad & doubtful debts.



In 2019, Operational expenses increased by 43% from GH¢ 8.68 million in 2018 to GH¢ 12.41 million. This was mainly due to increase in administrative expenses, staff cost and travelling & transport, as well as provision for bad debt. Administrative & other expenses increased from GH¢ 3.15 million in 2018 to GH¢ 3.93 million in 2019 mainly caused by upwards adjustment in utility tariff, increase promotional activities, staff training & development and rent payment. Staff cost increased from GH¢4.59 million in 2018 to GH¢5.73 million in 2019 mainly due to approved salary increase in the year. Travelling and transport expenses increased from GH¢ 0.98 million in 2018 to GH¢ 1.20 million in 2019 as a result of increase in petroleum and transport related expenses.

## TOTAL ASSETS

In the year 2019, the Trust Fund's Total Assets increased by 26% from GH¢380.02 million in 2018 to GH¢ 478.31 million as a result of increase in net loans to students.

## NON - CURRENT ASSETS

The Trust Fund's Non-Current Assets consist of Fixed Assets (Motor Vehicles, Computers & Accessories, and Office Furniture & Fittings) and Net Long Term Students Loan Portfolio. In 2019, Non Current Assets increased by GH¢ 55.01 million from GH¢ 288.58 million in 2018 to GH¢ 343.59 million in 2019 attributable mainly to increase in Net Long Term Loans to students.

## LONG TERM STUDENT LOAN

At the beginning of January 2019, net long term loan balance was GH¢ 338.86 million as against GH¢ 243.91 million in 2018. During the year, loan amounting to GH¢ 58.87 million was disbursed to deserving students and an amount of GH¢66.15 million which matured for recovery was transferred to short term loan under current assets. Interest on loan in the review period amounted to GH¢ 49.77 million.

In line with International Accounting Standard One (IAS 1) an unmatured loan due in 12 months of GH¢ 39.15 million was deducted. At the end of December 2019, balance on Net long term Loan amounted to GH¢ 342.09 million compared to GH¢ 287.86 in 2018.

	2019 GH¢'m	2018 GH¢'m
<b>At January 1,</b>	338.86	243.91
Disbursement for the year	58.9	75.72
Interest	49.77	43.68
Transfer to Short Term Loan	-66.15	-24.45
Closing Balance of Long Term Loan	381.35	338.86
Unmatured Loan due in 12 months	-39.15	-51
<b>Loans (Net) December 31,</b>	342.2	287.86

## CURRENT ASSETS

The Trust Fund's Current Assets include Short Term Students Loan, Investment, and Accounts Receivable. Current Assets increased from GH91.44 million in 2018 to GH¢ 134.71 million in 2019, mainly due to transfer from long term loan in line with International Accounting Standard One (IAS 1) and increase in investment.

## SHORT TERM STUDENTS LOAN

In the year 2019, an amount of GH¢ 66.15 million due for recovery was received from long term loan portfolio.

	2019 GH¢'m	2018 GH¢'m
<b>At January 1,</b>	26.68	28.75
Transfer from Long Term Loan	66.15	24.45
Repayment	-36.62	-26.52
<b>Balance before unmatured loan</b>	56.21	26.21
Unmatured Loan Due in 12 Months	39.15	39.00
<b>Balance before Provision</b>	95.36	77.68
Provision for Doubtful Debts	2.81	1.33
<b>Loans (Net) December 31,</b>	92.55	76.35

In 2019, an amount of GH¢ 36.62 million was received from 30,050 borrowers for loan repayments. Provision for bad and doubtful debts amounting to GH¢ 2.81 million was made for short term loan. As at December 31, 2019, net short term loan amounted to GH¢ 92.55 million.

## NON CURRENT LIABILITIES

The Trust Fund's Non-current liabilities which comprise deferred liabilities and loan protection premium increased by 29% from GH¢ 150.84 million in 2018 to GH¢ 194.21 million in 2019 mainly due to increase in deferred income.

## DEFERRED INCOME

Deferred Income, which is interest income yet to be earned, based on the prevailing interest rate, rose from GH¢ 148.32 million in 2018 to GH¢ 191.73 million in 2019, resulting from increase in interest accrued on loans. These would be transferred to interest earned accounts when payments become due.

## LOAN PROTECTION

The Trust Fund continued to implement the loan protection to cater for the loans defaults arising from death or permanent incapacitation by borrowers. The premium is 0.5% deduction from loans granted to all eligible borrowers, is invested and used to offset claims arising from death or total permanent incapacitation. At the end of December 31, 2019, the Trust Fund's total liability for loan protection amounted to GH¢ 2.47 million compared with GH¢ 2.52 million in 2018.

## CURRENT LIABILITIES

The Trust Fund's Current liabilities consist of accruals at the year-end including Audit fees, disbursement charges, utilities, consultancy services, COE Teacher Trainee allowance and sundry payables. Current liabilities increased from GH¢ 2.76 million in 2018 to GH¢ 30.17 million in 2019 mainly due to increase in accruals and COE Teacher Trainee allowance.

## ACCUMULATED FUND

The Accumulated Fund of the Trust in 2019 increased by 12% from GH¢ 226.42 million in 2018 to GH¢ 253.93 million in 2019, as a result of additions to Capital Grants and Income Surpluses.

# ADMINISTRATION

## Introduction

The Secretariat of the Fund is located at House No. 47, 3rd Crescent, Asylum Down-Accra. The day - to - day Administration of the SLTF is headed by the Chief Executive Officer, assisted by a team of qualified Professionals in the following departments:

- Finance and Administration
- Operations
- Planning Research and Information Systems
- Internal Audit
- Technical and Resource Mobilization

The Fund is governed by a Board of Trustees appointed by the President of the Republic in accordance with Article 70 (1) (iii) of the 1992 Constitution.

The Fund has 14 Zonal Offices and 55 Campus Offices nationwide serving as a first-point-of-call in the loan application process. The zonal offices play an integral role in the loan recovery processes of the Trust Fund's activities.

## Human Resource and staffing

### Staff Strength

In the year under review, the total staff strength of the Trust Fund stood at 75 as shown in the table below

### Staff Strength

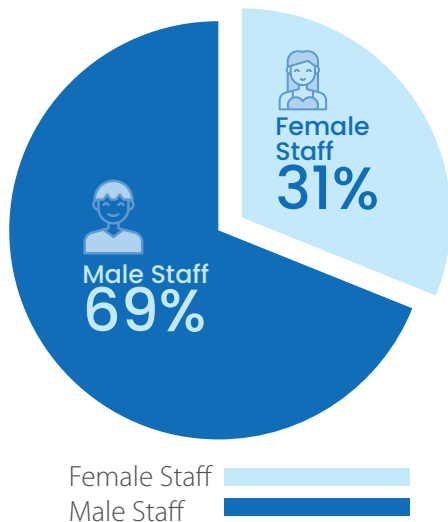
Category	Number
Permanent	73
Temporary	2
Total	75

In addition, the Trust Fund took on Sixty-three (63) National Service Personnel who supported permanent staff in their assigned duties at the Head Office and Zonal Offices.

### Gender Distribution

The Trust Fund's staff gender distribution is shown in the chart below

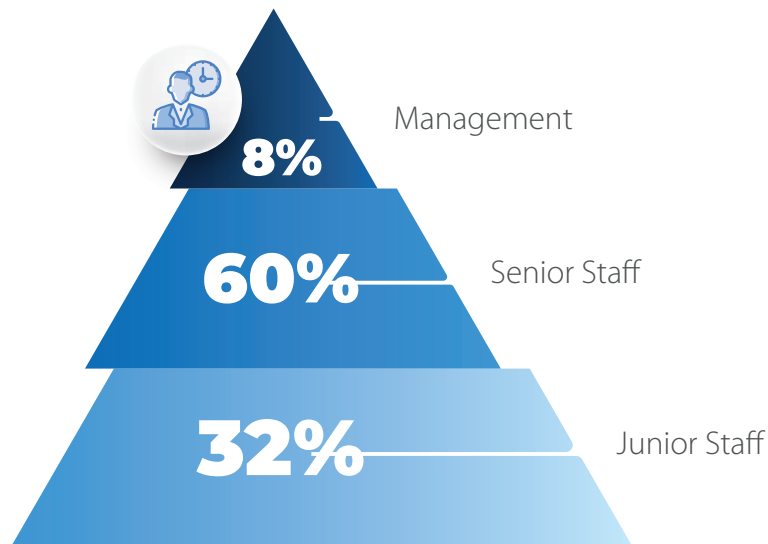
### Gender Distribution



### Composition of Staff

In the year under review, the Trust Fund's composition of staff is shown in the chart below

### Composition of Staff



### Recruitment and Resignation

In the year under review, the Trust Fund augmented its staff strength with the recruitment of six (6) permanent staff and two temporary staff. Three (3) staff resigned from the Fund.

### Training and Development

In the year under review, a total of fifty-four (54) employees were offered relevant training as well as Continuous Professional Development (CPD), aimed at sharpening their skills to achieve the goals of the Trust Fund. Training and Development covered included:

- Public Financial Management
- Data management & performance reporting
- Results based monitoring and evaluation
- Road Safety management.

### Staff Durbar

In the year under review, to ensure unity and cohesion at the Trust Fund, a staff durbar was organized with series of activities such as:

- Health Talk
- Financial Management
- Team Building task

The durbar was climax with an end of year get-together for all staff.

# OPERATIONS

## Introduction

The department has three Units, namely Disbursement, Loan Repayment and Teacher Training Allowance. The Fund has a robust and solid systems in disbursing loans and allowances and excellent repayment system that helps borrowers to repay their loans.

## Loan Disbursement:

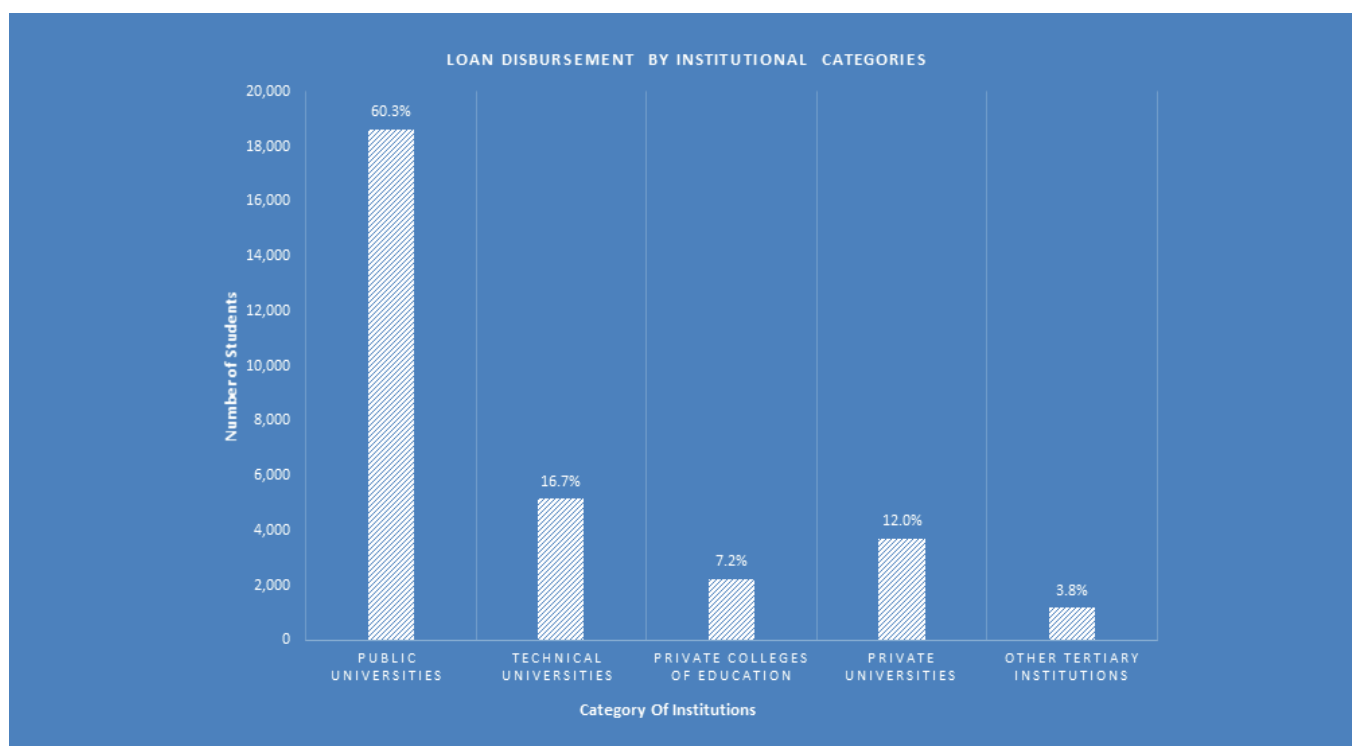
The Fund disbursed loans to students using means testing methodology which allocate the loans based on scientific and objective assessment of the needs levels of the applicants.

In the year under review, a total of GHC75, 964,069.47 was paid to 30,870 students. 20,684 continuing students were paid an amount of GHC50, 974,069.47 and first time borrowers of 10,186 received an amount of GHC24, 990,000.00.

## Loan Disbursed By Institutions:

A total of 18,619 students from the Public Universities received an amount of GHC 45,962,644.47 which represented 60.3% of loans disbursed. 5,162 Technical Universities and Polytechnics students were paid an amount of GHC12, 613,575.00 which forms 16.7% of the total number of students paid in the year under review.

An amount of GHC 5,636,475.00 was also disbursed to 2,224 Private Colleges of Education and this forms 7.2% of the disbursement portfolio. An amount of GHC8, 878,425.00 for 3,691 borrowers representing 12.0% went to students in the Private Universities and other tertiary institutions received an amount of GHC2, 872,950.00 for 1,174 students representing 3.8% of the total portfolio.



## Loan Disbursement by Programme Of Study

The Fund disbursed to a total of 20,216 humanity students which forms 65.5%, 8,623 applied science students made up of 27.9% and students offering core science were 2,031 making 6.6%.

### LOAN DISBURSEMENT BY PROGRAMME OF STUDY

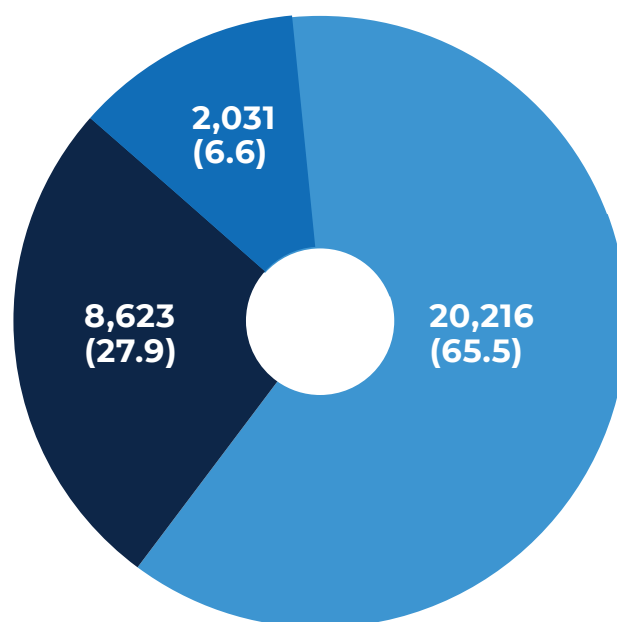
#### HUMANITIES



#### APPLIED SCIENCE



#### CORE SCIENCE



## Institutions on the Students Loan Scheme

The total number of institutions on the loan scheme in the year under review was 105.

The Trust Fund added four (4) Private Universities, two (2) other tertiary institution to our portfolio in year.

The detailed list of the institutions on the loan scheme is attached as Appendix 1.

Name of Institution	Number of Institution in 2019	Number of Institution in 2018
Public Universities	10	10
Private Universities	44	40
Technical Universities	10	10
Private Colleges of Education	4	4
Other Tertiary	37	35
Total	105	99

## Loan Repayment

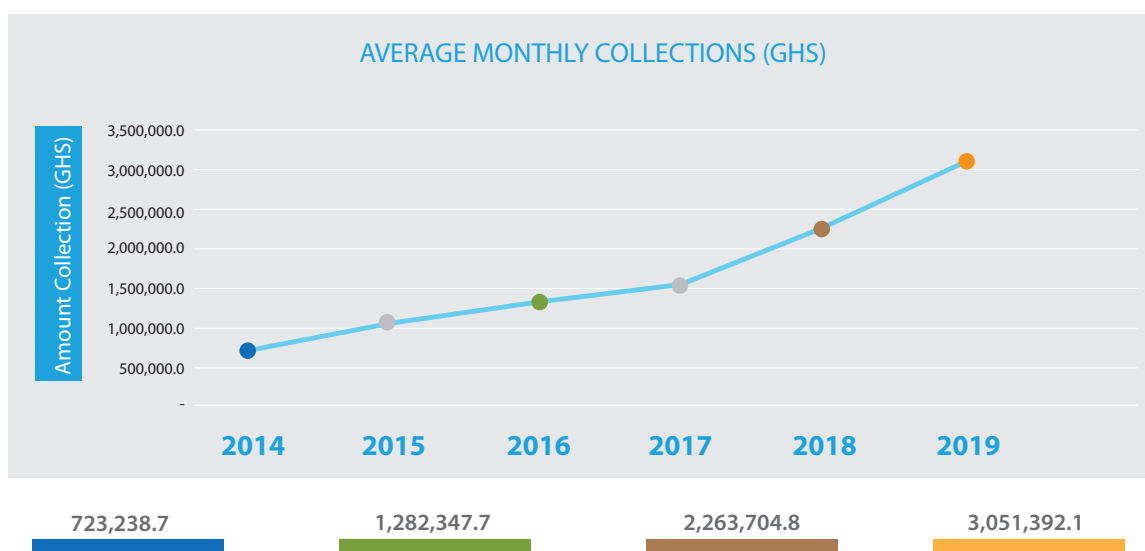
In the year 2019, the Fund put in place a lot of effort to improve the loan repayment and the remarkable effort resulted in collecting over GHC 4. Millions in the month of November 2019.

The Fund was able to collect GHS 36.6M which exceeded the year target of GHC35.6 million.

The repayment amount in the year under review also exceeded the previous year amount of GHS 27.4M which was 34.8%

. The amount collected for 2019 financial year accounted for 103% of the target of GHS 35.6M, compared to 91% of the target in 2018 financial year. The average monthly amount collected during the 2019 financial year, was approximately GHS3.05M compared to GHS2.2M for the previous year.

The number of borrowers making payment also increased from 15,835 in 2016 to 30, 002 in 2019, representing 89% increase as highlighted on the table in the diagrams below;



	Borrowers Paying	Amount Collected (GHS)
2014	10,27	1,678,864.31
2015	13,275	12,549,379.61
2016	15,835	15,388,172.23
2017	16,645	17,685,301.74
2018	26,201	27,164,457.41
2019	30,002	36,616,705.31

In an effort to improve collections and reduce loan in default the Fund embarked on several initiatives including:

- Publication of the names and faces of defaults beneficiaries in the national media.
- Tracking of collections activities to enable us identify wrong and bad contacts information for solution.
- Introductions of Mobile money platform to make repayment easier and convenient for borrowers
- Used data mining and analytics techniques to merge and segment the borrowers for right treatment.
- Establishment of Employer Compliance desk to continuously educate and engage employers to fulfil their legal obligation by deducting from employee beneficiaries and remitting same to SLTF
- Encouraging beneficiaries and/or their guarantors to exercise the option to commence repayment during the moratorium period, to reduce interest cost and ultimately the monthly payment upon the loan entering repayment.
- Increased implementation of Salary Deductions for beneficiaries employed in the Public Sector.
- Embarking on diaspora repayment campaign in USA and UK to introduce online payment platforms created and encourage borrowers to repayment their loan for others to benefit.
- Conducted Loan Recovery and Data Analysis Training for Operation staff to develop their skills in loan collections.
- Data sharing collaborations with identified strategic stakeholders who generate relevant data to boost loan recovery drive.

# Teacher Training Allowances Payment

The Fund was directed by the Ministry of Education to disburse the monthly teacher trainee allowance that was restored in full by the New Patriotic Party government.

The directive by the Ministry was in line with the objective of the Trust Fund as provided for in the SLTF Act, 2011 (Act 820) 2011 that established the Trust Fund. That is to provide financial resource for the benefit of students of tertiary institution, to promote and facilitate the national ideals enshrined in articles 25 and 38 of the 1992 Constitution and to provide for related matters.

In the year 2019 was the second year the Fund disbursed the allowances to the 46 Public Colleges of Education in the country.

## Collaboration

In the year under review the Trust Fund engaged key stakeholders like National Conference of Principal of Colleges of Education (PRINCOF), Teacher Trainees Association of Ghana, (TTAG), Social security and National Insurance Trust (SSNIT), and Ghana Inter-Banks Payment and Settlements Systems, (GhIPSS for the successfully payments of the monthly allowances to the students for the period they were in school.

In the year under review the Fund disbursed to a total of GHC 89,503,972 to some 62,221 students the 46 Public Colleges of Education.

The above spanned from second semester of the 2018/19 academic year and the beginning of the 2019/2020 academic year.

## Achievements:

1. The Fund was able to disburse to students during the period from the loan repayment. This helped in maintaining the students agitation on campuses.
2. Successful orientation was done for the students on the loan and those in the Public Colleges of Education on the allowance
3. The amount the Fund disbursed was reviewed upwards which made Fund to disburse over GHC 70million in a year as compare to the previous years
4. Various forms of media engagements, vigorous employer visit and repayment platforms were introduced in the year under review which led to the improvement in loan repayment amount and number of borrowers paying their loans.

## Challenges:

The major challenge was the late release of funds by GETFUND which made the Fund to reduce the disbursement target in the year under review.

The Fund is still having difficulty in tracing borrowers in the informal sectors to repay their loans

# INSTITUTIONS ON THE SLTF PORTFOLIO

## TECHNICAL UNIVERSITY/POLYTECHNIC

WA POLYTECHNIC  
TAMALE TECHNICAL UNIVERSITY  
TAKORADI TECHNICAL UNIVERSITY  
SUNYANI TECHNICAL UNIVERSITY  
KUMASI TECHNICAL UNIVERSITY  
KOFORIDUA TECHNICAL UNIVERSITY  
HO TECHNICAL UNIVERSITY  
CAPE COAST TECHNICAL UNIVERSITY  
BOLGATANGA POLYTECHNIC  
ACCRA TECHNICAL UNIVERSITY

## PRIVATE COLLEGES

MADINA INSTITUTE OF SC TECH  
ROYAL ANN COLLEGE OF HEALTH  
NEW LIFE COLLEGE  
BALDWIN COLLEGE  
YESHUA INSTITUTE OF TECHNOLOGY  
WITHROW COLLEGE  
WESTERN HILLS SCHOOL OF NURSING  
TRINITY THEOLOGICAL SEMINARY  
ST KAROL SCHOOL OF NURSING  
REGENTROPFEN COLLEGE OF APPLIED SCIENCES  
PREMIER INSTITUTE OF LAW ENFORCEMENT  
MANAGEMENT AND ADMINISTRATION  
NIGHTINGALE SCHOOL OF NURSING  
NAR-BITA SCHOOL OF NURSING  
KESSBEN COLLEGE  
INTERCOM PROGRAMMING AND  
MANUFACTURING COMPANY LTD (IPMC)  
INSTITUTE OF BUSINESS MANAGEMENT AND  
JOURNALISM  
HERITAGE CHRISTIAN COLLEGE  
GRADUATE SCHOOL OF MANAGEMENT (KANDA  
CAMPUS)  
GHANA SCHOOL OF MARKETING  
FOUNTAINHEAD CHRISTIAN COLLEGE, TEMA  
CONCORD BUSINESS COLLEGE  
COMMUNITY COLLEGE  
COLLEGE OF TROPICAL AGRICULTURE (KITA)  
CATHOLIC INSTITUTE OF BUSINESS AND  
TECHNOLOGY  
BLUECREST COLLEGE (NIIT EDUCATION  
TRAINING CENTRE)  
BIMAKS COLLEGE OF BUSINESS HEALTH  
SCIENCES  
AKROFI-CHRISTALLER MEMORIAL INSTITUTE  
ACCRA INSTITUTE OF TECHNOLOGY (AIT)  
ADVANCED BUSINESS COLLEGE  
ACADEMY OF BUSINESS ADMINISTRATION  
(ACCRA CAMPUS)  
ACADEMIC CITY COLLEGE

## PRIVATE COLLEGES OF EDUCATION

CHRIST THE TEACHER COLLEGE OF EDUCATION  
JACKSON COLLEGE OF EDUCATION  
HOLY SPIRIT COLLEGE OF EDUCATION  
AIM PROFESSIONALS INST TRAINING COLLEGE

## PRIVATE UNIVERSITIES

UNIVERSITY OF APPLIED MANAGEMENT GHANA CAMPUS,  
AKPLAKU HILLS  
PRESBYTERIAN UNIVERSITY COLLEGE (KUMASI CAMPUS)  
ZENITH UNIVERSITY COLLEGE  
WISCONSIN INTERNATIONAL UNIVERSITY COLLEGE, GHANA  
WEST END UNIVERSITY COLLEGE  
VALLEY VIEW UNIVERSITY (TECHIMAN CAMPUS)  
VALLEY VIEW UNIVERSITY COLLEGE  
UNIVERSITY COLLEGE OF MANAGEMENT STUDIES - KUMASI  
UNIVERSITY COLLEGE OF MANAGEMENT STUDIES - ACCRA  
TECHNICAL UNIVERSITY COLLEGE  
SPIRITAN UNIVERSITY COLLEGE  
REGIONAL MARITIME UNIVERSITY COLLEGE  
REGENT UNIVERSITY COLLEGE OF SCIENCE AND TECHNOLOGY  
RADFORD UNIVERSITY COLLEGE  
PRINCEFIELD COLLEGE OF HEALTH AND RESEARCH INSTITUTE  
PRESBYTERIAN UNIVERSITY COLLEGE  
PEREZ UNIVERSITY COLLEGE (PERUC)  
PENTECOST UNIVERSITY COLLEGE  
MOUNTCREST UNIVERSITY COLLEGE  
METHODIST UNIVERSITY COLLEGE  
MERIDIAN UNIVERSITY COLLEGE  
MARSHALLS UNIVERSITY COLLEGE  
MARANATHA UNIVERSITY COLLEGE  
KNUTSFORD UNIVERSITY COLLEGE  
KINGS UNIVERSITY COLLEGE  
KAAF UNIVERSITY COLLEGE  
JAYEE UNIVERSITY COLLEGE  
ISLAMIC UNIVERSITY COLLEGE, GHANA  
GHANA TELECOM UNIVERSITY COLLEGE  
GHANA CHRISTIAN UNIVERSITY COLLEGE  
GHANA BAPTIST UNIVERSITY COLLEGE  
GARDEN CITY UNIVERSITY COLLEGE  
EVANGELICAL PRESBYTERIAN UNIVERSITY COLLEGE  
DOMINION UNIVERSITY COLLEGE  
DATA LINK INSTITUTE (UNIVERSITY COLLEGE)  
CHRISTIAN SERVICE UNIVERSITY COLLEGE  
CHRIST APOSTOLIC UNIVERSITY COLLEGE, KUMASI  
CENTRAL UNIVERSITY COLLEGE  
CATHOLIC UNIVERSITY COLLEGE  
ASHESI UNIVERSITY  
ANGLICAN UNIVERSITY COLLEGE OF TECHNOLOGY  
ALL NATIONS UNIVERSITY  
AFRICAN UNIVERSITY COLLEGE OF COMMUNICATION  
AKIM STATE UNIVERSITY COLLEGE

**PUBLIC INSTITUTIONS**

NATIONAL FILM TV INSTITUTE  
GREEN HILL COLLEGE, ACCRA (GIMPA)  
GHANA SCHOOL OF SURVEYING AND MAPPING  
GHANA SCHOOL OF LAW  
GHANA INSTITUTE OF LANGUAGES  
GHANA INSTITUTE OF JOURNALISM

**PUBLIC UNIVERSITIES**

UNIVERSITY OF PROFESSIONAL STUDIES  
UNIVERSITY OF MINES AND TECH (UMAT)  
UNIVERSITY OF HEALTH AND ALLIED SCIENCES (UHAS)  
UNIVERSITY OF GHANA  
UNIVERSITY OF ENERGY AND NATURAL RESOURCES  
UNIVERSITY OF EDUCATION, (WINNEBA CAMPUS)  
UNIVERSITY OF CAPE COAST  
UNIVERSITY COLLEGE OF AGRIC AND ENVIRONMENTAL  
STUDIES  
U.D.S.  
KWAME NKRUMAH UNIVERSITY OF SCIENCE AND  
TECHNOLOGY

## Introduction

The Planning, Research and Information Systems (PRIS) Department, continued to provide secure, reliable and efficient Information Technology services to enhance business value in the Fund's core and other operations. The Department undertook the following key activities to ensure that the Fund's core operations are carried out in a state-of-the-art ICT infrastructure.

## Implementation of Students Loan Information System

The Department successfully designed, developed, migrated data and fully deployed an in-house Students Loan Information System (SLIS) to replace the existing legacy system to optimise the operational efficiency and effectiveness of the Trust Fund.

The modules to manage and disburse the Databank Scholars Programme (DSP), Students Loan Plus (SLPLus) Loans and the Colleges of Education Trainee Allowance were also developed and successfully integrated into SLIS.

An Executive Dashboard was also designed and deployed to visually track, analyse and display key performance indicators (KPI), metrics and key data points at-a-glance to monitor the disbursement and repayment performance of the Trust Fund.

The full deployment of SLIS comes with tremendous benefits to the Trust Fund. SLIS offers enhanced operational efficiency by automating most loan processes including disbursement and repayment; portfolio management; user permission management; audit trails; workflow management and user defined reports on demand. SLIS provides improved application security; facilitate greater management and control. Other significant benefits of the software are the reduction in cost of IT consultancy and elimination of payment of maintenance & renewal fees for the legacy system.

## Improvement of Network Infrastructure & Security

Monitoring, threat intelligence and proactive threat response systems were deployed to ensure IT resilience. The Trust Fund's Network Infrastructure was re-structured to enhance its efficiency, and reduce disruptions. Cyber security architecture was also strengthened to detect and manage threats as well as correct potential vulnerabilities.

To ensure the availability of data and IT services during a disaster, the Department successfully implemented a disaster recovery site at the National Information Technology Agency (NITA).

## Website Management

The Department continued to work closely with the Public Relations (PR) Unit to regularly update the Trust Fund's website with current and forecasted events as well as articles bordering on tertiary education in the national global front.

## Data Sharing Collaboration to Augment Loan Repayments

The Department through its Research wing, as part of its effort to augment the loan repayment drive in tracking loan defaulters, undertook a loan repayment collaborative agenda with identified stakeholders such as the National Health Insurance Authority (NHIA), Driver and Vehicle Licensing Authority (DVLA), National Communication Authority (NCA), Passport Office and National Service Scheme (NSS) in order to obtain the contact details of borrowers due for repayment. This initiative yielded some positive results after persistent follow up visits, since relevant data was successfully obtained from the NSS to

augment tracing of difficult to locate due borrowers to fulfil their loan repayment obligations.

In ensuing years, the Department would intensify its collaborative efforts and build stronger working relationships with the afore-mentioned institutions in order to obtain the contact details of more borrowers due for repayment.

## Research

In the year under review, the Research Unit continued to render the needed support in drafting relevant policy documents, data gathering, data analysis and reports on the operations of the Fund as well as submitted statutory reports to relevant stakeholders.

# INTERNAL AUDIT

## Introduction

Internal Auditing is an integral part of Students Loan Trust Fund (SLTF) and its mandate is to be independent, objective and provide assurance to the Board of Trustees that the organizations, risk management, governance and internal control processes are operating effectively. This is consistent with the Institute of Internal Auditor's (IIA) definition of Internal Auditing, Standards, and Code of Ethics. It is also in compliance with the Public Financial Management Act 2016, Act 921. This required coordinating activities with the other Departments to achieve the most effective and efficient results. It is also in line with the requirements of Section 16 of SLTF Act 2011, Act 820.

During the year 2019, the operations of the organization were reviewed. Internal Audit had unlimited access to the organization's personnel, documents and records.

By recommending improvements in controls, risk assessment and evaluating the efficiency and effectiveness of controls, The Internal Audit Department assisted SLTF to improve governance, risk management, and internal control processes.

## Internal Audit Team

The Internal Audit Department is headed by the Chief Internal Auditor, and assisted by a Senior Manager and an IT Auditor, however, at the end of May, 2019, the IT Auditor resigned and replaced by an Assistant Audit Manager in September 2019.

## Internal Audit Approach & Strategy

The Audit Committee reviewed and approved a 3-year Strategic Audit Plan (2019 to 2021) based on risk assessment for implementation and it include the 2019 Annual Audit Plan

## OVERVIEW OF ACTIVITIES AND WORK DONE

SLIS Obtained a new analytical software, Arbutus Analyser, and scripts developed for both disbursement of loans and recovery audits and reviews. Audit staff were

trained in the use of the Arbutus Analyser in April 2019. The Department used this for all audits and reviews, making review of large data convenient.

## Risk Management

The Public Financial Management Act 2016 (PFM Act 921) indicates that risk management is a mandatory activity for public sector organisations, thus the need to sensitize management and staff of the Trust Fund about risk and its management.

The IT Audit Manager, spearheaded awareness creation on risk management to enable Departments, Units and Zones appreciate the need for Risk Management.

## Audits

There was extensive review of repayments and recovery, a major risk area. The Department made recommendations and SLTF saw major improvement in 2019. Disbursements were reviewed regularly resulting in payment to only legitimate Ghanaian tertiary students. Financial transactions, records and procurement and were not left out.

Funding was a major issue which significantly delayed payments to borrowers.

The Department followed up on all recommendations by both Internal and External Auditors and with the assistance of the Audit Committee, all the recommendations were either fully implemented or on-going.

## Conclusion

SLTF has given the needed attention and support to Internal Audit. The Chief Executive Officer is available at all Audit Committee meetings. He also ensures the Department had the necessary logistics, support and encouragement needed to function effectively.

# PUBLIC RELATIONS

The Public Relations Unit continued to play its role in managing public perception of the Fund and promoting its programmes throughout the year.

The media relations function of the unit was performed consistently, with the unit responding to media enquiries, writing and distributing press releases, preparing management members for interviews and engaging with media personnel in the print, broadcast and online media. The Fund received significant and sustained press throughout the year, notably in the Daily Graphic, Metro TV, TV3, Joy News, UTV, GHOne TV, MyJoyonline.com, Modernghana.com, Adom FM and Citi FM.

The Unit also took several initiatives to engage with customers and other stakeholders including several meetings with student leaders and ordinary students, engagement with senior high school students and the creation of a WhatsApp platform for student leaders, where they have the opportunity to engage with staff and some management members on a regular basis. Deliberate steps were also taken to have a stronger presence on social media, including Facebook, Instagram and twitter.

Key activities of the Unit included the following:

## Student Leader's Summit

The summit was organized in collaboration with the National Union of Ghana Students and brought together over 200 student leaders from across the country. The objectives were to give student leadership a broad overview of the Fund's operations, educate them on the application process and the Fund's sources of funding, inform them on repayment options and modalities, receive feedback from them on how the Fund can better serve students and generally, to foster greater cooperation and understanding between the Fund and student leadership.

Several presentations were made by SLTF staff. Participants received information on how to access the loan, guarantor information, repayment platforms as well as new products to be rolled out by the Fund.

There were question and answer sessions after every presentation. These sessions gave the Fund the opportunity to correct several misconceptions while also giving an insight into the performance of the various zonal offices.

Several media organizations covered the opening ceremony, with prominent coverage given by leading media outlets in the days following the event. Notable among them were Citi FM, Ghana News Agency, Daily Graphic, Ghanaian Times, TV3, Metro TV, UTV, GHOne TV and several online portals.

Useful feedback was received from the student representatives which has led to an improvement in the service offered borrowers.

## Repayment Month

The second edition of the Repayment Awareness Month was held in May 2019. The objectives of the SLTF Repayment Awareness Month are to remind borrowers of their obligations to the Fund, educate them on the available platforms for repayment, educate employers on their obligations to the Fund, sensitize the general public on the existence of the Fund and its mandate and finally, help the Fund to achieve its repayment target for the year.

Activities undertaken during the month included media interviews, broadcast of repayment jingles on radio and television, a social media campaign, engagement with employers and a repayment league table which recognized which of the fourteen zone offices excelled in recovering loans from borrowers.

## Publication of Names and Pictures of Borrowers

The Fund took the unusual step of publishing the names and pictures of some borrowers in the Daily Graphic, after publishing warnings to do so in the same publication. Though controversial, the effect of the publication was a national discussion on the effect of defaulting borrowers on the sustainability of the Fund. It also led to an increase in repayments for the period.

## Diaspora Recoveries

In an attempt to reach out to borrowers who are living and working outside Ghana, the Diaspora Recovery Programme was launched in August 2019 with a successful visit to the United States of America, followed by another to the United Kingdom in December 2019.

The diaspora recoveries have been made possible by the introduction Visa and Mastercard payments via the Fund's website. Hitherto, borrowers living outside Ghana could not conveniently service their loans.

During these trips, officials of the Fund engaged with staff of Ghana's High Commissions and Consulates in Washington and New York, in the USA, as well as Belgrave Square and Highgate in the UK.

SLTF staff also appeared on Ghanaian community radio stations to educate listeners on the available platforms for repayment. There were also engagements in Churches, market places and with established Ghanaian associations.

There were also visits to Student Loan Agencies in both countries for experience sharing.

## Mass Media Engagements

Various engagements with the media were undertaken during the year, including radio and TV interviews, press releases, TV news stories and feature articles. A majority of these were the initiative of the Unit, while others were at the invitation of the media. News coverage of the Fund were largely positive, while others dealt with reasons for occasional delays in loan disbursements to students.

## Social Media

The Fund over the period, put significant effort into the management of its social media pages, especially with regards to disbursement issues. This is important, given the fact that social media is a way of life for many students. The SLTF currently has a presence on Facebook, Twitter, Instagram and YouTube.



1. Introduction of a paperless application process.
2. Review of the means testing methodology.
3. Introduction of new loan products.
4. Engagement with SHS students to sensitize them on the existence of the loan to help them make informed decisions about tertiary education.
5. Increased engagement with all identified stakeholders.
6. Improve the SLTF customer experience by establishing a call center.
7. Improve on the recovery rate of the Fund.



STUDENTS LOAN TRUST FUND

# **Audited Financial Statements for the year ended 31st December 2019**

# CORPORATE INFORMATION

**BOARD OF TRUSTEES:**

Jacob Kwabena Adjei (Chairman)  
Nana Kwaku Agyei Yeboah (CEO)  
Hon. Yaw Owusu-Boateng  
Angela Kyeremanteng-Jimoh  
Sophia Kokor  
John Kojo Boateng  
Yvonne Asare-Yeboah  
Elvis Osei Amponsah  
Evelyn Daawee-Keelson  
Joseph B. Denteh  
Richard Darko  
Wilhemina Asamoah  
Hilda Agyepong Asante

**SECRETARY:**

Nana Kwaku Agyei Yeboah (CEO)

**REGISTERED OFFICE:**

Number 47, 3rd Crescent Street  
Asylum Down  
P. O. Box PMB CT 223  
Cantonments-Accra

**AUDITORS:**

Asafu-Adjaye & Partners  
(Chartered Accountants)  
88 Nkrumah Avenue  
Near Roxy Cinema, Adabraka  
P. O. Box An 15110  
Accra-North.

Email: aapghana1@gmail.com

**BANKERS:**

Ecobank Ghana Limited  
GCB Bank Limited  
National Investment Bank  
GN Bank Limited  
Bank of Ghana  
GT Bank

# REPORT OF THE BOARD OF TRUSTEES

The Board of Trustees presents herewith the audited financial statements of the Trust for the year ended 31 December 2019.

## Objectives of the Fund

The objectives of the Fund is to provide financial resources and the sound management of the Fund for the benefit of students of accredited tertiary institutions pursuing accredited tertiary programmes and to promote and facilitate the national ideals enshrined in articles 25 and 38 of the 1992 Constitution.

## Statement of board of trustees' responsibilities

The Trustees Incorporated Act, 1962 (Act 106) and the Students Loan Trust Fund Act, 2011 (Act 820) setting up the Trust Fund require the Board of Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Trust Fund for the year.

In preparing these financial statements, the Board of Trustees have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent.

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

## Financial Results

A summary of key financial results for the year is as follows:

	2019 GH¢	2018 GH¢
Income	14,929,940	10,039,091
Expenditure	(12,406,889)	(8,682,815)
	-----	-----
	2,523,051	1,356,276
To which is added accumulated fund b/f of	20,283,642	18,927,366
	-----	-----
Leaving a balance on accumulated fund c/f of	22,806,693	20,283,642
	=====	=====

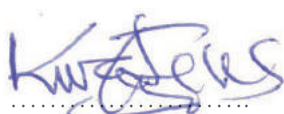
## Auditors

In accordance with Article 187 of the 1992 Constitution of the Republic of Ghana, the Auditor-General appointed Messrs. Asafu-Adjaye & Partners as auditors of Students Loan Trust Fund.

## Approval of financial statements

The financial statement of the Trust Fund were approved by the Board of Trustees on

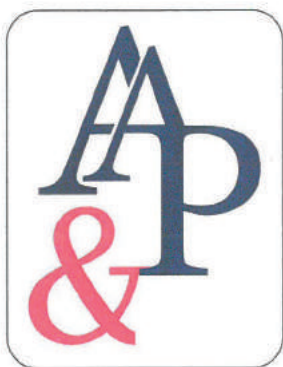
10/09/2020 and signed on their behalf by:



CHAIRMAN



CHIEF EXECUTIVE OFFICER



# ASAFU-ADJAYE & PARTNERS (Chartered Accountants)

## ACCRA OFFICE

88, Kwame Nkrumah Avenue  
Near Roxy Cinema  
Adabraka, Accra  
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0302-225587  
Fax: 0302-227587

## KUMASI OFFICE

Oduro 44,  
Near Manhyia Polyclinic  
Next to the Ashanti  
Regional House of Chiefs  
Manyia, Kumasi.  
Tel: 020 812 1783  
024 450 6265

## POSTAL ADDRESS

P. O. Box AN 15110  
Accra-North  
Ghana W/A  
aapghana1@gmail.com  
edmundadjaye@gmail.com

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STUDENTS LOAN TRUST FUND ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2019

### Opinion

We have audited the financial statements of Students Loan Trust Fund, set out on pages 6 to 20 which comprise the statement of financial position as at 31 December 2019, the statement of comprehensive income, the statement of changes in accumulated fund and statement of cash flows for the for the year then ended, and the notes to the financial statements, which includes a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of Students Loan Trust Fund as at 31 December 2019 and of its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Trustees Incorporation Act, 1962 (Act 106) and the Students Loan Trust Fund Act, 2011 (Act 820).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

### Independence

We are independent of the Trust Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

### Key Audit Matters

Key audit matters are those matters that in our professional judgement were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Gross loans and interest receivable as at 31 December 2019, amounted to GH¢ 447,503,865 against which impairment provision of GH¢2,810,534 has been recorded on the matured component of GH¢56,210,689.

We focused on allowance for impairment of loans and advances because the determination of appropriate level of provisioning for impairment requires significant judgement. The basis of the provisions and critical judgements relating to the calculation of the impairment provisions are summarized in note 2.8 in the notes to the financial statements. The judgement reflects information considered by management; however; management did not consider age of the outstanding debts and the respective students' payment history. The gross loans and related impairment provisions are disclosed in notes 9 & 10 of the financial statements.

### **How our audit addressed the key audit matter**

We updated our understanding and tested the operating effectiveness of management's controls over the loans disbursement process. We obtained aging analysis of loans and advances. We assessed the reasonableness of management's judgement by testing the adequacy of information used in arriving at the impairment provision. We tested subsequent receipts from selected students' loan clients to assess the recoverability of loans at the year end.

### **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 skepticism throughout the audit. We also

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 company'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 Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit

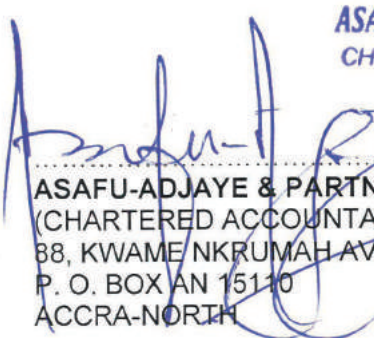
and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### Report on Other Legal and Regulatory Requirements

In accordance with the Trustees Incorporated Act, 1962 (Act 106) and the Students Loan Trust Act, 2011 (Act 820), we hereby confirm that:

- a) Proper books of account have been kept, and the statement of financial position and income statement are in agreement with the books of account.
- b) We were able to obtain all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- c) The institution's transactions were within its powers and the institution generally complied with the relevant provisions of the above Acts.

The engagement partner on the audit resulting in this independent auditor's report is **Edmund Asafu- Adjaye (ICAG/P/1519)**

  
**ASAFU - ADJAYE & PARTNERS**  
CHARTERED ACCOUNTANTS  
P. O. BOX 15110  
ACCRA - NORTH  
**ASAFU-ADJAYE & PARTNERS-ICAG/F/2020/140**  
(CHARTERED ACCOUNTANTS)  
88, KWAME NKRUMAH AVENUE, ADABRAKA  
P. O. BOX 15110  
ACCRA-NORTH  
  
*24th September* 2020

# STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2019

	NOTE	2019 GH¢	2018 GH¢
Gross Revenue	4	14,929,940	10,039,091
<b>Less Expenditure:</b>			
Employment Cost	5	5,734,979	4,588,353
Travelling & Transport	6	1,199,154	978,942
Financial & Professional Charges		70,427	66,415
Administrative & Other Expenses		3,925,947	3,152,561
Charge/(reversal) for Bad & Doubtful Debt		1,476,382	(103,456)
Total Expenditure		(12,406,889)	(8,682,815)
Surplus for the year		2,523,051	1,356,276

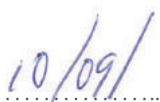
The notes on pages 10 to 21 form an integral part of these financial statements.  
Report of the Auditors appears on page 3.

# STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2019

ASSETS	NOTE	2019 GH¢	2018 GH¢
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	19	1,392,913	716,028
Students Loan - Unmatured	9	342,201,754	287,859,147
		<b>343,594,667</b>	288,575,175
<b>CURRENT ASSETS</b>			
Students Loan - Matured	10	92,552,732	76,350,060
Investments	11	30,613,633	4,531,870
Inventory	12	37,845	96,206
Account Receivables & Prepayments	13	1,528,047	926,764
Cash and Bank Balances	14	9,980,548	9,538,444
		<b>134,712,805</b>	91,443,344
<b>TOTAL ASSETS</b>		<b>478,307,472</b>	380,018,519
<b>ACCUMULATED FUND AND LIABILITIES</b>			
<b>ACCUMULATED FUND</b>			
Capital Fund	15	231,128,959	206,133,496
Income Surplus		22,806,693	20,283,642
Total Equity		<b>253,935,652</b>	226,417,138
<b>NON-CURRENT LIABILITIES</b>			
Deferred Income	16	191,734,053	148,324,089
Loan Protection Scheme	17	2,472,425	2,517,619
		<b>194,206,478</b>	150,841,708
<b>CURRENT LIABILITIES</b>			
Account Payables and Accruals	18	30,165,342	2,759,673
<b>TOTAL ACCUMULATED FUND AND LIABILITIES</b>		<b>478,307,472</b>	380,018,519

These financial statements were approved at a meeting of the Board held on the date stated below.

  
.....  
DIRECTOR

  
.....2020

  
.....  
DIRECTOR

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2019

OPERATING ACTIVITIES	NOTE	2019 GH¢	2018 GH¢
Surplus for the year		2,523,051	1,356,276
<b>Add back:</b> Depreciation	19	637,053	357,943
(Profit)/loss on disposal of assets		(71,978)	-
Changes in Unmatured Loan	9	(54,342,607)	(95,568,504)
Changes in matured loan	10	(16,202,672)	2,580,112
Interest received		(705,349)	(1,112,127)
Changes in inventory	12	58,361	(7,782)
Changes in account receivable & prepayments	13	(601,283)	327,562
Changes in account payable & accruals	18	27,405,669	(19,608,014)
<b>Net Cash Outflow from Operating Activities</b>		<b>(41,299,755)</b>	<b>(111,674,535)</b>
<b>INVESTING ACTIVITIES</b>			
Interest on Investment		705,349	1,112,127
Acquisition of Property, Plant and Equipment	17	(1,313,938)	(283,203)
Proceeds from disposal of Property, Plant & Equipment		71,978	-
(Increase)/Decrease in Investment	11	(26,081,763)	34,442,922
<b>Net Cash Outflow from Investing Activities</b>		<b>(26,618,374)</b>	<b>35,271,848</b>
<b>FINANCING ACTIVITIES</b>			
Capital Fund	15	24,995,463	38,139,493
Deferred Income	16	43,409,964	39,789,199
Loan Protection Scheme Fund	17	(45,194)	710,357
<b>Net Cash Flow from Financing Activities</b>		<b>68,360,233</b>	<b>78,639,049</b>
<b>Net increase/(decrease) in cash position</b>		<b>442,104</b>	<b>2,236,362</b>
Cash and Bank Balances at 1 <sup>st</sup> January		9,538,444	7,302,082
<b>Net Change in Cash Position</b>		<b>442,104</b>	<b>2,236,362</b>
Cash and Bank Balances at 31 <sup>st</sup> December	14	9,980,548	9,538,444

# STATEMENT OF CHANGES IN ACCUMULATED FUND FOR THE YEAR ENDED 31ST DECEMBER 2019

<b>2019</b>	<b>Capital Fund</b>	<b>Income Surplus</b>	<b>Total</b>
	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
Balance 1 <sup>st</sup> January	206,133,496	20,283,642	226,417,138
Additions during the year	24,995,463	-	24,995,463
Surplus for the year	-	2,523,051	2,523,051
Balance at 31 <sup>st</sup> December	231,128,959	22,806,693	253,935,652

<b>2018</b>	<b>Capital Fund</b>	<b>Income Surplus</b>	<b>Total</b>
	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
Balance 1 <sup>st</sup> January	167,994,003	18,927,366	186,921,369
Additions during the year	38,139,493	-	38,139,493
Surplus for the year	-	1,356,276	1,356,276
Balance at 31 <sup>st</sup> December	206,133,496	20,283,642	226,417,138

# NOTES TO THE FINANCIAL STATEMENTS

## 1) Reporting Entity

Students Loan Trust Fund was established on 28 October, 2005 by an Act of Parliament, Student Loan Trust Fund Act, 2011 (Act 820). The object of the Fund is to provide financial resources and the sound management of the Fund for the benefit of students of accredited tertiary institutions pursuing accredited tertiary programmes and to promote and facilitate the national ideals enshrined in articles 25 and 38 of the 1992 Constitution.

## 2) Summary of significant accounting policies

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

### 2.1 Basis of Preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRSs), the Trustees Incorporation Act, 1962 (Act 106) and the Students Loan Trust Fund Act, 2011 (Act 820). The financial statements have been prepared under the historical cost convention. The functional and presentation currency of the Trust Fund is in Ghana cedis (GH¢). The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.12.

### 2.2 Grants

These are Government grants for disbursement as loans to eligible students. Grants are recognized as and when received, thus accounted for on cash basis. An accrual basis is not considered appropriate because it would result in substantial receivable account resulting from unfulfilled pledges from organizations and institutions that may not be recoverable. Administrative grant is recognized in the income statement whilst capital fund is recognized in the statement of financial position.

### 2.3 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for services in the ordinary course

of the Trust Fund's activities. The Trust Fund recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Trust Fund and when specific criteria have been met for each of the Fund's activities as described below.

#### ***Revenue is recognized as follows:***

Gross revenue represents administrative grants received from Government of Ghana for the administration of the Secretariat, interest on student loans where payment has commenced and interest on funds invested.

#### ***i. Investment income***

This is earnings on short-term investments at given market rates.

#### ***ii. Interest on students loan***

Interest rate applied on loan is the average monthly Government of Ghana 182 treasury bill currently capped at 12% in the study period, and plus 2% in repayment period. Once students have initiated repayment, the interest accumulated on their debt is recognised as income.

#### ***iii. Deferred income***

Accumulated interest on students loan is deferred until repayment of loan by beneficiaries have commenced. Deferred income is recognized at cost.

### 2.4 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where the items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the transaction at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of income.

### 2.5 Property, plant and equipment

The Trust recognizes an item of Property, Plant and Equipment as an asset when it is probable that future economic benefit will flow to it and the amount meet the materiality threshold set by the Trust. Property, Plant and Equipment are stated at cost less accumulated

depreciation and any improvement in value. Historical cost includes the expenditure that is directly attributable to the acquisition of the items. Cost of an item of property, plant and equipment includes its purchase price and any directly attributable cost. Cost includes the cost of replacing part of an existing property, plant and equipment at the time that cost is incurred if the recognition criteria are met; and excludes the cost of day-to-day servicing of a property, plant and equipment.

Depreciation is calculated on a straight-line basis over the anticipated useful life of the asset. The current annual depreciation rates for each class of property, plant and equipment are as follows:

Office Equipment	20%
Motor Vehicles	25%
Computer Equipment and Software	25%
Furniture and Fittings	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within other income in the statement of income.

When revalued assets are sold, any amount included in the capital surplus is transferred to the statement of income.

## 2.6 Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

## 2.7 Inventories

Inventories are stated at lower of cost and net realizable value. Cost is determined using weighted average cost. Cost comprises invoice value and all other costs incurred in bringing the inventories to their present location, less

provision for impairment, if any. Net realization value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

## 2.8 Financial assets

All financial assets of the Fund are classified as loans and receivables, based on the purpose for which the financial assets are acquired. The Trustees determine the classification of the financial assets at initial recognition.

### *Students' loan*

These are loans advanced to eligible students. The amount projected to be collected within 12 months from reporting date is classified as current assets (matured loans) and the balance as non-current assets (unmatured loans).

Students loan-unmatured is stated at cost. Matured loan is stated after writing off specific debts considered irrecoverable and a provision for doubtful debts estimated on the matured loan balance.

### *Recognition and measurement*

Regular purchases and sales of financial assets are recognized on the trade date – the date on which the Fund commits to purchase or sell the asset. Loans are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

### *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### *Impairment of financial assets*

At each reporting date the company assesses whether, as a result of one or more events (loss event) occurring after initial recognition, there is objective evidence that a financial asset has become impaired. Evidence of impairment may include indications that the borrower is experiencing significant financial difficulty, default or delinquency in interest or principal payments.

### *Provision for bad debts*

Bad debt is provided for by estimating 5% on matured loans due for repayment.

## *Students loan protection scheme*

The Students Loan Trust Fund Act 2011 (Act 820) establishing the Fund requires borrower of the Fund to subscribe to a Students Loan Protection Scheme that indemnify the borrower against payment of outstanding debt to the Fund as a result of death or permanently disability. The loan protection covers the duration of the loan. 0.5% of the loan amount is deducted from loans granted to borrowers.

## **2.9 Cash and cash equivalent**

For the purpose of Cash Flow Statement, Cash and Cash Equivalent include Cash, not restricted balances with the Trust, amount due from Banks and financial institutions.

## **2.10 Accounts Payable**

Accounts payables are obligations to pay for goods, services and stationery deductions that have been acquired or become liable in the course of operations.

## **2.11 Employee Benefits**

The Fund operates the new pension scheme as contained in the National Pension Act, 2008 (Act 766). Under Act 766, the Fund contributes 13% of employees' basic salary to the compulsory pension scheme, made up of the Basic National Social Security Scheme managed by Social Security and National Insurance Trust (SSNIT) and the Occupational Pension Scheme managed by a private pension fund. The employees also contribute 5.5% of their basic salary to the funds, making a total contribution of 18.5%.

Out of the total contribution of 18.5%, the Fund remits 13.5% to the Social Security and National Insurance Trust towards the first tier pension scheme, and the remaining 5% to a private managed and mandatory second tier scheme.

## **2.12 Significant judgements and sources of estimation uncertainty**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances. These form the basis of making the judgement on carrying values of assets or liabilities that are not otherwise readily apparent. Actual

results may differ from these estimates. The estimates and assumptions are reviewed on a realization basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision only affects that period or in the period of the revision and future periods if the revision affects both current and future periods.

Certain accounting policies have been identified where management has applied a higher degree of judgement that have a significant effect on the amounts recognized in the financial statements, or estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### **2.12.1 Going Concern**

The Trust's management has made an assessment of the trust's ability to continue as a going concern and is satisfied that the trust has the resources to continue in operation for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Trust's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

### **2.13 Corporate income tax**

The Trust Fund is exempted from the payment of corporate tax.

### **3) New standards, amendments and interpretations not yet adopted**

A number of new and amended standards have become effective for the period beginning 1 January 2019. The directors have assessed the effects of the new and amended standards and have determined that the new and amended standards do not have any material impact on the company's financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for reporting periods ending 31st December 2019 and have not been early adopted by the company.

Appendix 1 shows a summary of new standards and amendments that are effective for periods beginning 1 January 2019. The Appendix 1 also highlights the forthcoming requirements, being standards and amendment that will be effective after 1 January 2020

<b>4) Gross Revenue</b>	<b>2019 GH¢</b>	<b>2018 GH¢</b>
Administrative Grant	7,477,412	3,501,117
Communication Service Tax Revenue	255,198	703,119
Interest on Investment	705,349	1,112,127
Bank Interest Received	1,518	2,221
Other Income	12,828	171,440
E-zwich Interest Earned	6,896	38,915
Loan Interest Earned	6,361,641	4,489,165
Interest on Staff Advance	37,120	20,987
Gain/ Loss on Asset Disposal	71,978	-
	<b>14,929,940</b>	<b>10,039,091</b>

#### **5) Employment Costs**

Established Post	3,332,150	2,599,807
Non-Established Post	-	7,013
Employers SSF Contribution	432,950	338,174
Employer Tier 3 Contribution	264,322	172,048
Transport Allowance	327,558	348,291
Other Staff Allowances	1,181,744	924,454
Medical Expenses	192,086	194,231
Overtime Allowance	4,169	4,335
	<b>5,734,979</b>	<b>4,588,353</b>

#### **6) Travelling & Transport**

Local Travelling Expenses	140,105	119,829
Vehicle Running Expenses	591,310	495,841
Maintenance of Vehicle	102,252	100,107
National Service Personnel Allowance	82,454	88,388
Travel &Transport Expense	24,241	41,230
Foreign Travel Cost	258,792	133,547
	<b>1,199,154</b>	<b>978,942</b>

<b>7) Financial &amp; Professional Charges</b>	<b>2019 GH¢</b>	<b>2018 GH¢</b>
Bank charges	<b>37,848</b>	36,415
Audit Fee	<b>32,579</b>	30,000
	<b>70,427</b>	66,415

#### **8) Administrative & Other Expenses**

Board Sitting Allowance	<b>77,574</b>	11,610
Quarterly Allowance	-	115,200
Committee Sitting Allowance	<b>203,800</b>	43,601
Electricity	<b>180,000</b>	220,700
Water	<b>19,981</b>	15,572
Telephone Expenses	<b>128,094</b>	98,439
Internet	<b>102,947</b>	120,808
Promotional & Advertising Expenses	<b>676,835</b>	545,480
Rent - Office Building	<b>444,599</b>	383,956
Training & Development	<b>342,441</b>	238,521
Local Consultancy	<b>118,053</b>	192,547
Computer Accessories Expenses	<b>114,877</b>	37,262
Courier & Postage	<b>44,243</b>	41,154
News Papers	<b>13,035</b>	16,125
Magazine & Periodical	<b>43,361</b>	374
Insurance	<b>43,404</b>	37,091
Security	<b>76,785</b>	51,845
Repairs & Maintenance	<b>81,255</b>	162,663
Printing and Stationery	<b>44,303</b>	20,364
Funeral Expenses	<b>13,420</b>	-
Office Cleaning & Sanitation	<b>24,272</b>	27,586
Refreshment	<b>49,006</b>	46,753
Subscriptions	<b>101,737</b>	88,969
Recruitment Expenses	<b>26,731</b>	10,481
Loan Disbursement Charges	<b>318,141</b>	267,517
Depreciation	<b>637,053</b>	357,943
	<b>3,925,947</b>	3,152,561

<b>9) Students Loan - Unmatured</b>	<b>2019 GH¢</b>	<b>2018 GH¢</b>
Opening balance	<b>338,860,315</b>	243,906,296
Disbursement for the year	<b>58,871,944</b>	75,720,039
	<b>397,732,269</b>	319,626,335
Interest	<b>49,771,605</b>	43,679,859
Transfer to students loan – matured	<b>(66,149,533)</b>	(24,445,879)
	<b>381,354,331</b>	338,860,315
Less unmatured loan due within 12 months	<b>39,152,577</b>	51,001,168
	<b>342,201,754</b>	287,859,147

	2019 GH¢	2018 GH¢
<b>10) Students Loan – Matured</b>		
Opening balance	26,683,044	28,752,127
Transfer from students loan - unmatured	66,149,533	24,445,879
Repayments	(36,621,888)	(26,514,962)
	56,210,689	26,683,044
Provision for bad and doubtful debt	(2,810,534)	(1,334,152)
	53,400,155	25,348,892
Add unmatured loan due within 12 months	39,152,577	51,001,168
	92,552,732	76,350,060
<b>11) Investments</b>		
Fixed Deposits	30,613,633	4,531,870
	30,613,633	4,531,870
<b>12) Inventory</b>		
Stationery	18,370	34,659
Computer Accessories	19,475	61,547
	37,845	96,206
<b>13) Accounts Receivable &amp; Prepayments</b>		
Staff Advances	805,518	747,516
Prepayments	722,529	179,248
	1,528,047	926,764
<b>14) Cash &amp; Bank</b>		
Cash	68,494	40,456
Bank	9,912,054	9,497,988
	9,980,548	9,538,444
<b>15) Capital Fund</b>		
Balance b/d	206,133,496	167,994,003
Capital grant received in the year	24,995,463	38,139,493
	231,128,959	206,133,496

<b>16) Deferred Income</b>	<b>2019 GH¢</b>	<b>2018 GH¢</b>
Balance b/d	<b>148,324,089</b>	108,534,890
Add Accrued Interest	<b>49,771,605</b>	44,278,364
	<b>198,095,694</b>	152,813,254
Less Interest earned	<b>(6,361,641)</b>	(4,489,165)
	<b>191,734,053</b>	148,324,089

This represents accumulated interest on loans granted yet to be earned

<b>17) Students Loan Protection Scheme</b>	<b>2019 GH¢</b>	<b>2018 GH¢</b>
Balance b/d	<b>2,517,619</b>	1,807,262
Additions during the year	<b>294,397</b>	378,709
	<b>2,812,016</b>	-
Interest earned during the year	<b>1,289</b>	2,185,971
Less: Claims and Expenses	<b>(340,880)</b>	336,628
	<b>2,472,425</b>	(4,980)
	<b>2,472,425</b>	2,517,619

<b>18) Accounts Payable &amp; Accruals</b>		
Pension contribution	<b>35,938</b>	105,980
Audit fees	<b>32,579</b>	60,000
Welfare	<b>383</b>	1,580
Withholding Taxes	<b>24,170</b>	29,539
PAYE	<b>17,420</b>	147,967
Utilities	<b>4,265</b>	10,621
Sundry Accruals	<b>684,877</b>	503,364
Consultancy Services	<b>11,860</b>	-
Sundry Payables	<b>18,331</b>	23,179
College Of Education Allowance	<b>29,335,519</b>	1,877,443
	<b>30,165,342</b>	2,759,673

## 19) Property, Plant and Equipment

Cost	Balance at 1 <sup>st</sup> Jan 2019 GH¢	Addition GH¢	Disposal/ Deletions GH¢	Balance at Dec 2019 GH¢
Motor Vehicle	1,113,307	938,274	(205,839)	1,845,742
Furniture & Fixtures	393,971	79,054	(31,705)	441,320
Office Equipment	356,015	29,255	(16,635)	368,635
Computers	1,450,266	268,387	(117,330)	1,601,323
	<b>3,313,559</b>	<b>1,314,970</b>	<b>(371,509)</b>	<b>4,257,020</b>
<b>Depreciation</b>				
Motor Vehicle	979,679	364,539	(205,839)	1,138,379
Furniture & Fixtures	224,868	56,869	(31,223)	250,514
Office Equipment	242,865	48,253	(16,577)	274,541
Computers	1,150,119	167,392	(116,838)	1,200,673
	<b>2,597,531</b>	<b>637,053</b>	<b>(370,477)</b>	<b>2,864,107</b>
<b>Net Book Value at Dec 2019</b>				<b>1,392,913</b>
Net Book Value at Dec 2018				716,028

## 20) Contingent Liabilities

There were no outstanding capital commitments as at 31 December 2019 (**2018:** Nil).

## 21) Capital Commitments

There were no outstanding capital commitments as at 31 December 2019 (**2018:** Nil).



Amendment

## NEW STANDARDS AND AMENDMENTS

# NEW STANDARDS AND AMENDMENTS

This appendix provides a summary of (a) new standards and amendments that are effective for the first time for periods commencing on 1 January 2019 (i.e. years ending 31 December 2019) and (b) forthcoming requirements, being standards and amendments that will become effective after 1 January 2019.

## New standards and amendments – applicable 1 January 2019

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 1 January 2019:

Title	Key requirements	Effective Date*
IFRS 16 Leases	<p>IFRS 16 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short term and low-value leases.</p> <p>The income statement will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change.</p> <p>Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows.</p> <p>The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.</p>	1 January 2019. Early adoption is permitted only if IFRS 15 is adopted at the same time.

Title	Key requirements	Effective Date*
<p>Interpretation 23 Uncertainty over income tax treatments</p>	<p>This Interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in IAS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation.</p> <p>When there is uncertainty over income tax treatments, this Interpretation addresses:</p> <ul style="list-style-type: none"> <li>a. whether an entity considers uncertain tax treatments separately;</li> <li>b. the assumptions an entity makes about the examination of tax treatments by taxation authorities;</li> <li>c. how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and</li> <li>d. how an entity considers changes in facts and circumstances.</li> </ul>	<p>1 January 2019</p>
<p>Prepayment Features with Negative Compensation – Amendments to IFRS 9</p>	<p>The narrow-scope amendments made to IFRS 9 Financial Instruments in December 2017 enable entities to measure certain prepayable financial assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit or loss.</p> <p>To qualify for amortised cost measurement, the negative compensation must be ‘reasonable compensation for early termination of the contract’ and the asset must be held within a ‘held to collect’ business model.</p>	<p>1 January 2019</p>
<p>Long-term Interests in Associates and Joint Ventures – Amendments to IAS 28</p>	<p>The amendments clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under IFRS 9 Financial Instruments before applying the loss allocation and impairment requirements in IAS 28 Investments in Associates and Joint Ventures.</p>	<p>1 January 2019</p>

Title	Key requirements	Effective Date*
Annual Improvements to IFRS Standards 2015–2017 Cycle	<p>The following improvements were finalised in December 2017:</p> <ul style="list-style-type: none"> <li>• IFRS 3 – clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages.</li> <li>• IFRS 11 – clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.</li> <li>• IAS 12 – clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.</li> <li>• IAS 23 – clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.</li> </ul>	1 January 2019
Plan Amendment, Curtailment or Settlement – Amendments to IAS 19	<p>The amendments to IAS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must:</p> <p>calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change</p> <ul style="list-style-type: none"> <li>• any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognised because of the impact of the asset ceiling</li> <li>• separately recognise any changes in the asset ceiling through other comprehensive income.</li> </ul>	1 January 2019

\* Applicable to reporting periods commencing on or after the given date.

### Forthcoming requirements

As at 30 September 2019, the following standards and interpretations had been issued but were not mandatory for annual reporting periods ending 31 December 2019.

Title	Key requirements	Effective Date*
IFRS 17 Insurance Contracts	<p>IFRS 17 was issued in May 2017 as replacement for IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of:</p> <ul style="list-style-type: none"> <li>• discounted probability-weighted cash flows</li> <li>• an explicit risk adjustment, and</li> <li>• a contractual service margin ("CSM") representing the unearned profit of the contract which is recognised as revenue over the coverage period.</li> </ul> <p>The standard allows a choice between recognising changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9.</p> <p>An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.</p> <p>There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach the entity's share of the fair value changes of the underlying items is included in the contractual service margin. The results of insurers using this model are therefore likely to be less volatile than under the general model.</p> <p>The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.</p>	1 January 2021 (likely to be extended to 1 January 2022)
Definition of Material – Amendments to IAS 1 and IAS 8	<p>The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.</p> <p>In particular, the amendments clarify:</p>	1 January 2019

Title	Key requirements	Effective Date*
Definition of a Business – Amendments to IFRS 3	<ul style="list-style-type: none"> <li>• that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and</li> <li>• the meaning of ‘primary users of general purpose financial statements’ to whom those financial statements are directed, by defining them as ‘existing and potential investors, lenders and other creditors’ that must rely on general purpose financial statements for much of the financial information they need.</li> </ul> <p>The amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term ‘outputs’ is amended to focus on goods and services provided to customers, generating investment income and other income, and it excludes returns in the form of lower costs and other economic benefits.</p> <p>The amendments will likely result in more acquisitions being accounted for as asset acquisitions.</p>	1 January 2019
Revised Conceptual Framework for Financial Reporting	<p>The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:</p> <ul style="list-style-type: none"> <li>• increasing the prominence of stewardship in the objective of financial reporting</li> <li>• reinstating prudence as a component of neutrality</li> <li>• defining a reporting entity, which may be a legal entity, or a portion of an entity</li> <li>• revising the definitions of an asset and a liability</li> <li>• removing the probability threshold for recognition and adding guidance on derecognition</li> <li>• adding guidance on different measurement basis, and</li> <li>• stating that profit or loss is the primary performance indicator and that, in principle,</li> </ul>	1 January 2019

Title	Key requirements	Effective Date*
Interest rate benchmark reform – Amendment to IFRS 7, IFRS 9 and	<p>income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.</p> <p>No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework.</p> <p>The amendments modify some specific hedge accounting requirements to provide certain reliefs in connection with interest rate benchmark reform.</p> <p>The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate.</p> <p>However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR-based contracts, the reliefs will affect companies in all industries.</p>	1 January 2019

\* Applicable to reporting periods commencing on or after the given date.

