

# PETRA ADVANTAGE PENSION SCHEME

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**FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED  
DECEMBER 31<sup>ST</sup> 2020

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**PETRA** 



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## **PARTICULARS OF SERVICE PROVIDERS/ADVISORS**

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## REPORT OF THE TRUSTEES

The Trustees present their report together with the audited Financial Statements of the Scheme for the period ended 31 December, 2020.

### Establishment, Nature and the Status of the Scheme

The Scheme is a defined contribution plan which provides lump sum benefits on retirement and such other ancillary benefits to members who meet the qualifying conditions stipulated under the National Pensions Act 2008 (Act 766), and the National Pension (Amendment) Act, 2014 (Act 883).

The Scheme is a tax exempt pension scheme under the Income Tax Act, 2015 (Act 896) and its amendments. The Scheme's activities are bound by provisions of the National Pensions Act 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883), Regulations made under it, Guidelines formulated and published and any Board directives that may be issued from time to time as well as the Governing Rules of the Scheme.

Trustees of the Scheme are ultimately responsible for administration of the Scheme and their responsibility to the Scheme is established by a Trust Deed and Scheme Governing Rules both of which are subject to Act 766, form the basis of establishing the Scheme.

### Scheme Membership Statistics

#### I. Movements During The Year

Description	Number at beginning of period	Additions	Withdrawals	Number at end of period
Active Members	164,641	60,540	1,323	223,858

#### II. Summary Statistics

Transfers In	Transfers Out	Partial Withdrawals	Statutory Retirement	Retirement (Early)	Permanent Emigration	Incapacitated Members	Death
52	317	232	528	516	76	2	77

### Investment Report

#### (i) Statement of Investment Principles

We, the Trustees, attest that the Scheme's funds have been invested with the objective of obtaining safe and fair returns in accordance with the National Pensions Act 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883) and the Guidelines on Investment of Scheme Funds. We confirm that there has been full compliance with prohibitions on investments which include but are not limited to, use of Pension Scheme assets as collateral, investing outside maximum allowable limits, investing outside the scope of assets stipulated by the Guidelines on Investment of Scheme Funds and investing in securities issued by any issuer for which there exists a conflict of interest.

**(ii) Particulars of Investment Policy**

Assets Type	Maximum Allocation (%)	Permitted Ranges (%)
Government of Ghana	60	50-60
Corporate Debt Securities	35	0-20
Money Market Securities	35	30-35
Collective Investment Schemes	15	0-10
Local Government and Statutory Agency Securities	15	0-15
Alternative Investments	15	0-0
Equities	20	0-1

The Government Securities maximum allocation was temporarily increased by NPRA to 70% within the period where COVID-19 persists.

**(iii) Investment Allocation**

Asset Type	Maximum Allocation	Actual Allocation	Investment Income Earned	2020	2019
				Year End Value	Year End Value
	%	%	GH¢	GH¢	GH¢
Local Government and Statutory Ag.	15	8	10,711,058	69,689,086	82,647,636
Government Securities	60	71	99,648,653	636,708,940	461,458,372
Corporate Bonds	35	4	6,765,481	37,939,412	44,772,577
Money Market	35	13	11,401,876	115,254,644	24,944,808
Quoted Shares	20	0	129,702	3,261,459	3,148,750
Collective Investments	15	3	-	23,919,845	2,714,408
Cash & Cash Equivalents	-	1	323,084	11,499,957	22,885,693
<b>Total</b>		<b>100</b>	<b>128,979,854</b>	<b>898,273,343</b>	<b>642,572,244</b>

## Financials

The Statement of Changes in Net Assets Available for Benefits as presented on page 17 shows an increase in Net Assets available for benefits for the period ended December 2020 of GH¢ 226,063,754 (2019: GH¢146,054,111) and the Statement of Net Assets Available for Benefits on page 16 shows the Scheme's Net Assets as at 31 December, 2020 amounting to GH¢899,030,362. (2019: GH¢672,966,608).

## Expenses

All expenses of the Scheme are charged against the Scheme. We confirm that expenses charged and deducted from the Scheme funds are those allowable under the National Pensions Act 2008 (Act 766), the National Pension (Amendment) Act, 2014 (Act 883), Guidelines on Fees and Charges and any other directives issued by the Authority from time to time.

Type	Maximum Rate	Actual Rate	2020	2019
			Amount	Amount
	% p.a.	% p.a.	GH¢	GH¢
NPRA Fees	0.33	0.33	2,580,757	1,952,714
Trustee/Administrator Fees	1.33	1.33	10,402,744	7,872,504
Pension Fund Custodian Fees	0.28	0.20	1,564,095	1,183,463
Pension Fund Mgr. Fees	0.56	0.30	1,940,361	1,868,533
Audit Fees	-	-	58,157	47,250
<b>Total</b>			<b>16,546,114</b>	<b>12,924,464</b>

## Trustees

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

License No.	Name	Position	Date Of Appointment	Date Of Exit
NPRA/MTOPS/12009/15314	Chris Hammond	Chairman - Representing Petra Trust Company Limited	November 2012	-
NPRA/MTOPS/12009/15449	Eric Nana Otoo	Member Nominated Trustee	August 2017	-
NPRA/MTOPS/12009/15226	Kweku Brenu	Independent Trustee	August 2017	-



## **Scheme Performance**

The Petra Advantage Pension Scheme generated a net Year-to-Date return of 18.06% (2020 unit price of GHS 4.352511 and 2019 unit price of GHS 3.686582). The scheme performed favourably against an average 91-day Treasury bill rate of 14.10%, annual inflation of 10.40% year on year, and cedi depreciation of 3.9% against the US dollar in 2020. The scheme size grew from GH¢672,966,608 at the beginning of the year to GH¢899,030,362 at year end, representing a growth rate of 33.59%.

## **2020 Economic Review**

The global health crisis caused by COVID-19 was a once-in-a-century event, that not only generated a year of economic dislocation but also set the ball rolling for long term changes to how we live and work. Global economic growth in 2020 recorded its slowest pace since the Global Financial Crisis over a decade ago. As nations instituted synchronized lockdowns to contain the spread of the novel coronavirus, most economies were plunged into recessions as the hospitality and aviation industries came to a standstill, small scale businesses furloughed employees, and demand for oil declined amid unprecedented stock market volatility. This slowdown in economic activity was widespread affecting both advanced and developing economies.

Central banks across the globe reacted aggressively to this slowdown in economic activity and over the course of the year, several, including the US Federal Reserve and the European Central Bank cut interest rates sharply to boost economic activity.

On the domestic front, Ghana experienced a recession after the Gross Domestic Product contracted for 2 consecutive quarters, by 3.2% and 1.1% in the second and third quarters of the year. Although a contraction was recorded in the third quarter, it was an improved position from the contraction in the second quarter. This improvement was fostered by some of the initiatives the Government took such as Planting for Food and Jobs as the agricultural sector led this growth in the third quarter.

The severe impact of the pandemic on the Government's purse erased several years of fiscal consolidation derived from the recent IMF program which ended in 2019. The Government was forced to increase its expenditure by GHS11 billion to fight the effects of the pandemic coupled with the shortfalls in tax revenue. 2020 being an election year, presented additional spending pressures from the commitment of the Government to meet campaign promises and voters' demands, as well as the payment of energy sector debts to the Independent Power Producers (IPPs). All these spending pressures moved the Government to suspend the Fiscal Responsibility Act and consequently, increase the fiscal deficit target for the year to 11.4% of GDP by the end of 2020 from the 4.7% initially estimated for the fiscal year.

In 2020, we saw the Government continue to play its proactive role in strengthening the financial sector and economy. A mix of fiscal and monetary policies were adopted in response to the Covid-19 outbreak. The Central Bank's Monetary Policy Committee in March 2020 cut its benchmark policy rate to 14.50% from 16.00% as a way of enhancing credit to the private sector to boost economic activity during the pandemic. The Central bank also reduced the reserve requirements for the banks aimed at creating extra liquidity that these banks could pass on in the form of credit facilities to the private sector. Most banks, however, preferred to lend to the Government rather than small businesses out of caution and the associated uncertainty on economic activity during the second quarter after a nationwide lockdown was imposed. According to the Ghana Statistical Service, year on year credit to the private sector grew modestly by 10.4% at the end of 2020.





Month-on month inflation fluctuated during the course of the year driven by the volatility in food prices and consumer staples. Headline inflation reached a peak at 11.4% in July 2020 due to panic-induced buying of food items and disruptions to supply in the economy post-lockdown. Despite the Central Bank's attempts in mitigating the negative impact of the pandemic, we missed our inflation target marginally for 2020. As at the end of December 2020, inflation stood at 10.4% on the back of the yuletide festivities which resulted in higher food prices. Rates on the Government of Ghana short term instruments dropped at the end of the year from an open rate of 14.70% and 15.15% to 14.10% and 14.15% for the 91-day and 182-day Treasury bill respectively. Despite the increase in the Government's financing needs, the drop in these rates were owed to the liquidity boosting activities of the Central Bank. There were no new long term debt issuances however, the existing 20-year bond with maturity in August 2039 was reopened.

In the interbank foreign exchange market, the local currency was relatively stable as it weakened by 3.9% against the United States dollar in 2020. There were a series of transactions throughout the year that strengthened our reserves to support the Central Bank's biweekly forex auctions and market interventions. On the back of a successful USD 3 billion Eurobond issuance, USD 1 billion Rapid Credit Facility, a USD 1.3 billion COCOBOD loan syndication, mining receipts and the USD 1 billion repo between the Bank of Ghana and the US Fed, our Gross international reserves improved during the pandemic from 4 months of import cover to 4.1 months of import cover. In its October rating action commentary, Fitch Ratings Agency affirmed Ghana's long term foreign currency issuer default rating at 'B' with a stable outlook. The agency noted that a future ratings upgrade or downgrade will be influenced by the trajectory of Ghana's debt/GDP ratio and growth or lack thereof in international reserves. The Ghana stock market remained bearish throughout the year as market direction was mainly driven by negative investor sentiments surrounding the presidential elections and the uncertainties that the health pandemic brought into our markets. The Ghana stock exchange composite index recorded a loss of 13.98% for 2020 compared to a 12.25% loss in 2019.

### **Portfolio Review**

The portfolio generated a net return of 18.06% (2020 unit price of GHS 4.352511 and 2019 unit price of GHS 3.686582) which is equivalent to a real return of 7.66% for 2020, primarily as a result of a successful allocation of the portfolio to the different permissible asset classes. The Scheme continued to enjoy the capitals gains from the bond market. Collective investment allocations increased in 2020, from 0.41% in 2019 to 2.66% in 2020 while the Scheme reduced its exposure to equity to minimize losses from the stock market. Similarly, the scheme's exposure to corporate bonds fell from 6.7% in 2019 to 2.94% in 2020. The scheme also allocated 7.74% of its portfolio to Local Government and Statutory Agencies in 2020.



## Economic and Financial Markets Outlook

In 2021, global GDP is expected to rebound strongly as the impact of the pandemic wanes leading to the reopening of major economies and a pickup in international trade. However, surging Covid-19 cases until a widely available vaccine is present will slow down the momentum of this recovery in the early part of the year. According to the International Monetary Fund, global growth is estimated to be 5.5% in 2021 in the optimistic scenario where there's a successful vaccine rollout and countries are able to reopen safely. Following Ghana's economic contraction in 2020, when the oil sector was adversely affected by the global economic fallout from the coronavirus pandemic, we expect Ghana's economic activity to rebound in 2021 with an expected growth rate of 4% in line with projections from the IMF. The pace of recovery may be tempered because investments in new oilfields have been pushed back.

Our reserves are expected to remain robust on the back of the planned USD 5 billion Eurobond issuance and the USD 1 billion COCOBOD syndicated facility in 2021. These should support the Bank of Ghana's bi-weekly forward FX auctions in maintaining the stability of the Ghana Cedi against the United States Dollar in the foreign exchange markets.

In the wake of fears concerning a second wave of the virus, the slow growth in Ghana's economic activity will support the slowdown in inflation which we expect to trend back towards the medium-term target band of 6% -10%. This in turn should give the Central bank room for further cuts in the benchmark policy rate at the latter part of 2021.

In the first quarter of 2021, the Treasury plans to raise GHS 22 billion from our capital markets. We have observed the renewed foreign investor interest in our local denominated bonds following the successful 2020 elections and we believe this interest will linger on beyond the first quarter of 2021. We expect the Treasury to be successful with its planned local denominated treasury issuance targets in the first and second quarters of 2021.

Nevertheless, a volatile external environment, economic slowdown from a potential second wave of the COVID-19 pandemic and the risk of fiscal slippages following the suspension of the Fiscal Deficit Act remain as key risks to the outlook



## 2021 Portfolio Strategy

- ❑ Our outlook on general economic and financial market performance in 2021 leads us to the following portfolio strategy:
- ❑ Maximize our allocation to Government Securities subject to the regulatory cap.
- ❑ Reallocate Fixed Deposit maturities to higher yielding Collective Investment Schemes.
- ❑ Invest in high quality Corporate Bonds with strong legal arrangements.
- ❑ Continue to maintain our exposure to Local Government securities
- ❑ Take opportunistic positions in carefully selected stocks on the local exchange that offer rewarded risk factor exposures.
- ❑ Seek diversification into the alternative asset class space for investments with less correlated returns to fixed income.

## Conclusion

We would like to thank all our scheme members for the confidence reposed in us as their Trustees. We will look to exploit any opportunities in investment performance. In addition, we will continue with the on-going initiative to ensure the delivery of quality services and convenience for scheme members.

Thank you for placing your pensions in safe hands



## Statutory Requirements

The Trustees have complied with the requirements of the National Pensions Act 2008 (Act 766), the National Pension (Amendment) Act, 2014 (Act 883), Regulations made under it, Guidelines and Board Directives that have been issued.

## Auditor

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

## Statement of Trustees Responsibilities

The National Pensions Act 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883), requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the financial transactions of the Scheme for the year and of the disposition at year end of its assets and liabilities.

It also requires the Trustees to ensure that the Scheme keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Scheme. They are also responsible for safeguarding the assets of the Scheme.

The Trustees are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and the requirements of the National Pensions Act, 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883), and the Occupational and Personal Pension (General) Regulations, 2011 (L.I. 1990). The Trustees have instituted appropriate internal controls to avert cases of fraud or error from which material misstatements may arise.

The Trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and in the manner required by the National Pensions Act 2008 (Act 766), the National Pension (Amendment) Act, 2014 (Act 883) and the Occupational and Personal Pension (General) Regulations, 2011 (L.I. 1990).

The Trustees assert that the financial statements give a true and fair view of the state of the financial affairs of the Petra Advantage Pension Scheme.

The Report of the Trustees was approved by the Board of Trustees on 7<sup>th</sup> April 2021 and was signed on its behalf by:

Chris Hammond

April 14, 2021

Trustee (Name)

Signature

Date

Kweku Osae Brenu

April 15, 2021

Trustee (Name)

Signature

Date



John Kay & Co.

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETRA ADVANTAGE PENSION SCHEME

### Opinion

We have audited the accompanying financial statements of Petra Advantage Pension Scheme which comprise the Statement of Net Assets Available for Benefits as at 31 December 2020, the Statement of Changes in Net Assets Available for Benefits and the Statement of Cash Flows for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 19 to 31.

In our opinion, the accompanying financial statements give a true and fair view of the financial transactions of Petra Advantage Pension Scheme as at 31 December 2020 and of the Scheme's financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the National Pensions Act 2008, (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883), and the Occupational and Personal Pension (General) Regulations, 2011 (L.I. 1990).

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements for the year ended 31 December 2020. These matters were addressed in the context of the 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. We have determined the following matters as key audit matters:

#### *1. Impairment Allowance on Trade Receivables*

The scheme has an amount of GH¢24,060,079 in trade receivables (note 9) due from Consolidated Bank Ghana Limited, Produce Buying Company Limited and Edendale Properties PLC. This constitutes matured securities (including interests) which could not be retrieved. The recoverability of these funds is in doubt, hence trustee's decision to recognize an impairment allowance to reflect this uncertainty. Given the significance of the trade receivables amount and judgement by the trustee in estimating the impairment allowance amount, we consider impairment allowance on the trade receivables as a key audit matter.

#### *How the matter was addressed in our audit*

Our audit procedures included the following;

- a) Performed third party confirmations to verify the existence and accuracy of the amount of trade receivables. We also reviewed related correspondence and recomputed the amount receivable.
- b) Assessed the reasonableness of trustee's key judgements and assumptions that led to the increment in the rate for impairment allowance.
- c) Recalculated the amount of the impairment allowance to verify its numerical accuracy.
- d) Evaluated the adequacy of disclosures for impairment allowance in accordance with the requirement of IFRS 9 and evaluated the accounting policies and notes in relation to trade and other receivables.



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETRA ADVANTAGE PENSION SCHEME (CONT'D)

### Key Audit Matters (Cont'd)

#### 2. *Income Recognition*

Income is an important measure of performance and represents a material item in the scheme's statement of changes in net assets available for the benefits. The scheme generates its income from investment of members funds. Income arises from interests that accrue on these investments and coupons or interests that are received on running, matured and terminated investments. Given that some of the scheme's assets will mature beyond 31 December 2020, the cut-off date of 31 December 2020 is significant to ensure that amounts that will accrue after this date are not recognized as income in the current financial statements. In this regard, we consider income recognition as key audit matter.

#### *How the matter was addressed in our audit*

Our audit procedures included the following;

- a) We reviewed the design and implementation of the scheme's income recognition procedure to determine the adequacy of controls over the scheme's investment valuation procedures and income recognition.
- b) For a sample of significant investments, we obtained evidence of their existence, their particulars and recomputed the income recognized on these investments to verify their accuracy.
- c) Evaluated the adequacy of the accounting policies and the disclosures on income recognized in the scheme's statement of changes in net assets available for the benefits.

#### 3. *Impact of COVID-19*

The COVID-19 pandemic had significant impact on management's assumptions and judgments of the financial statement. The pandemic led to significant economic, accounting and regulatory developments that affected the operations of the scheme during 2020. These developments also affected our overall approach to the audit. We therefore consider the impact of COVID-19 as a key audit matter.

#### *How the matter was addressed in our audit*

Our audit procedures included the following;

- a) Reviewed policies and directives from Government of Ghana and National Pensions Regulatory Authority applicable to the operations of the scheme to confirm compliance
- b) Reviewed the credit risk assessment of the scheme's assets as a result of COVID-19 and reviewed the adequacy of impairment provisions made for the schemes assets
- c) Performed procedures to ensure income is not recognized on scheme assets that are impaired as a result of the COVID-19 pandemic

### Report on Other Information

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



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PETRA ADVANTAGE PENSION SCHEME (CONT'D)**

### **Trustees' Responsibility for the Financial Statements**

The trustees are responsible for the preparation of Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the National Pensions Act, 2008 (Act 766), the National Pension (Amendment) Act, 2014 (Act 883) and the Occupational and Personal Pensions (General) Regulations, 2011 (L. I. 1990), and for such internal controls as the Trustees determine necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to error or fraud. The trustees are also responsible for overseeing the Scheme's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by trustees.
- Conclude on the appropriateness of trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
PETRA ADVANTAGE PENSION SCHEME (CONT'D)**

**Report on Other Legal and Regulatory Requirements**

*Compliance with the requirements of the National Pensions Act 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883) and the Occupational and Personal Pension Schemes (General) Regulations, 2011 (L.I.1990).*

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit. In our opinion, proper accounting records have been kept and the Trustees of the Scheme have fully complied with the prohibited investment practices stated under section 35 of the Occupational and Personal Pension Schemes (General) Regulations, 2011 (L.I.1990), and all other requirements under the National Pensions Act 2008 (Act 766) and the National Pensions (Amendment) Act, 2014 (Act 883) so far as it appears from our examination of the books of the Scheme.

The engagement partner on the audit resulting in this Independent Auditor's Report is **John Armstrong Yao Klinogo (ICAG/P/1116)**

For and on behalf of John Kay & Co. (ICAG/F/2021/128)  
Chartered Accountants  
Accra.

.....15/4/ 2021







**STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS**  
**AS AT 31 DECEMBER 2020**

<b>ASSETS</b>	<b>Note</b>	<b>2020 GH¢</b>	<b>2019 GH¢</b>
Cash & Cash Equivalents	6	11,499,957	22,885,693
Investments at Amortised Cost	7	215,841,228	156,791,628
Investments at FVTPL	8	645,072,662	462,894,923
Trade & Other Receivables	9	29,463,967	33,299,935
		-----	-----
<b>Total Assets</b>		<b>901,877,814</b>	<b>675,872,179</b>
		=====	=====
 <b>LIABILITIES</b>			
Benefits Payable	10	1,037,125	1,248,619
Administrative Expenses Payable	11	1,711,577	1,271,242
Trade & Other Payables	12	98,750	385,710
		-----	-----
<b>Total Liabilities</b>		<b>2,847,452</b>	<b>2,905,571</b>
		-----	-----
<b>Total Assets Less Liabilities</b>		<b>899,030,362</b>	<b>672,966,608</b>
		=====	=====
 <b>Represented by:</b>			
		-----	-----
Net Assets Available for Benefits (Net Asset Value)		<b>899,030,362</b>	<b>672,966,608</b>
		=====	=====

The notes on pages 19 to 31 form an integral part of these financial statements.

The Financial Statements on pages 16 to 31 were approved by the Trustees on ..... 7th April 2021  
and were signed on their behalf by:

Chris Hammond  
.....  
Name  
  
  
.....  
Signature

Kweku Osae Brenu  
.....  
Name  
  
  
.....  
Signature



STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 GH¢	2019 GH¢
<b>DEALINGS WITH MEMBERS</b>			
Contributions	13	129,509,642	101,332,318
Less: Benefits	14	(27,665,557)	(35,319,542)
<b>A: Net Additions from Dealings with Members</b>		<b>101,844,085</b>	<b>66,012,776</b>
<b>RETURNS ON INVESTMENTS</b>			
Investment Income	15	128,979,854	87,150,742
Credit Loss Allowance	16	(4,656,549)	(69,895)
Less: Brokerage Fees/Levies/Commissions	17	(219,312)	(121,358)
<b>B: Net Investment Income</b>		<b>124,103,993</b>	<b>86,959,489</b>
<b>C: Net Gains/ (Loss) on Investment Income</b>	18	<b>16,661,790</b>	<b>6,006,310</b>
<b>D: Administrative Expenses</b>	19	<b>(16,546,114)</b>	<b>(12,924,464)</b>
<b>Increase in Net Assets for the year (A+B+C+D)</b>		<b>226,063,754</b>	<b>146,054,111</b>

STATEMENT OF MOVEMENT IN NET ASSETS AVAILABLE FOR BENEFITS  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 GH¢	2019 GH¢
Balance at January 1		672,966,608	519,826,222
Prior year adjustment		-	7,086,275
Increase for the year		226,063,754	146,054,111
<b>Balance at December 31</b>	20	<b>899,030,362</b>	<b>672,966,608</b>

The notes on pages 19 to 31 form an integral part of these financial statements.



STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 GH¢	2019 GH¢
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Increase in Net Assets for the year		226,063,754	146,054,111
<i>Adjusted for:</i> Prior Year Adjustment		-	7,086,275
Credit Loss Allowance	16	4,656,549	69,895
Investment Income (Non-Cash)		(11,149,088)	(8,146,213)
Changes in Fair Value	18	(16,661,790)	(6,006,310)
Changes in:			
Trade & Other Receivables	9	978,835	(9,510,391)
Benefits Payable	10	(211,494)	730,500
Administrative Expenses Payable	11	440,335	221,431
Trade & Other Payables	12	(286,960)	109,100
<b>Net Cash Generated from Operating Activities</b>		<b>203,830,141</b>	<b>130,608,399</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Gov. Notes/Bonds	18	(608,196,816)	(523,820,655)
Purchase of Local Government and Stat Ag.	18	(130,315,754)	(95,379,521)
Purchase of Treasury Bills	18	(18,874,104)	(14,231,738)
Purchase of Quoted Shares	18	(1,364,611)	(35,771)
Purchase of Money Market Securities	18	(209,624,734)	(65,148,772)
Purchase of Corporate Bonds	18	(14,688,889)	(5,031,000)
Purchase of Collective Investments	18	(25,061,816)	(52,386,945)
Proceeds from Disposal of Gov. Notes/Bonds	18	467,093,882	378,640,439
Proceeds from Disposal of Local Government and Stat Ag.	18	147,811,633	63,788,539
Proceeds from Disposal of Treasury Bills	18	5,311,477	11,430,402
Proceeds from Disposal of Quoted Shares	18	768,185	-
Proceeds from Disposal of Money Market Securities	18	133,799,808	88,456,207
Proceeds from Disposal of Corporate Bonds	18	32,764,046	2,368,587
Proceeds from Disposal of Collective Investments	18	5,361,816	82,431,079
<b>Net Cash used in Investing Activities</b>		<b>(215,215,877)</b>	<b>(128,919,149)</b>
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>		<b>(11,385,736)</b>	<b>1,689,250</b>
Cash and Cash Equivalents at 1 January		22,885,693	21,196,443
Net (Decrease)/Increase in Cash and Cash Equivalents		(11,385,736)	1,689,250
Cash and Cash Equivalents at 31 December	6	<b>11,499,957</b>	<b>22,885,693</b>

The notes on pages 19 to 31 form an integral part of these financial statements.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### NOTES TO FINANCIAL STATEMENTS

#### 1. Reporting Entity

Petra Advantage Pension Scheme (“The Scheme”) is a Scheme registered and domiciled in Ghana. The Scheme is a master trust scheme for Petra Trust Limited. The Scheme’s shares are not traded on a public market and it does not file its financial statements with the National Pension Regulatory Authority or other regulatory body for the purpose of issuing any class of instrument in a public market.

The Scheme is an occupational pension scheme primarily involved in investing members contribution in a highly diversified portfolio of equity securities issued by companies listed on the Ghana Stock Exchange, unlisted investment funds, investment-grade debt securities, with the objective of providing members with above-average returns over medium to long term. The investment activities of the scheme are managed by Databank Asset Management, EDC Investments Limited, InvestCorp Asset Management, Sentinel Asset Management, Prudential Securities Limited, Black Star Advisors Limited, IC Assets Managers, and Stanbic Investment Management Services and the administration of the Scheme is delegated to Petra Trust Company Limited.

#### 2. Basis of Accounting

##### a. Basis of Preparation

These financial statements have been prepared in accordance with the National Pensions Act 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883) Section 166, the Occupational and Personal Pensions (General) Regulations, 2011 (L.I.1990), and comply with the International Financial Reporting Standards (IFRS).

##### b. Functional and Presentation Currency

These financial statements are presented in Ghana Cedi, which is the Scheme’s functional currency. All amounts have been stated in full.

##### c. Use of Judgements and Estimates

In preparing these financial statements, the Scheme’s Trustees have made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

#### 3. Accounting Policies

The following principal accounting policies have been consistently applied during the year in the preparation of the Fund’s financial statements.

##### i. Contributions

Employer and members’ contributions, including employer contribution in respect of employees’ contributions made under salary sacrifice, are accounted for on accrual basis at rates agreed between the Trustee and the employer based on the National Pensions Act 2008 (Act 766), the National Pension (Amendment) Act, 2014 (Act 883) Section (96) as shown in the schedule of contributions paid at the end of each month that they are deducted from payroll.



**ii. Investment Income Recognition**

**a. Interest income**

Interest income, including interest income from non-derivative financial assets at Fair Value through Profit or Loss (FVTPL), are recognised in the Statement of Changes in Net Assets Available for Benefits, using effective interest method. The effective interest is the rate that exactly discounts the estimated future cash payments or receipts, without consideration of future credit losses, over the expected life of the financial instrument or through to the next market-based re-pricing date to the net carrying amount of the financial instrument on initial recognition. Interest received or receivable and interest paid or payable are recognised in the Statement of Changes in Net Assets Available for Benefits as interest income or interest expense, respectively.

**b. Dividend Income**

Dividend income is recognised in the Statement of Changes in Net Assets Available for Benefits on the date on which the right to receive payment is established. For quoted equity securities, this is usually the ex-dividend date. For unquoted equity securities, this is usually the date that shareholders approve the payment of dividend.

**c. Pooled Investment Income**

Income arising from the underlying investment of the pooled investment vehicles that is reinvested within the pooled investment vehicles is reflected in the unit price. Such income is reported within the change in market value.

**iii. Financial Assets**

The scheme classifies its investments into the following categories: financial assets at fair value through profit or loss, and assets at amortized cost. The classification depends on the purpose for which the investments were acquired. The Trustees determine the classification of the investments at the initial recognition and re-evaluates this at every reporting date.

**a. Financial Assets at Fair Value through Profit or Loss**

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified into this category at inception and is acquired principally for the purpose of selling in the short term, if it forms part of a portfolio of financial assets in which there is evidence of short-term profit-taking, or if so designated by Trustees.

**b. Investment Held at Amortized Cost**

Investments held at amortised cost are non-derivative financial assets with fixed or determinable payments and fixed maturity. In determining the classification of financial assets to the above class, two test criteria are applied;

**Business model test:**

The objective of the entity's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).

**Cash flow characteristics test:**

The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The Trustees have assessed the business model of the Pension Scheme and cash flow characteristics of its fixed income investments and elected to classify all fixed income instruments under amortised cost.



***c. Initial Recognition of Financial Asset***

Purchase and sales of financial assets held at fair value through profit or loss and liabilities are recognized on the date the Trustees commit to purchase or sell the asset. Financial assets are initially recognized at fair value plus directly attributable transaction costs, except for financial assets at fair value through profit or loss.

***d. Subsequent Measurement of Financial Asset***

Financial Assets classified as fair value through profit or loss are subsequently measured at fair value with the resulting changes recognized in the Statement of Changes in Net Assets Available for Benefits.

***e. De-recognition***

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

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

***f. Amortized Cost Measurement***

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayment, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

***g. Identification and Measurement of Impairment***

A financial asset or a group of financial assets are impaired using the “expected credit loss” model, where the Trustees calculate the allowance for credit losses by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The allowance is the sum of these probability weighted outcomes.

The Expected Credit Loss Model (ECL) is used in the recognition of impairment losses. The ECL means that on the day an entity recognizes (enters into an investment contract) a financial asset, it has to provide from day 1 credit losses up to 12 months expected credit loss even if the financial assets are not credit impaired. When the issuer’s credit risk worsens due to some observed conditions, then a lifetime ECL must be booked.

Objective evidence that financial assets are impaired can include default or delinquency by a debt issuer and other observable data that suggests adverse changes in the payment status of the debt issuer.

The Trustees first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Trustees determine that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized, are not included in a collective assessment of impairment.

Future cash flows in a group of financial assets that are collectively valued for impairment are estimated on the basis of the historical loss experience for assets with credit risk characteristics similar to those in the Scheme. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based, and to remove the effects of conditions in the historical period that do not exist currently. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the Statement of Changes in Net Assets Available for Benefits.



#### ***h. Cash and Cash Equivalents***

Cash and Cash Equivalents comprise call and current accounts operated with banks.

#### ***iv. Foreign Currency***

Transactions in foreign currencies during the period are converted into Ghana Cedis at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into cedis at exchange rates ruling at the financial year-end.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into cedis at the exchange rates at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the Statement of Changes in Net Assets Available for Benefits as net foreign exchange losses, except for those arising on financial instruments at FVTPL, which are recognised as a component of net gains from financial instruments at FVTPL.

#### ***v. Benefits Payable***

Benefits payables are included in the financial statements on an accrual basis where members become entitled to such benefits.

#### ***vi. Transfer Values***

Transfer values represent the capital sums paid to and from the pension schemes on the basis of when the member liability is accepted or discharged.

#### ***vii. Fees and Commission***

Fees and commission expenses are recognised in the Statement of Changes in Net Assets Available for Benefits as the related services are performed.

#### ***viii. Comparative Figures***

Where necessary the comparative information has been changed to agree to the current year presentation

### **4. Key Contractors**

#### ***a. Transaction with Trustees/Fund Administrators***

The total Trustees/Administration fees charged during the year amounted to GH¢10,402,744. Included in the payables are Trustee fees of GH¢937,998.

#### ***b. Fund Managers***

The Trustees of the Scheme appointed Stanbic Investment Management Services, Databank Asset Management, EDC Investments Limited, Sentinel Asset Management, Prudential Securities Limited, Black Star Advisors Limited, IC Asset Managers, and InvestCorp Asset Management Limited, all investment management companies incorporated in Ghana and duly licensed by the Security and Exchange Commission of Ghana and the National Pension Regulatory Authority as pension fund managers, to implement the investment strategy and objectives as stated in the Scheme's investment management policy manual. Under the investment management agreements, the investment managers receive a management fee at an annual rate of 0.30% of the net asset value attributable to members of the Fund. The management fees incurred during the year amounted to GH¢1,940,361. Included in the payables as at 31 December 2020 were fund management fees payable of GH¢170,753.



*c. Fund Custodians*

The Trustees of the Scheme appointed Standard Chartered Bank, a public limited liability company incorporated in Ghana and registered by the National Pension Regulatory Authority as a pension scheme custodian, to provide custody services to the Trustees as prescribed under the National Pension Act, 2008 (Act 766). Under the custody agreement, the Custodian receives a custodian fee at an annual rate of 0.20% of the net asset value in accordance with guidelines on fees and charges issued by the National Pension Regulatory Authority (NPRA). The Custodian fees charged during the year amounted to GH¢1,564,095. Included in the payables as at 31 December 2020 were custodian fees of GH¢139,327.

## 5. Financial Risk Management, Objectives and Policies

### a. Asset/Portfolio/Credit Risk

Credit risk is the risk that counterparties (i.e. financial institutions and companies) in which the Scheme's assets are invested will fail to discharge their obligations or commitments to the Scheme, resulting in a financial loss to the Scheme.

The Scheme's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meets the standards set out in the NPRA guidelines and the Fund's investment policy statement. Prior to any investment, a credit assessment report must be presented for approval after which the decision to invest funds with an issuer is made.

### b. Liquidity Risk

Liquidity risk is the risk that the Scheme either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due. The Scheme's approach to managing liquidity is to ensure that it will maintain adequate liquidity in the form of cash and very liquid instruments to meet its liabilities (including benefits) when due. A threshold amount has been set based on historical accrued benefits paid to ensure that this risk is mitigated wholly.

### c. Market Risk

Market risk is the risk that changes in market prices, such as interest rates on investments will affect the fund's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. This systematic risk cannot be mitigated through diversification.

### d. Interest Rate Risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The investment managers advise the Trustees on the appropriate balance of the portfolio between equity, fixed rate interest, and variable rate interest investments. The scheme uses duration targeting as a means of mitigating the effects of the risk. The target duration is regularly reviewed by the Trust Board. For some of the bonds with issuers other than the Government of Ghana, investments are placed with a floating rate to hedge against this risk.





### **e. Operational Risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Scheme's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of Scheme behaviour. Operational risks arise from all of the Fund's operations and are faced by all pension schemes.

The Fund's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Scheme's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to the administrator. This responsibility is supported by the development of following policies and standards;

governing rules and trust deed;

- Investment Policy statement;
- requirements for the reporting of non-compliance with regulatory and other legal requirements;
- training and professional development;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

Measures have been set such as instituting different authorisation levels, together with technological systems to ensure that such risks are mitigated, secured servers are monitored and backed up daily both on-site and off-site to ensure that the scheme's operational data is not lost. Compliance with the Scheme governing rules is supported by a programme of annual reviews undertaken by the external auditor. The results of these reviews are discussed with Trustees.

### **f. Currency/ Foreign Currency Exchange Rates**

The Scheme's financial assets could be exposed to currency translation risk for foreign currency denominated investments. These assets are exposed to translation risk which affects the scheme's investment performance due to fluctuations in different currency rates. The scheme mitigates this by investing less than 5% of the Assets under Management in active currency allocations.



## 6. Cash & Cash Equivalents

	<b>2020</b>	<b>2019</b>
	<b>GH¢</b>	<b>GH¢</b>
Current & Call Account	11,499,957	22,885,693
	<u>11,499,957</u>	<u>22,885,693</u>

## 7. Investments at Amortized Cost

### 2020

	<b>Gross Investment</b>	<b>Credit Loss Allowance</b>	<b>Net Investment</b>
	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
Local Gov. and Stat. Agencies	69,689,086	-	69,689,086
Treasury Bills	18,817,582	-	18,817,582
Money Markets	102,623,328	(1,140,185)	101,483,143
Corporate Bonds	26,510,649	(659,232)	25,851,417
	<u>217,640,645</u>	<u>(1,799,417)</u>	<u>215,841,228</u>

### 2019

	<b>Gross Investment</b>	<b>Credit Loss Allowance</b>	<b>Net Investment</b>
	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
Local Gov. and Stat. Agencies	82,647,636	-	82,647,636
Treasury Bills	4,426,607	-	4,426,607
Money Markets	24,944,808	-	24,944,808
Corporate Bonds	44,772,577	-	44,772,577
	<u>156,791,628</u>	<u>-</u>	<u>156,791,628</u>

## 8. Investments at FVTPL

	<b>2020</b>	<b>2019</b>
	<b>GH¢</b>	<b>GH¢</b>
Gov. Notes/Bonds	617,891,358	457,031,765
Quoted Shares	3,261,459	3,148,750
Collective Investments	23,919,845	2,714,408
	<u>645,072,662</u>	<u>462,894,923</u>



### 9. Trade & Other Receivables

	2020 GH¢	2019 GH¢
Trade Receivable	24,060,079	24,244,810
Less Accumulated Impairment	(2,927,028)	(69,895)
	-----	-----
Net Trade Receivable	21,133,051	24,174,915
Contributions Receivable	8,330,916	9,125,020
	-----	-----
	<b>29,463,967</b>	<b>33,299,935</b>
	=====	=====

### 10. Benefits Payable

	2020 GH¢	2019 GH¢
Redemption Payable	1,037,125	1,248,619
	-----	-----
	<b>1,037,125</b>	<b>1,248,619</b>
	=====	=====

### 11. Administrative Expenses Payable

	2020 GH¢	2019 GH¢
NPRA Fees	248,529	185,940
Administrator/Trustees Fees	937,998	749,351
Pension Fund Management Fees	170,753	176,010
Pension Fund Custodian Fees	139,327	112,691
Audit Fees	58,157	47,250
Withholding Taxes	156,813	-
	-----	-----
	<b>1,711,577</b>	<b>1,271,242</b>
	=====	=====

### 12. Trade & Other Payables

	2020 GH¢	2019 GH¢
Due to broker	98,750	385,710
	-----	-----
	<b>98,750</b>	<b>385,710</b>
	=====	=====



### 13. Contributions

	2020 GH¢	2019 GH¢
Contribution Received	121,178,727	92,207,298
Contribution Receivable	8,330,915	9,125,020
	-----	-----
	<b>129,509,642</b>	<b>101,332,318</b>
	=====	=====

### 14. Benefits

	2020 GH¢	2019 GH¢
Lump Sum Benefit	27,665,557	35,319,542
	-----	-----
	<b>27,665,557</b>	<b>35,319,542</b>
	=====	=====

### 15. Investment Income

	2020 GH¢	2019 GH¢
Interest on Gov. Notes/Bonds	99,648,653	70,385,120
Interest on Local Gov. and Stat. Ag	10,711,058	4,506,907
Interest on Money Market Securities	11,220,260	3,837,122
Interest on Corporate Bonds	6,765,481	8,036,961
Dividend Income	129,702	104,146
Interest on Call Accounts	323,084	280,486
Repurchase Agreements	181,616	-
	-----	-----
	<b>128,979,854</b>	<b>87,150,742</b>
	=====	=====

### 16. Credit Loss Allowance

	2020 GH¢	2019 GH¢
Balance at 1 January	69,895	-
	-----	-----
<i>Add Allowance made during the year:</i>		
Allowance on active securities	1,799,416	-
Allowance on matured securities	2,857,133	69,895
	-----	-----
Total allowance made during the year	4,656,549	69,895
	-----	-----
Balance at 31 December	<b>4,726,444</b>	<b>69,895</b>
	=====	=====



**17. Brokerage Fees/Levies/Commission**

	<b>2020</b>	<b>2019</b>
	<b>GH¢</b>	<b>GH¢</b>
CSD Fees	116,762	61,040
Broker Fees	100,606	60,139
Stock Exchange Fees	1,944	179
	-----	-----
Balance at 31 December	<b>219,312</b>	<b>121,358</b>
	=====	=====



## 18. Investments and Assets

2020	Bal 1/1/20 GH¢	Purchase at Cost GH¢	Accrued Interest GH¢	Interest Received GH¢	Disposal/ Maturity GH¢	Change in Fair Value GH¢	Value 31/12/20 GH¢
Gov. Notes/Bonds	457,031,765	608,196,816	33,239,653	(24,685,234)	(467,093,882)	11,202,240	617,891,358
Local Gov.and Stat.	82,647,636	130,315,754	2,509,503	(1,222,734)	(147,811,633)	3,250,560	69,689,086
Treasury Bills	4,426,607	18,874,104	-	-	(5,311,477)	828,348	18,817,582
Money Markets	24,944,808	209,624,734	2,469,630	(616,036)	(133,799,808)	-	102,623,328
Corporate Bonds	44,772,577	14,688,889	985,138	(1,530,831)	(32,764,046)	358,922	26,510,649
Collective Investment	2,714,408	25,061,816	-	-	(5,361,816)	1,505,437	23,919,845
Quoted Shares	3,148,750	1,364,611	-	-	(768,185)	(483,717)	3,261,459
Total Investment	<u>619,686,551</u>	<u>1,008,126,724</u>	<u>39,203,924</u>	<u>(28,054,835)</u>	<u>(792,910,847)</u>	<u>16,661,790</u>	<u>862,713,307</u>
Trade & Other Receivables	-	-	-	-	-	-	29,463,967
Cash & Cash Equivalents	-	-	-	-	-	-	11,499,957
Total Assets	<u>619,686,551</u>	<u>1,008,126,724</u>	<u>39,203,924</u>	<u>(28,054,835)</u>	<u>(792,910,847)</u>	<u>16,661,790</u>	<u>903,677,231</u>



### 18. Investments and Assets (Cont'd)

2019	Bal 1/1/19 GH¢	Purchase at Cost GH¢	Accrued Interest GH¢	Interest Received GH¢	Disposal/ Maturity GH¢	Change in Fair Value GH¢	Value 31/12/19 GH¢
Gov. Notes/Bonds	302,550,119	523,820,655	24,685,234	(16,109,589)	(378,640,439)	725,785	457,031,765
Local Gov.and Stat.	50,425,300	95,379,522	1,222,734	(1,611,029)	(63,788,540)	1,019,649	82,647,636
Treasury Bills	1,264,398	14,231,739	-	-	(11,430,403)	360,873	4,426,607
Money Markets	48,436,538	65,148,772	616,036	(800,331)	(88,456,207)	-	24,944,808
Corporate Bonds	41,685,411	5,031,000	1,530,831	(1,387,674)	(2,368,587)	281,596	44,772,577
Collective Investment	28,333,638	52,386,946	-	-	(82,431,080)	4,424,904	2,714,408
Quoted Shares	3,919,476	35,771	-	-	-	(806,497)	3,148,750
Total Investment	<u>476,614,880</u>	<u>756,034,405</u>	<u>28,054,835</u>	<u>(19,908,623)</u>	<u>(627,115,256)</u>	<u>6,006,310</u>	<u>619,686,551</u>
Trade & Other Receivables	-	-	-	-	-	-	33,299,935
Cash & Cash Equivalents	-	-	-	-	-	-	22,885,693
Total Assets	<u>476,614,880</u>	<u>756,034,405</u>	<u>28,054,835</u>	<u>(19,908,623)</u>	<u>(627,115,256)</u>	<u>6,006,310</u>	<u>675,872,179</u>



## 19. Administrative Expenses

	2020 GH¢	2019 GH¢
NPRA Fees	2,580,757	1,952,714
Scheme Administrator Fees	10,402,744	7,872,504
Pension Fund Management Fees	1,940,361	1,868,533
Pension Fund Custodian Fees	1,564,095	1,183,463
Audit Fees	58,157	47,250
	<u>16,546,114</u>	<u>12,924,464</u>

## 20. Net Assets Available for Benefits

2020	Contributions GH¢	Net Investment Income GH¢	Total GH¢
Balance at January 1	410,587,775	262,378,833	672,966,608
Additions	129,509,642	124,219,669	253,729,311
(Deductions)	(27,665,557)	-	(27,665,557)
Balance at December 31	<u>512,431,860</u>	<u>386,598,502</u>	<u>899,030,362</u>
2019	Contributions GH¢	Net Investment Income GH¢	Total GH¢
Balance at January 1	344,574,999	175,251,223	519,826,222
Prior Year Adjustment	-	7,086,275	7,086,275
Additions	101,332,318	80,041,335	181,373,653
(Deductions)	(35,319,542)	-	(35,319,542)
Balance at December 31	<u>410,587,775</u>	<u>262,378,833</u>	<u>672,966,608</u>

## 21. Tax

The Fund is exempt from taxation in accordance with provisions of the National Pensions Act 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883) and the Income Tax Act 2015 (Act 896).

## 22. Commitments and Contingencies

As at the date of reporting, there were no outstanding commitments or contingencies.



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