

# PETRA OPPORTUNITY 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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### Chair of the Board of Trustees

Kofi Fynn - Representing Petra Trust Company Limited  
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Cantonments Accra  
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### Secretary to the Board of Trustees

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### Sponsor of the Scheme

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Email: info@petratrust.com

### Pension Fund Custodian

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### Administrator

Petra Trust Company Limited  
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### Auditors

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## Particulars of Service Providers/Advisors

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### Pension Fund Managers

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## Report of the Trustees

### To the members of Petra Opportunity Pension Scheme

#### Introduction:

The Trustees of Petra Opportunity Pension Scheme ("the Scheme") present their annual Trustee Report together with the Independent Auditor's Report, summary of contributions for the year ended 31st December, 2020 and Financial Statements and explanatory notes prepared in accordance with International Financial Reporting Standards (IFRS).

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

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

The Scheme is a tax exempt pension fund under the Income Tax Act, 2015 (Act 896) as amended. The Scheme's activities are bound by provisions of the National Pensions Act, 2008 (Act 766), the National Pension (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 Governing Rules approved on 12th November, 2012. Scheme Governing Rules and Trust Deed both of which are subject to Act 766, form the basis of establishing the Scheme.

#### SCHEME MEMBERSHIP STATISTICS

##### I. MOVEMENT DURING THE YEAR

Description	Number at beginning of period	Additions	Withdrawals	Number at end of period
Active members	23,924	10,628	861	33,691

##### II. SUMMARY STATISTICS

Description	Deferred contributions	Transfers		Partial Withdrawals	Retirement		Permanent Emigration	Incapacitated members	Death
		In	Out		Statutory	Early			
Numbers	0	1	7	2,423	82	8	4	1	17

#### Scheme Performance

The Petra Opportunity Pension Scheme generated a net return of 17.33% for the year 2020 (2020 unit price of GHS 4.587599 and 2019 unit price of GHS 3.910119). This performance compared favourably against an average 91-day Treasury bill rate of 14.10%, annual inflation of 10.40% year on year, and Ghana Cedi depreciation of 3.90% against the United States Dollar in 2020. The Scheme size grew from GHS 478,104,876.00 at the beginning of the year to GHS 661,443,109.00 year end, representing a growth of 38.35%.



## Report of the Trustees

### To the members of Petra Opportunity Pension Scheme

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#### 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 GHS 11 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 11.40% of GDP by the end of 2020 from the 4.70% 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 (GSS), year-on-year credit to the private sector grew modestly by 10.40% at the end of 2020.

Month-on-month inflation fluctuated during the year driven by the volatility in food prices and consumer staples. Headline inflation reached a peak at 11.40% 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 10.40% 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.



## Report of the Trustees To the members of Petra Opportunity Pension Scheme

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In the interbank foreign exchange market, the local currency was relatively stable as it weakened by 3.90% 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 17.33% (2020 unit price of GHS 4.587599 and 2019 unit price of GHS 3.910119) which is equivalent to a real return of 6.93% 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 GOG Bond market so it fully utilized the 70% maximum allocation allowed for the Asset Class. Collective investment allocations increased in 2020 from 1% in 2019 to 2% in 2020. The Scheme maintained its allocation to equity exposure at 1%. Corporate bonds allocation was significantly reduced from 10% in 2019 to 4% in 2020 in order to mitigate credit and liquidity risk. The scheme also allocated 14% of its Portfolio to Local Government and Statutory Agencies in 2020, representing a 3% increase from that of last year, in order to take advantage of capital gains in this market.

### 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 is 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.



## Report of the Trustees

### To the members of Petra Opportunity Pension Scheme

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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 for better investment performance while mitigating risk. In addition, we will continue with the on-going initiative to ensure the delivery of quality services and convenience for scheme members through an improved members' portal, data validation process and a better customer service experience.





## Report of the Trustees

### To the members of Petra Opportunity Pension Scheme

#### Investment Report

##### (i) Statement of investment principles

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

##### (ii) Investment Allocation

Asset type	Maximum Allocation	Actual Allocation	Investment Income earned	2020	2019
				Year end Value	Year end Value
				GHS	GHS
Government Securities	70%	70 %	69,650,760	453,192,568	315,923,851
Corporate Bonds	35%	4 %	5,299,539	24,355,387	32,829,563
Money Market Securities	35%	6 %	5,358,519	41,964,725	21,131,938
Quoted Equity	20%	1 %	352,141	5,225,104	6,619,416
Collective Investments	15%	2 %	-	11,682,517	6,530,353
Local Government Securities	15%	13 %	8,697,704	86,063,759	49,529,981
Alternative Investment	15%	0 %	-	87,441	81,973
Cash	-	1 %	843,179	7,698,689	12,855,616
Other Receivables (Money Markets & Corporate Bonds)	-	2 %	-	16,113,069	20,579,077
<b>TOTAL</b>	<b>-</b>	<b>100 %</b>	<b>90,201,842</b>	<b>646,383,259</b>	<b>466,081,768</b>

##### Other receivables

Other Receivables in 2019 includes GHS 4,513,054 and GHS 16,066,023 receivables from Money Market Securities and Corporate Bonds respectively after provision for doubtful debt. Other Receivables in 2020 includes GHS 4,513,054 and GHS 11,600,017 receivables from Money Market Securities and Corporate Bonds respectively after provision for doubtful debt. However, the investment allocation is in compliance with the NPRA Investment guidelines.

The Government Securities maximum allocation was temporarily increased to 70% within the period where the Covid 19 pandemic persists.



## Report of the Trustees

### To the members of Petra Opportunity Pension Scheme

#### Financials

The Statement of Changes in Net Assets Available for Benefits as presented on page 15 shows an increase in Net Assets Available for Benefits for the year of GHS 183,338,233 (GHS 90,276,280 for the previous financial year) and the Statement of Net Assets Available for Benefits on page 14 shows the Scheme's Net Assets as at 31st December, 2020 amounting to GHS 661,443,109 (GHS 478,104,876 for the previous financial year).

#### 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
	% p.a	% p.a	Amount (GHS)	Amount (GHS)
NPRA Fees	0.33	0.33	1,823,078	1,381,519
Trustee/Administrator Fees	1.33	1.08	7,702,378	5,542,472
Pension Fund Custodian Fees	0.28	0.24	1,325,875	1,004,741
Pension Fund Manager Fees	0.56	0.35	1,410,520	1,364,927
Audit Fees	-	-	33,961	33,281
<b>Total</b>			<b>12,295,812</b>	<b>9,326,940</b>

#### Trustees

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

License Number	Name	Position	Date of appointment	Date of Exit
NPRA/MTPFS/12010/15450	Daniel Gyapanin	Member Nominated Trustee	August 2015	-
NPRA/MTPFS/12010/15226	Kweku Brenu	Independent Trustee	August 2016	-
NPRA/MTPFS/12010/15313	Kofi Fynn	Board Chairman	November 2012	-

#### 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) and the Occupational and Personal (General) Regulations, 2011 (L.I. 1990), Regulations made under it, Guidelines and Board Directives that have been issued.



## Report of the Trustees To the members of the Petra Opportunity Pension Scheme

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### Auditor

Intellisys (Chartered Accountants) have been Auditor of the Scheme since 2013 and have expressed their willingness to continue in office as Auditors of the Scheme.

### For and on behalf of the Board of Trustees

Kweku Brenu ..... Name	 ..... Signature	07 – April - 2021 ..... Date
. Daniel Gyapanin ..... Name	 ..... Signature	07 – April - 2021 ..... Date



## Statement of Trustees' Responsibilities

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The National Pensions Act, 2008 (Act 766) and 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 judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by 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 assert that the financial statements give a true and fair view of the state of the financial affairs of Petra Opportunity Pension Scheme.



**Chartered Accountants**  
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## **Independent Auditor's Report**

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### **To the Members of Petra Opportunity Pension Scheme**

#### **Report on the Audit of the Financial Statements**

##### **Opinion**

We have audited the financial statements of Petra Opportunity Pension Scheme, which comprise the statement of Net Assets Available for Benefits as at December 31, 2020, and the Statement of Changes in Net Assets Available for Benefits, Statement of Movement in Net Assets Available for Benefits and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Scheme as at December 31, 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), National Pensions Act, 2008 (Act 766), 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 Scheme in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the 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 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, we do not provide a separate opinion on these matters.

**Partners:** Ben Korley, Theresa Ampadu-Boateng, MyraStella Ansah



## Independent Auditor's Report

### Key Audit Matters (continued)

Key Audit Matters	How we addressed the key audit matter
<p><b>Contributions</b></p> <p>Contributions represents the liability of the Scheme. Contributions are usually received monthly from companies and individuals that contribute to the Scheme and are only recognised upon receipt (i.e cash basis). Significant amount of time was spent on audit the contributions due to the large number of contributors and different dates of payment.</p>	<p><b>Our audit procedures in this area included among others;</b></p> <ul style="list-style-type: none"> <li>• Obtained an understanding of how contributions are received and accounted for.</li> <li>• Obtained the schedule of contributions received within the year under review and check cast.</li> <li>• Obtained the bank statements of designated bank accounts that were used for receiving contributions.</li> <li>• Sampled from the bank statement some inflows into these bank accounts and traced them to the contribution schedule to check for completeness.</li> <li>• Checked and confirmed that contributions received after the year end has not been included in contributions for the year.</li> </ul>
<p><b>Matured Investments Receivable</b></p> <p>Included in trade and other receivables are matured investments the Scheme is yet to receive. This receivables amounts to GHS 21,344,711 representing 3% of the Scheme's total assets. The receivable is made up of investments in the money market, corporate bonds and Government securities. This was considered a key audit matter because of its significant nature and the period of outstanding.</p>	<p><b>Our audit procedures in this area included among others;</b></p> <ul style="list-style-type: none"> <li>• Performed opening balance reconciliation on these investments.</li> <li>• Obtained certificates of these matured investments to check for existence and maturity dates.</li> <li>• Check for repayments received in the year under review.</li> <li>• Obtained confirmation of the outstanding balance from the investment house/fund manager/custodian and compared with balance in the trial balance.</li> <li>• Discussed with management the recoverability of these investments, plans to recover them and provision for doubtful ones.</li> </ul>
<p><b>Market Value of Bonds</b></p> <p>Market value of bonds is the price investors would be willing to buy a bond. The market value is used in determining the unrealised gains/losses on a bond at the year end. The Scheme uses 'mark to market' approach in determining the market values. With this approach, the Scheme's market value of bonds are determined from the average of prices of these bonds from Barclays bank (now Absa), Standard Chartered bank and Access bank.</p>	<p><b>Our audit procedures in this area included among others;</b></p> <ul style="list-style-type: none"> <li>• Obtained an understanding of how the market values of bonds are determined.</li> <li>• Obtained the prices from Barclays bank, Standard Chartered bank and Access bank and computed the average of these prices.</li> <li>• Compare the prices with that of the Scheme for accuracy.</li> </ul>



# Independent Auditor's Report

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## To the Members of Petra Opportunity Pension Scheme

### Other information

Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Trustees and Those Charged with Governance for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, Trustees are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Trustees either intends to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Scheme's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- 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 trustee's 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.



## Independent Auditor's Report

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### To the Members of Petra Opportunity Pension Scheme

#### Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Scheme to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Scheme's audit. We remain solely responsible for our audit opinion.

We communicated 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.

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) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (ii) Requirements specified in the Guidelines and under regulation 35 with respect to prohibited investment practices and the Guidelines on investment of pension funds under these Regulations have been complied with as at the end of that period.
- (iii) The Scheme has complied with the prescribed capital requirements.
- (iv) In our opinion proper books of accounts have been kept by the Scheme so far as appears from our examination of those books, and
- (v) The Statement of Net Assets Available for Benefits (Balance Sheet) and statement of comprehensive Income (Profit and Loss account) are in agreement with the books of accounts.

The engagement partner on the audit resulting in this independent auditor's report is Theresa Ampadu-Boateng (ICAG/P/1050).

Intellisys - (ICAG/F/2020/078)  
Chartered Accountants  
No. 2 Lardzeh Crescent, North Dzorwulu

Dated: 13<sup>th</sup> April, 2021





## Statement of Net Assets Available for Benefits as at 31 December 2020

Figures in GHS	Note(s)	2020	2019
<b>Assets</b>			
Held to Maturity Investments	4	147,015,928	100,450,363
Available for Sale Financial Assets	5	435,375,885	305,569,045
Financial Assets at Fair Value through Profit or Loss	6	11,769,958	6,612,326
Cash and cash equivalents	7	7,698,689	12,855,616
<b>Total Investment Assets</b>		<b>601,860,460</b>	<b>425,487,350</b>
Trade and other receivables	8	63,130,541	56,512,738
<b>Total Assets</b>		<b>664,991,001</b>	<b>482,000,088</b>
<b>Liabilities</b>			
Administrative expenses payable	10	1,256,564	896,639
Benefits payables	11	2,251,720	2,958,966
Trade payables	12	39,607	39,607
<b>Total Liabilities</b>		<b>3,547,892</b>	<b>3,895,212</b>
<b>Total Assets less Liabilities</b>		<b>661,443,109</b>	<b>478,104,876</b>
<b>Represented By:</b>			
<b>Net Assets Available for Benefits</b>		<b>661,443,109</b>	<b>478,104,876</b>

The notes on pages 16 to 20 form an integral part of these financial statements.

The financial statements on pages 16 to 31 were approved by the Board of Trustees and were signed on their behalf by:

Kweku Brenu  
.....  
Name

.....  
Signature

07 – April - 2021  
.....  
Date

Daniel Gyapanin  
.....  
Name

.....  
Signature

07 – April - 2021  
.....  
Date



## Statement of Changes in Net Assets Available for Benefits for the year ended 31 December 2020

Figures in GHS	Note(s)	2020	2019
<b>Description</b>			
<b>Dealings with Members</b>			
Contribution	13	<b>234,473,312</b>	170,861,997
Less: Benefits	14	<b>(134,758,985)</b>	(134,988,898)
<b>A: Net Additions from Dealings with Members</b>		<b>99,714,327</b>	35,873,099
<b><u>Return on Investments</u></b>			
Investment Income	15	<b>90,201,842</b>	65,195,917
Less: Broker fees	16	<b>(186,731)</b>	(98,919)
<b>B: Net Investment income</b>		<b>90,015,111</b>	65,096,998
<b>C: Net Gain/(Loss) on Investments</b>	17	<b>10,053,139</b>	(283,768)
<b>D: Administrative Expenses</b>	18	<b>(16,444,344)</b>	(10,410,049)
<b>Increase In Net Assets for the year (A+B+C+D)</b>		<b>183,338,233</b>	90,276,280

The notes on pages 16 to 20 form an integral part of these financial statements.



## Statement of Movement in Net Assets Available for Benefits for the year ended 31 December 2020

Figures in GHS	2020	2019
<b>Description</b>		
Net Assets Available for Benefits as at 1 January	<b>478,104,876</b>	387,828,596
Increase in Net Assets for the period	<b>183,338,233</b>	90,276,280
<b>Net Assets Available for Benefits as at 31 December</b>	<b>661,443,109</b>	478,104,876

The notes on pages 16 to 20 form an integral part of these financial statements.



## Statement of Cash Flows for the Year ended 31 December 2020

Figures in GHS		2020	2019
<b>Cash flows from operating activities</b>			
Increase in Net Assets for the year		<b>183,338,233</b>	90,276,280
<i>Adjustments for:</i>			
Investment income	15	<b>(90,201,842)</b>	(65,195,917)
Provision for doubtful debt	8	<b>4,148,532</b>	1,083,109
<b>Operating cash flow before working capital changes</b>		<b>97,284,923</b>	26,163,472
<i>Adjustments for:</i>			
Net Gain/(Loss) on Investments	16	<b>(10,053,139)</b>	283,768
(Increase)/decrease in trade and other receivables	8	<b>(2,371,945)</b>	2,613,482
Decrease in trade and other payables	10	<b>(347,320)</b>	(2,996,356)
<b>A: Net cash from operating activities</b>		<b>84,512,519</b>	26,064,366
<b>Cash flows from investing activities</b>			
Purchase of Quoted Equity	9a	<b>(3,807,425)</b>	-
Purchase of Money Market Securities	9a	<b>(207,751,246)</b>	(550,828,145)
Purchase of Government Bonds	9a	<b>(524,650,019)</b>	(305,363,270)
Purchase of Corporate Bonds	9a	<b>(11,357,254)</b>	(41,775,327)
Purchase of Collective Investments	9a	<b>(6,500,000)</b>	(12,500,000)
Purchase of Local Government Bonds	9a	<b>(134,645,539)</b>	(83,556,941)
Proceeds from disposal of Quoted Equity	9b	<b>4,097,502</b>	181,740
Proceeds from disposal of Money Market Securities	9b	<b>188,117,879</b>	579,159,185
Proceeds from disposal of Government Bonds	9b	<b>417,540,968</b>	188,004,890
Proceeds from disposal of Corporate Bonds	9a	<b>21,155,382</b>	46,588,785
Proceeds from disposal of Collective Investments	9b	<b>1,555,950</b>	31,105,472
Proceeds from disposal of Local Government Bonds	9a	<b>104,782,245</b>	71,559,294
Dividend income	9a	<b>352,141</b>	257,923
Proceeds from disposal of Alternative Investments	9a	-	51,270
Interest income on investment	9a/15	<b>61,439,971</b>	44,922,653
<b>B: Net cash utilised in investing activities</b>		<b>(89,669,445)</b>	(32,192,471)
Decrease in cash and cash equivalents (A+B)		<b>(5,156,926)</b>	(6,128,105)
		<b>12,855,616</b>	18,983,721
<b>Cash and cash equivalents at end of the year</b>	7	<b>7,698,689</b>	12,855,616

The notes on pages 16 to 20 form an integral part of these financial statements.



## Accounting Policies

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### 1. General information

Petra Opportunity Pension Scheme is a private pension master trust scheme registered in Ghana under the National Pensions Act 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883). The Scheme is permitted by its deeds to carry on, inter alia, the business of establishing a Master Trust Scheme for individuals operating in Ghana. The address of the registered office of the Scheme is 113 Airport West, Dzorwulu, Accra - Ghana.

### 2. Summary of significant accounting policies

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

#### 2.1 Statement of Compliance

The Financial Statements of the Scheme have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and in compliance with the National Pensions Act 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883), the Occupational and Personal (General) Regulations (L.I. 1990) and relevant Guidelines.

#### 2.2 Basis of Measurement

The Financial Statements are prepared under the historical cost convention, as modified by the revaluation of certain financial instruments. The actuarial value of pensions and other future benefits of the Scheme are not applicable to the Financial Statements.

#### 2.3 Functional and Presentation Currency

The Financial Statements are prepared in Ghana Cedis (GHS) which is the Scheme's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Changes in Net Assets.

#### 2.4 Contributions

Contributions are recognised in the period in which they fall due. The Contributions are in compliance with rates as per the National Pensions Act, 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883) and the Scheme Governing Rules. Contributions receivable are accrued for one year after they fall due. All outstanding contributions beyond one year is written off from the accounts.

#### 2.5 Benefits

Benefits are recognised in the period in which they fall due. Benefits represent all valid benefit claims paid/payable during the year in compliance with the National Pensions Act, 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883) and the Scheme Governing Rules.

#### 2.6 Investment Income

Investment income, which is recorded on an accrual basis, includes interest income, dividends and pooled fund distributions.



## Accounting Policies

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### *Summary of significant accounting policies continued...*

#### 2.7 Dividends

Dividend Income from investments is recognised when the shareholders' right to receive payment has been established.

#### 2.8 Financial Assets

The Trustees determine the classification of Financial Assets of the Scheme at initial recognition. Financial Assets are classified as follows:

##### **a. Financial Assets at fair value through Profit or Loss**

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

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

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

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

Upon initial recognition as financial asset or financial liability, it is designated by the Trustees at fair value through profit or loss except for investments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

##### **b. Trade and other Receivables**

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

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Scheme will not be able to collect all amounts due according to the original terms of the receivables.

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

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

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

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

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

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



## Accounting Policies

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### *Summary of significant accounting policies continued...*

#### **f. Subsequent Measurement of Financial Asset**

Available for Sale financial assets are subsequently measured at fair value with the resulting changes recognised in Statement of Comprehensive Income. The fair value changes on available for sale financial assets are recycled to the Statement of Changes in Net Assets when the underlying asset is sold, matured or derecognised. Financial Assets classified as fair value through profit or loss are subsequently measured at fair value with the resulting changes recognised in the Statement of Changes in Net Assets.

#### **g. Derecognition**

Financial assets are derecognised 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 recognised as a separate asset or liability.

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

#### **h. Amortised Cost Measurement**

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

#### **i. Identification and Measurement of Impairment**

The Trustees assess at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets are impaired. A financial asset or group of financial assets are impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occur after the initial recognition of the asset, and that loss event has an impact on the estimated future cash flows of the financial asset, or group of financial assets that can be reliably estimated.

Objective evidence that financial assets are impaired can include default or delinquency by a debt issuer and other observable data that suggests adverse changes in the payment status of the debt issuer. Impairment losses on available for sale financial assets are recognised by transferring the difference between the acquisition cost and the current fair value out of Net Assets in the Statement of Changes in Net Assets Available for Benefits.

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



## Accounting Policies

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### *Summary of significant accounting policies continued...*

#### **Identification and Measurement of Impairment (continued)**

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 recognised, the previously recognised impairment loss is reversed through the Statement of Changes in Net Assets.

Impairment losses on Available-for-Sale financial assets are recognised by transferring the difference between the amortised acquisition cost and current fair value out of Net Assets to the Statement of Changes in Net Assets. When a subsequent event causes the impairment loss on an Available-for-Sale financial asset to decrease, the impairment loss is reversed through the Statement of changes in Net Assets. However, any subsequent recovery in the fair value of an impaired Available-for-sale financial asset is recognised directly in Net Assets.

#### **2.9 Provisions**

Provisions are recognised when the Scheme has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Where the obligation is expected to be settled over a period of years, the provision is discounted using a discount rate appropriate to the nature of the provision.

#### **2.10 Cash and Cash Equivalents**

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

#### **2.11 Financial Risk Management, Objectives and Policies**

The Scheme has exposure to the following risks from its use of financial instruments:

- Asset/Portfoli/Credit risk
- Liquidity risk
- Market risk
- Interest Rate risk
- Operational risk
- Currency/Foreign Currency Exchange Rates

This note presents information on the Scheme's exposure to each of the risks, the Scheme's objectives, policies and processes for measuring and managing risk.





## Accounting Policies

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### *Summary of significant accounting policies continued...*

#### **Risk Management framework**

The Trustees have overall responsibility for the establishment and oversight of the Scheme's Risk Management framework.

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

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

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

#### **(a) Asset/Portfolio/Credit Risk**

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

The Fund'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 fund either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due. The fund'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.



## Accounting Policies

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### *Summary of significant accounting policies continued...*

#### **(e) Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Fund'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 Fund 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 Fund'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 Fund 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.

### **3. Use of estimates and judgement**

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

#### **3.1 Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.



## Accounting Policies

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*Use of estimates and judgement continued...*

### 3.2 Fair value of Financial Instruments

The framework for measuring fair value provides a fair value hierarchy that prioritise the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under IFRS 13 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Scheme can access at the measurement date.

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Input to the valuation methodology are unobservable and significant to the fair value measurement.

### 3.3 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.



## Notes to the Annual Financial Statements

Figures in GHS

2020

2019

### 4. Held to Maturity Investments

Corporate Bonds	23,494,820	31,655,483
Money Market Securities	40,765,305	20,182,002
Local Government and statutory securities	82,755,803	48,612,878
	<u>147,015,928</u>	<u>100,450,363</u>

### 5. Available for Sale Financial Assets

Quoted Equity	5,225,104	6,619,416
Government Bonds	430,150,781	298,949,629
	<u>435,375,885</u>	<u>305,569,045</u>

### 6. Financial Assets at Fair Value through Profit or Loss

Alternative Investment	87,441	81,973
Collective Investments	11,682,517	6,530,353
	<u>11,769,958</u>	<u>6,612,326</u>

### 7. Cash and cash equivalents

This represents balance on the Scheme's Current and Call accounts held with Stanbic Bank Ghana limited at the end of the year 2020 of GHS 7,698,689 (2019 : GHS 12,855,616)

### 8. Trade and other receivables

Contributions Receivable	18,607,741	15,918,320
Interest Receivable - Government Bonds	23,041,787	16,974,222
Interest Receivable - Corporate Bonds	860,567	1,174,080
Interest Receivable - Local Government Securities	3,307,956	917,103
Interest Receivable - Money Market Securities	1,199,420	949,936
	<u>47,017,471</u>	<u>35,933,661</u>
Other Receivables	21,344,711	21,662,186
Provision for doubtful debts	(5,231,641)	(1,083,109)
	<u>63,130,541</u>	<u>56,512,738</u>

Other receivables are matured investments that the Scheme is yet to receive funds. Analysis of the balance is shown below;

Money Market Securities	4,750,583	4,750,583
Corporate Bonds	16,594,128	16,911,604
	<u>21,344,711</u>	<u>21,662,186</u>



## Notes to the Annual Financial Statements

Figures in GHS

2020

2019

### 9. Investments

#### 9a Analysis of change in Investments as at 31 December 2020

Financial Instruments	Opening Balance	Purchases at cost	Accrued Interest	Dividend/ Interest received	Disposals/ Maturities at Cost	Change in Value	Value at the Year end
	GHS	GHS	GHS	GHS	GHS	GHS	GHS
Quoted Equities	6,619,416	3,807,425	-	352,141	4,103,287	(1,098,450)	5,225,104
Money Market Securities	21,131,938	207,751,246	1,199,420	4,159,099	188,117,879	-	41,964,725
Government Bonds	315,923,851	524,650,019	23,041,787	46,608,973	414,297,705	3,874,616	453,192,568
Corporate Bonds	32,829,563	11,357,254	860,567	4,438,972	20,666,826	(25,171)	24,355,387
Local Government Securities	49,529,981	134,645,539	3,307,956	5,389,748	102,800,461	1,380,744	86,063,759
Collective Investments	6,530,353	6,500,000	-	-	1,522,367	174,531	11,682,517
Alternative Investment	81,973	-	-	-	-	5,468	87,441
<b>Total</b>	<b>432,647,075</b>	<b>888,711,483</b>	<b>28,409,730</b>	<b>60,948,933</b>	<b>731,508,525</b>	<b>4,311,738</b>	<b>622,571,501</b>

#### Analysis of change in Investments 2019

Financial Instruments	Opening Balance	Purchases at cost	Accrued Interest	Dividend/ Interest received	Disposals/ Maturities at Cost	Change in Value	Value at the Year end
	GHS	GHS	GHS	GHS	GHS	GHS	GHS
Quoted Equities	7,588,037	-	-	257,923	181,740	(786,881)	6,619,416
Money Market Securities	48,513,042	550,828,145	949,936	3,651,807	579,159,185	-	21,131,938
Government Bonds	184,611,362	305,363,270	16,974,222	29,888,797	192,277,670	1,252,667	315,923,851
Corporate Bonds	36,199,477	41,775,327	1,174,080	5,445,661	46,588,785	269,465	32,829,563
Local Government Securities	35,321,778	83,556,941	917,103	5,094,009	69,869,920	(395,922)	49,529,981
Collective Investments	23,194,350	12,500,000	-	-	28,957,178	(206,819)	6,530,353
Alternative Investment	114,409	-	-	-	28,221	(4,215)	81,973
<b>Total</b>	<b>335,542,455</b>	<b>994,023,683</b>	<b>20,015,341</b>	<b>44,338,197</b>	<b>917,062,699</b>	<b>128,295</b>	<b>432,647,075</b>



## Notes to the Annual Financial Statements

Figures in GHS	2020	2019
<b>9b Proceeds from Disposal/Maturity of Investments</b>		
	<b>Disposals</b>	<b>Maturities</b>
	<b>GHS</b>	<b>GHS</b>
Quoted Equities	4,097,502	-
Government of Ghana Bonds		417,540,968
Money Market Securities		188,117,879
Collective Investments		1,555,950
	<b>4,097,502</b>	<b>607,214,797</b>
		<b>611,312,299</b>
<b>10. Administrative Expenses Payable</b>		
Other Payables - Withholding tax on fees		-
Audit Fees Payable		33,961
NPRA Fees Payable		179,674
Trustee Fees Payable		774,588
Fund Manager Fees Payable		137,669
Custodian Fees Payable		130,672
		<b>1,256,564</b>
		48,013
<b>11. Benefits Payable</b>		
Benefits payable		541,734
Withholding tax payable on benefits		1,709,986
		<b>2,251,720</b>
		1,840,041
		1,118,925
		<b>2,958,966</b>
<b>12. Trade Payable</b>		
Trade payable		39,607
		<b>39,607</b>
<b>13. Contributions</b>		
Contributions received		215,865,571
Contributions receivable		18,607,741
		<b>234,473,312</b>
		154,943,677
		15,918,320
		<b>170,861,997</b>
<b>14. Benefits</b>		
Lump sum benefit paid		134,217,251
Lump sum benefits payable		541,734
		<b>134,758,985</b>
		133,148,857
		1,840,041
		<b>134,988,898</b>



## Notes to the Annual Financial Statements

Figures in GHS	2020	2019
<b>15. Investment Income</b>		
An analysis of income is as follows:		
Interest on Government Bonds	69,650,760	46,863,019
Dividend Income	352,141	257,923
Interest on Corporate Bonds	5,299,539	6,619,741
Interest on Money Market Securities	5,358,519	4,601,743
Interest income on Local Government Securities	8,697,704	6,011,112
<b>Interest on investments</b>	<b>89,358,663</b>	<b>64,353,538</b>
Interest on Call Account	843,179	842,379
	<b>90,201,842</b>	<b>65,195,917</b>
<b>16. Broker fees</b>		
This represents bank charges (transaction fees) during the year. As at the year end, the balance was GHS 186,731 (2019: GHS 98,919)		
<b>17. Gains/ (losses) on investment</b>		
Gain on Valuation of Local Government Bonds	1,380,744	(395,922)
(Loss)/Gain on Valuation of Quoted Equity	(1,098,450)	(786,881)
(Loss)/Gain on Valuation of Government Bonds	3,874,616	1,252,667
Gain on Valuation of Corporate Bonds	(25,171)	269,465
Gain on Valuation of Collective Investments	174,531	(206,819)
Gain on Valuation of Alternative Investment	5,468	(4,215)
(Loss)/Gain on Disposal of Government Bonds	3,243,263	(4,272,780)
Gain on Disposal of Collective Investments	33,583	2,148,294
Loss on Disposal of Quoted Equity	(5,785)	-
Gain on Disposal of Corporate Bonds	488,556	-
Gain on Disposal of Alternative Investments	-	23,049
(Loss)/Gain on Disposal of Local Government Bonds	1,981,784	1,689,374
	<b>10,053,139</b>	<b>(283,768)</b>
<b>18. Administrative Expenses</b>		
Audit Fees	33,961	33,281
NPRA Fees	1,823,078	1,381,519
Trustee Fees	7,702,378	5,542,472
Fund Manager Fees	1,410,520	1,364,927
Custodian Fees	1,325,875	1,004,741
Provision for doubtful debt	4,148,532	1,083,109
	<b>16,444,344</b>	<b>10,410,049</b>
<b>19. Tax</b>		
Under Section 89 (1) of the National Pensions Act, 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883) and Income Tax Act 2015 (Act 896) as amended, the Scheme is exempt from taxation.		
<b>20. Commitments and Contingencies</b>		
As at the date of reporting, there were no outstanding commitments or contingencies.		



## Notes to the Annual Financial Statements

Figures in GHS

2020

2019

### 21. Event after the balance sheet date

Events subsequent to the balance sheet date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material. As at the end of the reporting period, there no were events after the reporting period that relate to the year under consideration.

### 22. Related party transactions

Petra Opportunity Pension Scheme pays its Administrator (Petra Trust Company Limited) management fees. Details of the fees are as follows:

<u>Name</u>	<u>Relationship</u>	<u>Transactions</u>	<u>Amounts owed to the related party at year-end</u>			
			<u>2020</u> GHS	<u>2019</u> GHS	<u>2020</u> GHS	<u>2019</u> GHS
Petra Trust Company Limited	Administrator	Management fees	<b>7,702,378</b>	5,542,472	<b>774,588</b>	483,903





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