

PETRA OPPORTUNITY PENSION SCHEME

ANNUAL REPORT 2019



FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31ST 2019

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Particulars of Service Providers/Advisors

Chair of the Board of Trustees	Kofi Fynn - Representing Petra Trust Company Limited 113, Airport West, Dzorwulu, Accra P.O. Box CT 3194 Cantonments Accra Tel: +233 302 740963 Email: info@petratrust.com
Secretary to the Board of Trustees	Kukua Awo Pratt 113, Airport West, Dzorwulu, Accra P.O.Box CT 3194 Cantonments Accra Tel: +233 302 740963 Email: kukua.pratt@petratrust.com
Sponsor of the Scheme	Petra Trust Company Limited 113, Airport West, Dzorwulu, Accra P.O.Box CT 3194 Cantonments Accra Tel: +233 302 740963 Email: info@petratrust.com
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Administrator	Petra Trust Company Limited 113, Airport West, Dzorwulu, Accra P.O.Box CT 3194 Cantonments Accra Tel: +233 302 740963 Email: info@petratrust.com
Auditors	Intellisys No. 2 Lardzeh Crescent North Dzorwulu P. O. Box KN 4169 Kaneshie Tel: +233 302 502801 Email: info@intellisysgh.com

Particulars of Service Providers/Advisors

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, 2019 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	20,290	4,625	991	23,924

II. SUMMARY STATISTICS

Description	Deferred contributions	Transfers In	Transfers Out	Partial Withdrawals	Retirement (Statutory)	Retirement (Early)	Permanent Emigration	Incapacitated members	Death
Numbers	0	0	9	5,842	121	14	3	1	15

Scheme Performance

The Petra Opportunity Pension Scheme generated a net return of 14.36% for the year 2019 (2019 unit price of GHS 3.910119 and 2018 unit price of GHS 3.419242). This performance compared favourably against the previous year's net return of 13.89%, annual inflation of 7.90% year on year, and Ghana Cedi depreciation of 12.90% against the US dollar in 2019. The Scheme size grew from GHS 387,828,596 at the beginning of the year to GHS 478,104,876 at year end representing a growth of 23.28%.

Report of the Trustees

To the members of Petra Opportunity Pension Scheme

2019 Economic Review

Global economic growth in 2019 recorded its slowest pace since the Global Financial Crisis over a decade ago. Rising trade barriers, geo-political tensions, social unrest and associated uncertainty weighed down on business sentiment and global economic activity. This slowdown was widespread affecting both advanced and developing economies.

Global central banks 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 to boost economic activity.

On the domestic front, Ghana's economy continued to expand in 2019 despite the slowdown in the rest of the world. A key factor behind this growth was the double-digit expansion in oil and gas component of Gross domestic Product (GDP). The production of crude oil increased from 195,000 barrels per day at the beginning of the year to 214,000 barrels per day as at August 2019. According to data from the Ghana Statistical Service, annual oil and gas expenditure is on track to total \$ 3.1 billion in 2019, up from \$2.3 billion and \$ 2.6 billion in 2017 and 2018, respectively, with much of this dedicated to field exploration.

In 2019, we also saw the Government continue its proactive role in strengthening the financial sector. In August 2019, the Bank of Ghana announced that it had revoked the licenses of 23 Savings and Loans companies for continued insolvency. This development was part of ongoing efforts to clean up the financial sector, which saw the Central Bank revoke the licenses of over 400 institutions since 2017. In addition, the authorities sought to improve investor confidence by increasing the minimum capital requirement for Commercial Banks from GHS 120 million to GHS 400 million. In August the Securities and Exchange Commission also outlined plans to increase the minimum capital limit for fund managers, from GHS 100 thousand to GHS 2 million and in November 2019, the Securities and Exchange Commission revoked the licenses of 53 Fund Management Companies for failure to perform their functions efficiently, honestly and fairly, coupled with regulatory breaches.

The Ghana Statistical Service rebased the Consumer Price Index (CPI), using 2018 as the new base year. The rebasing process, which ensures that the methodological basis upon which the CPI is constructed is robust involved replacing the old base year (2012) used for compiling the constant price estimates to a new and more recent base year (2018). This resulted in an expansion of the basket of goods from the 2012 reference to the 2018 reference. Additionally, the points of data collection also increased from 42 markets to 44 markets. This rebasing was meant to account for changes in consumption patterns over time as well as adequately reflect current consumer spending habits. The country posted a 2019-year end inflation figure of 7.9% beating the Government's year-end target of 8%.

Rates on the Government of Ghana short term instruments rose at the end of the year from an open rate of 14.59% and 15.03% to 14.70% and 15.15% for the 91-day and 182-day Treasury bill respectively. The increase in these rates were as a result of the financing pressures the Government experienced amidst its revenue shortfalls. The Central Bank also replaced the 1 year note with the 364-day Treasury bill and introduced the 20-year bond in a bid to deepen its activities on the longer end of the market. As part of the Government's debt management strategy, existing bond securities were reopened to build benchmark bonds to enhance liquidity in the secondary markets. Other money markets rates including interest rates received on our investments in fixed deposits declined on the back of the declining policy rate and improved liquidity of the banks following the recapitalization efforts.

Report of the Trustees

To the members of Petra Opportunity Pension Scheme

There was immense volatility in the Ghana cedi in the first quarter of 2019 mainly on the back of the Central Bank's surprise cut in policy rate to 16% and edgy market sentiments following the introduction of the new forex market regulation. In the second quarter, the oversubscription of the \$ 3 billion Eurobond issuance and Standards and Poor's Global positive rating of our foreign and local sovereign credit ratings on Ghana, increased risk appetite in our markets. This in turn, led to the Ghana cedi reverse some of the losses it experienced in the early start of the year. The months afterwards saw the Central Bank heavily intervening into the FX market to keep the local currency stable. Coupled with the interventions, the Central Bank also introduced the forex forward auctions. The country also received its first tranche inflow of \$600 million from the Cocobod syndicated loan. All these posed as efforts to counterbalance the downside risk to the Ghana cedi emanating from further payments out of the current account and external factors such as geo-political tensions in Iran, Brexit and the US China trade war. In the closing stages of the year, a thaw in trade tension resulting in risk-on mode, coupled with the announcement of a Eurobond issuance, in early 2020, which was expected to cushion the country's international reserves, and a weaker demand for the US Dollar by corporates restored the Ghana cedi's footing to close the year at a depreciation of 12.90% against the United States Dollar in 2019 compared to a depreciation of 9.16% against the United States Dollar in 2018 on the interbank market.

The Ghana stock market remained bearish throughout the year as market direction was mainly driven by the liquidity crunch in the investment advisory and asset management space rather than fundamental corporate values. The Ghana stock exchange composite index recorded a loss of -12.25% for 2019 compared to a 0.29% loss in 2018.

Portfolio Review

The portfolio generated a net return of 14.36% (2019 unit price of GHS 3.910119 and 2018 unit price of GHS 3.419242) which is equivalent to a real return of 6.46% for 2019, 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. The Scheme increased its government bond exposure from 52.07% in 2018 to 67.78% in 2019 following a temporary approval from the Regulator to increase the Scheme's government securities maximum allocation limit to 70%. Collective investment allocations decreased in 2019 to 1.40% from 6.54% in 2018. Similarly, the Scheme's holdings in quoted equity reduced from 2.14% in 2018 to 1.42% in 2019. Fixed deposit holdings reduced substantially from 13.63% in 2018 to 5.50% in 2019. Corporate Bond exposure increased from 10.21% in 2018 to 10.49% in 2019. Also, the Scheme marginally increased its local government bond exposure from 9.96% in 2018 to 10.63% in 2019.

Economic and Financial Markets Outlook

We expect political stability to remain underpinned by Ghana's strong democratic credentials. Ghana is gradually building industrial capacity. It is expected for the Government to prioritize industrialization as a means of job creation and economic expansion. However structural weaknesses and global shocks will restrain the pace of progress. Reforms started by the Government three years ago such as the Planting for Food and Jobs (PFJ) Programme, have started paying off and we expect this to continue into 2020.

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

The announcement of the Eurobond Issuance in early 2020, softening of trade tensions and the Fed's dovish stance on monetary policy helped reduce the level of uncertainty that was gradually building up among global investors at the start of the year. However, economic growth will be severely dented in 2020 as the country is hit by the global economic fallout from the COVID-19 pandemic. This slowdown will also dent non-oil growth and investment flows, and the government will need external assistance to avoid a balance of payments crisis. On the back of these events, we expect a higher depreciation in the first half of 2020 than we saw for the same period last year.

Inflation was subdued for the greater part of 2019 mainly as a result of a decline in non-food inflation. It is expected that the inflation numbers for 2020 will continue to remain stable; not falling much from current levels. We believe the Central Bank might ease monetary policy further in the short to medium term despite the high real interest rates and the subdued private sector growth even after the cleanup in the financial sector to stimulate economic expansion. We expect both demand and supply to be subdued in the coming months and we predict headline inflation to end the year within Government's stated target band of 8+/-2.

On the back of a fast depreciation of the Ghana cedi and uncertainties surrounding the economy during the COVID-19 pandemic, we anticipate a sharp spike in yields towards the first half of 2020. Coupled with that, uncertainties surrounding the Government's spending needs especially during such times when markets may remain closed, might push yields upwards by the end of 2020.

The effects of the financial sector clean up remaining as the liquidity crunch still exists in the economy. Despite clarity that will be gained after the pandemic's crisis wanes, it is anticipated that there will be a resurgence in the performance of the stock market only after the financial sector crises is entirely resolved and subsequently, locked up funds released to beneficiaries. This is not to downplay the positive effects of anticipated robust corporate earnings and positive investor sentiment after a bearish run in 2019. Following the recapitalization of banks, we expect competition to intensify in the financial services industry when it comes to product innovation and service quality. We believe digitization will be the largest driving force here.

Targeted positions in stocks with attractive valuation multiples will be profitable for our portfolios in the short to medium term.

Nevertheless, a volatile external environment, economic slowdown from the COVID-19 pandemic and the risk of fiscal slippages amid the impending elections remain as key risks to the outlook.

2020 Portfolio Strategy

Our outlook on general economic and financial market performance in 2020 leads us to the following portfolio strategy:

- Take position in short-term papers to reduce duration for the scheme and protect the scheme's returns on Government securities from further market volatilities.
- Reduce exposure to the fixed deposit space.
- Invest in high quality corporate bonds with strong legal arrangements.
- Continue to maintain our exposure to collective investments as a liquidity measure.
- 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.

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

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.

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) , 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	2019	2018
				Year end Value	Year end Value
				GHS	GHS
Government Securities	70%	68 %	46,863,019	315,923,851	184,709,834
Corporate Bonds	35%	10 %	6,619,741	48,912,225	57,614,334
Money Market Securities	35%	5 %	4,601,743	25,628,353	55,657,688
Quoted Equity	20%	1 %	257,923	6,619,416	7,588,037
Collective Investments	15%	1 %	-	6,530,353	23,194,350
Local Government Securities	15%	11 %	6,011,112	49,529,981	35,321,778
Alternative Investment	15%	0 %	-	81,973	114,409
Cash	-	3 %	842,379	12,855,616	18,983,721
TOTAL	-	100 %	65,195,917	466,081,768	383,184,151

Restatement of Prior Year Investment Allocation

Matured investments that the Scheme is yet to receive funds (note 8) has been included in their respective asset type. The prior year end values has been restated to include these receivables for fair comparison. However, with the restatement, the prior year investment allocation is in compliance with the NPRA investment guidelines that was applicable then.

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 17 shows an increase in Net Assets available for benefits for the year of GHS 90,276,280 (GHS 110,273,438 for the previous financial year) and the Statement of Net Assets Available for Benefits on page 16 shows the Scheme's Net Assets as at 31st December, 2019 amounting to GHS 478,104,876 (GHS 387,828,596 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	2019	2018
	% p.a	% p.a	Amount (GHS)	Amount (GHS)
NPRA Fees	0.33	0.33	1,381,519	1,081,611
Trustee/ Administrator Fees	1.33	1.08	5,641,391	4,289,019
Pension Fund Custodian Fees	0.28	0.24	1,004,741	786,626
Pension Fund Manager	0.56	0.35	1,364,927	1,101,499
Audit Fees	-	-	33,281	27,956
Total			9,425,859	7,286,711

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

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

Mr. Kofi D. Fynn
.....

Name



Signature

13th May, 2020
.....

Date

Mr. Kwaku Osae Brenu
.....

Name



Signature

13th May 2020
.....

Date

Statement of Trustees' Responsibilities

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.

Independent Auditor's Report

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, 2019, 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, 2019 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.

Independent Auditor's Report

Key Audit Matters (continued)

Key Audit Matters	How we addressed the key audit matter
<p>Contributions</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>Our audit procedures in this area included among others;</p> <ul style="list-style-type: none"> • Obtained an understanding of how contributions are received and accounted for. • Obtained the schedule of contributions received within the year under review and check cast • Obtained the bank statements of designated bank accounts that were used for receiving contributions. • Sampled from the bank statement some inflows into these bank accounts and traced them to the contribution schedule to check for completeness. • Checked and confirmed that contributions received after the year end has not been included in contributions for the year.
<p>Matured Investments Receivable</p> <p>Included in trade and other receivables are matured investments the Scheme is yet to receive. This receivables amounts to GHS 21,662,186 representing 5% 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>Our audit procedures in this area included among others;</p> <ul style="list-style-type: none"> • Performed opening balance reconciliation on these investments. • Obtained certificates of these matured investments to check for existence and maturity dates. • Check for repayments received in the year under review. • Obtained confirmation of the outstanding balance from the investment house/fund manager/custodian and compared with balance in the trial balance. • Discussed with management the recoverability of these investements, plans to recover them and provision for doubtful ones.
<p>Market Value of Bonds</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>Our audit procedures in this area included among others;</p> <ul style="list-style-type: none"> • Obtained an understanding of how the market values of bonds are determined. • Obtained the prices from Barclays bank, Standard Chartered bank and Access bank and computed the average of these prices. • Compare the prices with that of the Scheme for accuracy.

Independent Auditor's Report

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

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: 15 May....., 2020

Statement of Net Assets Available for Benefits as at 31 December 2019

Figures in GHS	Note(s)	2019	2018
Assets			
Held to Maturity Investments	4	100,450,363	116,316,931
Available for Sale Financial Assets	5	305,569,045	182,811,854
Financial Assets at Fair Value through Profit or Loss	6	6,612,326	23,308,759
Cash and cash equivalents	7	12,855,616	18,983,721
Total Investment Assets		425,487,350	341,421,265
Trade and other receivables	8	56,512,738	53,298,898
Total Assets		482,000,088	394,720,163
Liabilities			
Administrative expenses payable	10	896,639	786,985
Benefits payables	11	2,958,966	6,064,975
Trade payables	12	39,607	39,607
Total Liabilities		3,895,212	6,891,567
Total Assets less Liabilities		478,104,876	387,828,596
Represented By:			
Net Assets Available for Benefits		478,104,876	387,828,596

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

Mr. Kofi D. Fynn		13 th May, 2020
.....
Name	Signature	Date
Mr. Kwaku Osae Brenu		13 th May, 2020
.....
Name	Signature	Date

Statement of Changes in Net Assets Available for Benefits for the year ended 31 December 2019

Figures in GHS	Note(s)	2019	2018
Description			
Dealings with Members			
Contribution	13	170,861,997	138,069,004
Less: Benefits	14	<u>(134,988,898)</u>	<u>(65,592,963)</u>
A: Net Additions from Dealings with Members		35,873,099	72,476,041
Return on Investments			
B: Investment Income	15	65,195,917	53,004,269
C: Net Gain/(Loss) on Investments	16	(283,768)	(7,920,162)
D: Administrative Expenses	17	<u>(10,508,968)</u>	<u>(7,286,711)</u>
Increase In Net Assets for the year (A+B+C+D)		<u>90,276,280</u>	<u>110,273,438</u>

Statement of Movement in Net Assets Available for Benefits
For the year ended 31 December 2019

Figures in GHS	2019	2018
Description		
Net assets available for benefits as at 1st January	387,828,596	277,555,158
Increase in Net Assets For The year.	90,276,280	110,273,438
Net assets available for benefits as at 31st December	478,104,876	387,828,596

Statement of Cash Flows for the Year Ended 31 December 2019

Figures in GHS		2019	2018
Cash flows from operating activities			
Increase in Net Assets for the year		90,276,280	110,273,438
<i>Adjustments for:</i>			
Investment income	15	(65,195,917)	(53,004,270)
Provision for doubtful debt		1,083,109	-
Operating cash flow before working capital changes		26,163,472	57,269,168
<i>Adjustments for:</i>			
Net Gain/(Loss) on Investments	16	283,768	7,920,162
Decrease/(increase) in trade and other receivables		2,613,482	(32,794,672)
(Decrease)/increase in trade and other payables		(2,996,356)	3,663,480
Net cash from operating activities		26,064,366	36,058,139
Cash flows from Investing activities			
Purchase of Alternative Investment	9a	-	(104,636)
Purchase of Quoted Equity	9a	-	(557,479)
Purchase of Money Market Securities	9a	(550,828,145)	(135,528,072)
Purchase of Government Bonds	9a	(305,363,270)	(146,071,011)
Purchase of Corporate Bonds	9a	(41,775,327)	(26,534,602)
Purchase of Collective Investments	9a	(12,500,000)	(27,468,953)
Purchase of Local Government Bonds	9a	(83,556,941)	(34,632,332)
Proceeds from disposal of Quoted Equity	9b	181,740	21,882
Proceeds from disposal of Money Market Securities	9b	579,159,185	157,732,849
Proceeds from disposal of Government Bonds	9b	188,004,890	63,535,377
Proceeds from disposal of Corporate Bonds	9a	46,588,785	37,977,811
Proceeds from disposal of Collective Investments	9b	31,105,472	4,800,000
Proceeds from disposal of Local Government Bonds	9a	71,559,293	37,794,233
Dividend income	9a	257,923	634,437
Proceeds from disposal of Alternative Investments	9a	51,270	-
Interest income on investment	9a/15	44,922,654	39,264,922
Net cash utilised in Investing activities		(32,192,471)	(29,135,575)
(Decrease)/increase in cash and cash equivalents		(6,128,105)	6,922,564
		18,983,721	12,061,157
Cash and cash equivalents at end of the year	7	12,855,614	18,983,721

Accounting Policies

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

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

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

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 by adjusting the allowance account. The amount of the reversal is recognised in the Statement of Changes in Net Assets.

Impairment losses on Available-for-Sale financial assets are recognised by transferring the difference between the amortised acquisition cost and current fair value out of 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/Portfolio/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

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

(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

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 thighest 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	2019	2018
4. Held to Maturity Investments		
Corporate Bonds	31,655,483	34,808,869
Money Market Securities	20,182,002	47,178,697
Local Government and statutory securities	48,612,878	34,329,365
	100,450,363	116,316,931
5. Available for Sale Financial Assets		
Quoted Equity	6,619,416	7,588,037
Government Bonds	298,949,629	175,223,817
	305,569,045	182,811,854
6. Financial Assets at Fair Value through Profit or Loss		
Alternative Investment	81,973	114,409
Collective Investments	6,530,353	23,194,350
	6,612,326	23,308,759
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 year 2019 of GHS 12,855,616 (2018 : GHS 18,983,721)		
8. Trade and other receivables		
Contributions Receivable	15,918,320	11,536,013
Interest Receivable - Government Bonds	16,974,222	9,387,545
Interest Receivable - Corporate Bonds	1,174,080	1,390,608
Interest Receivable - Local Government Securities	917,103	992,413
Interest Receivable - Money Market Securities	949,936	1,334,345
	35,933,661	24,640,923
Other Receivables	21,662,186	28,657,975
Provision for doubtful debts	(1,083,109)	-
	56,512,738	53,298,898
Other receivables are matured investments that the Scheme is yet to receive funds. Analysis of the balance is shown below;		
Money Market Securities	4,733,069	7,144,646
Corporate Bonds	16,929,118	21,414,857
Government and statutory securities	-	98,472
	21,662,186	28,657,975

Notes to the Annual Financial Statements

Figures in GHS

2019

2018

9. Investments

9.a. 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	5,094,010	69,869,919	(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
Total	335,542,455	994,023,683	20,015,340	44,338,198	917,062,698	128,295	432,647,075

Analysis of change in Investments 2018

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	7,804,334	557,479	-	634,437	22,325	(751,451)	7,588,037
Money Market Securities	69,383,474	135,528,072	1,334,345	8,787,466	157,732,849	-	48,513,042
Government Bonds	101,306,389	146,071,011	9,387,545	16,267,821	65,334,077	(6,819,506)	184,611,362
Corporate Bonds	46,041,234	26,534,602	1,390,608	8,557,173	37,876,276	109,308	36,199,477
Local Government Securities	36,540,458	34,632,332	992,413	4,654,464	37,296,052	452,628	35,321,778
Collective Investments	246,884	27,468,953	-	-	4,737,090	215,603	23,194,350
Alternative Investment	-	104,636	-	-	-	9,773	114,409
Total	261,322,773	370,897,085	13,104,911	38,901,381	302,998,669	(6,783,645)	335,542,455

Notes to the Annual Financial Statements

Figures in GHS

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9.b. Proceeds from Disposal/Maturity of Investments

	Disposals GHS	Maturities GHS	Total GHS
Quoted Equities	181,740	-	181,740
Government of Ghana Bonds		188,004,890	188,004,890
Money Market Securities		579,159,185	579,159,185
Collective Investments		31,105,472	31,105,472
	181,740	798,269,547	798,451,287

10. Administrative Expenses Payable

Other Payables - Withholding tax on fees	48,013	37,206
Audit Fees Payable	33,281	24,806
NPRA Fees Payable	129,267	105,230
Trustee Fees Payable	483,903	424,669
Fund Manager Fees Payable	114,131	118,543
Custodian Fees Payable	88,044	76,531
	896,639	786,985

11. Benefits Payable

Benefits payable	1,840,041	4,636,895
Withholding tax payable on benefits	1,118,925	1,428,080
	2,958,966	6,064,975

12. Trade Payable

Trade payable	39,607	39,607
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13. Contributions

Contributions received	154,943,677	126,532,991
Contributions receivable	15,918,320	11,536,013
	170,861,997	138,069,004

14. Benefits

Lump sum benefit paid	133,148,857	60,956,068
Lump sum benefits payable	1,840,041	4,636,895
	134,988,898	65,592,963

Notes to the Annual Financial Statements

Figures in GHS	2019	2018
15. Investment Income		
An analysis of income is as follows:		
Interest on Government Bonds	46,863,019	25,655,366
Dividend Income	257,923	634,437
Interest on Corporate Bonds	6,619,741	9,947,781
Interest on Money Market Securities	4,601,743	10,121,811
Interest income on Local Government Securities	6,011,112	5,646,877
Interest on investments	64,353,538	52,006,272
Interest on Call Account	842,379	997,998
	65,195,917	53,004,270
16. Gains/ (losses) on investment		
Gain on Valuation of Local Government Bonds	(395,922)	452,628
(Loss)/Gain on Valuation of Quoted Equity	(786,881)	(751,451)
(Loss)/Gain on Valuation of Government Bonds	1,252,667	(6,819,506)
Gain on Valuation of Corporate Bonds	269,465	109,308
Gain on Valuation of Collective Investments	(206,819)	215,603
Gain on Valuation of Alternative Investment	(4,215)	9,773
(Loss)/Gain on Disposal of Government Bonds	(4,272,780)	(1,798,700)
Gain on Disposal of Collective Investments	2,148,294	62,910
Loss on Disposal of Quoted Equity	-	(443)
Gain on Disposal of Corporate Bonds	-	101,535
Gain on Disposal of Alternative Investments	23,049	-
(Loss)/Gain on Disposal of Local Government Bonds	1,689,374	498,181
	(283,768)	(7,920,162)
17. Administrative Expenses		
Audit Fees	33,281	27,956
NPRA Fees	1,381,519	1,081,611
Trustee Fees	5,641,391	4,289,019
Fund Manager Fees	1,364,927	1,101,499
Custodian Fees	1,004,741	786,626
Provision for doubtful debt	1,083,109	-
	10,508,968	7,286,711
18. Tax		
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.		
19. Commitments and Contingencies		
As at the date of reporting, there were no outstanding commitments or contingencies.		

Notes to the Annual Financial Statements

Figures in GHS

2019

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20. 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.

21. 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>2019</u>	<u>201</u>	<u>2019</u>	<u>201</u>
			<u>GHS</u>	<u>GHS</u>	<u>GHS</u>	<u>GHS</u>
Petra Trust Company Limited	Administrator	Management fees	5,641,391	4,289,019	483,903	424,669

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