



PETRA ADVANTAGE PENSION SCHEME 2022 ANNUAL REPORT

Annual Report & Financial Statements
For The Year Ended 31st December, 2022





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Particulars Of Service Providers

Board of Trustees	Chris Hammond-Chairman Eric Nana Otoo-Nominated Member (Exited on July, 2022) Daniel Gyapanin-Nominated Member (Joined on August, 2022) Kweku Brenu – Independent Trustee
Secretary to the Board of Trustees	Amoanimaa Agyenim-Boateng House No. 19, Joseph Richard Asiedu Street, Airport West. P. O .Box CT 3194, Cantonments Accra Tel: +233 030 274 0963 Email:Amoanimaa.agyenim-boateng@petraonline.com
Corporate Trustee/Scheme Administrator	Petra Trust Company Limited House No. 19, Joseph Richard Asiedu Street, Airport West. P. O .Box CT 3194, Cantonments Accra Tel: +233 030 274 0963 Email: Info@petraonline.com
Pension Scheme Custodian	Standard Chartered Bank PLC P.O.Box 768, High Street Accra Tel: +233 30 263 3569 Email:gh.securities-services@sc.com
Pension Scheme Fund Managers	Databank Asset Management Limited EDC Investments Limited IC Asset Managers (Ghana) Limited Prudential Securities Limited Sentinel Asset Management Stanbic Investment Management Services Black Star Advisors Limited InvestCorp Asset Management Limited
Scheme's Registered Number	NPRA/MTOPS/R/09/12
Independent Auditors	BNA Chartered Accountants C720/3 Korle Obuade Street, 1st Crescent Link, Off Okukuseku Street, Asylum Down P.O. Box AN 10673, Accra - North Web: www.bnagh.com Email: info@bnagh.com



Trustees' Report To The Members Of Petra Advantage Pension Scheme

The Trustees present their report together with the audited Financial Statements of the Scheme for the period ended 31st December, 2022. The report has been prepared in accordance with the National Pensions Act, 2008, (Act 766) as amended by the National Pensions (Amendment) Act, 2014 (Act 883) and the Occupational and Personal Pension Schemes (General) Regulations, 2011 (LI 1990).

Establishment, Nature And The Status Of The Scheme

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

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

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

Trustees' Responsibility In Respect Of The Financial Statements

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

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

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

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

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



Trustees' Report To The Members Of Petra Advantage Pension Scheme

Trustees

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

License No.	Name	Position	Date Of Appointment	Date Of Exit
NPRA/ MTOPS/12009/15314	Chris Hammond	Chairman-Petra Trust Company Limited	November 2012	-
NPRA/ MTOPS/12009/15449	Eric Nana Otoo	Member Nominated Trustee	August 2017	July, 2022
NPRA/ MTOPS/12009/15226	Kweku Brenu	Independent Trustee	August 2017	-
NPRA/ MTOPS/12009/15450	Daniel Gyapanin	Member Nominated Trustee	August, 2022	

Scheme Membership Statistics

I. Movements During The Year

Description	Number at beginning of period	Additions	Withdrawals	Number at end of period
Active Members	246,901	36,218	2,024	281,095

II. Summary Statistics

Transfers In	Transfers Out	Partial Withdrawals	Statutory Retirement	Retirement (Early)	Permanent Emigration	Incapacitated Members	Death
366	555	0	719	318	122	3	99

Investment Report

(i) Statement of Investment Principles

We, the Trustees, attest that the Scheme's funds have been invested with the objective of obtaining safe and fair returns in accordance with the National Pensions Act 2008 (Act 766), the National Pensions (Amendment) Act, 2014 (Act 883) and the Guidelines on Investment of Scheme Funds. We confirm that there has been full compliance with prohibitions on investments which include but are not limited to, use of Pension Scheme assets as collateral, investing

outside maximum allowable limits, investing outside the scope of assets stipulated by the Guidelines on Investment of Scheme Funds and investing in securities issued by any issuer for which there exists a conflict of interest.



Trustees' Report To The Members Of Petra Advantage Pension Scheme

(i) Particulars of Investment Policy

Assets Type	Maximum Allocation (%)	Permitted Ranges (%)
Government of Ghana	75	50-60
Corporate Debt Securities	35	0-20
Money Market Securities	35	30-35
Collective Investment Schemes	15	0-10
Local Government and Statutory Agency Securities	25	0-15
Alternative Investments	25	0-0
Equities	20	0-1

The Maximum allocation for the various asset classes is based on the Guidelines on Investment of Tiers 2 and 3 Pension Scheme Funds (NPRA/GD/INV/03/20) dated 14th September 2021.

(ii) Investment Allocation

Asset Type	Maximum Allocation (%)	Actual Allocation (%)	Investment Income Earned (GH¢)	Year End Value 2022 (GH¢)	Year End Value 2021 (GH¢)
Local Government and Statutory Ag.	25	14.59	32,822,997	230,994,845	158,989,212
Government Securities	75	67	165,294,395	1,060,597,336	752,225,255
Corporate Bonds	35	2.64	7,979,314	41,852,116	34,786,953
Money Market	35	1.39	3,938,090	22,066,092	53,169,589
Quoted Shares	20	0.89	1,223,566	14,102,056	5,382,566
Collective Investments	15	2.97	-	47,010,561	110,547,133
Cash & Cash Equivalents	-	10.51	628,967	166,315,866	42,490,966
Total		100	211,887,329	1,583,159,192	1,157,591,674



Trustees' Report To The Members Of Petra Advantage Pension Scheme

Financial Highlights

	2022 (GH¢)	2021 (GH¢)	Percentage	Change
Contributions	213,624,492	151,301,197	41%	Increase
Benefits	(46,301,053)	(35,547,608)	30%	Increase
Net Returns On Investments	384,938,902	327,298,514	18%	Increase
Net Assets Available	1,611,267,777	1,226,328,876	31%	Increase

The Statement of Changes in Net Assets Available for Benefits as presented on page 16 shows an increase in Net Assets available for benefits for the period ended December 2022 of GH¢ 384,938,902 (2021: GH¢ 327,298,514) and the Statement of Net Assets Available for Benefits on page 15 shows the Scheme's Net Assets as at 31 December, 2022 amounting to GH¢1,611,267,777 (2021: GH¢ 1,226,328,876)

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 % p.a.	Actual Rate % p.a.	2022 Amount (GH¢)	2021 Amount (GH¢)
NPRA Fees	0.33	0.33	4,487,282	3,412,315
Trustee/Administrator Fees	1.33	1.33	18,085,105	13,752,490
Pension Fund Custodian Fees	0.28	0.20	2,491,372	2,068,070
Pension Fund Mgr. Fees	0.56	0.30	3,187,673	2,502,943
Audit Fees	-	-	68,264	47,700
Total	2.50	2.16	28,319,696	21,783,518

Scheme Performance

The Petra Advantage Pensions Scheme generated a net return of 16.86% for the year 2022 (2022 unit price of GH¢ 5.919287 and 2021 unit price of GH¢ 5.065202). This performance compared unfavourably against an average 91-day Treasury bill rate of 23.90%, annual inflation of 54.10% year on year, and Ghana Cedi depreciation of 29.97% against the United States Dollar in 2022 using the Bank of Ghana interbank exchange rate. The Scheme size grew from GH¢ 1,226,328,876 at the beginning of the year to GH¢ 1,611,267,777 year end, representing a growth of 31%.



Trustees' Report To The Members Of Petra Advantage Pension Scheme

2022 Economic Review

The combined effects of the Russian-Ukraine war and Covid-19 pandemic have led to a broad-based and sharper-than-expected slowdown in global economic growth, with record global inflation numbers not seen in over four decades. The weakened global economic growth for 2022 was driven by the downside effects of the geopolitical tensions including supply shocks, tighter monetary policies, and a cost-of-living crises for households. This was widespread affecting both advanced and developing economies. Subsequently, the IMF has revised the global growth forecast for 2023 from 3.40% to 2.70% in 2022. Central Banks across the globe, including the US Federal Reserve, European Central Bank and Bank of England, went through several rounds of monetary policy rate hikes in a bid to anchor inflation expectations.

Consequently, this dampened investor risk appetite which culminated in extensive capital outflows from emerging and frontier markets leading to local currency pressures with second-order inflationary consequences. The consequences of these shocks on the Ghanaian economy were amplified by country specific vulnerabilities and weak economic structures.

On the domestic front, Gross Domestic Product (GDP) growth has been sporadic within the year, falling from 7.00% to 3.30% in the first quarter (Q1) of 2022, rising to 4.70% in the second (Q2) of 2022 before falling further to 2.90% as at the third quarter (Q3) of 2022, the lowest since the first quarter (Q1) of 2022. The country ended the year with a real GDP of GH¢ 44.30 billion. Economic growth is expected at 3.70% for 2022 down from the earlier projection of 5.80%, on account of rising inflation and supply-chain bottlenecks.

The government's overall debt stock, which represents 105.00% of GDP has compelled the Government of Ghana to seek a USD 3.00 billion IMF balance of payment support. A Staff Level Agreement was reached in December 2022, with the Board approval pending the conclusion of a successful restructuring of both domestic and external debts to sustainable levels as per the agreement with the IMF. The Domestic Debt Exchange Program (DDEP) encountered strong pushback from various investor groups especially, the Labour Unions, a class of individual bond holders and the pensions industry. Consequently, as per the second amended and restated Domestic Debt Exchange Program, pension funds have been exempted from the program.

The Government of Ghana in its efforts to reduce the Debt to GDP ratio to 55%, in present value terms by 2028, announced a suspension of payments on selected external debts on 19th December, 2022. The announcement highlighted that the suspension would include payments on Ghana Eurobonds, commercial term loans, and most bilateral debt. Payments on multilateral debt, new debt contracted after 19th December, 2022, and related short-term trade facilities will be excluded from this suspension. The government is also assessing certain specific debt related to projects with the highest socio-economic impact for Ghana, which may have to be excluded.

Following the announcement of the Domestic Debt Exchange Program (DDEP) and suspension of coupon and principal payments on external debt, Fitch Ratings downgraded Ghana's Long-Term Foreign-Currency (LTFC) Issuer Default Rating (IDR) to 'C' from 'CC', S&P Ratings downgraded Ghana's sovereign rating to 'selective default' from CC, and Moody's downgraded Ghana's Long-Term Issuer and Senior unsecured bond Ratings to Caal from B3 with a negative outlook. These multiple downgrades further worsen Ghana's credit profile on the International Capital Market (ICM) which would culminate into severe pressure on the country's foreign reserve and the Ghana Cedi's performance against the major currencies.



Trustees' Report To The Members Of Petra Advantage Pension Scheme

The Ghana Stock Exchange Composite Index declined and ended the year at -12.38%, driven by heightened uncertainty induced by runaway inflation, portfolio reversals and exchange rate pressures. The Ghana Stock Exchange (GSE) market capitalization was GH¢ 64.51 billion at the end of December 2022, representing a slight growth of 0.02%, compared with a growth 18.60% in December 2021. The marginal improvement in market capitalization was largely on account of the listing of Ashanti Gold Corporation. In addition, the total outstanding shares of NewGold ETF, Tullow Oil PLC, and AngloGold Ashanti Limited were increased during the period.

Developments in interest rates broadly showed upward trends across the various sections of the yield curve, consistent with the tightening policy stance and heightened risk emanating from the deteriorated government debt profile. The 91-day and 182-day Treasury bill rates soared to 35.48% and 36.23% respectively, in December 2022, from 12.49% and 13.19% respectively, in the same period of 2021. Similarly, the rate on the 364-day instrument surged to 36.06% in December 2022 from 16.46% in December 2021.

Month-on-month inflation fluctuated significantly during the year driven by hikes in prices of imported goods following the significant depreciation of the Ghana Cedi within the year. Headline inflation rose sharply from 12.60% in December 2021 to 54.10% in December 2022. Despite the Bank of Ghana's efforts to anchor rising inflation, we missed our inflation target by a staggering 44.10% for 2022. The food and non-alcoholic beverages basket made the most contribution to the high inflation print for the year.

Portfolio Review

The portfolio generated a net return of 16.86% for the year 2022 (2022 unit price of GH¢ 5.919287 and 2021 unit price of GH¢ 5.065202) which is equivalent to a real return of negative 37.24% for 2022. This was primarily as a result of the Central Bank missing the inflation target by a staggering 44.10% for 2022. The Scheme continued to enjoy the capitals gains from the bonds market. Government of Ghana Bonds stood at 66.99% of the portfolio in 2022 as against an exposure of 64.98% in 2021. Collective investment allocations fell from 9.55% in 2021 to 2.97% while Equity exposure increased from 0.46% to 0.89% in 2022. Corporate bonds also fell marginally from 3.01% in 2021 to 2.64% In 2022. The scheme also allocated 14.59% of its portfolio to Local Government and Statutory Agencies in 2022. The scheme had 0.01% allocated in Alternative Investments in 2022.

2023 Economic & Financial Markets Outlook

The 2022 fiscal year presented numerous challenges for financial markets globally, and many of these fears remain as we entered 2023. Supply-chain bottlenecks have not fully eased, with the war in Europe. This has prompted a re-evaluation of the expenditure priorities of major western countries amid concerns on what the outcome of the latest fixture of geopolitical tensions between China and US will be. Nevertheless, while the red-hot inflation prints that were recorded in 2022 appear to be moderating in 2023, it is imperative for global central banks to get the timing and magnitude of this cycle of interest rate hikes correct.

On the domestic front, 2023 heralded a challenged growth outlook for the Ghanaian economy, with a major structural reform of the domestic bond market in view and its uncertain impact on banks, insurance companies, asset managers and the financial system. Additionally, there are enduring price pressures across all sectors of the economy on consumer spending, producers, and businesses. According to Government's estimates, growth for this year is projected to be around 2.80% with the



Trustees' Report To The Members Of Petra Advantage Pension Scheme

World Bank predicting a softer growth rate of 2.70%. It is expected that the Government-led economic recovery programs like CARES, YouStart, and a policy focus on the agricultural, manufacturing, and tourism sectors, would drive domestic growth in 2023.

The Central Bank views the worst part of the inflationary pressures to have been recorded in 2022, and the lagged effect of the restrictive monetary policies implemented last year will work to curtail the risk of inflation being embedded this year. Together, with favourable base effects, it is expected that inflation will moderate by the end of the calendar year. Following a 1,250-basis points rate increase in the monetary policy rate in 2022, it is expected that the monetary policy committee of the Bank of Ghana, not begin loosening the policy rate during the first half of this year until there is conviction that the broad risks to inflation are firmly on the downside.

Much of the currency outlook will rest on the timely announcement of an IMF programme by the government and the associated credibility this will signal to the markets about Ghana's path towards fiscal consolidation. Moreover, should the implementation of vital policies that are meant to transform the import dependent nature of the Ghanaian economy prove successful, it could lead to a change in the expected long-term exchange rate path as predicted by fundamentals. These policies include reducing the import volume of food and consumables that can be manufactured domestically as well as barter transactions designed to enhance the sourcing of forex for the pricing windows of refined petroleum products. Overall, cedi depreciation this year should hit the mid-teens by the end of the year.

Ghana's expected enrolment onto a balance of payments support program with the IMF should see better expenditure rationalization from the government and a serious commitment to meet defined program targets with the Bretton Woods Institution. While it is unlikely that overall revenue outturn will outperform projections for this year in part owing to the impact of the domestic bond restructuring on tax revenue, discretionary spending will have to be limited to priority projects as part of expenditure adjustments. Consequently, it is expected that the government's deficit target of 7.70% for 2023 will be achieved.

On the fixed income markets, the introduction of new benchmark government bonds onto the domestic market will see a sharp correction in treasury yields in 2023. Treasury bill rates are anticipated to retreat to the low teens after ending 2022 above 35.00%. The secondary market should see an improvement in yields from the distressed levels of last year, however, the trading of new benchmark bonds and old bonds does not provide clarity on where average yields would end up settling.

2022 Portfolio Strategy

The new investment guidelines and our outlook on the general economic and financial market performance in 2022 lead us to the following portfolio strategy:

- Maximize our allocation to Government of Ghana Securities subject to the regulatory limit.
- Diversify holdings in Government and corporate securities to include dollar-denominated bonds.
- Reallocate Fixed Deposit maturities to higher yielding Collective Investment Schemes and Local Government securities.
- Invest in high quality Corporate Bonds with strong legal arrangements.
- Take opportunistic positions in carefully selected stocks on the local exchange that offer rewarded risk factor exposures.



Trustees' Report To The Members Of Petra Advantage Pension Scheme

- Seek diversification into the alternative asset class space for investments with less correlated returns to fixed income.

Appointment And Remuneration Of Auditors

The Board of Trustees appointed BNA Chartered Accountants to replace John Kay & Co. The Board of Trustees have recommended for the re-appointment of Messrs. BNA Chartered Accountants as auditors of the Scheme in accordance with Section 139 of the Companies Act 2019 (Act 992). Messrs. BNA Chartered Accountants have expressed their willingness to continue in office as auditors of the Scheme. The audit fees for the year is disclosed in note 17 (page 26) of the Financial Statements.

Statutory Requirements

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

Statement Of Disclosure To Auditors

So far as the Trustees are aware, there is no relevant information of which the Scheme's Auditors are unaware. Additionally, Trustees have taken all necessary steps that ought to have been taken as Trustees in order to make them aware of all relevant audit information and to establish that the Scheme's Auditors are aware of that information.

Trustees' Representation

The Trustees confirm that no matters have arisen since 31st December, 2022, which materially affect the financial statements as presented.

Conclusion

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

Kweku Osae Brenu
Trustee


Signature

10/08/2023
Date

Chris Hammond
Trustee


Signature

10/08/2023
Date



Independent Auditors' Report To The Members Of The Scheme

Report On The Audit Of The Scheme's Financial Statements

We have audited the Financial Statements of Petra Advantage Pension Scheme for the year ended 31st December, 2022. The audited financial statements of the scheme from pages 18 to 35 comprise:

- Statement of Net Assets Available for Benefits
- Statement of Changes in Net Assets Available for Benefits
- Statement of Movement in Net Assets Available for Benefits
- Statement of Cash flows for the period then ended, and
- Notes to the Financial Statements which include a summary of significant accounting policies stated therein.

Opinion On The Scheme's Financial Statements

In our opinion, the Scheme's Financial Statements audited by us present fairly and in all material respect the Statement of Net Assets Available for Benefits of the Petra Advantage Pension Scheme as of 31st December, 2022 and of the disposition of its assets and liabilities as at that date other than the liabilities to pay benefits after year end, the Cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Trust Deed of the Scheme, the National Pensions Act, 2008 (Act 766) as amended by National Pensions(Amendment) Act 2014, (Act 883) and the Occupational and Personal Pensions Schemes (General) Regulations 2011 (L.I. 1990).

Basis Of 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 Code) together with ethical requirements that are relevant to our audit of the Financial Statements. We have fulfilled our other responsibilities under those ethical requirements. 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 judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate evidence to support such transactions.

Other Information

The Trustees are responsible for other information. The other information comprise; scheme performance, economic and market review, financial market outlook and portfolio strategy but does not include the Financial Statements and our auditors report thereon. Our Opinion on the Financial



Independent Auditors' Report To The Members Of The Scheme

Statements does not cover the other information and we do not express any form of assurance thereon.

Trustees' Responsibility For The Scheme's Financial Statements

As stated in the Trustees' Report, the Scheme's Trustees are responsible for the preparation of these Scheme's Financial Statements for each year which show a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Trust Deed, National Pensions Act, 2008 (Act 766) as amended by National Pensions Act 2014, (Act 883) and the Occupational and Personal Pensions Schemes (General) Regulations 2011 (L.I. 1990) and for such internal control as the Trustees determine necessary and appropriate to enable the preparation of the Scheme's Financial Statements that are free from material misstatements whether due to fraud or error. The Trustees are also responsible for safeguarding the assets of the scheme.

Auditors' Responsibility

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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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



Independent Auditors' Report To The Members Of The Scheme

- Uncertainty exists, we are required to draw attention in our Auditors' 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 Auditors' Report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Scheme's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees and other persons 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.

We also provide the Trustees and other persons charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Trustees and other persons charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditors' Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Independent Auditors' Report To The Members Of The Scheme

Report On Other Legal And Regulatory Requirements

The Trust Deed dated 15th April, 2012 and the National Pensions Act require that in carrying out our audit we consider and report on the matters stated therein. We confirm that:

- The Scheme has generally complied with the relevant regulatory requirements;
- The Trustees have performed their duties under the Trust Deed; and
- The Scheme's investment objectives and other requirements under the National Pensions Act, 2008 (Act 766) as amended by National Pensions Act 2014, Act 883 have been complied with.

We were independent of the Scheme we audited pursuant to section 143 of the Companies Act, 2019 (Act 992). Furthermore, the Scheme generally complied with the requirements of the National Pensions Act, 2008 (Act 766) as amended by National Pensions Act 2014 (Act 883).

The engagement partner on the audit resulting in this Independent Auditors' Report is EBENEZER BATSA-NAKOTEY – ICAG/P/1361.

**FOR AND ON BEHALF OF
BNA CHARTERED ACCOUNTANTS - ICAG/F/2022/027
P.O. Box AN 10673
Accra-North**

Date: 11/08/2023



Statement of Net Assets Available for Benefits

Assets	Note	2022 (GH¢)	2021 (GH¢)
Cash & Cash Equivalents	4	166,315,866	42,490,966
Financial Assets at Amortised Cost	5	317,212,559	305,596,284
Financial Assets at FVTPL	6	1,021,231,732	809,504,424
Account Receivable	7	109,797,231	71,734,509
Total Assets		1,614,557,388	1,229,326,183
Liabilities			
Benefits Payable	8	435,593	813,454
Administrative Expenses Payable	9	2,755,225	2,080,103
Accounts Payable	10	98,793	103,750
Total Liabilities		3,289,611	2,997,307
Total Assets Less Liabilities		1,611,267,777	1,226,328,876
Represented By:			
Net Assets Available for Benefits		1,611,267,777	1,226,328,876

The Financial Statements on pages 18 to 21 were approved and signed on behalf of the Trustees by:

Kweku Osae Brenu
Trustee


Signature

10/08/2023
Date

Chris Hammond
Trustee


Signature

10/08/2023
Date

The Accounting policies and notes on pages 22 to 35 form an integral part of the Financial Statements and should be read in conjunction therewith.



Statement of Changes in Net Assets Available for Benefits

Dealings With Members	Note	2022 (GH¢)	2021 (GH¢)
Contributions for the year	11	213,624,492	151,301,197
Benefits Due to Members	12	(46,301,053)	(35,547,608)
Net Additions From Dealings With Members		<u>167,323,439</u>	<u>115,753,589</u>
Returns On Investments			
Investment Income	13	211,887,329	159,356,389
Reversal of Credit Loss/ (Credit Loss Allowance)	14	-	2,560,750
Less: Brokerage Fees/Levies/ Commissions	15	(174,375)	(667,735)
Net Investment Income		<u>211,712,954</u>	<u>161,249,404</u>
Net Gains / (Loss) On Investments	16	<u>107,765,025</u>	<u>14,199,607</u>
Administrative Expense	17	<u>(28,319,696)</u>	<u>(21,783,518)</u>
Impairment Expense	19	<u>(78,680,879)</u>	-
Increase In Net Assets For The Year		<u>379,800,843</u>	<u>269,419,082</u>



Statement of Movement in Net Assets Available for Benefits

	2022 (GH¢)	2021 (GH¢)
Net Assets of Scheme at 1 January	1,168,449,444	899,030,362
Prior Year Adjustments	-	57,879,432
Increase in Net Assets for the Year	379,800,843	269,419,082
Net Assets Available For Benefits At 31 December	1,611,267,777	1,168,449,444



Statement of Cash Flows

	Note	2022 (GH¢)	2021 (GH¢)
Net Increase in Net Assets		379,800,843	269,419,082
Cash Flows From Operating Activities			
(Increase) / Decrease in Accounts Receivable	7	(32,924,664)	15,608,890
Increase / (Decrease) in Administrative Expenses Payable	8	670,165	373,526
Increase / (Decrease) in Benefits Payable	9	(377,861)	(223,671)
Net Cash Generated from Operating Activities		<u>347,168,483</u>	<u>285,177,827</u>
Cash Flows From Investing Activities			
Purchase of Financial Assets at Amortised Cost	5	(11,616,275)	(89,755,056)
Purchase of Financial Assets at FVTPL	6	(211,727,308)	(164,431,762)
Net Cash Used in Investing Activities		<u>(223,343,583)</u>	<u>(254,186,818)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents		123,824,900	30,991,009
Cash and Cash Equivalents as at January		42,490,966	11,499,957
Cash and Cash Equivalents as at 31st December		<u>166,315,866</u>	<u>42,490,966</u>
Analysis of Cash and Cash Equivalents as shown in the Statement of Financial Position:			
Bank Balances	4	<u>166,315,866</u>	<u>42,490,966</u>



Notes to the Scheme's Financial Statements

1. Scheme Information

The Scheme is a master trust scheme administered by Petra Trust Company. The Scheme is an occupational Pension scheme licensed by the National Pensions Regulatory Authority (NPRA) under the National Pensions Act, 2008 (Act 766) as amended by the National Pensions Act (Amendment) Act 2014 (Act 883). Petra Trust Company Limited is the sponsor of the Petra Advantage Pension Scheme and registered under the Companies Act.

2. Basis Of Scheme's Financial Statements Preparation

2.1. Statement of Compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Trust Deed dated 15th April, 2012, the National Pensions Act, 2008 (Act 766) as amended by National Pensions Act 2014, Act 883, the Occupational and Personal Pension Schemes (General) Regulations 2011 (L.I. 1990) and relevant guidelines

2.2. Basis of Measurement

The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of certain financial instruments. The actuarial present value of pensions and other future benefits of the scheme are not applicable to these Financial Statements. The principal accounting policies adopted in the preparation of these Financial Statements remain unchanged to previous years.

2.3. Use of Estimates and Judgments

The preparation of the Scheme's Financial Statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the 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 the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2.4. Estimates and Assumptions

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

2.5. Fair Value of Financial Instruments

The framework for measuring fair value provides a fair value hierarchy that prioritizes the input 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:



Notes to the Scheme's Financial Statements

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Scheme participates in.

Level 2

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active market;
- 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. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset and liability.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

3. Significant Accounting Policies

The significant accounting policies applied in the preparation of the Financial Statements are set out below:

3.1 Functional and Presentation Currency

The Financial Statements are presented in Ghana Cedis (GH¢), which is the Scheme's functional and presentation currency. All figures are rounded up to the nearest Ghana Cedi. 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 transaction at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of changes in net assets.

3.2 Contributions

Contributions are recognized in the year in which they fall due. The Contributions comply with rates as per the National Pensions Act, 2008 (Act 766) as amended and the Scheme Governing Rules.

3.3. Benefits

Benefits are recognized 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) as amended and the Scheme Governing Rules

3.4. Investment Income

Dividend Income from investments is recognized when the shareholders' right to receive payment has been established. Interest income is accrued on a time basis by reference to the principal outstanding and the effective interest rate applicable.



Notes to the Scheme's Financial Statements

3.5 Financial Instruments:

Recognition and derecognition:

Financial assets and financial liabilities are recognised when the Scheme becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into one of the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL), or
- Fair value through other comprehensive income (FVOCI).

In the periods presented the Scheme does not have any financial assets categorised as FVOCI. The classification is determined by both:

- The Scheme's business model for managing the financial asset, and
- The contractual cash flow characteristics of the financial asset.

All revenue and expenses relating to financial assets that are recognised in Statement of Changes in Net Assets are presented within Investment income or Gains or losses on Investment Income.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding



Notes to the Scheme's Financial Statements

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. The category also contains equity investments. The Scheme accounts for equity investments at FVTPL and did not make the irrevocable election to account for the investment in listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of IFRS 9 'Financial Instruments', which does not allow for measurement at cost.

Financial assets at fair value through other comprehensive income (FVOCI)

The Scheme accounts for financial assets at FVOCI if the assets meet the following conditions:

- They are held under a business model whose objective it is "hold to collect" the associated cash flows and sell, and
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in other comprehensive income (OCI) will be recycled upon derecognition of the asset.

Impairment of financial assets

IFRS9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Scheme considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').



Notes to the Scheme's Financial Statements

- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date. '12-month expected credit losses' are recognised for the first category (ie Stage 1) while 'lifetime expected credit losses' are recognised for the second category (i.e Stage 2).

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Scheme makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Scheme uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

3.6. Transfers In and Out

Transfers into the scheme are recognised for when received by the scheme and on the basis that a liability is accepted (transfers in) or discharged (transfers out).

3.7. Fees, Commissions & Expenses

Fees, Commissions and Expenses are accounted for on accrual basis and are recognised in the statement of changes in Net Assets Available for Benefit. Audit fees are shown as part of administrative expenses. The scheme bears all costs of administration which includes Trustee's fees, fund manager's fees, Custodian fees, licensing and renewal fees and other related services in the administration of the pension scheme in accordance with law.

3.8. Provisions

Provisions are recognized 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.

3.9. Cash and Cash Equivalents

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



Notes to the Scheme's Financial Statements

4. Cash & Cash Equivalents

	2022 (GH¢)	2021 (GH¢)
Current & Call Account	166,315,866	42,490,966

5a. Financial Assets At Amortized Cost

2022	Gross Investment (GH¢)	Credit Loss Allowance (GH¢)	Net Investment (GH¢)
Local Gov. and Stat. Agencies	230,994,845	-	230,994,845
Provision for impairment	(9,239,794)	-	-
	221,755,051		
Treasury Bills	31,539,300	-	31,539,300
Money Markets	22,066,092	-	22,066,092
Corporate Bonds	41,852,116	-	41,852,116
	317,212,559	-	326,452,353

5b. Financial Assets At Amortized Cost

2021	Gross Investment (GH¢)	Credit Loss Allowance (GH¢)	Net Investment (GH¢)
Local Gov. and Stat. Agencies	158,989,212	-	158,989,212
Treasury Bills	58,650,530	-	58,650,530
Money Markets	53,169,589	-	53,169,589
Corporate Bonds	34,786,953	-	34,786,953
	217,640,645	-	305,596,284

6. Financial Assets At Fvtpl

	2022 (GH¢)	2021 (GH¢)
Gov. Notes/Bonds	1,029,058,036	693,574,725
Provision for impairment	(69,159,241)	-
	959,898,795	693,574,725
Quoted Shares	14,102,056	5,382,566
Collective Investments	47,010,561	110,547,133
Alternative Investment	220,320	-
	1,021,231,732	809,504,424



Notes to the Scheme's Financial Statements

7. Accounts Receivable

	2022 (GH¢)	2021 (GH¢)
Investments Receivable	27,597,111	2,484,379
Less: Accumulated Impairment	(2,729,382)	(2,447,538)
Net Receivable	24,867,729	36,841
Contributions Receivable	21,912,012	13,818,236
	46,779,741	13,855,077

8. Benefits Payable

	2022 (GH¢)	2021 (GH¢)
Redemption Payable	435,593	813,454

9. Administrative Expenses Payable

	2022 (GH¢)	2021 (GH¢)
NPRA Fees	426,492	320,778
Administrator / Trustees Fees	1,718,893	1,292,833
Pension Fund Management Fees	313,643	224,381
Pension Fund Custodian Fees	227,933	194,411
Audit Fees	68,264	47,700
	2,755,225	2,080,103

10. Accounts Payable

	2022 (GH¢)	2021 (GH¢)
Due to Broker	98,793	103,750



Notes to the Scheme's Financial Statements

11. Members Contributions

	2022 (GH¢)	2021 (GH¢)
Contributions Received	191,712,480	137,482,961
Contributions Receivable	21,912,012	13,818,236
Surcharge Receivable	5,138,059	57,879,431
	218,762,551	209,180,629

12. Benefits To Members

	2022 (GH¢)	2021 (GH¢)
Lump Sum Benefit	46,301,053	35,547,608

13. Investment Income

	2022 (GH¢)	2021 (GH¢)
Interest on Gov. Notes/Bonds	165,294,395	119,827,445
Interest on Local Gov. and Statutory Agency	32,822,997	16,131,319
Interest on Money Market Securities	3,938,090	17,099,477
Interest on Corporate Bonds	7,979,314	5,496,657
Dividend Income	1,223,566	284,738
Interest on Call Accounts	628,967	516,753
	211,887,329	159,356,389



Notes to the Scheme's Financial Statements

14. Credit Loss Allowance

	2022 (GH¢)	2021 (GH¢)
Balance at 1st January	<u>2,447,538</u>	<u>4,726,444</u>
Add Allowance Made during the year:		
Impairment of Receivables	281,844.00	281,844.03
	281,844	281,844
Less: Reversal of Provision made	-	(2,560,750)
Total allowance made during the year	281,844	(2,278,906)
Balance at 31st December	2,729,382	2,447,538

15. Brokerage Fees/Levies/Commission/Impairment

	2022 (GH¢)	2021 (GH¢)
CSD Fees	174,375	124,916
Broker Fees	-	105,591
Stock Exchange Fees	-	11,022
Legal Fees on PBC Receivable recovery	-	144,362
	174,375	385,891

16. Net Gains / (Loss) On Investments

	2022 (GH¢)	2021 (GH¢)
Gov. Notes/Bonds	87,123,895	(9,928,214)
Local Gov. and Statutory Agencies	16,741,408	7,168,991
Treasury Bills	6,153,640	7,513,602
Corporate Bonds	30,286	-
Collective Investments	1,828,068	7,846,150
Quoted Share	(1,210,633)	1,599,078
Others (Currency)	(2,901,639)	-
	107,765,025	14,199,607



Notes to the Scheme's Financial Statements

17. Administrative Expenses

Asset Based Fees	2022 (GH¢)	2021 (GH¢)
NPRA Fees	4,487,282	3,412,315
Administrator / Trustees Fees	18,085,105	13,752,490
Pension Fund Management Fees	3,187,673	2,502,943
Pension Fund Custodian Fees	2,491,372	2,068,070
	28,251,432	21,735,818
Audit Fees	68,264	47,700
	28,319,696	21,783,518

18a. Net Assets Available For Benefits

2022	Contributions (GH¢)	Net Investment Income (GH¢)	Total (GH¢)
Balance at 1st January	686,064,881	540,263,995	1,226,328,876
Additions	218,762,551	319,477,979	538,240,530
(Deductions)	(74,620,749)	(78,680,879)	(153,301,628)
	830,206,682	781,061,095	1,611,267,777

18b. Net Assets Available For Benefits

2021	Contributions (GH¢)	Net Investment Income (GH¢)	Total (GH¢)
Balance at 1st January	512,431,860	386,598,502	899,030,362
Additions	151,301,197	153,665,493	304,966,690
(Deductions)	(35,547,608)	-	(35,547,608)
	57,879,432	-	57,879,432
	686,064,881	540,263,995	1,226,328,876

19. Impairment Expense

2021	Contributions (GH¢)	Net Investment Income (GH¢)
Provision for impairment of Financial Asset	512,431,860	-
Impairment of Receivable	151,301,197	281,844
	78,680,879	281,844



Notes to the Scheme's Financial Statements

20. Financial Risk Management, Objectives And Policies

The Scheme has exposure to but not limited to the following risks from its use of financial instruments

- Asset/Portfolio/Credit risk
- Liquidity risk
- Market risk
- Equity price risk
- Interest rate risk
- Operational risk

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.

Risk Management framework

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

An Investment Asset Allocation Policy which is aimed at ensuring that the Trustee positions the Scheme's portfolio to amass optimal returns within the changing market environment and expectations while ensuring that the corpus, risk and performance of the investment portfolio remains relatively safe and sound, is reviewed and approved by the Board of Trustees. The approved Statement of Investment Policy serves as the guide for all investment activities of the Scheme.

In assessing the risk inherent in the portfolio, each asset class risk is measured with a keen eye on mitigating measures and controls on the risk. The first part of the measurement exercise, is the establishment of the Expected Return on each asset class. The second part comprises the assessment of the risk characteristics of each asset; particularly in contribution with the current portfolio. The risk of the individual assets is measured in the context of the effect of their returns on the overall portfolio volatility. The risk of financial loss to the Scheme if a counterparty to a financial instrument fails to meet its contractual obligations.

The Scheme has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Areas where credit risk arises include cash and cash equivalents, corporate bonds and deposits with banks and other financial institutions.

The Scheme has no significant concentrations of credit risk. The Scheme structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparty, and



Notes to the Scheme's Financial Statements

to geographical and industry segments. Such risks are subject to quarterly reviews. Limits on the level of credit risk by category and territory are approved through its Statement of Investment Policy (SIP).

(b) Liquidity risk

Liquidity risk is the risk associated with a situation where a Scheme does not have sufficient financial resources available to meet all of its obligations and commitments when they fall due, or can access them at an excessive cost. The Scheme does not maintain cash resources to meet benefit payments requests received. The investment policy of the Scheme ensures that investments can be liquidated to meet its benefit payment obligations. Nonetheless, there are new contributions funds collected monthly which are used to meet these obligations when they fall due.

(c) Market risk

Market Risk is the risk associated with changes in market prices, such as interest rate, equity prices and foreign exchange rates that will affect the Scheme's income or the value of its portfolio of financial instruments.

Scheme's activities expose it to a variety of financial risks: Market risks (including interest rate risk, and price risk), credit risk and liquidity risk. The Scheme's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance, but the Scheme does not hedge any risks using derivatives.

(d) Equity Price risk

Listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities.

The Scheme is exposed to equity securities price risk because of investments in quoted shares classified as available-for-sale. To manage its price risk arising from investments in equity and debt securities, the Scheme diversifies its portfolio. Diversification of the portfolio is done in accordance with limits set by the Scheme through its Statement of Investment Policy (SIP). All quoted shares held by the Scheme are traded on the Ghana Stock Exchange (GSE).

(e) Interest Rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest. Fixed interest rate financial instruments carried at fair value expose the Scheme to fair value interest rate risk. Variable interest rate financial instruments expose the Scheme to cash flow interest rate risk.

The Scheme's fixed interest rate financial instruments are government securities, deposits with financial institutions and borrowings. The Scheme does not hold variable interest rate financial instruments. The Scheme monitors its financing options regularly to ensure optimum interest rates are obtained on instruments invested in.



Notes to the Scheme's Financial Statements

(f) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Scheme, processes, personnel, outsourcing, technology and infrastructure, and from external factors other than market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Scheme conducts its business in a responsible, professional and transparent way by following the necessary legal and regulatory processes. The Scheme's activities are undertaken in a manner which adequately mitigates all risks associated with its operations.

Additionally, the Trustee of Scheme has deployed a robust ICT infrastructure and back up (onsite and off-site) systems to facilitate its data management. Staff are also constantly trained to help them stay abreast with industry standards.

21. Contribution Receivable

Contributions Outstanding 2022	Contributions (GH¢)	Surcharge (GH¢)	Total (GH¢)
For Less than 30 days	17,311,821	677,640	17,989,461
Between 30 and 60 days	589,792	17,694	607,486
Between 60 and 90 days	1,769,377	53,081	1,822,458
More than 90 days	2,241,022	62,269,075	64,510,098
	21,912,012	63,017,490	84,929,502

Contributions Outstanding 2021	Contributions (GH¢)	Surcharge (GH¢)	Total (GH¢)
For Less than 30 days	24,652	32,165	58,816
Between 30 and 60 days	1,057,905	1,122,332	2,180,237
Between 60 and 90 days	288,996	377,075	666,071
More than 90 days	12,446,683	56,347,860	68,794,543
	13,818,236	57,879,432	71,697,668

22. Surcharge Receivable

	2022 (GH¢)	2021 (GH¢)
Opening Balance	57,879,431	-
	5,138,058	57,879,431
	63,017,490.47	57,879,431



Notes to the Scheme's Financial Statements

23. Taxation

The Scheme is exempted from taxation in accordance with the provisions of the National Pensions Act 2008 (Act 766) as amended by the National Pensions (Amendment) Act 2014 (Act 883) and the Income Tax Act 2015 (Act 896).

24. Commitments And Contingencies

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

25. Events After The Reporting Period

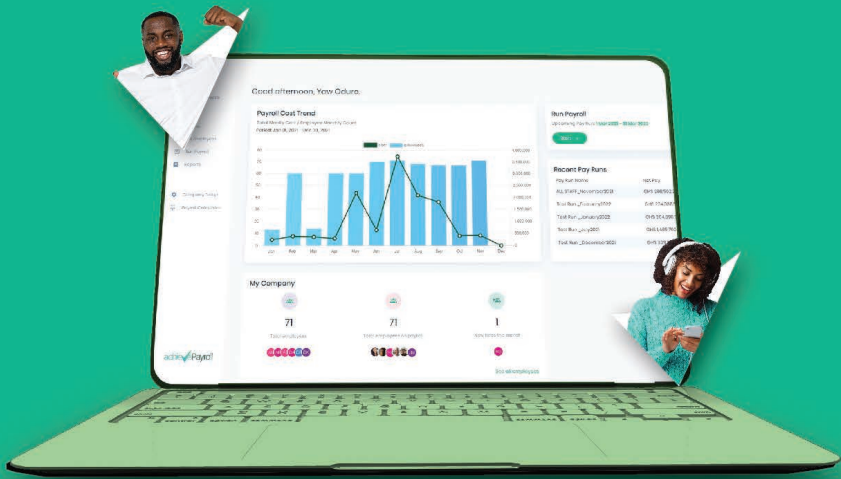
Events subsequent to the reporting date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

26. Related Party Transactions

Petra Trust Company Limited (the Scheme's sponsor) is paid management fees for its role as the Scheme's Administrator.

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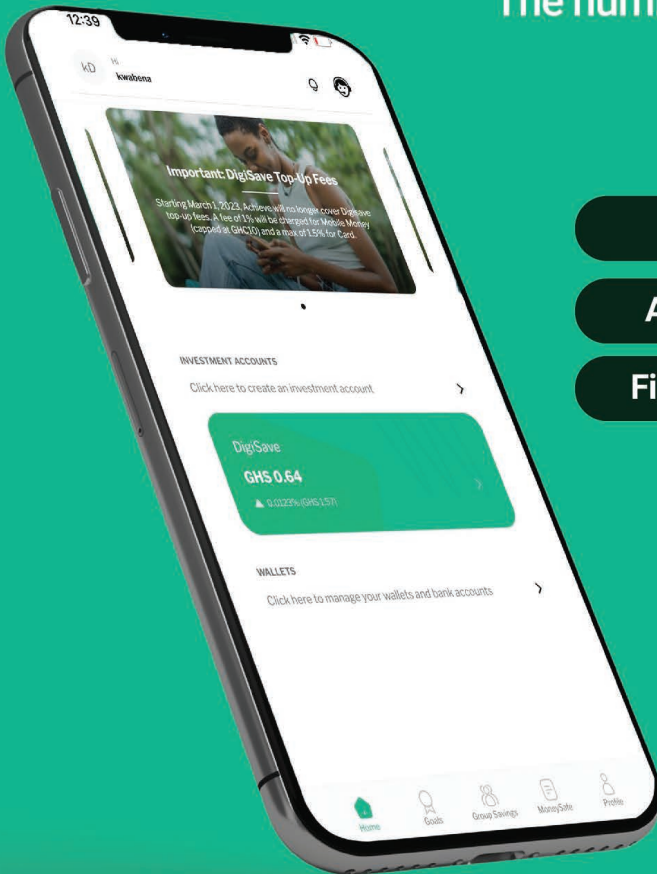
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