

# Petra Opportunity Pension Scheme 2014 Annual Report



**PETRA**   
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*the pensions expert*



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**Scheme Details**

**Scheme Name:**

Petra Opportunity Pension Scheme

**Managing Trustee**

Petra Trust

**Fund Administrator:**

Petra Trust Company Limited  
113 West Airport  
Accra | Ghana  
P.O Box CT 3194  
Cantonments | Accra | Ghana

**Fund Managers**

IC Securities Limited  
NDK Financial Services Ltd.  
Fidelity Securities Limited  
FirstBanC Financial Services  
Merban Investment Holding  
Frontline Capital Advisors

**Custodian**

Stanbic Bank Custody Services  
Stanbic Heights  
Airport City | Accra

**Auditor**

Intellisys  
Chartered Accountants  
Office No. 2, 1st Floor  
Swanzy Arcade  
P. O. Box K N 4169  
Kaneshie



## Introduction – MD's message

Dear Scheme Member,

As a participant of the Petra Opportunity Pension Scheme, we are happy to present you our premier annual report. The board, staff and management of Petra Trust are privileged to have you as a participant of the scheme.

The year 2014 was a challenging year. However, we did steer the affairs of the scheme to ensure protection of your funds and also provide competitive returns. The GSE CI returned 5.40% as compared to the 78.8% return from 2013, mainly due to challenges with the appreciation of the major trading currencies against the cedi as well as with the energy crisis.

The scheme's funds were invested in asset classes that offered higher returns – mainly fixed deposits and short term government of Ghana securities. We also traded on the secondary market to capture some good earnings from the purchase of securities in that market due to the higher yields offered. The scheme introduced Corporate Bonds into our portfolio to ensure that the scheme gained from the returns on this permissible asset class.

For the year under review, the scheme put in place measures to ensure that members with email addresses on file could create their online log-ins and also receive their statements via these email addresses. Petra Trust undertook steps to ensure that scheme participants were educated on the new Pensions Act and its implications for both the employee and employer. This was done via a series of staff education and Insight article publications. Petra will continue on this trajectory to ensure that all scheme participants are educated and receive regular updates on their pension funds via online access or text messages.

In the coming year, the Scheme will introduce new products and encourage members to continue to engage with Petra Trust in order to enjoy the benefits that come with the new Pensions law, ACT 766. We will also create other platforms that will enhance our communication with our scheme participants. We will identify permissible asset classes and place funds in them to ensure the continuous growth of your pension funds.

My sincere gratitude goes to you our scheme members for placing your trust and confidence in us as the Pensions Experts. Also, a big thank you to our Fund Managers and custodian, we appreciate your hard work over the period and we believe it will continue. To the staff, management and Board of Petra Trust, thank you for your hard work and dedication to the success story of the Pensions expert – Petra Trust.



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Kofi Fynn

(Managing Director)

## The Scheme's report

The scheme is a fully funded voluntary, tax-advantaged scheme that an employee and/or employer can contribute into, with the view of saving long term. The maximum allowable tax free contribution that can be made into a tier 3 scheme is 16.5% of the employee's monthly salary.

As the corporate trustee, Petra provides all the investment and administration services with the sole aim of providing you the employee with first class investment return and first class services.

The scheme is designed to achieve net returns that exceed increases in the inflation rate as measured by the Consumer Price Index (CPI). Secondly, we will ensure that the amounts credited to members each year are competitive with those credited by other tier 3 schemes and also achieve positive returns after fees in at least eight (8) out of the ten (10) financial years.

### ▶ Structure and Management

Petra as the fund administrator took decisions on the management of the scheme and ensured that the scheme was compliant with laid down regulations set by the NPRA. Petra also ensured that assets and returns were properly allocated to your unique account as a scheme participant. In course of the year, Petra put in place measures that made it possible for members (with email addresses on file) to assess their contributions and accrued benefits via the scheme's online portal.

### ▶ Investment

As the corporate trustee, Petra provides all the investment and administration services with the sole aim of providing you the employee with first class investment return and first class services. Our emphasis on investment policy formulation, strategic and tactical asset allocation, and benchmark design ensures that the investment goals of our scheme are achieved. All returns from the investment of the scheme funds are credited back to the scheme members account after expenses have been deducted.

The asset mix for the Petra Opportunity is not fixed; it is adjusted to reflect Petra Trust's investment outlook based on macro-economic forecasts. However, the scheme is always invested in line with the assets class limits set by the regulator – National Pensions Regulatory Authority (NPRA).

**Membership: Contributions and Benefits**

The Scheme is open to both employees and employers. One becomes a member of the Scheme by completing an application form. Every individual (formal or informal sector employee) can contribute in to the Scheme. The individual and/or the employer may contribute more than 16.5%; however any contribution beyond the allowable maximum (16.5%) will be subjected to the appropriate taxes.

There were 6,634 active participants of the Scheme as at 31<sup>st</sup> December 2014 with a total scheme value of GHS36,393,392.00. Out of the total scheme value, employees seeking to withdraw a portion of the funds were paid a total of GHS115,746.00 within an average of three (3) working days as compared the stipulated 30 workings days by law. This is an indication of Petra's desire to maximizing customer satisfaction. In order to enjoy the full tax benefits, we advise employees who are exiting the Scheme to keep their contributions in a Personal Pension Scheme with Petra or transfer their funds to their new employer's tier 3 scheme to avoid paying taxes. The law allows fund to be transferred amongst schemes at no cost to the employee or employer while saving on taxes.



## Review of 2014 Economic and Financial Market Performance

The energy crisis deepened over the year and had a significant effect on businesses and households. Rapid depreciation in the local currency over the first eight months led to high inflation and increasing input costs, especially in the industrial sector. Inflation was also spurred on by Government's removal of subsidies on utilities and fuel products in its attempts to cut down the fiscal deficit. Year-on-year inflation ended the year at 17% in December 2014, from 13.8% recorded at the beginning of the year. Provisional estimates from the Ghana Statistical Services show a GDP growth rate of 4.6% in 2014.

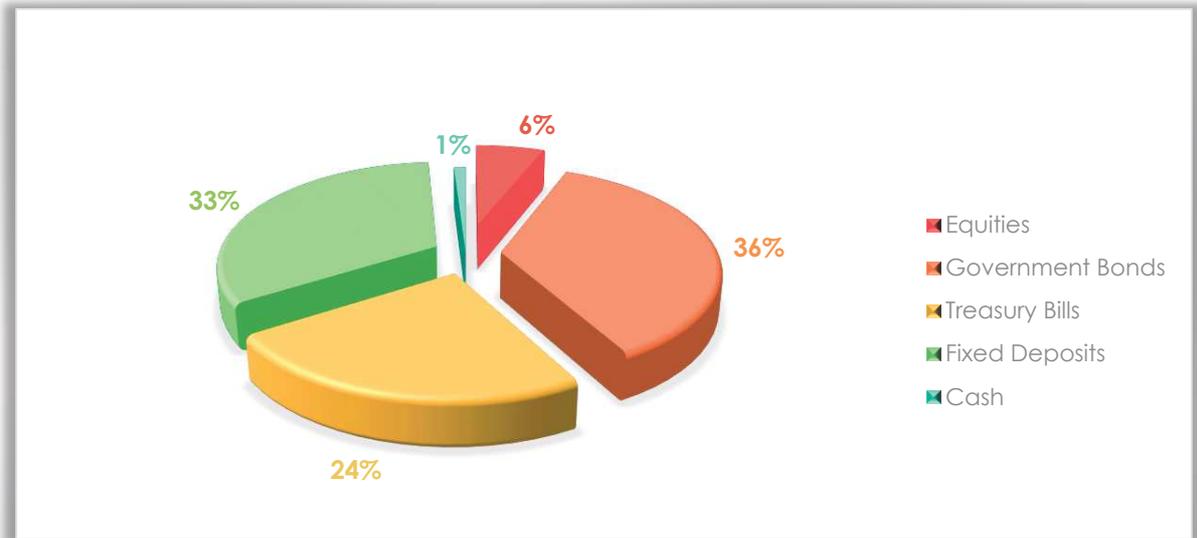
On monetary policy, the Central Bank raised the policy rate three times during the year as part of efforts to reduce inflationary pressures and introduced foreign currency market regulations to control excessive speculation on the Cedi. The results of these measures were the temporary strengthening of the Ghanaian cedi against the major trading currencies in the last quarter of 2014. Receipts of Grants and FDI fell again in 2014, resulting from Ghana's status as a low middle-income country and from a lack of confidence in economic management. The banking industry proved resilient to the economic slowdown as the industry exhibited a positive outlook with total

The Ghana Stock Exchange closed the year 2014 with a return of 5.4% as against 78.81% in 2013.

## 2014 Asset Allocation

As at December 31, 2014, the Scheme had a total of 36% in government of Ghana bonds, 24% in government of Ghana Treasury bills and a 1% cash position. The scheme also had 6% in Equities and a 33% holding in Fixed Deposits.

Asset Class	Value (GHS)	% of Scheme
Equities	2,293,026.00	6
Government Bonds	12,101,407.00	36
Treasury Bills	9,319,430.00	24
Fixed Deposits	11,928,529.00	33
Cash	751,000.00	1
<b>Total</b>	<b>36,393,392.00</b>	<b>100</b>



**Outlook and Strategy for 2015**

In our view, we believe Ghana’s economy would continue to be challenged throughout the year 2015 even with the support from the IMF. We are hopeful that the government will reach a deal with the IMF within the first quarter of the year. The key objective will be to ensure fiscal discipline per the expectations of many financial analysts. The 2015 budget will be instrumental to address the revenue shortfalls and ensure the achievement of the objectives of the ongoing fiscal consolidation.

The successful implementation of this budget plan would lead to the fiscal consolidation that is solely needed to get the country back on sustainable growth path. In the short term, the proposed measures required to achieve fiscal consolidation, such as the removal of government subsidies and government wage bill restructuring, will significantly constrain economic growth and private sector employment growth. With both the private and government sector under pressure, and given the backdrop of falling global commodity prices, we do not expect the Ghanaian economy to grow more than 3.5 percent this year (against the Government’s growth of 3.9 percent in 2015)

Monetary policy will continue to be restrictive, with the Bank of Ghana policy rate staying above 20% through the first six months of this year. We expect the Central Bank to use its monetary policy rate to gradually steer inflation down. We also expect measured depreciation of the Ghana cedi as a result of an improving current account position, and the continued impact of high rates. The combined impact of the IMF program, the Ghanaian cedi’s improved performance and the expected drop in the rate of inflation, should lead to interest rates beginning to drop in the second half of the year

We anticipate a lackluster performance of equities in the first half of the year with a marginal pickup in performance in the second half of the year if the energy and power issues facing the country subside and performance of the cedi against the major trading currencies is sustained. We expect the performance of equities in the second half of the year to be further supported by the gradual drop of interest rates as they begin to impact on financial services stocks, and as the markets begin to price in the uncertainty of political activity in 2016.

Our expectation is for the GSE-CI to generate a positive return for 2015, as pension funds continue to build their exposure to stocks.

Our strategy will be to continue to add on to short term rates in both government securities and money markets. We will maintain this interest rate posture until we see a convergence between short-term rates (less than 1 year to maturity) and the long-term rates, which have already fallen significantly. We will also look to add on to any corporate bonds that are issued at yields higher than what the government and banks are offering. On the equity market, we will maintain our current position, and look to add opportunistically to any stocks whose pricing looks compelling.

**Conclusion**

We would like to thank all our scheme members for the confidence reposed in us as their preferred trustee within the pensions industry in Ghana. The year 2015 looks challenging, but should present a number of opportunities for investment performance, which we expect to exploit. In addition, we will continue with the initiatives already begun to ensure the delivery of quality services and convenience for scheme members.

Thank you for placing your pensions in safe hands.

**For the Trustees of Petra Advantage Pension Scheme**

  
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**30<sup>th</sup> April, 2015**

## The Managing Trustees' Report

### ▶ To the members of the Petra Opportunity Pension Scheme

#### ▶ Introduction:

The Trustees of the Petra Opportunity Scheme ("The Fund") present their annual Trustee Report together with the Independent Auditor's Report, Financial Statement and notes and Summary of contributions for the year ended 31st December, 2014.

#### ▶ Constitution and Governance

The Fund is a defined contribution scheme, established under trust with Petra Trust scheme Limited as the trustee, and is governed by a Trust Deed and Rules approved by the National Pensions Regulatory Authority. The Trustee is responsible for the management and governance of the Fund and as such we have monitored the various Codes of Practice and related guidance materials published during the year by the Pensions Regulator and other regulatory bodies, to ensure that the Fund and its administration are in compliance.

#### ▶ Trustees Responsibility

The Fund's Trustee is responsible for preparing the financial statements in accordance with applicable laws and Generally Accepted Accounting Practice and for making available certain information about the fund in the form of an Annual Report. Pension Fund Regulations require the Trustee to make available to the Fund members, beneficiaries and other parties, audited financial statements for each fund year which show a true and fair view of the financial transactions of the Fund during the year and of the amount and disposition at the end of that year of the assets and liabilities, other than liabilities to pay pensions and benefits at the end of the fund year.

We have supervised the preparation of the financial statements, and have agreed suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis. The Trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Fund and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

**Scheme (The Fund) Statistics.**

i. Scheme membership is as follows:  
Members at 31<sup>st</sup> December 2014

**6,634**  
**31/12/2014**

ii. Below are the asset allocation percentages for the year ended:

Equities  
Government Bonds  
Indirect Government Bonds and Treasury Bills  
Fixed Deposits  
Cash

	<b>(%)</b>
	<b>6</b>
	<b>36</b>
	<b>24</b>
	<b>33</b>
	<b>1</b>
	<b>100</b>

► Statements by Independent Auditor



Office No. 2, 1st Floor  
Swamy Arcade  
43 Kwame Nkrumah Avenue  
P. O. Box KN 4168  
Kashebe-Accra  
Tel: 030 2 671 235 / 030 2 670 826  
Fax: 030 2 671 214  
Email: info@intellisysgh.com  
Website: www.intellisysgh.com

## Independent Auditor's Report

### To the Members of Petra Opportunity Pension Scheme

#### Report on the Financial Statements

We have audited the financial statements of Petra Opportunity Pension Scheme, which comprise the statement of asset and liabilities as of 31 December 2014, statement of changes in net asset available for benefit and the cash flow statement for the period then ended, and a summary of significant accounting policies and other explanatory notes, and have obtained all information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

#### Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of these financial statements in accordance with Pension Act 2008 (Act 766). These responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Independent Auditor's Report

### To the Members of Petra Opportunity Pension Scheme (Continued)

#### Opinion

In our opinion, the Scheme has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Pension Act 2008 (Act 766). The financial statements give a true and fair view of the financial position of the Scheme as at 31 December 2014, and of its performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

#### Report on Other Legal and Regulatory Requirements

The Ghana Pension Act 2008, (Act 766) 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) In our opinion proper books of accounts have been kept by the Scheme so far as appears from our examination of those books, and
- iii) The statement of financial position and statement of comprehensive income of the Scheme are in agreement with the books of account.

*Intellisys*

Signed by: Ben Korley (ICAG/P/1051)  
For and on behalf of Intellisys (ICAG/F/2014/078)  
Chartered Accountants  
Swanzy Arcade, Accra

Dated: 30 April, 2015

▶ **The financial statements**  
**Petra Opportunity Pension Scheme**

**Statement of Financial Position**  
**As At 31 December, 2014**

	Note	2014 GH¢	2013 GH¢
<b>Assets</b>			
<b>Current Assets</b>			
Investments	9	<b>36,393,392</b>	16,732,478
Cash and cash equivalent	10	<b>291,101</b>	204,488
Receivables	11	<b>1,676,801</b>	1,057,314
<b>Total assets</b>		<b><u>38,361,294</u></b>	<u>17,994,280</u>
<b>Liabilities</b>			
Payables	12	<b><u>435,681</u></b>	<u>207,835</u>
<b>Total Liabilities</b>		<b><u>435,681</u></b>	<u>207,835</u>
Net assets available to pay benefits		<b><u>37,925,613</u></b>	<u>17,786,445</u>
<b>Represented by:</b>			
Members' Fund	13	<b>30,480,518</b>	15,932,510
Retained Earnings		<b><u>7,445,095</u></b>	<u>1,853,935</u>
		<b><u>37,925,613</u></b>	<u>17,786,445</u>



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**TRUSTEE**

**30<sup>th</sup> April, 2015**



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**TRUSTEE**

**30<sup>th</sup> April, 2015**

**Petra Opportunity Pension Scheme**

**Statement of Comprehensive Income  
For the Year Ended 31 December, 2014**

		12 months to 31\12\2014	17 months to 31\12\2013
	Note	GH¢	GH¢
Interest Income	3	<b>5,640,993</b>	1,940,397
Administrative expenses	4	<b>(561,641)</b>	(238,368)
<b>Net income</b>		<b>5,079,352</b>	1,702,029
Other Income	5	<b>44,575</b>	13,850
<b>Increase in net assets available for benefits for the year</b>		<b>5,123,927</b>	1,715,879

**Other Comprehensive Income**

Realized gains on sale of investments	7	<b>180,139</b>	28,206
Unrealized gains on investments	8	<b>287,094</b>	109,850
Total other comprehensive income for the year		<b>467,233</b>	138,056
<b>Total comprehensive income for the year</b>		<b>5,591,160</b>	1,853,935



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**TRUSTEE**

**30<sup>th</sup> April, 2015**



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**TRUSTEE**

**30<sup>th</sup> April, 2015**

**Petra Opportunity Pension Scheme**  
**Statement of Changes in Net Assets Available For Benefit**  
**For the Year Ended 31 December, 2014**

	<b>2014</b>	2013
	<b>GH¢</b>	GH¢
<b>Net assets available to pay benefits at 1 beginning</b>	<b>17,786,445</b>	-
Increase in net assets available to pay benefits	<b>5,591,160</b>	1,853,935
Contributions from members	<b>14,548,008</b>	15,932,510
<b>Net assets available to pay benefits at 31 December</b>	<b>37,925,613</b>	17,786,445

## Petra Opportunity Pension Scheme

### Statement of Cash Flows For the Year Ended 31 December, 2014

	2014 GH¢	2013 GH¢
Operating profit for the year before Tax	5,591,160	1,853,935
<b>Adjustments for:</b>		
Gain on sale of investments	(5,682,444)	(329,183)
Changes in net market value of investments	(287,094)	(194,108)
Increase in payables	227,846	207,835
Decrease in receivables	(619,487)	(1,057,314)
<b>Net cash from operating activities</b>	<b>(770,019)</b>	481,165
Tax Paid	-	-
<b>Cash flow from investing activities</b>		
Payment for purchase of investments	9a (46,111,270)	(20,227,246)
Proceeds from investment maturities	9b 32,409,364	3,976,479
Proceeds from disposal of investments	9b 10,530	41,580
<b>Net cash used in investing activities</b>	<b>(13,691,376)</b>	(16,209,187)
<b>Cash flow from financing activities</b>		
Contributions	14,548,008	15,932,510
<b>Net cash from financing members</b>	<b>14,548,008</b>	15,932,510
Movement in cash and cash equivalents	86,613	204,488
Cash and cash equivalents at 1 January	204,488	
Cash and cash equivalents at 31 December	291,101	204,488
Analysis of cash and cash equivalents during the period		
Cash and cash equivalents at 31 December	291,101	204,488

## Petra Opportunity Pension Scheme

### Notes to the Financial Statements For the period ended 31 December 2014

#### 1.0 General information and summary of significant accounting policies

##### 1.1 Corporate Information

Petra Opportunity Pension Scheme is a private pension trustee scheme registered in Ghana under the Companies Code, 1963 (Act 179) and the Pensions Act 2008 (Act 766). 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 F304-5 Dade Close, Labone-Accra-Ghana

##### 1.2 Statement of Compliance

The financial statements have been prepared in accordance with all International Financial Reporting Standards, issued by the International Accounting Standards Board.

##### 1.3 Basis of Preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as defined by IAS 1. They have been prepared on a historical cost basis except for the following assets and liabilities that are stated at their fair values: financial instruments that are at fair value through profit or loss; financial instruments classified as available-for-sale.

These financial statements of the scheme do not purport to show the adequacy of the scheme's assets to meet its obligation. Such an assessment requires additional information, such as the scheme's actuarial reports.

##### 1.4 Use of Estimates and Judgement

The preparation of financial statements in conformity with IFRSs requires Management to make judgment, 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 other factors that are reasonable under the circumstances, the results of which forms the basis of making the judgment about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimates is revised if the revision affects only that period or in the period of the revision and future periods.

### **1.5 Summary of Significant Accounting Policies**

The significant accounting policies adopted by Petra Opportunity Pension Scheme under the International Financial Reporting Standards (IFRSs) are set out below.

## Petra Opportunity Pension Scheme

### Notes to the Financial Statements For the period ended 31 December 2014

#### 1.5.1 Financial Assets and Financial Liabilities

- **Financial Assets**

The Scheme classifies its financial assets in the following categories: financial assets as fair value through profit or loss; loans and receivables; and available-for-sale financial assets; and held-to-maturity investments. Financial liabilities are classified as either held at fair value through profit or loss, or amortized cost. Management determines the categorization of its financial assets and financial liabilities at initial recognition.

Financial assets are recognized initially on the trade date, which is the date that the Scheme becomes a party to the contractual provisions of the instrument. Upon initial recognition, attributable transaction costs are recognized in the statement of comprehensive income as incurred.

The Scheme measures all of its investments at fair value through the statement of comprehensive income.

All other non-derivative financial assets including accrued investment income, contributions receivable, and due from investment dealers are measured at amortized cost.

The Scheme derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Scheme neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

On the derecognition of a financial asset, the difference between the carrying amount of the asset and consideration received is recognized in the statement of comprehensive income as a net realized gain or loss on sale of investments.

#### 1.5.2 Financial Liabilities

All financial liabilities are recognized on the trade date at which the Scheme becomes a party to the contractual provisions of the instrument.

The Scheme derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial assets and liabilities are offset and the net amount presented in the statement of net assets, when, and only when, the Scheme has a legal right to offset the amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Scheme considers its accounts payable and accrued liabilities to be a non-derivative financial liability.

## Petra Opportunity Pension Scheme

### Notes to the Financial Statements For the period ended 31 December 2014

#### General information and summary of significant accounting policies (continued)

##### 1.6.1 Fair value measurement

In determining fair value, the Scheme has early adopted the guidance in IFRS 13, Fair Value Measurement ("IFRS 13"), in Part I of the CICA Handbook. As allowed under IFRS 13, if an asset or a liability measured at fair value has a bid and an ask price, the price within the bid-ask spread that is the most representative of fair value in the circumstances shall be used to measure fair value. The Scheme uses closing market price as a practical expedient for fair value measurement.

When available, the Scheme measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

If a market for a financial instrument is not active, then the Scheme establishes fair value using a valuation technique. Valuation techniques include using recent arm's length transactions between knowledgeable, willing parties (if available), reference to the current value of other instruments that are substantially the same, discounted cash flow analyses and option pricing models.

##### 1.6.2 Fair value measurement (continued):

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e. the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognized in profit or loss on an appropriate basis over the life of the instrument by not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

The investments are stated at fair value.

Fair values of investments are determined as follows:

Bonds, debentures and equities are valued at year-end quoted market prices where available. Where quoted prices are not available, estimated fair values are calculated using comparable securities.

Investment transactions are accounted for on the trade date.

## ▶ Petra Opportunity Pension Scheme

### Notes to the Financial Statements For the period ended 31 December 2014

#### 1.7 Net realized and unrealized gains (losses):

The net realized gain (loss) on sale of investments is the difference between proceeds received and the average cost of investments sold. The net unrealized gain (loss) is the difference between the cost and fair market value of the investment.

#### 1.8 Investment income:

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

#### 1.9 Dividends

Dividend income is recognized in the statements of comprehensive income when the right to receive income is established.

#### 2.0 Cash and Cash Equivalents

For the purposes of cash flow statement cash and cash equivalents include cash, amounts due from non-financial institutions and financial institutions and short term government securities maturing in three months or less from the date of acquisition.

#### 2.1 Foreign currency translation:

The fair values of foreign currency denominated investments included in the statement of net assets are translated into Ghana cedis at year end exchange rate. Gains and losses arising from translations are included in the change in net unrealized gains or loss in investments.

Foreign currency denominated transactions are translated into Ghana cedis at the rate of exchange on the date of the related transaction. Cost of investments, as disclosed in note 2, are translated into Ghana cedis at the rate of exchange on the date of purchase.

#### 2.2 Income taxes:

The Scheme is not subject to income taxes since it is a Registered Pension Trust as defined by the Pension Act.

#### 2.3 Provision

Provisions for restructuring costs, legal claims and similar events are recognized in the statement of financial position when: the Scheme has a present legal or constructive obligation as a result of past events; it is more likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. When the Scheme expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset when the reimbursement is virtually certain. The charge relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

## ▶ Petra Opportunity Pension Scheme

### Notes to the Financial Statements For the period ended 31 December 2014

#### General information and summary of significant accounting policies (continued)

#### 2.4 Employee Benefits

##### 2.4.1 Defined Contribution Schemes

Defined contribution Schemes are post-employment benefit Schemes under which the Scheme pays fixed contributions into a separate fund and has no legal or contractual obligation to pay further contributions if the fund does not hold sufficient asset to pay all employee benefits relating to employee service in the current and prior periods.

Obligation for contributions to defined contribution Schemes are recognized as an expense in the statement of comprehensive income when they are due.

##### 2.4.2 Short-Term Benefits

Short-term employee benefits are amount payable to employees that fall due wholly within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term employee benefits are recognized as an expense in the period when the economic benefit is given, as an employment cost. Unpaid short-term employee benefits as at accounting period are recognized as an accrued expense and any short-term benefit paid in advance are recognized as prepayment to the extent that it will lead to a future cash refund a reduction in future cash payment.

##### 2.4.3 Termination Benefits

Termination benefits are recognized as an expense when the Scheme is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed Scheme to terminate before the normal retirement date. Termination benefits for voluntary redundancies are recognized if the Scheme has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptance can be estimated reliably.

##### - Related party

Petra Trust scheme Limited provides certain administrative services to the Scheme. The cost to the Scheme for these services in the year ended December 31, 2014 were GH¢ 288,150 being the exchange amount agreed to by the parties, and is included in the administrative expenses and professional fees in the statement of changes in net assets available for benefits. At December 31, 2014 accounts payable and accrued liabilities included GH¢ 103,483.96 (2013 - GH¢ 39,611.49) owing to the Petra Trust scheme Limited relating to such services.

## ▶ Petra Opportunity Pension Scheme

### Notes to the Financial Statements For the period ended 31 December 2014

#### General information and summary of significant accounting policies (continued)

##### 2.6 Financial instruments:

The objectives of the Scheme are to accumulate funds for the purpose of providing lifetime income in retirement for Members of the Scheme. The objectives of the Administrator are to establish suitable investment vehicles that meet the risk tolerances of the Members and to provide information and education to enable the Members to understand the nature of the investments.

The investment vehicles provided in the Scheme are pooled fund investments managed by independent investment firms. The Administrator manages the following risks by allocating the funds among the pooled funds available and in doing so; delegates the risk management within the individual pooled funds to its investment advisors.

##### 2.6.1 Fair values:

The fair value of investments are disclosed in note 2. The fair value of other financial assets and liabilities, being contributions receivable and accounts payable and accrued liabilities, approximates their carrying value due to the short-term nature of these instruments.

Fair value measurements recognized in the statement of net assets available for benefits are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values.

##### 2.7 Associated risks:

##### 2.7.1 Market price risk:

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issue or all other factors affecting all instruments traded in the market. As all of the Plan's financial instruments are carried at fair value with fair value changes recognized in the statement of comprehensive income, all changes in market conditions will directly affect the change in net assets available for benefits. Market price risk is managed by the Administrator through construction of a diversified portfolio of instruments traded on various markets and across various industries. In addition, market price risk may be hedged using derivative financial instruments such as futures contracts.

## ▶ Petra Opportunity Pension Scheme

### Notes to the Financial Statements For the period ended 31 December 2014

#### General information and summary of significant accounting policies (continued)

##### 2.7.2 Foreign currency risk:

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Scheme invests in financial instruments and enters into transactions denominated in various foreign currencies. Consequently, the Scheme is exposed to risks that the exchange rate of the foreign currency may change in a manner that has an adverse effect on the value of the portion of the Scheme's assets or liabilities denominated in currencies other than Ghana cedis. The Scheme's overall currency positions and exposures are monitored on a regular basis by the Administrator, in accordance with the currency risk management program. The sensitivity to foreign currency risk is included in the market price risk analysis.

##### 2.7.3 Liquidity risk:

Liquidity risk is the risk that the Scheme will not be able to meet its obligations as they fall due. The Scheme maintains an investment policy, as approved by the Administrator, which contains asset mix guidelines which help to ensure the Scheme is able to liquidate investments to meet its pension benefit or other obligations.

The accounts payable and accrued liabilities are all due within 90 days or less.

##### 2.7.4 Interest rate risk:

Interest rate risk refers to the adverse consequences of interest rate changes on the Scheme's cash flows, financial position and income. The value of the Scheme's assets is affected by short-term changes in interest rates and equity markets. Interest rate changes directly impact the value of any fixed securities in the pooled funds. The sensitivity to interest rate risk is included in the market price risk analysis.

##### 2.7.5 Credit risk:

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Scheme. Credit risk is generally higher when a non-exchange traded financial instrument is involved because the counterparty for non-exchange trade financial instruments is not backed by an exchange clearing house.

##### 2.7.6 Legal risk:

The Scheme is not dependent on any patent or any industrial, commercial or financial contract. The Scheme's activities are undertaken in a manner which adequately reduces the Risks which may arise out of material litigation to be initiated against it (the Scheme).

### **2.7.7 Reputational risk:**

The Scheme conducts its business in a responsible, professional and transparent way. By offering simplified products and following the necessary legal and regulatory processes, the Scheme safeguards the interest of its customers as well as its reputation. Furthermore, the Scheme maintains close ties with the communities in which it operates by supporting them in various ways.

This is aimed at demonstrating our commitment and fostering a long term relationship with our customers and the public at large. We manage our image and reputation in a professional manner.

## Petra Opportunity Pension Scheme

### Notes to the Financial Statements For the period ended 31 December 2014

#### 3. Interest Income

	<b>2014</b>	2013
	<b>GH¢</b>	GH¢
Interest on Ghana Government Bonds	<b>2,396,252</b>	857,243
Interest on Corporate Bonds	<b>38,686</b>	-
Interest on Treasury Bills	<b>1,209,476</b>	363,010
Interest on Fixed Deposit	<b>1,903,503</b>	677,871
Interest on Call Account	<b>93,075</b>	42,273
	<b>5,640,993</b>	1,940,397

#### 4. Administrative expenses

	<b>2014</b>	2013
	<b>GH¢</b>	GH¢
Management fees	<b>548,166</b>	185,234
Audit fees	<b>8,000</b>	7,050
General office expenses	<b>5,475</b>	46,084
	<b>561,641</b>	238,368

#### 5. Other Income

	<b>2014</b>	2013
	<b>GH¢</b>	GH¢
Dividend Income	<b>44,575</b>	13,850
	<b>44,575</b>	13,850

#### 6. Taxation

The Fund is exempt from taxation in accordance with provisions of the National Pensions Act 2008(Act 706) and the Income Tax Act 2000(Act 592)

**Petra Opportunity Pension Scheme**

**Notes to the Financial Statements  
For the Year Ended 31 December, 2014**

<b>7. Net realized gain on sale of investment</b>	<b>2014</b>	2013
	<b>GH¢</b>	GH¢
Realized gain on other asset	<b>215,579</b>	
Realized gain/(loss) on Quoted Equities	<b>(7,491)</b>	20,236
Realized gain/(loss) on Ghana government bonds	<b>(27,949)</b>	7,970
	<b>180,139</b>	<b>28,206</b>
<b>8. Net unrealized gain on investment</b>	<b>2014</b>	2013
	<b>GH¢</b>	GH¢
Unrealized gain on Quoted Equities	<b>31,435</b>	138,521
Unrealized gain/(loss) on Ghana Government Bonds	<b>324,340</b>	(28,671)
Unrealized loss on Fixed Deposits	<b>(68,681)</b>	
	<b>287,094</b>	109,850

**Petra Opportunity Pension Scheme**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December, 2014**

**9. Investments**

**a. Analysis of change in value of investments**

<b>Financial Instruments</b>	<b>Balance 1/1/2014</b>	<b>Purchases at cost</b>	<b>Accrued Interest at 31/12/14</b>	<b>Interest received</b>	<b>Disposals/Maturities at Cost</b>	<b>Change in Value</b>	<b>Value at 31/12/2014</b>
Quoted Equities	679,152	1,600,249	44,575	44,575	17,810.00	31,435	2,293,026
Treasury Bills	4,520,541	17,599,427	1,209,476	1,209,476	12,800,538	-	9,319,430
Fixed Deposits	5,576,164	17,735,535	876,229	1,027,274	11,314,489	(68,681)	11,928,529
GOG Bonds Corporate Bond	5,956,621	8,425,059	2,396,252	1,632,805	2,604,613	324,340	12,101,407
	-	751,000	38,686	-	-	-	751,000
	<b>16,732,478</b>	<b>46,111,270</b>	<b>4,565,218</b>	<b>3,914,130</b>	<b>26,737,450</b>	<b>287,094</b>	<b>36,393,392</b>

**b. Proceeds from Disposal/Maturity of Investments**

	<b>Disposals</b>	<b>Maturities</b>
Quoted Equities	10,530	-
GOG Bonds	-	2,568,932
Treasury Bills	-	14,214,417
Fixed Deposits	-	15,626,015
	<b>10,530</b>	<b>32,409,364</b>

## c. Investment in Quoted Equity Shares

Stock Type Description	Stock Description	Year end Stock	Year end price	Disposals
Ayrton Drugs Manufacturing Company Ltd	AYRTN	7,300	0.18	1,314
Benso Oil Palm Plantation Limited	BOPP	8,400	4.10	34,440
CAL Bank	CAL	81,500	1.01	82,315
Ecobank Ghana	EBG	49,600	7.60	376,960
Ecobank Transnational Incorporation	ETI	182,500	0.28	51,100
Enterprise Group	EGL	139,400	1.75	243,950
Fanmilk Ltd	FML	11,120	5.25	58,380
Ghana Commercial Bank Ltd	GCB	54,900	5.30	290,970
Ghana Oil Company Limited	GOIL	125,300	1.05	131,565
Guinness Ghana Breweries Ltd.	GGBL	12,000	3.20	38,400
HFC Bank	HFC	16,800	1.50	25,200
Produce Buying Company Ltd	PBC	23,200	0.12	2,784
SIC Insurance	SIC	53,000	0.37	19,610
Societe Generale Ghana Limited	SOEGEH	274,200	1.00	274,200
Standard Chartered Bank	SCB	14,250	20.35	289,988
Total Ghana Ltd.	TOTAL	47,620	6.10	290,482
Tullow Oil	TLW	684	34.99	23,933
Unilever (Ghana) Ltd	UNIL	1,800	10.70	19,260
UT Bank Ghana Limited	UTB	152,700	0.25	38,175
<b>TOTAL</b>		<b>1,255,814</b>		<b>2,293,026</b>

**Petra Opportunity Pension Scheme**

**Notes to the Financial Statements  
For the Year Ended 31 December, 2014**

<b>10.</b>	<b>Cash and Cash Equivalents</b>	<b>2014 GH¢</b>	2013 GH¢
	Bank Balance	<u>291,101</u>	204,488
		<u>291,101</u>	204,488
<b>11.</b>	<b>Receivables</b>	<b>2014 GH¢</b>	2013 GH¢
	<b>Accrued Interest Receivable</b>		
	Corporate Bond	<b>38,686</b>	-
	Ghana Government Bond	<b>761,886</b>	343,216
	Fixed Deposit	<b>876,229</b>	542,954
		<u>1,676,801</u>	886,169
	Trade receivables	-	169,942
	Other receivables	-	1,203
		<u>1,676,801</u>	1,057,314
<b>12.</b>	<b>Payables</b>	<b>2014 GH¢</b>	2013 GH¢
	Trade payables	<b>29,434</b>	27,000
	Management fees arrears	<b>203,265</b>	63,195
	Redemptions payable	<b>115,746</b>	64,506
	Other payables	<b>87,236</b>	53,134
		<u>435,681</u>	207,835
<b>13.</b>	<b>Members' Fund</b>	<b>2014 GH¢</b>	2013 GH¢
	Contributions from members	<b>30,480,518</b>	15,932,510
	Accumulated returns	<b>7,445,095</b>	1,853,935
		<u>37,925,613</u>	17,786,445

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