

**PETRA  
ADVANTAGE  
PENSION SCHEME**

**2023**  
**ANNUAL REPORT**

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Annual Report & Financials for the  
year ended 31<sup>st</sup> December 2023

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## Particulars Of Service Providers/Advisors

### BOARD OF TRUSTEES

Chris Hammond-Chairman  
Daniel Gyapanin-Member  
Kweku Brenu- Independent Trustee

### SECRETARY TO THE BOARD OF TRUSTEES

Amoanimaa Agyenim-Boateng  
House No. 19, Joseph Richard Asiedu Street,  
P.O. Box CT 3194  
Cantonments Accra  
Tel: +233 302 740963  
Email: amoanimaa.agyenim-boateng@petraonline.com

### PENSION SCHEME CUSTODIAN

Standard Chartered Bank PLC  
P.O. Box 768  
High Street  
Accra  
Tel: +233302633569  
Email: gh.securities-services@sc.com

### CORPORATE TRUSTEE/ SCHEME ADMINISTRATOR

Petra Trust Co. Ltd.  
House No. 19, Joseph Richard Asiedu Street,  
P.O. Box CT 3194  
Cantonments Accra  
Tel: +233 302 740963  
Email: info@petraonline.com

### PENSION FUND MANAGERS

Databank Asset Management Limited  
EDC Investments Limited  
IC Asset Managers (Ghana) Limited  
Prudential Securities Limited  
Sentinel Asset Management Limited  
Stanbic Investment Management Services  
Black Star Advisors Limited  
InvestCorp Asset Management Limited  
Tegah Capital Limited

### 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

## Particulars Of Service Providers/Advisors

SCHEME'S REGISTERED NUMBER

NPRA/MTOPS/R/09/12

# 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 year ended 31st December, 2023. 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

| 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/12009/15226 | Kweku Brenu     | Independent Trustee                  | August, 2017        | -            |
| NPRA/MTOPS/12009/15450 | Daniel Gyapanin | Member                               | August, 2022        |              |

## Scheme Membership Statistics

### I. Movement During the Year

| Description    | Number at Beginning of Period | Additions | Withdrawals | Number at End of Period |
|----------------|-------------------------------|-----------|-------------|-------------------------|
| Active Members | 281,095                       | 32,375    | 1,426       | 312,044                 |

### II. Movement During the Year

| Transfers In | Transfers Out | Partial Withdrawals | Retirement (Statutory) | Retirement (Early) | Permanent Emigration | Incapacitated Members | Death |
|--------------|---------------|---------------------|------------------------|--------------------|----------------------|-----------------------|-------|
| 1,228        | 457           | 0                   | 707                    | 291                | 82                   | 12                    | 85    |

## 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

## ii. Particulars of Investment Policy

| Asset Types                                      | Maximum Allocation (%) | Permitted Ranges (%) |
|--|------------------------|----------------------|
| Government of Ghana                              | 75                     | 30-75                |
| Corporate Debt Securities                        | 35                     | 0-35                 |
| Money Market Securities                          | 35                     | 0-35                 |
| Collective Investment Schemes                    | 15                     | 0-15                 |
| Local Government and Statutory Agency Securities | 25                     | 0-25                 |
| Alternative Investments                          | 25                     | 0-25                 |
| Equities   | 20                     | 0-20                 |

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.

## iii. Investment Allocation

| Asset Type                         | Maximum Allocation (%) | Actual Allocation (%) | Investment Income Earned (GHS) | Year End Value 2023 (GHS) | Year End Value 2022 (GHS) |
|------------------------------------|------------------------|-----------------------|--------------------------------|---------------------------|---------------------------|
| Local Government and Statutory Ag. | 25                     | 2                     | 55,861,370                     | 52,487,210                | 230,994,845               |
| Government Securities              | 75                     | 82                    | 483,622,558                    | 1,966,840,659             | 1,060,597,336             |
| Corporate Bonds                    | 35                     | 1                     | 5,756,735                      | 15,860,473                | 41,852,116                |
| Money Market                       | 35                     | 6                     | 25,368,471                     | 144,339,875               | 22,066,092                |
| Quoted Shares                      | 20                     | 1                     | 7,713,312                      | 24,660,144                | 14,102,056                |
| Collective Investments             | 15                     | 3                     | 7,607,012                      | 63,617,574                | 47,010,561                |
| Alternative investment             | 25                     | 1                     | -                              | 30,530,428                | 220,320                   |
| Cash & Cash Equivalents            |                        | 4                     | 2,958,105                      | 90,286,273                | 166,315,866               |
| <b>Total</b>                       |                        | <b>100</b>            | <b>588,887,563</b>             | <b>2,388,622,636</b>      | <b>1,583,159,192</b>      |

# Trustees' Report To The Members Of Petra Advantage Pension Scheme

## Financial Highlights

|                                   | 2023 (GHC)           | 2022 (GHC)           | Percentage Change |                 |
|-----------------------------------|----------------------|----------------------|-------------------|-----------------|
| <b>Contributions</b>              | <b>333,369,653</b>   | <b>276,641,982</b>   | <b>21%</b>        | <b>Increase</b> |
| <b>Benefits</b>                   | <b>(75,417,036)</b>  | <b>(46,301,053)</b>  | <b>63%</b>        | <b>Increase</b> |
| <b>Net returns on investments</b> | <b>305,649,006</b>   | <b>211,712,954</b>   | <b>44%</b>        | <b>Increase</b> |
| <b>Net assets available</b>       | <b>2,391,597,372</b> | <b>1,611,267,777</b> | <b>48%</b>        | <b>Increase</b> |

The Statement of Changes in Net Assets Available for Benefits as presented on page 19 shows an increase in Net Assets Available for Benefits for the year ended December 2023 to GH¢780,329,959 (2022: GH¢442,818,333) and the Statement of Net Assets Available for Benefits on page 18 shows the Scheme's Net Assets as at 31 December, 2023 amounting to GH¢2,391,597,372 (2022: GH¢1,611,267,777).

## 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 | Amount GHS (2023) | Amount GHS (2022) |
|-------------------------------------|--------------------|-------------------|-------------------|-------------------|
| <b>NPRA Fees</b>                    | <b>0.33</b>        | <b>0.33</b>       | <b>5,954,778</b>  | <b>4,487,282</b>  |
| <b>Trustee (Administrator) Fees</b> | <b>1.33</b>        | <b>1.33</b>       | <b>23,999,559</b> | <b>18,085,105</b> |
| <b>Pension Fund Custodian Fees</b>  | <b>0.28</b>        | <b>0.20</b>       | <b>3,286,629</b>  | <b>2,491,372</b>  |
| <b>Pension Fund Mgr. Fees</b>       | <b>0.56</b>        | <b>0.30</b>       | <b>4,496,185</b>  | <b>3,187,673</b>  |
| <b>Audit Fees</b>                   | <b>-</b>           | <b>-</b>          | <b>109,710</b>    | <b>68,264</b>     |
| <b>Total</b>                        | <b>2.5</b>         | <b>2.16</b>       | <b>37,846,861</b> | <b>28,319,696</b> |

## Scheme Performance

The Petra Advantage Pensions Scheme generated a net return of 31.46% for the year 2023 (2023-unit price of GH¢ 7.781235 and 2022-unit price of GH¢ 5.919287). This performance compared favourably against an average 91-day Treasury bill rate of 27.15%, annual inflation of 23.20% year on year, and Ghana Cedi depreciation of 27.81% against the United States Dollar in 2023 using the Bank of Ghana interbank exchange rate. The Scheme size grew from GH¢ 1,611,267,777 at the beginning of the year to GH¢ 2,368,920,364-year end, representing a growth of 47%.

# Trustees' Report To The Members Of Petra Advantage Pension Scheme

## 2023 Economic Review

As markets adjusted to a post-covid economy, a fresh set of geopolitical headwinds emerged with the attention of the European military alliance and its partners drawn to the realities of a long attritional war. The challenging macroeconomic phenomena that characterized 2022 including elevated inflation, supply-chain bottlenecks and geopolitical tensions required an almost uniform global hawkish stance by Central Banks in 2023. The United States Federal Reserve hiked rates cumulatively by 1.00% during four consecutive meetings, with the European Central Bank increasing rates by 2.00% during the year. Towards the end of the year, the Middle East crises contributed to the sense of unease and volatility in prices for key commodities, and further dampened the global growth outlook.

The Ghanaian economy recorded quarterly growth rates of 3.30%, 3.20%, and 2.00% for the first three quarters of 2023, with the World Bank predicting a real GDP growth rate of 2.70% for year-end 2023. The growth figures appear modest in part due to reduced government-led investment spending as Ghana commenced a 3-year Extended Facility Program to support economic recovery and debt sustainability. Government's fiscal operations were guided by the IMF program targets with a fiscal deficit of -2.50% for the period ending September 2023, against a programmed fiscal deficit of -4.60% of GDP. The perennial revenue underperformance challenge persisted with government missing its revenue target by GHS 3 billion. This was met with a bigger adjustment in spending with realized expenditure of 12.60% over the same period against a planned 20.40% of GDP. Deficit financing was predominately achieved through the issuance of treasury bills with government raising close to GHS 152 billion from the auctions for the year under review. As part of government's efforts to align investor expectations with the debt management team at the Ministry of Finance, an initial pricing guideline was introduced for treasury auctions to moderate the pace at which rates were increasing and to gradually phase out the elevated treasury rates as inflation eased. Accordingly, the average rate on the bills reduced to 31.20% at the end of 2023, compared to an average rate of 35.75% a year earlier.

The inflation print at the end of 2023 saw a more than 30 percentage point correction in the headline figure compared to December 2022. While market analysts acknowledged the impact of supply shocks and currency induced effects for the elevated inflation in 2022 and early 2023, the hawkish monetary policies by the Bank of Ghana contributed to taming inflation by the end of the year. The Monetary Authority increased the policy rate by 3.00% over the course of the 2023 calendar year, and alongside expected favorable base effects, inflation moderated to 23.20% by the end of the year. Food inflation declined, with the major food sub classes seeing a drop in their price growth on the back of an improved post-harvest season, while non-food components such as transport, utilities, oil, and gas declined as the local currency remained relatively stable during the fourth quarter of the year, depreciating marginally by 3.40%.

Overall, the local currency lost considerable ground against the greenback in 2023, with the cedi weakening by 27.81% year-on-year against the USD on the interbank market, albeit a marginal improvement on the prior year's annual depreciation of 44.00%. New initiatives like the domestic gold purchase program, forward-looking forex auctions for the bulk distribution companies, and disbursements from the IMF extended credit facility enhanced liquidity on the foreign exchange market to slow depreciation of the local unit in 2023. Related developments in the external sector revealed Ghana's trade surplus position at the end of 2023 represented 3.40% of GDP. Notably, receipts from gold exports increased year-on-year, although this was more than offset by declines in export revenue from oil and cocoa, to leave the overall surplus position slightly lower compared to the prior year. Government continued to suspend Eurobond debt servicing obligations throughout 2023, as discussions with the Official Creditor Committee on restructuring terms progressed. Net international reserves stood at USD 3.13 billion at the end of the year, enough to cover imports for 1.1 months.

On the equity market, the Ghana Stock Exchange recovered in 2023 to record an annual gain of 28.10% compared to the dismal -14.70% loss posted in 2022. This was unsurprising given that the uncertainties related to Ghana's path towards debt sustainability and the impact of restructured bonds on the listed banks, gave way to better clarity mid-year when the Government confirmed the agreement with the IMF for an extended facility program. The index of financial stocks returned an underwhelming 0.61% at the end of the reporting year due to the pronounced impact of the Domestic Debt Exchange on the banks

# Trustees' Report To The Members Of Petra Advantage Pension Scheme

## Portfolio review

The portfolio generated a net return of 31.46% for the year 2023 (2023-unit price of GH¢ 7.781235- and 2022-unit price of GH¢ 5.919287) which is equivalent to a real return of 8.26% for 2023. As part of the schemes participation in the domestic debt exchange for pension funds the scheme's exposure to Government of Ghana Bonds stood at 82.34% of the portfolio in 2023 as against an exposure of 66.99% in 2022. Collective investment allocations fell from 2.97% in 2021 to 2.66% while Equity exposure increased from 0.89% to 1.03% in 2023. Corporate bonds also fell marginally from 2.64% in 2022 to 0.66% in 2023. The scheme also allocated 2.20% of its portfolio to Local Government and Statutory Agencies in 2023. The scheme had 1.28% allocated in Alternative Investments in 2023.

## 2024 Economic and Financial Markets Outlook

The financial markets faced substantial challenges during the 2023 fiscal year, and as we step into 2024, it is evident that several lingering concerns continue to cast a shadow over the global financial landscape.

The global financial market saw mixed economic activity with strong growth in the United States fuelled by demand and resilient labour markets in spite of tighter financial conditions while the United Kingdom, Europe, and Japan saw economic contractions. The conflicts in Europe and the Middle East, which are strategic energy and supply-chain hubs, render the world economy vulnerable and could erode the gains made in 2023 to improve global GDP growth and moderate global inflation. 2023 saw Central Banks of both developed and developing economies increase policy rates in a bid to anchor rising inflation. These bouts of policy rate increments worsened financial conditions for businesses and stifled economic activities globally with the International Monetary Fund forecasting global growth to slow from 3.0 percent in 2023 and 2.9 percent in 2024, well below the historical average of 3.8 percent. In 2024, the expectation is for Central Banks of advanced economies and Emerging Market and Developing economies (EMDEs) to begin cutting policy rates to stimulate economic growth amidst disinflation expectations.

Domestically, the Government of Ghana foresees a notable acceleration in real GDP growth to reach 2.8% in 2024 from the 2.3% projected for 2023; this growth outlook aligns with that of the World Bank. The positive economic growth trajectory is attributed to the ongoing fiscal consolidation efforts implemented under the IMF Extended Credit Facility (ECF)-supported program, which includes the completion of the Domestic Debt Exchange Program (DDEP), structural reforms in the areas of tax policy, revenue administration, and public financial management, as well as steps to address weaknesses in the energy and cocoa sectors. As we enter 2024, Ghana looks to reach debt restructuring agreements with bilateral and external commercial creditors. The outcome of these external debt restructuring negotiations will impact amongst others, the GDP growth, inflation, monetary and fiscal policy and foreign exchange rates in 2024 and beyond.

The Central Bank forecasts a downward trajectory of headline inflation to around 13%-17% in 2024 owing to tight monetary policies, favourable international crude oil prices, relative exchange rate stability, and expected effective liquidity sterilization. The Central Bank, however, noted that how the 2024 budget is implemented and the Monetary Policy Committee's policy stance in 2024 pose a risk to the inflation outlook. Following a 1,250 basis points and 300 basis points hike in the Monetary Policy rate in 2022 and 2023 respectively, the Bank of Ghana is expected to cut the Monetary Policy rate in 2024 to stimulate economic growth.

The outlook on the Ghana Cedi's performance will pivot largely on Government of Ghana's performance under the IMF ECF-supported program which will impact Ghana's flows of foreign exchange, the completion of Ghana's external debt restructuring, the domestic gold purchase program, remittances, expected funding from the World Bank's Development Policy Operations, Foreign exchange purchases from domestic mining and oil companies, and the successful implementation of key policies. In line with the historical performance of the Cedi during IMF-led programs, the Ghana Cedi is expected to depreciate in 2024 albeit at a lower rate compared to that of 2023. Consequently, the Cedi's depreciation rate for 2024 is expected to be within the lower teens.

## Trustees' Report To The Members Of Petra Advantage Pension Scheme

The IMF ECF-supported program should also see improved expenditure rationalization from the Government of Ghana although election-induced fiscal overruns remain a concern. Improved revenue mobilization measures to improve the budget deficit position are also expected from the government by key stakeholders, especially the Bretton Woods Institutions. Consequently, it is expected that the government's deficit target of 5.90% of GDP for 2024 will be achieved.

On the domestic fixed income market, the low coupon rates of the new Domestic Debt Exchange Program (DDEP) Bonds, coupled with the prevailing high bond yields, are anticipated to impede trading activities on the Ghana Fixed Income market. Market yields, including primary Treasury Bills yields which were heightened in 2023, are expected to trend downwards owing to moderating headline inflation, expected improvement in the government's fiscal position under the IMF ECF-supported program, and the introduction of the Initial Pricing Guidance (IPG) at primary Treasury Bill auctions. The IPG restricts investors from bidding outside a specified yield range during primary Treasury Bill auctions.

Following the Domestic Debt Exchange Program in 2023, the Ghana Stock Exchange (GSE) recorded a 28.08% surge in the GSE Composite Index (GSE-CI). The GSE Financial Stocks Index (GSE-FSI) recorded a -7.36% for 2023 mainly due to significant impairment losses that drastically reduced the profitability of financial institutions following the DDEP. One key required financial market change that the DDEP brought to the fore is the need for investors to diversify their portfolios away from traditional fixed-income securities and consider including a mix of strong undervalued stocks and alternative investments to their investment portfolio. The government's real GDP growth projections also signal a positive outlook for the Ghanaian economy. These projections, coupled with the anticipated downward policy rate expectations aimed at stimulating economic activity, create a conducive environment for GSE-listed stocks to perform in 2024.

### 2024 Portfolio Strategy

Our outlook on general economic and financial market performance in 2023 leads us to the following portfolio strategy:

- Diversification into the alternative investments space for investments with appreciable risk-adjusted returns and low correlation to traditional fixed-income instruments.
- Refunding inflows from Cocoa Bonds and Government of Ghana securities into money market and structured investment vehicles.
- Investing in high-yielding income-producing REITS and real assets.
- Take advantage of opportunities in the equities market to include undervalued stocks with strong dividend yields in the Portfolio.
- Invest in short-term high-yield Reverse Repos and Fixed deposits with strong multi-national Banks.

### Appointment and remuneration of auditors

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 25) 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.

# Trustees' Report To The Members Of Petra Advantage Pension Scheme

## 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, 2023, 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.

Chris Hammond  
**Trustee (Name)**

  
**Signature**

13-05-2024  
**Date**

Kweku Osae Brenu  
**Trustee (Name)**

  
**Signature**

13-05-2024  
**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, 2023. The audited financial statements of the scheme from pages 14 to 28 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 year 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, 2023 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 the IAS 29 directive issued by the Institute of Chartered Accountants Ghana (ICAG) 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 for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the scheme in accordance with the International Code of Ethics for professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants (IESBA 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 year. 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 separate evidence to support such transactions. There are no key audit matters to report on

## Other Information

The Trustees are responsible for other information. The other information comprise; corporate information on page 2 of this financial statements, scheme performance, economic and market review, financial market outlook and portfolio strategy in the Trustees Report but does not include the Financial Statements and our auditors report thereon. Our Opinion on the Financial Statements does not cover the other information and we do not express any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and in so doing consider whether the other information is materially inconsistent with the Financial Statements or our information obtained during the audit or otherwise appears to be materially misstated. If based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# Independent Auditors' Report To The Members Of The Scheme

## Trustees' Responsibility for the 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.

### *Auditor's 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 expressing an opinion on the effectiveness of the Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by trustees.
- Conclude on the appropriateness of Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.



# Independent Auditors' Report To The Members Of The Scheme

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 year 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.

## 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 (Amendment) 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-NAKOTÉY – **ICAG/P/1361**.

*BNA Chartered Accountants*

BNA Chartered Accountants – ICAG/F/2024/027  
P.O. Box AN 10673  
Accra-North

Date:

**14-04-2024**

## Statement of Net Assets Available For Benefits as at 31st December 2023

| ASSETS   | NOTES | 2023 (GHS)                  | 2022 (GHS)                  |
|--|-------|-----------------------------|-----------------------------|
| Cash & Cash Equivalents                                    | 4     | 90,286,273                  | 166,315,866                 |
| Financial Assets at Amortized Cost                         | 5     | 2,074,802,970               | 1,277,111,354               |
| Financial Assets at FVTPL                                  | 6     | 118,808,146                 | 61,332,937                  |
| Account Receivable   | 7     | 125,322,804                 | 109,797,231                 |
| <b>Total Assets</b>  |       | <b><u>2,409,220,193</u></b> | <b><u>1,614,557,388</u></b> |
| LIABILITIES  |       |                             |                             |
| Benefits Payable   | 8     | 988,507                     | 435,593                     |
| Administrative Expenses Payable                            | 9     | 4,003,903                   | 2,755,225                   |
| Accounts Payable   | 10    | 12,630,411                  | 98,793                      |
| <b>Total Liabilities</b>                                   |       | <b><u>17,622,821</u></b>    | <b><u>3,289,611</u></b>     |
| <b>Total Assets Less Liabilities</b>                       |       | <b><u>2,391,597,372</u></b> | <b><u>1,611,267,777</u></b> |
| REPRESENTED BY:  |       |                             |                             |
| <b>Net Assets Available for Benefits (Net Asset Value)</b> |       | <b><u>2,391,597,372</u></b> | <b><u>1,611,267,777</u></b> |

The Financial Statements on pages 18 to 20 were approved by the Trustees on ..... and were signed on their behalf by:

Chris Hammond  
Trustee (Name)

  
Signature

13-05-2024  
Date

Kweku Osae Brenu  
Trustee (Name)

  
Signature

13-05-2024  
Date

The Accounting policies and notes on pages 22 to 33 form an integral part of the Financial Statements and should be read in conjunction therewith

## Statement of Changes in Net Assets Available For Benefits For The Year Ended 31st December 2023

| DEALINGS WITH MEMBERS                           | NOTES | 2023 (GHS)                 | 2022 (GHS)                 |
|---|-------|----------------------------|----------------------------|
| Contributions for the year                      | 11    | 333,369,653                | 276,641,982                |
| Benefits Due to Members                         | 12    | (75,417,036)               | (46,301,053)               |
| <b>Net Additions from Dealings with members</b> |       | <b><u>257,952,617</u></b>  | <b><u>230,340,929</u></b>  |
| RETURN ON INVESTMENTS                           |       |                            |                            |
| Investment Income                               | 13    | 305,801,765                | 211,887,329                |
| Less: Brokerage Fees/Levies/Commissions         | 15    | (152,759)                  | (174,375)                  |
| <b>Net Investment Income</b>                    |       | <b><u>305,649,006</u></b>  | <b><u>211,712,954</u></b>  |
| <b>Net Gains / (Loss) on Investment</b>         | 16    | <b>283,085,798</b>         | <b>107,765,025</b>         |
| <b>Administrative Expenses</b>                  | 17    | <b><u>(37,846,861)</u></b> | <b><u>(28,319,696)</u></b> |
| <b>Impairment Loss</b>                          | 19    | <b><u>(28,510,965)</u></b> | <b><u>(78,680,879)</u></b> |
| <b>Increase in Net Assets for the year</b>      |       | <b><u>780,329,595</u></b>  | <b><u>442,818,333</u></b>  |

## Statement of Movements in Net Assets Available For Benefits For The Year Ended 31st December 2023

|   | NOTES | 2023 (GHS)                  | 2022 (GHS)                  |
|---|-------|-----------------------------|-----------------------------|
| Balance at January 1                        |       | 1,611,267,777               | 1,168,449,444               |
| Increase/ (Decrease) in Assets for the year |       | 780,329,595                 | 442,818,333                 |
| <b>Balance at December 31</b>               |       | <b><u>2,391,597,372</u></b> | <b><u>1,611,267,777</u></b> |

The notes on pages 22 to 33 form an integral part of these financial statements

# Statement of Cashflows For The Year Ended 31st December 2023

|  | NOTES    | 2023 (GHS)                  | 2022 (GHS)                  |
|--|----------|-----------------------------|-----------------------------|
| <b>Net Increase in Net Assets</b>  |          | <b>780,329,595</b>          | <b>442,818,333</b>          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |          |                             |                             |
| (Increase) / Decrease in Accounts Receivable   | 7        | (15,525,573)                | (95,942,154)                |
| Increase / (Decrease) in Administrative Expenses Payable                               | 8        | 13,780,296                  | 670,165                     |
| Increase / (Decrease) in Benefits Payable  | 9        | 552,914                     | (377,861)                   |
| <b>Net Cash Generated from Operating Activities</b>                                    |          | <b><u>779,137,232</u></b>   | <b><u>347,168,483</u></b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |          |                             |                             |
| Purchase of Financial Assets at Amortized Cost   | 5        | (797,691,616)               | (11,616,275)                |
| Purchase of Financial Assets at FVTPL  | 6        | (57,475,209)                | (211,727,308)               |
| <b>Net Cash used in Investing Activities</b>   |          | <b><u>(855,166,825)</u></b> | <b><u>(223,343,583)</u></b> |
| <b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>                          |          | <b><u>(76,029,593)</u></b>  | <b><u>123,824,900</u></b>   |
| Cash and Cash Equivalents as at January  |          | 166,315,866                 | 42,490,966                  |
| Cash and Cash Equivalents as at 31st December  |          | 90,286,273                  | 166,315,866                 |
| Analysis of Cash and Cash Equivalents as shown in the Statement of Financial Position: |          |                             |                             |
| <b>Bank Balances</b>   | <b>4</b> | <b><u>90,286,273</u></b>    | <b><u>166,315,866</u></b>   |

The notes on pages 22 to 33 form an integral part of these financial statements

# Notes to The Financial Statements

## For The Year Ended 31st December 2023

### 1. Scheme information

The Scheme is a Defined Contribution Scheme which provides Lump Sum benefits on retirement and other such ancillary benefits to members who meet the qualifying conditions stipulated 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. It is a wholly owned Ghanaian Company 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 Financial Statements

## For The Year Ended 31st December 2023

**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

#### 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 year. 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 year 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.

#### 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

# Notes to The Financial Statements

## For The Year Ended 31st December 2023

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 years 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

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.



# Notes to The Financial Statements

## For The Year Ended 31st December 2023

### **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**

IFRS 9'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’).
- ‘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 (ie 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).

# Notes to The Financial Statements

## For The Year Ended 31st December 2023

### 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.

### 3.6 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.

### 3.7 Cash and Cash Equivalents

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

## 4. Cash & cash equivalents

|                        | 2023 (GHS)        | 2022 (GHS)         |
|------------------------|-------------------|--------------------|
| Current & Call Account | 90,286,273        | 166,315,866        |
|                        | <u>90,286,273</u> | <u>166,315,866</u> |

## 5. a. Financial assets at amortized cost

| 2023                          | Gross Investment (GHS) | Credit Loss Allowance (GHS) | Net Investment (GHS) |
|-------------------------------|------------------------|-----------------------------|----------------------|
| Local Gov. and Stat. Agencies | 52,487,210             | -                           | 52,487,210           |
| Gov. Notes/Bonds              | 1,966,840,659          | -                           | 1,966,840,659        |
| Provision for Impairment      | (104,725,247)          | -                           | (104,725,247)        |
|                               | 1,914,602,622          | -                           | 1,914,602,622        |
| Money Markets                 | 144,339,875            | -                           | 144,339,875          |
| Corporate Bonds               | 15,860,473             | -                           | 15,860,473           |
|                               | <u>2,074,802,970</u>   | -                           | <u>2,074,802,970</u> |

# Notes to The Financial Statements

## For The Year Ended 31st December 2023

### b. Financial assets at amortized cost

| 2023                          | Gross Investment (GHS) | Credit Loss Allowance (GHS) | Net Investment (GHS) |
|-------------------------------|------------------------|-----------------------------|----------------------|
| Local Gov. and Stat. Agencies | 230,994,845            | -                           | 230,994,845          |
| Gov. Notes/Bonds              | 1,060,597,336          | -                           | 1,060,597,336        |
| Provision for Impairment      | (78,399,035)           | -                           | (78,399,035)         |
|                               | 1,213,193,146          | -                           | 1,213,193,146        |
| Money Markets                 | 22,066,092             | -                           | 22,066,092           |
| Corporate Bonds               | 41,852,116             | -                           | 41,852,116           |
|                               | <u>1,277,111,354</u>   | -                           | <u>1,277,111,354</u> |

### 6. Investments at FVTPL

|                                | 2023 (GHS)         | 2022 (GHS)        |
|--------------------------------|--------------------|-------------------|
| Quoted Equities                | 24,660,144         | 14,102,056        |
| Collective Investments Schemes | 63,617,574         | 47,010,561        |
| Alternative Investments        | 30,530,428         | 220,320           |
|                                | <u>118,808,146</u> | <u>61,332,937</u> |

### 7. Trade & Other Receivables

|                             | 2023 (GHS)  | 2022 (GHS)  |
|-----------------------------|-------------|-------------|
| Gross Investment Receivable | 20,424,709  | 27,597,111  |
| Less Accumulated provision  | (4,914,135) | (2,729,382) |
| Net Investment Receivable   | 15,510,574  | 24,867,729  |
| Contributions Receivable    | 27,804,304  | 21,912,012  |
| Surcharge Receivable        | 82,007,926  | 63,017,490  |
|                             | 125,322,804 | 109,797,231 |

### 8. Benefits Payable

|                  | 2023 (GHS) | 2022 (GHS) |
|------------------|------------|------------|
| Benefits Payable | 988,507    | 435,593    |

# Notes to The Financial Statements

## For The Year Ended 31st December 2023

### 9. Administrative Expenses Payable

|                               | 2023 (GHS)              | 2022 (GHS)              |
|-------------------------------|-------------------------|-------------------------|
| NPRA Fees                     | 622,792                 | 426,492                 |
| Administrator / Trustees Fees | 2,510,040               | 1,718,893               |
| Pension Fund Management Fees  | 461,422                 | 313,643                 |
| Pension Fund Custodian Fees   | 344,310                 | 227,933                 |
| Audit Fees                    | 65,339                  | 68,264                  |
|                               | <b><u>4,003,903</u></b> | <b><u>2,755,225</u></b> |

### 10. Trade Payable

|               | 2023 (GHS) | 2022 (GHS) |
|---------------|------------|------------|
| Due to Broker | 12,630,411 | 98,793     |

### 11. Contributions

|                         | 2023 (GHS)                | 2022 (GHS)                |
|-------------------------|---------------------------|---------------------------|
| Contribution Received   | 496,995,778               | 191,712,480               |
| Contribution Receivable | 164,507,321               | 21,912,012                |
| Surcharge Receivable    | <b><u>18,990,436</u></b>  | <b><u>63,017,490</u></b>  |
|                         | <b><u>333,369,653</u></b> | <b><u>276,641,982</u></b> |

### 12. Benefits

|                                     | 2023 (GHS)               | 2022 (GHS)               |
|-------------------------------------|--------------------------|--------------------------|
| <b><u>Lump Sum Benefit Paid</u></b> | <b><u>75,417,036</u></b> | <b><u>46,301,053</u></b> |

### 13. Investment Income

|                                     | 2023 (GHS)                | 2022 (GHS)                |
|-------------------------------------|---------------------------|---------------------------|
| Interest on Gov. Notes/Bonds        | 241,344,361               | 165,294,395               |
| Interest on Local Gov. and Stat. Ag | 31,115,626                | 32,822,997                |
| Interest on Money Market Securities | 25,368,471                | 3,938,090                 |
| Interest on Corporate Bonds         | 5,525,303                 | 7,979,314                 |
| Dividend Income                     | 1,756,953                 | 1,223,566                 |
| Interest on Call Accounts           | 691,051                   | 628,967                   |
|                                     | <b><u>305,801,765</u></b> | <b><u>211,887,329</u></b> |

## Notes to The Financial Statements For The Year Ended 31st December 2023

### 14. Credit Loss Allowance

|                                      | 2023 (GHS)       | 2022 (GHS)       |
|--------------------------------------|------------------|------------------|
| Balance at 1st January               | 2,729,382        | 2,447,538        |
| Add Allowance Made during the year   |                  |                  |
| Impairment of Receivables            | 2,184,753        | 281,844          |
|                                      | <u>2,184,753</u> | <u>281,844</u>   |
| Less: Reversal of Provision made     | -                | -                |
| Total allowance made during the year | 2,184,753        | 281,844          |
| <b>Balance at 31st December</b>      | <b>4,914,135</b> | <b>2,729,382</b> |

### 15. Brokerage Fees/Levies/Commissions

|          | 2023 (GHS) | 2022 (GHS) |
|----------|------------|------------|
| CSD Fees | 152,759    | 174,375    |

### 16. Gain/(Loss) on Investments

|                             | 2023 (GHS)  | 2022 (GHS)  |
|-----------------------------|-------------|-------------|
| Gov. Notes/Bonds            | 242,278,197 | 93,277,535  |
| Local Gov. and Stat. Agency | 24,745,744  | 16,741,408  |
| Corporate Bonds             | 231,432     | 30,286      |
| Collective Investments      | 7,607,012   | 1,828,068   |
| Quoted Share                | 5,956,359   | (1,210,633) |
| Others (Currency)           | 2,267,054   | (2,901,639) |
|                             | 283,085,798 | 107,765,025 |

### 17. Administrative expenses

| Asset Based Fees              | 2023 (GHS) | 2022 (GHS) |
|-------------------------------|------------|------------|
| NPRA Fees                     | 5,954,778  | 4,487,282  |
| Administrator / Trustees Fees | 23,999,559 | 18,085,105 |
| Pension Fund Management Fees  | 4,496,185  | 3,187,673  |
| Pension Fund Custodian Fees   | 3,286,629  | 2,491,372  |
|                               | 37,737,151 | 28,251,432 |
| Audit Fees                    | 109,710    | 68,264     |
|                               | 37,846,861 | 28,319,696 |

# Notes to The Financial Statements

## For The Year Ended 31st December 2023

### 18. Net Assets Available for Benefits

| 2023                 |                      |                             |                      |
|----------------------|----------------------|-----------------------------|----------------------|
|                      | CONTRIBUTIONS (GHS)  | NET INVESTMENT INCOME (GHS) | TOTAL (GHS)          |
| Balance at January 1 | 830,206,682          | 781,061,095                 | 1,611,267,777        |
| Additions            | 333,369,653          | 550,887,943                 | 884,257,596          |
| (Deductions)         | (75,417,036)         | (28,510,965)                | (103,928,001)        |
|                      | <u>1,088,159,299</u> | <u>1,303,438,073</u>        | <u>2,391,597,372</u> |
| 2022                 |                      |                             |                      |
|                      | CONTRIBUTIONS (GHS)  | NET INVESTMENT INCOME (GHS) | TOTAL (GHS)          |
| Balance at January 1 | 628,185,449          | 540,263,995                 | 1,168,449,444        |
| Additions            | 276,641,982          | 319,477,979                 | 596,119,961          |
| (Deductions)         | (74,620,749)         | (78,680,879)                | (153,301,628)        |
|                      | <u>830,206,682</u>   | <u>781,061,095</u>          | <u>1,611,267,777</u> |

### 19. Impairment expense

|   | 2023 (GHS)        | 2022 (GHS)        |
|---|-------------------|-------------------|
| Provision for impairment of Financial Asset | 26,326,212        | 78,399,035        |
| Impairment of Receivable                    | 2,184,753         | 281,844           |
|   | <u>28,510,965</u> | <u>78,680,879</u> |

### 20. Net Assets Available for Benefits

| 2023                      |                     |                   |                    |
|---------------------------|---------------------|-------------------|--------------------|
| CONTRIBUTIONS OUTSTANDING | CONTRIBUTIONS (GHS) | SURCHARGE (GHS)   | TOTAL (GHS)        |
| For Less than 30 days     | 942,845             | -                 | 942,845            |
| Between 30 and 60 days    | 827,822             | -                 | 827,822            |
| Between 60 and 90 days    | 822,881             | -                 | 822,881            |
| More than 90 days         | 25,210,756          | 82,007,926        | 107,218,682        |
|                           | <u>27,804,304</u>   | <u>82,007,926</u> | <u>109,812,230</u> |

# Notes to The Financial Statements

## For The Year Ended 31st December 2023

| 2022                      |                     |                   |                   |
|---------------------------|---------------------|-------------------|-------------------|
| CONTRIBUTIONS OUTSTANDING | CONTRIBUTIONS (GHS) | SURCHARGE (GHS)   | TOTAL (GHS)       |
| 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        | 64,510,097        |
|                           | <b>21,912,012</b>   | <b>63,017,490</b> | <b>84,929,502</b> |

## 21. Financial risk management, objectives and policies

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

- Asset/Portfolio/Credit risk
- Liquidity risk
- Market risk
- 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

# Notes to The Financial Statements

## For The Year Ended 31st December 2023

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 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.

### **(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)



# Notes to The Financial Statements

## For The Year Ended 31st December 2023

systems to facilitate its data management. Staff are also constantly trained to help them stay abreast with industry standards.

### 22. Taxation

The scheme is exempted from taxes in accordance with the national pensions act 2008 (act 766) as amended by the national pensions (amendment) act 2014 (act 883).

### 23. Commitments and contingencies

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

### 24. 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 to the financial statements or contingencies.

### 25. Related party transactions

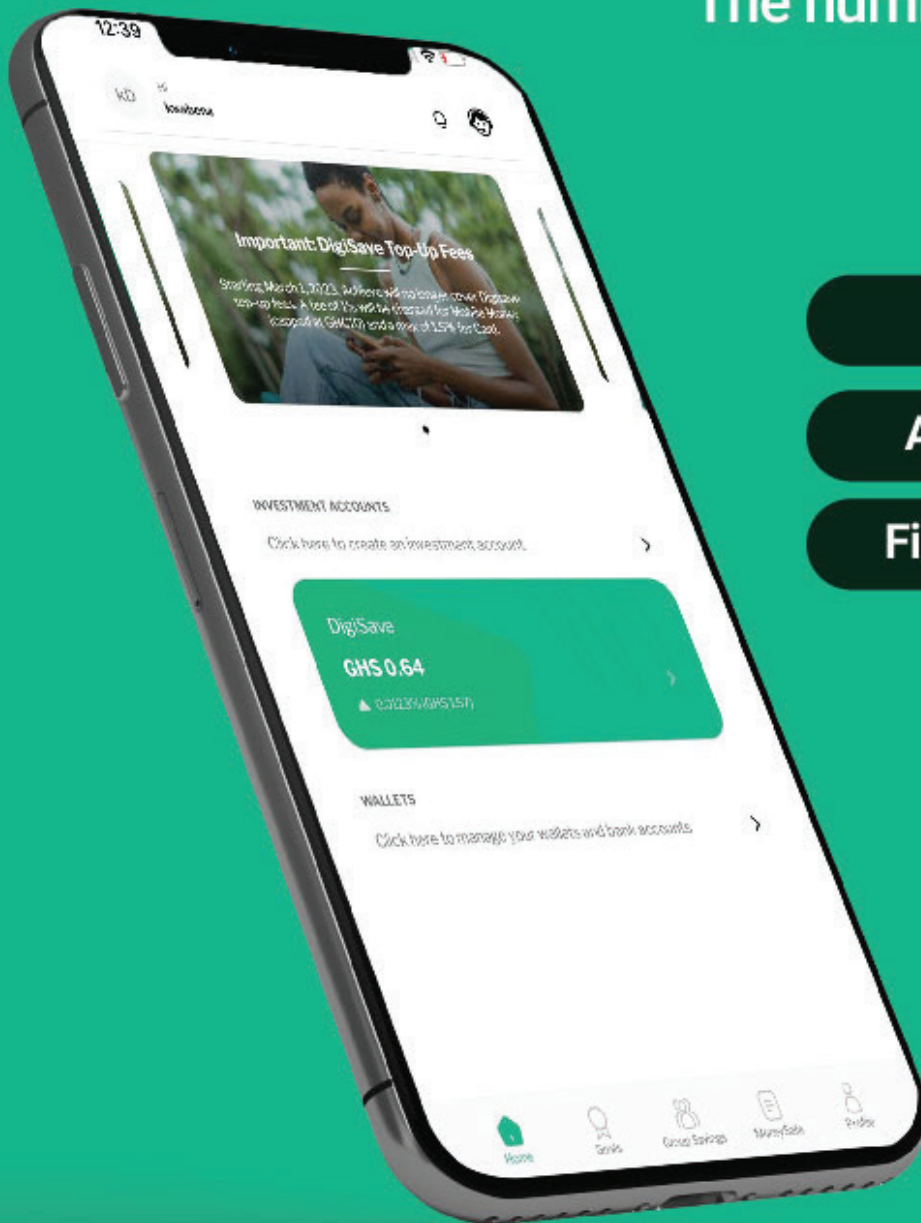
Petra trust company limited (the scheme's sponsor) is paid management fees for its role as the scheme's administrator





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