

PETRA ADVANTAGE PENSION SCHEME

20 24

ANNUAL REPORT

Annual Report & Financial Statements
for the year ended 31st December 2024

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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
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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
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

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, 2024. 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 (LI. 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	312,044	52,514	7,812	356,746

II. Movement During the Year

Transfers In	Transfers Out	Partial Withdrawals	Retirement (Statutory)	Retirement (Early)	Permanent Emigration	Incapacitated Members	Death
747	6,246	0	936	305	110	9	97

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 2024 (GHS)	Year End Value 2023 (GHS)
Local Government and Statutory Ag.	25	1.64	6,475,561	49,897,027	52,487,210
Government Securities	75	73.98	462,113,650	2,256,009,567	1,966,840,659
Corporate Bonds	35	1.62	8,167,045	49,321,848	15,860,473
Money Market	35	9.76	54,167,691	297,658,891	144,399,875
Quoted Shares	20	1.80	20,066,502	54,758,353	24,660,144
Collective Investments	15	6.20	9,541,857	189,379,104	63,617,574
Alternative investment	25	5.00	17,591,711	152,470,877	30,530,428
Total		100	578,124,017	3,049,495,667	2,298,396,363

Trustees' Report To The Members Of Petra Advantage Pension Scheme

Financial Statement Highlights

	2024 (GHC)	2023 (GHC)	Percentage Change	
Contributions	478,206,495	333,369,653	43%	Increase
Benefits	(118,423,318)	(75,417,036)	57%	Increase
Net returns on investments	186,170,096	305,649,006	39%	Decrease
Net assets available	3,285,382,781	2,391,597,372	37%	Increase

The Statement of Changes in Net Assets Available for Benefits as presented on **page 18** shows an increase in Net Assets Available for Benefits for the year ended December 2024 to **GH¢893,785,409 (2023: GH¢780,329,595)** and the Statement of Net Assets Available for Benefits on **page 17** shows the Scheme's Net Assets as at 31 December, 2024 amounting to **GH¢3,285,382,781(2023: GH¢2,391,597,372)**.

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 (2024)	Amount GHS (2023)
NPRA Fees	0.33	0.33	8,973,460	5,954,778
Trustee (Administrator) Fees	1.33	1.33	36,165,763	23,999,559
Pension Fund Custodian Fees	0.28	0.20	5,077,055	3,286,629
Pension Fund Mgr. Fees	0.56	0.30	6,161,138	4,496,185
Audit Fees	-	-	140,185	109,710
Total	2.5	2.16	56,517,601	37,846,861

Scheme Performance

The Petra Advantage Pensions Scheme generated a net return of 22.47% for the year 2024, with a unit price of GH¢ 9.5295 in 2024 compared to GH¢ 7.7812 in 2023. This performance was favourable compared to the Ghana Cedi's depreciation of 19.20% against the United States Dollar in 2024, based on the Bank of Ghana interbank exchange rate. However, it was less favourable when compared to the average 91-day Treasury bill rate of 28.93% and the annual inflation rate of 23.80% year-on-year. The Scheme size grew from GH¢ 2,391,597,372 at the beginning of the year to GH¢ 3,285,340,116 year end, representing a growth of 37%.

Trustees' Report To The Members Of Petra Advantage Pension Scheme

2024 Economic Review

As the world ushered in 2024, it was evident that changes to the global order were required to tackle the devastating effects of prolonged wars, conflict-led humanitarian crises, and a lingering effect of stubborn inflation on the standard of living of consumers/households. More than 70 nations globally conducted electoral referendums on their incumbent governments, resulting in a surge of resounding opposition victories, as exemplified by the changes in government in the United States and Ghana. The sense of geopolitical unease remains, with the policy shifts of the Trump presidency including pivoting towards pro-tariff policies are expected to disrupt the flow of global trade, induce inflationary effects and dampen the growth outlook on capital markets. Global real GDP growth at the end of 2024 was projected at 3.20% by the IMF, as the ECB and the Fed patiently waited for firm signals of cooling inflation towards the 2.00% target before delivering rate cuts in the second half of the year.

On the domestic front, Ghana's overall real GDP growth showed a remarkable sign of recovery with an average growth rate of 6.30% for the first three quarters of 2024 and closing the year at 5.70%. Industrial sector growth from manufacturing, construction, mining, and quarrying was the biggest contributor of growth ahead of the services and agricultural sectors. The impressive growth recorded was achieved despite the nation's fiscal consolidation efforts under an IMF program designed to principally chart a path towards attaining a sustainable long-term debt level, especially as the estimated debt-to-GDP ratio remained elevated at 83.00% as of the fourth quarter of 2024. A significant milestone was achieved with the restructuring of Ghana's Eurobonds, with the debt treatment yielding a significant relief of around US\$ 4.00 billion in the outstanding holdings of the securities and a reduction in external debt service costs. Accordingly, the ratings agencies, Fitch and Moody's respectively assigned CCC+ and Caa ratings to the newly issued Eurobonds while upgrading Ghana's Long-Term Local Currency Issuer Default Rating. Relatedly, the latest data on the government's fiscal performance for 2024 showed a 3.90% deficit on a commitment basis below the IMF program targets, and financing of the deficit was accomplished through the IMF ECF program disbursements and domestic financing via Treasury bill issuances. During the year under review, the government raised GHS 193 billion from Treasury bill auctions in the first three quarters compared to 2023's total of GHS 152 billion while the average Treasury bill rate at the end of 2024 eased to 28.93% compared to an average of 31.20% at the end of 2023.

Inflation ended the year 2024 at 23.80% compared to the headline figure of 23.20% at the end of 2023, with the slight uptick in the year-on-year inflation print primarily reflecting the elevated profile of food inflation during the year, and second - order price effects from currency depreciation. The main catalysts for the increase in food inflation year-on-year were a combination of supply chain disruption and a meagre harvest season for domestic crop production following a prolonged dry season. That notwithstanding, it is worth highlighting the broad disinflationary trend observed during the second and third quarters of 2024, with a moderation of the price indices for the different components of the CPI basket. This informed the Monetary Policy Committee to deliver a 2.00% rate cut in September 2024 to set the policy rate at 27.00%.

On the currency front, the cedi shed 19.20% of its value against the US dollar on the interbank market compared to a 27.81% depreciation recorded in 2023 as the pace of depreciation of the local unit in the second half of 2024 softened. The Central Bank enhanced liquidity on the forex market by boosting supply of US\$ at its FX forward rates auctions to meet bulk oil distributors and critical corporate demand for US Dollars. Cumulatively, the monetary authorities injected close to US\$ 3.00 billion to prop the value of the cedi between July and December 2024.

The year under review also saw a remarkable outturn in the external account positions, with increased goods exports, increased foreign direct investments, and reduced debt servicing obligations driving a current account surplus of 4.20% of GDP. In effect net international reserves improved to US\$ 6.40 billion at the end of the year, enough to cover imports for 2.90 months.

The equity markets saw a strong performance with the GSE-CI building on its momentum to post a 56.20% return, while the index of financial stocks delivered a respectable 25.20% return. The performance was mainly driven by gains in industrials like Unilever, and Guinness, MTN in the telecom sector and a few financial stocks that are firmly on the path of recovery following the write downs in tier 1 capital linked to the domestic debt exchange programme.

Trustees' Report To The Members Of Petra Advantage Pension Scheme

Portfolio review

The portfolio generated a net return of 22.47% for the year 2024 with the unit price increasing from GH¢ 7.7812 in 2023 to GH¢ 9.5295 in 2024. The scheme saw a substantial increase in its holdings of money market instruments, rising from 5.54% in 2023 to 9.57% in 2024. However, due to the Central Bank missing its inflation target by 8.80%, the real return for 2024 was negative 1.33%. Despite this, the Scheme benefited from capital gains in the stock market and interest income from short-term investments. The scheme's exposure to Government of Ghana Bonds decreased from 82.34% in 2023 to 72.55% in 2024. Collective investment allocations increased from 2.66% to 6.09% over the same period. Equity exposure rose from 1.03% in 2023 to 1.76% in 2024. Corporate bond holdings grew from 0.66% to 1.59%. Additionally, the scheme allocated 1.60% of its portfolio to Local Government and Statutory Agencies in 2024. Exposure to alternative investments increased from 1.28% in 2023 to 4.90% in 2024.

2025 Economic and Financial Markets Outlook

The financial markets encountered significant challenges throughout the 2024 fiscal year. In year-over-year terms, as of Q3 2024, China's growth of 4.70% fell short of expectations, hindered by declining consumption and low confidence amid property market issues. India's growth slowed due to a sharp decline in industrial activity. The euro area, especially Germany, faced subdued growth from weak manufacturing and exports, despite rising consumption. Japan saw mild output contraction from temporary supply disruptions. In contrast, the U.S. economy expanded robustly at 2.70%, driven by strong consumer spending.

As we transition into 2025, it is clear that several persistent concerns continue to loom over the global economic landscape. According to the International Monetary Fund (IMF), Global economic activity is projected to maintain its momentum and grow by 3.30% in 2025 below the historical (2000-2019) average of 3.70%, albeit with varied dynamics across different regions.

Global headline inflation is expected to gradually subside to 4.20%, prompting monetary policymakers to recalibrate their strategies, albeit with caution. Nonetheless, the global economic outlook remains susceptible to various economic and geopolitical risks. The ongoing conflicts in Europe, Asia, Africa and the Middle East—key strategic hubs for energy, supply chains and commodities—pose significant vulnerabilities to the global economy. These tensions could jeopardize the progress made in 2024 towards enhancing global GDP growth and stabilizing inflation.

Monetary policy rates among major central banks are anticipated to decline at varying rates, influenced by differing growth and inflation outlooks. Additionally, fiscal policies in advanced economies, particularly the United States, are expected to tighten during 2025, with a more subdued impact in emerging markets and developing economies.

Domestically, the Government of Ghana anticipates a significant slow down in real GDP growth, projecting a decrease from 5.70% in 2024 to 4.00% in 2025. This forecast is 200 basis points lower than the World Bank's projection of 4.20%. The unfavorable growth outlook is primarily attributed to the ongoing fiscal consolidation measures required under the IMF Extended Credit Facility (ECF) program. Additionally, the Government aims to achieve an end-of-period inflation rate of 11.90% by 2025.

Ghana's macroeconomic outlook is surrounded by several risks, including the impacts of drought, fluctuations in commodity prices, exchange rate volatility, substantial domestic financing needs, potential policy shifts following elections, and deficiencies within the energy sector. Additionally, any delays or deviations in the implementation of structural reforms mandated by the IMF program could undermine confidence among international creditors.

With the successful conclusion of the Domestic Debt Exchange Programme (DDEP), the Ghana Eurobond debt exchange, and the signing of a Memorandum of Understanding (MoU) between Ghana and its bilateral creditors, a solid foundation has been established for Ghana's fiscal consolidation agenda. This milestone has inherent implications on Ghana's real GDP growth, inflation, monetary policy, fiscal policy, investor confidence, credit rating, structural reforms, and foreign exchange rates in 2025 and beyond.

Trustees' Report To The Members Of Petra Advantage Pension Scheme

The central bank's primary goal is to maintain medium-term inflation within a target range of 8 ± 2 percent. As we enter 2025, inflation remains persistently high, largely due to fluctuations in food prices. Climate-related issues, such as droughts in key agricultural areas and delayed rainfall, have negatively affected production, while supply chain vulnerabilities have worsened food price inflation. Although the inflation outcomes for 2024 did not meet expectations, a return to disinflation is anticipated, contingent on the renewed fiscal consolidation efforts outlined in the new administration's economic policy agenda. The Bank of Ghana's latest inflation forecast suggests a gradual decline towards the target range, with the goal of achieving it by the second quarter of 2026. However, the implementation of the 2025 budget and the Central Bank's monetary policy stance present risks to the inflation outlook. Following a 300 basis point reduction in the Monetary Policy rate in 2024, the Bank of Ghana is expected to further cut the rate in 2025 while working to anchor headline inflation within the target range.

The outlook for the Ghana Cedi's performance will largely depend on the Government of Ghana's success under the IMF Extended Credit Facility (ECF)-supported program, the performance of the newly established GOLDBOD, remittances, commodity pricing and volume in international markets, funding from the IMF and World Bank, foreign exchange purchases from domestic mining and oil companies, and the effective implementation of key policies aimed at improving Ghana's trade balance and international reserves. Historically, the Cedi tends to weaken annually even during IMF-led programs, and in light of the current macro economic conditions, it is anticipated that the Cedi will depreciate in 2025, although at a reduced rate compared to 2024. Accordingly, the depreciation rate for the Cedi in 2025 is expected to be in the teens.

Ghana has successfully received the IMF Executive Board's approval for the first three reviews under the IMF Extended Credit Facility (ECF)-supported program. We expect to see an improved expenditure rationalization from the new Government to spur growth. Additionally, the new government, in line with their campaign promises, is expected to scrap a number of taxes including the E-levy, betting (winnings) tax, Emission Levy on industries and vehicles, VAT on motor vehicle insurance policy, 1.50% withholding tax on winning of unprocessed gold by small-scale miners amongst others. Improved revenue mobilization measures to improve the budget deficit position are also expected from the government by key stakeholders, especially the Bretton Woods Institutions which is expecting the GoG to increase the non-oil tax revenue by 0.6 percentage points of GDP annually. The GoG has projected to achieve a primary balance surplus of 1.50% of GDP in 2025. Consequently, it is expected that the government's overall fiscal deficit (commitment) of 3.10% of GDP in 2025 will be achieved.

In the domestic fixed income market, the issuance of the new Domestic Debt Exchange Program (DDEP) Bonds, characterized by low coupon rates, combined with elevated bond yields, has significantly constrained trading activities to sell-buy backs on the Ghana Fixed Income market throughout 2024. As we move into 2025, it is anticipated that market yields, including primary Treasury Bill yields-which surged in 2024-will decline due to a moderation in headline inflation and the implementation of improved fiscal measures by the new government, alongside an environment of relatively high liquidity in the financial market.

The banking sector displayed remarkable resilience, with assets increasing by 33.80% alongside a significant rise in both the average capital adequacy ratio and liquidity. However, it is noteworthy that the non-performing loan (NPL) ratio has deteriorated, reaching 21.80%. Real credit growth is, therefore, expected to be subdued in 2025 due to heightened non performing loans. On average, the interest rate of bank securities is expected to drop in 2025 in line with the expected decline in primary yields.

Following the Domestic Debt Exchange Program in 2023 and the Ghana Eurobond debt exchange in 2024, the Ghana Stock Exchange (GSE) experienced significant growth, with the GSE Composite Index (GSE-CI) rising by 56.20% and the GSE Financial Stocks Index (GSE-FSI) increasing by 25.20% in 2024. As we move into 2025, investors are expected to continue diversifying their portfolios beyond traditional fixed-income securities, actively seeking opportunities in undervalued stocks and alternative investments. Additionally, projections for the government's real GDP growth and other key macroeconomic indicators suggest a positive outlook for the Ghanaian economy. These expectations, along with anticipated reductions in policy rates aimed at stimulating economic activity, create a favorable environment for GSE-listed stocks to perform well in 2025, though performance may fall short of the remarkable gains seen in 2024.

Trustees' Report To The Members Of Petra Advantage Pension Scheme

2025 Portfolio Strategy

Our outlook on general economic and financial market performance in 2024 leads us to the following portfolio strategy :

- Diversify into Alternative Investments: Explore opportunities within the alternative investments market to pursue attractive risk-adjusted returns that exhibit low correlation with traditional fixed-income instruments.
- Invest in High-Yield Real Assets: Invest in high-yield, income-generating Real Estate Investment Trusts (REITs) and tangible real assets to enhance portfolio returns.
- Leverage the Equities Market: Capitalize on opportunities in the equities market by incorporating undervalued stocks with strong dividend yields into the investment portfolio.
- Reallocate Funds: Rebalance the Scheme's investment portfolio by reallocating cash inflows from long-term Government and Quasi-government securities into money market instruments, strong corporate bonds and structured investment vehicles.
- Capitalize on Short-Term Investments: Engage in short-term, high-yield Reverse Repos and Fixed Deposits with reputable multinational banks to optimize portfolio liquidity and yield.

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 Regulation 76 of the Occupational and Personal Pension Schemes (General) Regulations, 2011, LI 1990. 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 27) of the Financial Statements.

Statutory Requirements

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

Statement of disclosure to auditors

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

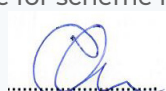
Trustees' representation

The Trustees confirm that no matters have arisen since 31st December, 2024, 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

25-04-2025
Date

Kweku Osae Brenu
Trustee (Name)


Signature

13-04-2025
Date

Independent Auditors' Report To The Members Of The Scheme

Report on the audit of the scheme's financial statements

We have audited the Financial Statements of Petra Advantage Pension Scheme for the year ended 31st December, 2022. The audited financial statements of the scheme from pages 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, 2024 and of the disposition of its assets and liabilities as at that date other than the liabilities to pay benefits after year end, the Cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Trust Deed of the Scheme, the National Pensions Act, 2008 (Act 766) as amended by National Pensions(Amendment) Act 2014, (Act 883) and the Occupational and Personal Pensions Schemes (General) Regulations 2011 (L.I. 1990).

Basis 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.

Emphasis of Matter

Financial Asset in Lieu of Cash for Contributions

We draw attention to the Investment Receivable figure disclosed in Note 7 of the Financial Statements. This amount includes GH¢6,161,608, which pertains to financial instruments received from the Controller and Accountant General's Department as contribution payments for employees in certain Government of Ghana agencies and departments. The Scheme has sought guidance from the National Pensions Regulatory Authority (NPRA) of the appropriateness and treatment of these receipts but is yet to receive feedback from the authority. Consequently, the Scheme has classified this asset as a receivable, pending direction from the NPRA. Our opinion is not modified in relation to this matter.

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.

Independent Auditors' Report To The Members Of The Scheme

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.

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.

Independent Auditors' Report To The Members Of The Scheme

- Evaluate the overall presentation, structure and content of the Scheme's Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees and other persons charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with the Trustees and other persons charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current 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-NAKOTY – ICAG/P/1361.

BNA Chartered Accountants

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

Date:

28-04-2025

Statement of Net Assets Available For Benefits As At 31st December, 2024

ASSETS	NOTES	2024 (GHS)	2023 (GHS)
Cash & Cash Equivalents	4	60,209,299	90,286,273
Financial Assets at Amortized Cost	5	2,652,887,333	2,074,802,970
Financial Assets at FVTPL	6	396,608,334	118,808,146
Account Receivable	7	188,640,129	125,322,804
Total Assets		3,298,345,095	2,409,220,193
LIABILITIES			
Benefits Payable	8	1,072,218	988,507
Administrative Expenses Payable	9	5,423,221	4,003,903
Accounts Payable	10	6,466,875	12,630,411
Total Liabilities		12,962,314	17,622,821
Total Assets Less Liabilities		3,285,382,781	2,391,597,372
REPRESENTED BY:			
Net Assets Available for Benefits (Net Asset Value)		3,285,382,781	2,391,597,372

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

25-04-2025
Date

Kweku Osae Brenu
Trustee (Name)



Signature

25-04-2025
Date

The Accounting policies and notes on pages 21 to 32 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 2024

DEALINGS WITH MEMBERS	NOTES	2024 (GHS)	2023 (GHS)
Contributions for the year	11	478,206,495	333,369,653
Benefits Due to Members	12	(118,423,318)	(75,417,036)
Net Additions from Dealings with members		359,783,177	257,952,617
RETURN ON INVESTMENTS			
Investment Income	13	186,729,825	305,801,765
Less: Brokerage Fees/Levies/Commissions	15	(559,729)	(152,759)
Net Investment Income		186,170,096	305,649,006
Net Gains / (Loss) on Investment	16	403,967,190	283,085,798
Administrative Expenses	17	(56,517,601)	(37,846,861)
Impairment Reversal/ (Impairment Expense)	19	382,547	(28,510,965)
Increase in Net Assets for the year		893,785,409	780,329,595

Statement of Movements in Net Assets Available For Benefits For The Year Ended 31st December 2024

	NOTES	2024 (GHS)	2023 (GHS)
Balance at January 1		2,391,597,372	1,611,267,777
Net Assets of Scheme at 1st January		893,785,409	780,329,595
<u>NET ASSETS AVAILABLE FOR BENEFITS AT 31 DECEMBER</u>		<u>3,285,382,781</u>	<u>2,391,597,372</u>

The notes on pages 21 to 30 form an integral part of these financial statements

Statement of Cashflows For The Year Ended 31st December 2024

	NOTES	2024 (GHS)	2023 (GHS)
Net Increase in Net Assets		893,785,409	780,329,595
CASH FLOWS FROM OPERATING ACTIVITIES			
(Increase) / Decrease in Accounts Receivable	7	(63,317,325)	(15,525,573)
Increase / (Decrease) in Administrative Expenses Payable	8	(4,744,218)	13,780,296
Increase / (Decrease) in Benefits Payable	9	83,711	552,914
Net Cash Generated from Operating Activities		825,807,577	779,137,232
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Financial Assets at Amortized Cost	5	(578,084,363)	(797,691,616)
Purchase of Financial Assets at FVTPL	6	(277,800,188)	(57,475,209)
Net Cash used in Investing Activities		(855,884,551)	(855,166,825)
Net Increase / (Decrease) in Cash and Cash Equivalents		(30,076,974)	(76,029,593)
Cash and Cash Equivalents as at 31st December		60,209,299	90,286,273
Analysis of Cash and Cash Equivalents as shown in the Statement of Financial Position:			
Bank Balances	4	60,209,299	90,286,273

The notes on pages 21 to 30 form an integral part of these financial statements

Notes to The Financial Statements

For The Year Ended 31st December 2024

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:

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

Notes to The Financial Statements

For The Year Ended 31st December 2024

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 transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Notes to The Financial Statements

For The Year Ended 31st December 2024

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.

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:

Notes to The Financial Statements

For The Year Ended 31st December 2024

- 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 (i.e Stage 2).

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

Trade and other receivables and contract assets

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

3.6 Transfers In and Out

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

3.7 Fees, Commissions & Expenses

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

Notes to The Financial Statements

For The Year Ended 31st December 2024

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

	2024 (GHS)	2023 (GHS)
Current Account	45,928,132	90,286,273
Call Account	14,281,167	166,315,866
	60,209,299	90,286,273

5. a. Financial assets at amortized cost

2024	Gross Investment (GHS)	Credit Loss Allowance (GHS)	Net Investment (GHS)
Local Gov. and Stat. Agencies	49,897,027	-	49,897,027
Gov. Notes/Bonds	2,256,009,567	-	2,256,009,567
Provision for Impairment		-	
	2,305,906,594	-	2,305,906,594
Money Markets	297,658,891	-	297,658,891
Corporate Bonds	49,321,848	-	49,321,848
	2,652,887,333	-	2,652,887,333

b. 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

Notes to The Financial Statements

For The Year Ended 31st December 2024

2023	Gross Investment (GHS)	Credit Loss Allowance (GHS)	Net Investment (GHS)
Money Markets	144,339,875	-	144,339,875
Corporate Bonds	15,860,473	-	15,860,473
	2,074,802,970	-	2,074,802,970

6. Investments at FVTPL

	2024 (GHS)	2023 (GHS)
Quoted Equities	54,758,353	24,660,144
Collective Investments Schemes	189,379,104	63,617,574
Alternative Investments	152,470,877	30,530,428
	396,608,334	118,808,146

7. Accounts Receivable

	2024 (GHS)	2023 (GHS)
Gross Investment Receivable	15,860,333	20,424,709
Less Accumulated provision	(1,127,376)	(4,914,135)
Net Investment Receivable	14,732,957	15,510,574
Contributions Receivable	58,000,630	27,804,304
Surcharge Receivable	115,906,542	82,007,926
	188,640,129	125,322,804

8. Benefits Payable

	2024 (GHS)	2023 (GHS)
Benefits Payable	1,072,218	988,507

9. Administrative Expenses Payable

	2024 (GHS)	2023 (GHS)
NPRA Fees	861,501	622,792
Administrator / Trustees Fees	3,472,109	2,510,040
Pension Fund Management Fees	490,567	461,422
Pension Fund Custodian Fees	458,859	344,310
Accrued Audit Fees Payable	140,185	65,339
	5,423,221	4,003,903

Notes to The Financial Statements

For The Year Ended 31st December 2024

10. Accounts Payable

	2024 (GHS)	2023 (GHS)
Due to Broker	6,389,894	12,630,411
Withholding Tax	76,981	
	6,466,875	12,630,411

11. Contributions

	2024 (GHS)	2023 (GHS)
Contribution Received	414,111,553	308,486,925
Contribution Receivable	30,196,326	5,892,292
Surcharge Receivable	33,898,616	18,990,436
	478,206,495	333,369,653

12. Benefits

	2024 (GHS)	2023 (GHS)
Lump Sum Benefit Paid	118,423,318	75,417,036

13. Investment Income

	2024 (GHS)	2023 (GHS)
Interest on Gov. Notes/Bonds	106,971,882	241,344,361
Interest on Local Gov. and Statutory Agencies	6,475,561	31,115,626
Interest on Money Market Securities	61,222,731	25,368,471
Interest on Corporate Bonds	8,175,801	5,525,303
Dividend Income-Quoted Equities	3,150,638	1,756,953
Dividend Income-Alternative Investment	493,094	
Interest on Call Accounts	240,118	691,051
	186,729,825	305,801,765

14. Credit Loss Allowance

	2024 (GHS)	2023 (GHS)
Balance at 1st January	4,914,135	2,729,382

Notes to The Financial Statements

For The Year Ended 31st December 2024

Add Allowance Made during the year		
Impairment of Receivables	(3,404,212)	2,184,753
	<u>(3,404,212)</u>	<u>2,184,753</u>
Less: Reversal of Provision made	(382,547)	-
Total allowance made during the year	(3,786,759)	2,184,753
Balance at 31st December	<u>1,127,376</u>	<u>4,914,135</u>

15. Brokerage Fees/Levies/Commissions

	2024 (GHS)	2023 (GHS)
CSD Fees	<u>559,729</u>	<u>152,759</u>

16. Gain/(Loss) on Investments

	2024 (GHS)	2023 (GHS)
Gov. Notes/Bonds	355,141,768	242,278,197
Local Gov. and Stat. Agency		24,745,744
Corporate Bonds	(7,055,040)	
Collective Investments	(8,756)	231,432
Alternative Investment	9,541,857	7,607,012
	<u>17,098,617</u>	
Quoted Share	16,915,864	5,956,359
Others (Currency)	12,332,880	2,267,054
	<u>403,967,190</u>	<u>283,085,798</u>

17. Administrative expenses

Asset Based Fees	2024 (GHS)	2023 (GHS)
NPRA Fees	8,973,460	5,954,778
Administrator / Trustees Fees	36,005,328	23,999,559
Pension Fund Management Fees	5,704,044	4,496,185
Pension Fund Custodian Fees	4,712,836	3,286,629
Withholding Taxes on Service Fees	981,748	-
Audit Fees	56,377,416	37,737,151
	<u>140,185</u>	<u>109,710</u>
	<u>56,517,601</u>	<u>37,846,861</u>

Notes to The Financial Statements

For The Year Ended 31st December 2024

18. Net Assets Available for Benefits

2024	CONTRIBUTIONS (GHS)	NET INVESTMENT INCOME (GHS)	TOTAL (GHS)
Balance at January 1	1,088,159,299	1,303,438,073	2,391,597,372
Additions	478,206,495	533,619,685	1,011,826,180
(Deductions)	(118,423,318)	382,547	(118,040,771)
	1,447,942,476	1,837,440,305	3,285,382,781

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)
	1,088,159,299	1,303,438,073	2,391,597,372

19. Impairment expense

	2024 (GHS)	2023 (GHS)
Provision for impairment of Financial Asset	26,326,212	26,326,212
Impairment of Receivable	(382,547)	2,184,753
	(382,547)	28,510,965

20. Contributions Receivable

2024	CONTRIBUTIONS (GHS)	SURCHAGE (GHS)	TOTAL (GHS)
CONTRIBUTIONS OUTSTANDING			
For Less than 30 days	29,374,107	-	29,374,107
Between 30 and 60 days	1,593,278	-	1,593,278
Between 60 and 90 days	1,023,350	-	1,023,350
More than 90 days	26,009,895	115,906,542	141,916,437
	58,000,630	115,906,542	173,907,172

Notes to The Financial Statements

For The Year Ended 31st December 2024

2023			
CONTRIBUTIONS OUTSTANDING	CONTRIBUTIONS (GHS)	SURCHAGE (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	82,007,926.00	107,218,682
	27,804,304	82,007,926	109,812,230

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
- Equity Price risk
- Interest Rate risk
- Operational risk

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

Risk Management framework

The Trustees have overall responsibility for the establishment and oversight of the Scheme's Risk Management frameworks. The Scheme's Risk Management policies are established to identify and analyse the risks faced by the Scheme, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Trustees, through the standards and procedures aim to develop a disciplined and constructive control environment, in which all Trustees understand their roles and obligations. The Trustees are responsible for monitoring compliance with risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to risks faced by the Scheme.

(a) Asset/Portfolio/Credit Risk

An Investment Asset Allocation Policy which is aimed at ensuring that the Trustee positions the Scheme's portfolio to amass optimal returns within the changing market environment and expectations while ensuring that the corpus, risk and performance of the investment portfolio remains relatively safe and sound, is reviewed and approved by the Board of Trustees. The approved Statement of Investment Policy serves as the guide for all investment activities of the Scheme. In assessing the risk inherent in the portfolio, each asset class risk is measured with a keen eye on mitigating measures and controls on the risk. The first part of the measurement exercise, is the establishment of the Expected Return on each asset class. The second part comprises the assessment of the risk characteristics of each asset; particularly in contribution with the current portfolio. The risk of the individual assets is measured in the context of the effect of their returns on the overall portfolio volatility. The risk of financial loss to the Scheme if a counterparty to a financial instrument fails to meet its contractual obligations.

The Scheme has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Areas where credit risk arises include cash and cash equivalents, corporate bonds and deposits with banks and other financial institutions. The Scheme has no significant concentrations of credit risk. The Scheme

Notes to The Financial Statements

For The Year Ended 31st December 2024

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

Notes to The Financial Statements

For The Year Ended 31st December 2024

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

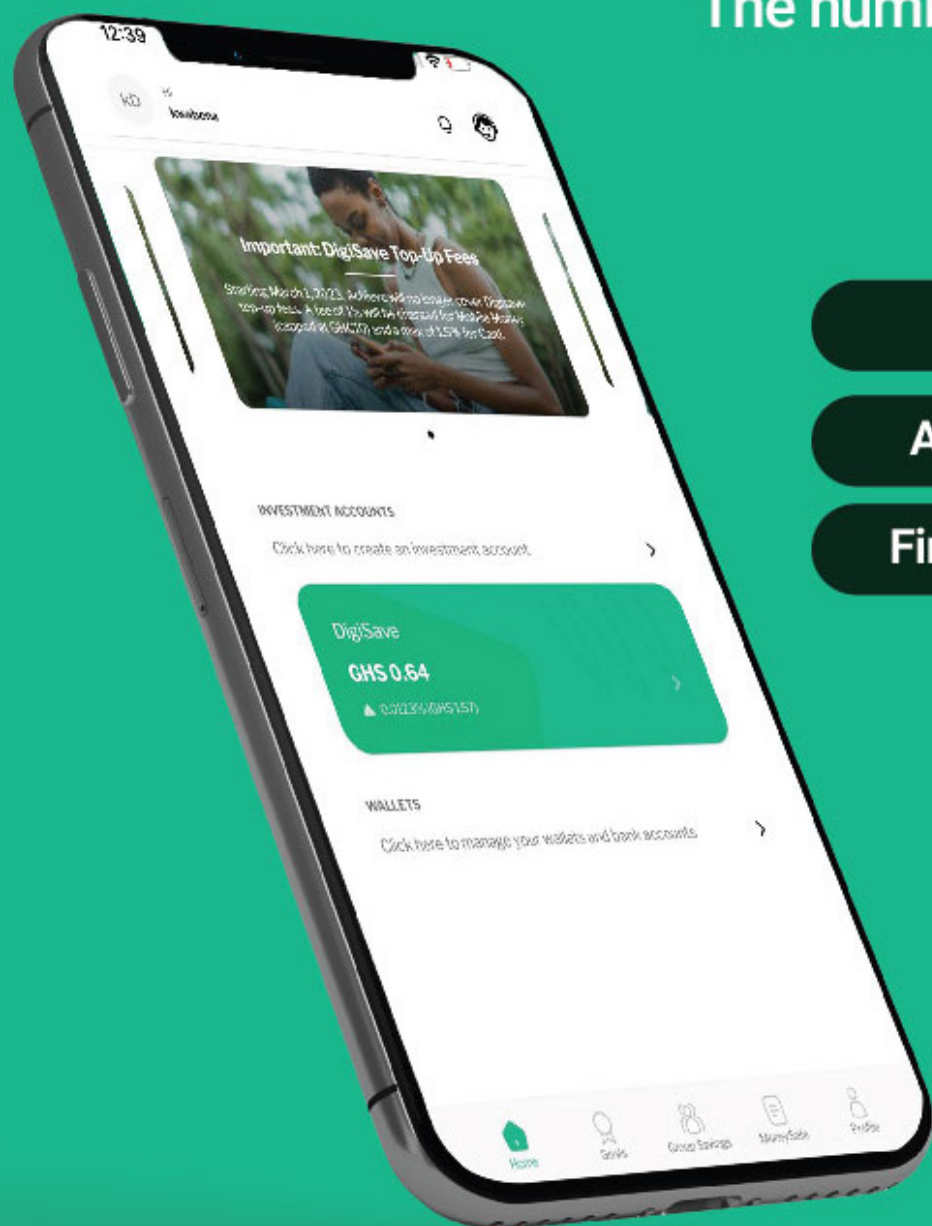
Events subsequent to the reporting date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

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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