



ANNUAL REPORT

**Annual Financial Statements for the year ended
31 December 2016**

Petra Opportunity Pension Scheme



PETRA OPPORTUNITY PENSION SCHEME

Report and Financial Statements 2016

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PETRA OPPORTUNITY PENSION SCHEME

Report and Financial Statements 2016

Particulars of Service Providers/Advisors

Chair of the Board of Trustees

Kofi Fynn - Representing Petra Trust Company Limited 113,
Airport West, Dzorwulu, Accra
P.O. Box CT 3194
Cantonments Accra
Tel: +233 302 740963

Secretary to the Board of Trustees

Kukua Awo Pratt
113, Airport West, Dzorwulu, Accra
P.O.Box CT 3194
Cantonments Accra
Tel: +233 302 740963

Sponsor of the Scheme

Petra Trust Company Limited
113, Airport West, Dzorwulu, Accra
P.O.Box CT 3194
Cantonments Accra
Tel: +233 302 740963

Pension Fund Custodian

Stanbic Bank Ghana Limited
P.O.Box CT 2344
Cantonments Accra
Tel: +233 302 610690

Administrator

Petra Trust Company Limited
113, Airport West, Dzorwulu, Accra
P.O.Box CT 3194
Cantonments Accra
Tel: +233 302 740963

Auditors

Intellisys
No. 2 Lardzeh Crescent
North Dzorwulu
P. O. Box KN 4169
Kaneshie
Tel: +233 302 502801

PETRA OPPORTUNITY PENSION SCHEME

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Particulars of Service Providers/Advisors

Pension Fund Managers

NDK Capital Limited
No. 001 28th February Road
Osu, Accra
Tel: +233 302 218423

Black Star Advisors
F. 305/5 5th Norla Link
North Labone Accra
Tel: +233 302 767688

FirstBanC Financial Services Limited Word
Trade Center
Accra
Tel: +233 302 660709

Frontline Capital Advisors Limited No. 8
Otu Kofi Link
Osu, Accra
Tel: +233 302 784177

IC Asset Managers (Ghana) Limited No. 2,
2nd Ridge Link
Accra
Tel: +233 302 765086

UMB Investment Holdings Limited
57 Examination Loop
Accra
Tel: +233 302 251137

Fidelity Securities Limited
Ridge Tower
Ridge
Tel: +233 302 214490

SDC Brokerage Services Limited
Hse No. D921/3, Asafoatse Netey Street
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Tel: +233 302 669372

PETRA OPPORTUNITY PENSION SCHEME

Report of the Trustees

To the members of the Petra Opportunity Pension Scheme

Introduction:

The Trustees of Petra Opportunity Pension Scheme ("the Scheme") present their annual Trustee Report together with the Independent Auditor's Report, summary of contributions for the year ended 31st December, 2016 and Financial Statements and explanatory notes prepared in accordance with International Financial Reporting Standards (IFRS).

Establishment, Nature and the Status of the Scheme

The Scheme is a defined contribution scheme which provides lump sum benefits on retirement and such other ancillary benefits to members who meet the qualifying conditions stipulated under the National Pensions Act, 2008 (Act 766) as amended.

The Scheme is a tax exempt pension fund under National Pensions Act, 2008 (Act 766) as amended. The Scheme's activities are bound by provisions of the National Pensions Act, 2008 (Act 766) as amended, Regulations made under it, Guidelines formulated and published and any Board directives that may be issued from time to time as well as the Governing Rules of the Scheme.

Trustees of the Scheme are ultimately responsible for administration of the Scheme and their responsibility to the Scheme is established by a Trust Deed and Governing Rules approved on 12th November, 2012. Scheme Governing Rules and Trust Deed both of which are subject to Act 766, form the basis of establishing the Scheme.

SCHEME MEMBERSHIP STATISTICS

I. MOVEMENT DURING THE YEAR

Description	Number at beginning of period	Additions	Withdrawals	Number at end of period
Active members	9,814	2,638	979	11,473

II. SUMMARY STATISTICS

Description	Deferred contributions	Transfers In	Transfer Out	Partial Withdrawals	Retirement (Statutory)	Retirement (Early)	Permanent Emigration	Incapacitated members	Death
Numbers		12	649	3,127	293	20	6	1	10

PETRA OPPORTUNITY PENSION SCHEME

Report of the Trustees

To the members of the Petra Opportunity Pension Scheme

Scheme Performance

The Petra Opportunity Pension Scheme generated a net return of 24.21% for the year 2016 (2016 unit price of GHS 2.440003 and 2015 unit price of GHS 1.963299). This performance compared favorably against the average 91 day Treasury bill rate of 22.67%, annual inflation of 15.4% year on year, and cedi depreciation of 10.68% against the US dollar in 2016. During the year, participation in the scheme also showed significant growth with 83 new companies, and 2,638 new members joining the scheme. The scheme size grew from GHS 96,960,897 at the end of 2015 to GHS 162,265,932 at the end of 2016, representing a growth of 67.35%.

Economic and Market Review

In 2016, Ghana's economy grew by 3.6%, the lowest GDP growth rate for the last 10 years. The major drivers of this underperformance were fiscal tightening under the IMF plan, Bank of Ghana's tight monetary policy, high interest rates, irregular power supply due to load shedding, and oil supply disruptions from oil production at the Jubilee oil field.

We ended the year with a budget deficit of 8.7%, which was substantially higher than the 5.3% which the country had agreed with the IMF. Inflation remained between the 16%-19% band for the first 9 months of the year. This was attributed to increases in electricity and utility tariffs which pushed transport fares and the general level of prices in the economy higher. However, the final quarter of the year marked the beginning of an easing in inflation as the year on year inflation rate dropped to 15.4%. We saw the central bank cutting the monetary policy rate by 50 basis points in response.

On the currency front, the Ghana cedi performed better in 2016 on the back of the tight monetary policies and the consequent improvement in the trade balance due to lower imports. Our local currency depreciated against the US dollar by 10.68% as compared to 2015's depreciation value of 15.7%.

The poor general macroeconomic environment and its impact on the performance of listed companies, particularly those in the financial sector, dampened investor confidence in Ghana's stock market. The composite and financial index of the Ghanaian stock market ended 2016 at -15.33% and -19.93% respectively.

For the fixed income market, Treasury bill rates were relatively stable for the first half of the year but started to dip from the third week of October. The reasons for this were twofold. Firstly, the drop in inflation rates increased the expectations of a monetary easing cycle. Secondly, the introduction of the book building process and new directives for the primary auction of treasury securities increased the Ministry of Finance's ability to better match demand for treasury securities with the supply available. Subsequently, all other rates other than the Bank of Ghana auction rate fell.

Portfolio Review

The portfolio generated a gross return of 26.86% (2016 unit price of GHS 2.694187 and 2015 unit price of GHS 2.122541) which is equivalent to a real return of 11.46% for 2016, primarily as a result of a successful allocation of the portfolio to the different permissible asset classes. The scheme increased its exposure to high yield money market securities from 31.63% in 2015 to 34.02% in 2016. Collective investment allocations increased in from 1.63% in 2015 to 1.85% in 2016. The scheme had a low equity position and as such exposure to the underperformance of the equity market was limited. Equity holdings reduced from 6.68% in 2015 to 3.06% in 2016. The scheme took advantage of new issuances on the listed corporate debt market to shore up holding from 12.71% in 2015 to 22.18% in 2016. Allocations to Ghana government bonds and bills reduced from 47.07% in 2015 to 37.77% in 2016 as the scheme sort to take positions in the higher yields offered by investments in well researched corporate bond and collective investment asset classes.

PETRA OPPORTUNITY PENSION SCHEME

Report of the Trustees

To the members of the Petra Opportunity Pension Scheme

Economic and Financial Markets Outlook

2017 began with a peaceful transition and a new government in power. However, the revelation that the country had been unable to meet the budget deficit targets agreed with the IMF heightened uncertainty about the policy direction for the country, and a continued lack of confidence in our ability as well as commitment to meet set targets.

Despite the fact that the economic environment will continue to be challenged, we expect the new government to continue to maintain the policies agreed under the IMF facility, which is in its third and final year. Importantly, we believe that the stance towards tight fiscal and monetary policy will be maintained. However, as inflation continues to slowly inch down towards 13% we anticipate that the central bank will gradually reduce interest rates, beginning in the second quarter of the year.

We expect the new government to begin implementation of their plans, which include the reduction of taxes and the introduction of new community-based developmental projects. We also expect the continuation of the expansion in Ghana's power production capacity. Additionally, we believe that the anticipated increase in production of oil and gas at the Tweneboa, Enyenra and Ntomme (TEN) fields coupled with these initiatives should lead to a recovery in the activity and profitability of the private sector. This should provide an important boost to an otherwise bleak economic picture.

This is an environment in which the Ghana cedi should fare well. Based on our expectation of tight monetary policy, tight fiscal policy and increased private sector activity, we believe that the Ghana cedi will depreciate marginally, not more than 12% against the US dollar for the year.

For the broad macro-economic aggregates, we expect the following outcomes for the year 2017; GDP growth rate of 3.9% in real terms, an MPC rate of 21%, inflation of 13% and local currency depreciation of 12%.

On the fixed income market, we expect short-term (treasury bills and fixed deposits) rates to rise in the first half of the year and fall as the central bank commences its rate reduction program. Long-term rates should remain relatively stable in the first half of the year.

The stock market should do better in 2017 than it has done in prior years, as listed companies begin to recover and investors look at stock returns for an alternative to falling yields fall on fixed income securities. Despite this improved picture, we continue to anticipate low liquidity in this asset class, making it difficult for pension schemes of any reasonable size to participate in their performance.

We also expect the recent trend of corporate bond issuance to continue as more companies look to tap pension scheme's funds for capital.

2017 Portfolio Strategy

Our outlook on general economic and financial market performance in 2017 leads us to the following portfolio strategy;

- Increase emphasis on long-term debt securities versus short-term debt securities;
- Continue to maintain exposure to high-quality money market securities and corporate bonds to add income to the portfolio;
- Take opportunistic positions in equities

PETRA OPPORTUNITY PENSION SCHEME

Report of the Trustees

To the members of the Petra Opportunity Pension Scheme

Conclusion

We would like to thank all our fund members for the confidence reposed in us as their preferred trustee within the pensions industry in Ghana. We will look to exploit any opportunities in investment performance. In addition, we will continue with the on-going initiative to ensure the delivery of quality services and convenience for scheme members. Thank you for placing your pensions in safe hands.

PETRA OPPORTUNITY PENSION SCHEME

Report of the Trustees

To the members of the Petra Opportunity Pension Scheme

Investment Report

(i) Statement of investment principles

We, the Trustees, attest that Scheme funds have been invested with the objective of obtaining safe and fair returns in accordance with National Pensions Act, 2008 (Act 766) as amended. We confirm that there has been full compliance with prohibitions on investments which include but are not limited to, use of Pension Fund assets as collateral, investing outside maximum allowable limits, investing outside the scope of assets stipulated by the Investment Guidelines and investing in securities issued by any issuer for which there exists a conflict of interest.

(ii) Investment Allocation

Asset type	Maximum Allocation	Actual Allocation	Investment Income earned	2016	2015
				Year end Value	Year end Value
	%	%	GHS	GHS	GHS
Government Securities	75	38	12,010,569	59,968,141	44,496,713
Corporate Bonds	30	22	5,045,837	35,146,398	12,019,697
Money Market Securities	35	34	10,481,316	53,920,897	29,898,775
Quoted Equity	10	3	299,701	4,857,709	5,934,137
Collective Investments	5	2	257,681	2,937,681	1,543,728
Cash		1	120,861	1,738,974	1,034,388
TOTAL		100	28,215,965	158,569,800	94,927,438

Financials

The Statement of Changes in Net Assets Available for Benefits as presented on page 15 shows an increase in Net Assets available for benefits for the year of GHS 65,305,035 (GHS 59,035,283 for the previous financial year) and the Statement of Net Assets Available for Benefits on page 14 shows the Scheme's Net Assets as at 31st December, 2016 amounting to GHS 162,265,932 (GHS 96,960,897 for the previous financial year).

Expenses

All expenses of the Scheme are charged against the Scheme. We confirm that expenses charged and deducted from the Scheme funds are those allowable under the National Pensions Act, 2008 (Act 766) as amended, Guidelines on Fees and Charges and any other directives issued by the Authority from time to time.

Type	Maximum Rate	Actual Rate	2016	2015
			Amount	Amount
	% p.a	% p.a	GHS	GHS
NPRA Fees	0.33	0.33	402,757	213,720
Trustee/Administrator Fees	1.33	1.03	1,576,759	887,838
Pension Fund Custodian Fees	0.28	0.24	292,914	155,433
Pension Fund Manager Fees	0.56	0.35	417,167	228,513
Audit Fees			13,000	10,000

PETRA OPPORTUNITY PENSION SCHEME

Report of the Trustees

To the members of the Petra Opportunity Pension Scheme

Trustees

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

License Number	Name	Position	Date of appointment	Date of exit
NPRA/MTPFS/12010/15315	Martyn Mensah	Independent Trustee	Nov-12	Jun-16
NPRA/MTPFS/12010/15450	Daniel Gyapanin	Member Nominated Trustee	Aug-15	
NPRA/MTPFS/12010/15226	Kweku Brenu	Independent Trustee	Aug-16	-
NPRA/MTPFS/12010/15313	Kofi Fynn	Board Chairman	Nov-12	-

Statutory requirements

The Trustees have complied with the requirements of the National Pensions Act, 2008 (Act 766) as amended, the National Pension (Amendment) Act, 2014 (Act 883) and the Occupational and Personal (General) Regulations, 2011 (L.I. 1990), Regulations made under it, Guidelines and Board Directives that have been issued.

Auditor

Intellisys (Chartered Accountants) have been Auditor of the Scheme since 2013 and have expressed their willingness to continue in office as Auditors of the Scheme.

For and on behalf of the Board of Trustees

Kofi D. Fynn

Name


Signature

25th April, 2017

Date

Kweku Osae Brenu

Name


Signature

25th April, 2017

Date

PETRA OPPORTUNITY PENSION SCHEME

Statement of Trustees' Responsibilities

For the year ended 31 December 2016

The National Pensions Act, 2008 (Act 766) as amended 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 (IFRSs) and the requirements of the National Pensions Act, 2008 (Act 766) as amended, the National Pension (Amendment) Act, 2014 (Act 883) and the Occupational and Personal Pension (General) Regulations, 2011 (L.I. 1990). The Trustees have instituted appropriate internal controls to avert cases of fraud or error from which material misstatements may arise.

The Trustees accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards and in the manner required by the National Pensions Act, 2008 (Act 766), the National 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 Petra Opportunity Pension Scheme.

PETRA OPPORTUNITY PENSION SCHEME

Independent Auditor's Report

To the Members of Petra Opportunity Pension Scheme Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Petra Opportunity Pension Scheme, which comprise the statement of Net Assets Available for Benefits as at December 31, 2016, and the Statement of Changes in Net Assets Available for Benefits, Statement of Movement in Net Assets Available for Benefits and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Scheme as at December 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

This section of our auditor's report is intended to describe the matters selected from those communicated with the Trustees that, in our professional judgement, were of most significance in our audit of the financial statements. We have determined that there are no such matters to report.

Other information

Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

To the Members of Petra Opportunity Pension Scheme (Continued)

Responsibilities of Trustees and Those Charged with Governance for the Financial Statements

The Trustees are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, Trustees are responsible for assessing the Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Trustees either intends to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Scheme's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

5. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Scheme's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Trustees.
- Conclude on the appropriateness of trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Scheme's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Scheme to cease to continue as a going concern.

PETRA OPPORTUNITY PENSION SCHEME

Independent Auditor's Report

To the Members of Petra Opportunity Pension Scheme (Continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Scheme to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Scheme's audit. We remain solely responsible for our audit opinion.

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

The Companies Act, 1963 (Act 179) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (ii) In our opinion proper books of accounts have been kept by the Scheme so far as appears from our examination of those books, and
- (iii) The Statement of Net Assets Available for Benefits (Balance Sheet) and statement of comprehensive Income (Profit and Loss account) are in agreement with the books of accounts.

The engagement partner on the audit resulting in this independent auditor's report is Theresa Ampadu Boateng (ICAG/P/1050).



Intellisys - (ICAG/F/2017/078)
Chartered Accountants
No. 2 Lardzeh Crescent, North Dzorwulu

Dated: 27th April, 2017

PETRA OPPORTUNITY PENSION SCHEME

Statement of Net Assets Available for Benefits As At 31 December, 2016

Figures in GHS	Note(s)	2016	Restated 2015
Assets			
Held to Maturity Investments	4	110,018,064	65,901,775
Trade and other receivables	5	11,678,743	6,280,016
Cash and cash equivalents	6	1,738,974	1,034,388
Available for Sale	7	37,377,273	23,247,229
Fair Value through Profit and Loss	8	2,937,681	1,543,728
Total Assets		163,750,735	98,007,136
Liabilities			
Administrative expenses payable	10	827,869	491,718
Benefits payables	11	541,875	519,195
Trade payables	12	115,059	35,326
Total Liabilities		1,484,803	1,046,239
Total Assets less Liabilities		162,265,932	96,960,897
Represented By:			
Net Assets Available for Benefits		162,265,932	96,960,897

The financial statements on pages 14 to 28 were approved by the Trustees on 24th April, 2017 and were signed on their behalf by:

<u>Kofi D. Fynn</u> Name	 Signature	<u>25th April, 2017</u> Date
<u>Kweku Osae Brenu</u> Name	 Signature	<u>25th April, 2017</u> Date

PETRA OPPORTUNITY PENSION SCHEME

Statement of Changes in Net Assets Available for Benefits For the year ended 31 December, 2016

Figures in GHS	Note(s)	2016	Restated 2015
Description			
Dealings with Members			
Contribution	13	61,419,070	59,903,970
Less: Benefits	14	(22,183,165)	(12,950,627)
A: Net Additions from Dealings with Members		39,235,905	46,953,343
Return on Investments			
B. Investment Income	15	27,958,284	14,352,243
C: Net Gain/(Loss) on Investments	16	815,543	(765,292)
D: Administrative Expenses	17	(2,704,697)	(1,505,011)
Increase In Net Assets for the year (A+B+C+D)		65,305,035	59,035,283

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PETRA OPPORTUNITY PENSION SCHEME

Statement of Movement in Net Assets Available for Benefits For the year ended 31 December, 2016

Figures in GHS

2016

Restated 2015

Description

Net assets available for benefits as at 1st January

96,960,897

37,925,613

Increase in Net Assets For The Year.

65,305,035

59,035,283

Net assets available for benefits as at 31st December

162,265,932

96,960,897

PETRA OPPORTUNITY PENSION SCHEME

Statement of Cash Flows

For the Year Ended 31 December, 2016

Figures in GHS	Note(s)	2016	Restated 2015
Cash flows from operating activities			
Increase in Net Assets for the year		65,305,035	59,035,283
Operating cash flow before working capital changes		65,305,035	59,035,283
Adjustment for:			
Loss/(Gain) on maturities and disposals		6,897,122	(8,988,112)
Changes in net market value of investment	9a	(149,742)	763,816
Increase in trade and other receivables	5	(5,398,727)	(4,603,215)
Increase in trade and other payables		438,562	610,559
Net cash from operating activities		67,092,250	46,818,332
Cash flows from investing activities			
Purchase of Treasury Bills	9a	(56,129,029)	(58,669,401)
Purchase of Quoted Equity	9a	(66,136)	(4,622,063)
Purchase of Money Market Securities		(88,134,307)	(57,192,523)
Purchase of Government Bonds	9a	(26,382,795)	(16,808,230)
Purchase of Corporate Bonds	9a	(22,262,240)	(11,030,200)
Purchase of Collective Investments	9a	(2,680,000)	(1,306,800)
Proceeds from disposal of Treasury Bills	9b	63,348,376	46,171,047
Proceeds from disposal of Quoted Equity	9b	23,294	2,292
Proceeds from disposal of Money Market Securities	9b	46,766,315	45,428,048
Proceeds from disposal of Government Bonds	9b	17,376,266	11,437,913
Proceeds from disposal of Corporate Bonds		-	514,872
Proceeds from disposal of Collective Investments	9b	1,752,590	-
Net cash utilised in investing activities		(66,387,664)	(46,075,045.0)
Increase in cash and cash equivalents		704,586	743,287
Cash and cash equivalents at beginning of the year		1,034,388	291,101
Cash and cash equivalents at end of the year		1,738,974	1,034,388

PETRA OPPORTUNITY PENSION SCHEME

Accounting Policies

1. General information

Petra Opportunity Pension Scheme is a private pension master trust scheme registered in Ghana under the National Pensions Act 2008 (Act 766) as amended. The Scheme is permitted by its deeds to carry on, inter alia, the business of establishing a Master Trust Scheme for individuals operating in Ghana. The address of the registered office of the Scheme is 113 Airport West, Dzorwulu, Accra - Ghana.

2. Summary of significant accounting policies

The significant accounting policies applied in the preparation of the financial statements are set out below.

2.1 Statement of Compliance

The Financial Statements of the Scheme have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and in compliance with the National Pensions Act 2008 (Act 766) as amended, the Occupational and Personal (General) Regulations (L.I. 1990) and relevant Guidelines.

2.2 Basis of Measurement

The Financial Statements are prepared under the historical cost convention, as modified by the revaluation of certain financial instruments. The actuarial value of pensions and other future benefits of the Scheme are not applicable to the Financial Statements.

2.3 Functional and Presentation Currency

The Financial Statements are prepared in Ghana Cedis (GHS) which is the Scheme's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the end of the reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of changes in net assets.

2.4 Contributions

Contributions are recognised in the period in which they fall due. The Contributions are in compliance with rates as per the National Pensions Act, 2008 (Act 766) as amended and the Scheme Governing Rules. Contributions receivable are accrued for one year after they fall due. All outstanding contributions beyond one year is written off from the accounts.

2.5 Benefits

Benefits are recognised in the period in which they fall due. Benefits represent all valid benefit claims paid/payable during the year in compliance with the National Pensions Act, 2008 (Act 766) as amended and the Scheme Governing Rules.

2.6 Investment Income

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

2.7 Dividends

Dividend Income from investments is recognised when the shareholders' right to receive payment has been established.

PETRA OPPORTUNITY PENSION SCHEME

Accounting Policies

2.8 Financial Assets

The Trustees determine the classification of Financial Assets of the Scheme at initial recognition.

Financial Assets are classified as follows:

a. Financial Assets at fair value through Profit or Loss

A Financial Asset at fair value through profit or loss is a financial asset that meets either of the following conditions:

i. Held for Trading

A financial asset is classified as held for trading if it is acquired principally for the purpose of selling or re purchasing in the near future; or part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

ii. Designated at Fair Value through Profit or Loss

Upon initial recognition as financial asset or financial liability, it is designated by the Trustees at fair value through profit or loss except for investments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

b. Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

c. Available-for-Sale Financial Assets

Available-for-Sale financial assets are non-derivative financial assets that are designated on initial recognition as available for sale and are held for an indefinite period of time and may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

d. Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Trustees have the positive intention and ability to hold to maturity.

e. Initial Recognition of Financial Asset

Purchase and sales of financial assets held at fair value through profit or loss, available for sale financial assets and liabilities are recognised on the date the Trustees commit to purchase or sell the asset. Financial assets are initially recognised at fair value plus directly attributable transaction costs, except for financial asset at fair value through profit or loss.

f. Subsequent Measurement of Financial Asset

Available for Sale financial assets are subsequently measured at fair value with the resulting changes recognised in Statement of Comprehensive Income. The fair value changes on available for sale financial assets are recycled to the Statement of Changes in Net Assets when the underlying asset is sold, matured or derecognised. Financial Assets classified as fair value through profit or loss are subsequently measured at fair value with the resulting changes recognised in the Statement of Changes in Net Assets.

PETRA OPPORTUNITY PENSION SCHEME

Accounting Policies

g. Derecognition

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or where the Scheme has transferred substantially all risks and rewards of ownership. Any interest in the transferred financial assets that is created or retained by the Scheme is recognised as a separate asset or liability.

Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expired.

h. Amortised Cost Measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayment, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

i. Identification and Measurement of Impairment

The Trustees assess at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets are impaired. A financial asset or group of financial assets are impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occur after the initial recognition of the asset, and that loss event has an impact on the estimated future cash flows of the financial asset, or group of financial assets that can be reliably estimated.

Objective evidence that financial assets are impaired can include default or delinquency by a debt issuer and other observable data that suggests adverse changes in the payment status of the debt issuer. Impairment losses on available for sale financial assets are recognised by transferring the difference between the acquisition cost and the current fair value out of Net Assets in the Statement of Changes in Net Assets available for benefits.

The Trustees first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Trustees determine that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in a collective assessment of impairment.

Future cash flows in a group of financial assets that are collectively valued for impairment are estimated on the basis of the historical loss experience for assets with credit risk characteristics similar to those in the Scheme. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based, and to remove the effects of conditions in the historical period that do not exist currently.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the Statement of Changes in Net Assets.

PETRA OPPORTUNITY PENSION SCHEME

Accounting Policies

Impairment losses on Available-for-Sale financial assets are recognised by transferring the difference between the amortised acquisition cost and current fair value out of Net Assets to the Statement of Changes in Net Assets. When a subsequent event causes the impairment loss on an Available-for-Sale financial asset to decrease, the impairment loss is reversed through the Statement of changes in net assets. However, any subsequent recovery in the fair value of an impaired Available-for-sale financial asset is recognised directly in Net Assets.

2.9 Provisions

Provisions are recognised when the Scheme has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Where the obligation is expected to be settled over a period of years, the provision is discounted using a discount rate appropriate to the nature of the provision.

2.10 Cash and Cash Equivalents

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

2.11 Financial Risk Management, Objectives and Policies

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

- Asset/Portfolio/Credit risk
- Liquidity risk
- Market risk
- Interest Rate risk
- Operational risk
- Currency/Foreign Currency Exchange Rates

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

Risk Management framework

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

The Scheme's Risk Management policies are established to identify and analyse the risks faced by the Scheme, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Trustees, through the standards and procedures aims to develop a disciplined and constructive control environment, in which all Trustees understand their roles and obligations.

The Trustees are responsible for monitoring compliance with risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to risks faced by the Scheme.

PETRA OPPORTUNITY PENSION SCHEME

Accounting Policies

(a) Asset/Portfolio/Credit Risk

Credit risk is the risk that counterparties (i.e. financial institutions and companies) in which the Fund's assets are invested will fail to discharge their obligations or commitments to the Fund, resulting in a financial loss to the Fund.

The Fund's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meets the standards set out in the NPRA guidelines and the Fund's investment policy statement. Prior to any investment, a credit assessment report must be presented for approval after which the decision to invest funds with an issuer is made.

(b) Liquidity risk

Liquidity risk is the risk that the fund either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due. The fund's approach to managing liquidity is to ensure that it will maintain adequate liquidity in the form of cash and very liquid instruments to meet its liabilities (including benefits) when due. A threshold amount has been set based on historical accrued benefits paid to ensure that this risk is mitigated wholly.

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates on investments will affect the fund's income.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. This systematic risk cannot be mitigated through diversification.

(d) Interest Rate risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The investment managers advise the Trustees on the appropriate balance of the portfolio between equity, fixed rate interest, and variable rate interest investments. The scheme uses duration targeting as a means of mitigating the effects of the risk. The target duration is regularly reviewed by the Trust Board. For some of the bonds with issuers other than the Government of Ghana, investments are placed with a floating rate to hedge against this risk.

(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Fund's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of Fund behaviour. Operational risks arise from all of the Fund's operations and are faced by all pension schemes.

PETRA OPPORTUNITY PENSION SCHEME

Accounting Policies

The Fund's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Fund's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to the administrator. This responsibility is supported by the development of following policies and standards;

- governing rules and trust deed;
- investment policy statement;
- requirements for the reporting of non-compliance with regulatory and other legal requirements;
- training and professional development;
- ethical and business standards;
- risk mitigation, including insurance where this is effective.

Measures have been set such as instituting different authorisation levels, together with technological systems to ensure that such risks are mitigated, secured servers are monitored and backed up daily both on-site and off-site to ensure that the scheme's operational data is not lost.

Compliance with the Fund governing rules is supported by a programme of annual reviews undertaken by the external auditor. The results of these reviews are discussed with Trustees.

(f) Currency/ Foreign Currency Exchange Rates

The Scheme's financial assets could be exposed to currency translation risk for foreign currency denominated investments. These assets are exposed to translation risk which affects the scheme's investment performance due to fluctuations in different currency rates. The scheme mitigates this by investing less than 5% of the Assets under Management in active currency allocations.

3. Use of estimates and judgement

The preparation of financial statements in conformity with IFRS requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and the associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

3.1 Estimates and assumptions

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

PETRA OPPORTUNITY PENSION SCHEME

Accounting Policies

3.2 Fair value of Financial Instruments

The framework for measuring fair value provides a fair value hierarchy that prioritise the inputs to valuation techniques used to measure fair value. The hierarchy gives 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 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Scheme can access at the measurement date.

Level 2: Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Input to the valuation methodology are unobservable and significant to the fair value measurement.

3.3 Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

PETRA OPPORTUNITY PENSION SCHEME

Notes to the Annual Financial Statements

Figures in GHS

	2016	Restated 2015
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4. Held to Maturity Investments

Corporate Bonds	33,676,312	11,381,200
Money Market Securities	50,418,265	26,247,603
Treasury Bill	25,923,487	28,272,972
	110,018,064	65,901,775

5. Trade and other receivables

Contributions receivable	5,160,498	3,074,081
Interest Receivable - Government Bonds	1,525,090	936,017
Interest Receivable - Corporate Bonds	1,470,086	638,497
Interest Receivable - Money Market Securities	3,502,632	1,625,803
Trade Receivables	20,437	5,618
	11,678,743	6,280,016

6. Cash and cash equivalents

This represents balance on the Scheme's Current and Call accounts held with Stanbic Bank Ghana limited at the end of year 2016 of GHS1,738,974 (2015:GHS1,034,388)

7. Available for Sale

Quoted Equity	4,857,709	5,934,137
Government Bonds	32,519,564	17,313,092
	37,377,273	23,247,229

8. Fair Value through Profit and Loss

Collective Investments	2,937,681	1,543,728
	2,937,681	1,543,728

9. Investments

9.a. Analysis of change in Investments

Financial Instruments	Balance 1/1/2016	Purchases at cost	Accrued Interest	Interest received	Disposals/Maturities at cost	Change in value	Value at 31/12/2016
	GHS	GHS	GHS	GHS	GHS	GHS	GHS
Quoted Equities	5,934,137	66,136	-	-	58,507	(1,084,057)	4,857,709
Treasury Bills	26,247,603	56,129,029	1,696,837	5,179,792	63,329,774	-	25,923,487
Money Market Securities	28,272,972	88,134,307	3,502,632	8,604,487	65,989,014	-	50,418,265
Government Bonds	17,313,092	26,382,795	1,525,090	4,544,867	12,119,569	943,246	32,519,564
Corporate Bonds	11,381,200	22,262,240	1,470,086	4,214,248	-	32,872	33,676,312
Collective Investments	1,543,728.00	2,680,000.00	-	-	1,543,728.00	257,681.00	2,937,681.00
	90,692,732	195,654,506	8,194,645	22,543,394	143,040,592	149,742	150,333,017

PETRA OPPORTUNITY PENSION SCHEME

Notes to the Annual Financial Statements

Figures in GHS	2016	Restated 2015
9.b. Proceeds from Disposal/Maturity of Investments		
	Disposals	Maturities
	GHS	GHS
Quoted Equities	23,294	-
GoG Bonds		17,376,266
Treasury Bills		63,348,376
Money Market Securities		46,766,315
Collective Investments		1,752,590
	23,294	129,243,547
		129,266,841
10. Administrative Expenses Payable		
Audit Fees Payable	13,000	10,000
NPRA Fees Payable	121,952	72,982
Trustee Fees Payable	478,367	286,704
Fund Manager Fees Payable	125,858	71,608
Custodian Fees Payable	88,692	50,424
	827,869	491,718
11. Benefits Payable		
Benefits payable	420,232	511,559
Withholding tax payable on benefits	121,643	7,636
	541,875	519,195

PETRA OPPORTUNITY PENSION SCHEME

Notes to the Annual Financial Statements

Figures in GHS

2016

Restated 2015

12. Trade Payable

Trade payable	115,059	35,326
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13. Contributions

Contributions received	56,258,572	56,829,889
Contributions receivable	5,160,498	3,074,081
	61,419,070	59,903,970

14. Benefits

Lump sum benefit paid	21,762,933	12,439,069
Lump sum benefits payable	420,232	511,559
	22,183,165	11,927,510

15. Investment Income

An analysis of income is as follows:

Interest on Government Bonds	5,133,940	3,085,485
Dividend Income	299,701	175,104
Interest on Corporate Bonds	5,045,837	1,099,074
Interest on Treasury Bills	6,876,629	4,279,093
Interest on Money Market Securities	10,481,316	5,607,605
Interest on Call Account	120,861	105,882
	27,958,284	14,352,243

16. Gains/ losses on investment

Loss in Valuation of Quoted Equity	(1,304,906)	(977,185)
Gain on Disposal of Government Bonds	372,683	22,549
Gain in Valuation of Collective Investments	257,681	236,928
Gain in Valuation of Corporate Bonds	32,872	-
Gain in Valuation of Other Assets	-	31,399
Loss on Disposal of Quoted Equity	(24,084)	(1,475)
Gain on Disposal of Collective Investments	445,785	-
Gain on Disposal of Other Assets	92,266	91,656
Gain in Valuation of Government Bonds	943,246	(169,165)
	815,543	(765,293)

PETRA OPPORTUNITY PENSION SCHEME

Notes to the Annual Financial Statements

Figures in GHS

2016

Restated 2015

17. Administrative Expenses

Audit Fees	15,100	10,000
NPRA Fees	402,757	213,720
Trustee Fees	1,576,759	897,345
Fund Manager Fees	417,167	228,513
Custodian Fees	292,914	155,433
	2,704,697	1,505,011

18. Tax

Under Section 89 (1) of the National Pensions Act, 2008 (Act 766) as amended and Income Tax Act 2015 (Act 896) as amended, the Scheme is exempt from taxation.

19. Commitments and Contingencies

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

20. Event after the balance sheet date

Events subsequent to the balance sheet date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material. As at the end of the reporting period, there were no events after the reporting period that relate to the year under consideration.

21. Related party transactions

Petra Opportunity Pension Scheme pays its Administrator (Petra Trust Company Limited) management fees. Details of the fees are as follows;

Amounts owed to the related party at year-end

Name	Relationship Transactions	2016	2015	2016	2015
		GHS	GHS	GHS	GHS
Petra Trust Company Limited	Administrator Management fees	1,576,759	821,609	478,367	283,876

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