



# ANNUAL REPORT

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# LEGACY UNIT TRUST



# LEGACY UNIT TRUST

ANNUAL REPORT AND  
FINANCIAL STATEMENTS

**31ST DECEMBER, 2022**

OBS Accounting  
(Chartered Accountants)

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# Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 9th Annual General Meeting of Legacy Unit Trust will be held via zoom on Monday, December 11, 2023 at 10:00am to 11:00am prompt to transact the following businesses:

## AGENDA

1. To receive the report of the Manager of for the year 2022
2. To receive the Audited financial statements for the year ended December 31, 2022 together with the Trustee and Auditors report thereon
3. To authorize the Manager to appoint and fix the remuneration of the Auditors for the year 2023.

The AGM Report, zoom meeting ID and Passcode will be shared with Unitholders via their contact details with IFS Capital Management Limited.

For all questions and enquires, kindly contact us on;

Phone: 0302777081 / 0571386759

Email: [clientservice@ifscapitalgh.com](mailto:clientservice@ifscapitalgh.com)

Ifs Capital Management Limited  
Plot No. 7, Nii Yemoh Street,  
East Legon-Accra.

**Dated this 16<sup>th</sup> day of November 2023**

**BY ORDER OF THE FUND MANAGER**

**For: IFS Capital Management Limited**

# Corporate Information

Legacy Unit Trust is an open-ended unit trust managed by IFS Capital Management Limited and it is governed by the laws of Ghana. The fund is established with an unlimited duration and is authorized to operate by the Securities and Exchange Commission under the Unit Trust and Mutual Fund Regulation 2001 (LI1695).

Manager	IFS Capital Management Limited Plot No. 7, Nii Yemoh Street East Legon, Accra-Ghana
Trustee/Custodian	Universal Merchant Bank Limited SSNIT Emporium, Airport City, Accra P. O. Box GP 401, Accra
Investment Advisor	IFS Capital Management Limited Plot No. 7, Nii Yemoh Street East Legon, Accra-Ghana
Auditor	OBS Accounting (Chartered Accountants) P. O. Box NK 154, North Kaneshie- Accra
Lawyer	Michael Adjei Baah, Esq IFS Capital Management Limited Nii Yemoh Avenue, Plot No.7 East Legon, Accra
Objectives of the Scheme	The Fund seeks to provide long-term growth of capital for clients. The fund is targeted at adults (or guardians) and investors who aim at investing for their wards, organizations, and businesses as an inheritance package.
Fund Category	Income Fund
Investment Policy	The investment policy is to carefully select growth assets that will ensure best rewards while minimizing risk exposure of the investments. The fund will invest mainly in long term fixed income securities and securities listed on the Ghana Stock Exchange and will keep small investments in short term securities.

# Statement Of Trustee And Fund Managers Responsibilities


The Unit Trust and Mutual Fund Regulation 2001 (LI 1695) require the Fund Managers and the board of directors of the fund to prepare Financial Statements for each financial period which gives a true and fair view of the state of affairs of the Trust, except for the Income and Distribution accounts which shall be maintained by the Trustee of the Trust. In preparing these Financial Statements the Fund Managers are required to:

- i) Select suitable Accounting Policies and apply them consistently.
- ii) Make judgments and estimates that are reasonable and prudent.
- iii) State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- iv) To ensure that the Financial Statements are prepared on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The Fund Managers are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust which enable them to ensure that the Financial Statements

comply with the Companies Act, 2019 (Act 992), the Securities and Industry Act, 2016 (Act 929), and the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695) and the relevant Legislative instrument. The Trustee are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The above Statement which should be read in conjunction with the Statement of the Auditors' responsibilities set out on page 14 is made with a view to distinguishing for unit holders/investors the respective responsibilities of the Trustee, Fund Managers, and the Auditors in relation to the Financial Statements.



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TRUSTEE



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FUND MANAGER

# **Report Of The Trustee To The Unit Holders**

In our opinion, according to the information made available to us and the explanations provided, we confirm that in all material respects, the manager has managed the scheme during the period covered by this Financial Statements in accordance with the Trust Deeds dated 6th January 2012 and all regulations for the time being in force under the Unit Trust and Mutual Fund's Regulations, 2001, (L.I. 1695)

**Dates this 28th Day of August, 2023**

**For: UNIVERSAL MERCHANT BANK GHANA LIMITED**

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke extending to the left.

# Fund Manager's Report To Unit Holders For The Year Ended 31 December 2022

Dear Valued Unit holders,

It is our profound privilege to welcome you to the 9<sup>th</sup> Annual General Meeting of your fund, Legacy Unit Trust. I wish to extend to you our cherished unit holders, our deep appreciation for your continuous patronage of this fund. It gives me great pleasure to address you today amidst the current economic challenges.

The Fund Manager's report will focus on the global and local business operating environment, provide a brief assessment on the performance of your fund for 2022, economic outlook and expectations of the fund for the year 2023.

## Global Economic Review

Global economic activities came under severe pressure in 2022 on the back of continued spillovers from geopolitical tensions, continued tightening of monetary policies across countries, even as policy uncertainty heightened amidst fears of recession in advanced economies. The latest Purchasing Managers' Indices (PMI) pointed to broad-based slowdown in economic activities at the end of 2022, especially across advanced economies. In Emerging Market and Developing Economies (EMDEs), growth conditions weakened on account of tightened global financing conditions, dampened external demand, and moderated consumer spending as inflation rose. The latest IMF projections showed that global growth moderated to 3.2% in 2022

and will further moderate to 2.7% in 2023, reflecting mainly growth decline in Advanced Economies.

In the last quarter of 2022, headline inflation started showing signs of easing in some advanced and emerging economies, supported by declining commodity prices and weaker demand. This notwithstanding, were underlying inflation pressures from the pass-through effects of past input costs, rising wages especially in advanced economies, currency depreciation against the U.S. dollar, and rising short-term inflation expectations which remain a major concern for central banks.

## Local Economic Review

The combined effect of the adverse external events exposed Ghana's



economy to a surge in inflation, a large exchange rate depreciation, and stress on the financing of the Government budget at a time when the economy was just beginning to recover from the pandemic. It is worth noting that global risk aversion triggered large capital outflows, and the loss of external market access resulted in increased domestic borrowing costs. Ghana's Gross Domestic Product (GDP) growth rate declined to 3.1% in 2022 from 5.1% in 2021. The observed growth outturn was driven by the services and agriculture sectors with a growth of 4.2% and 5.5% respectively. Inflation remained elevated in 2022, driven mainly by demand pressures, currency depreciation, transport, utility costs and supply disruptions. Inflation recorded a significant jump to 54.1% in December 2022, from 12.6% in 2021. Interest rates on the money market increased in tandem with inflation across the yield curve. The monetary policy rate shot up by 1,250 basis points (bps) to 27% from 14.5% in December 2021. The local currency came under intense pressure in the year under review, reflecting portfolio reversals, lower foreign direct investment inflows, and enhanced demand pressures. This resulted in significant depreciation of the Ghana cedi against major currencies. For the year 2022, the Ghana Cedi depreciated by 30.0% against the US dollar, after reversals of some of the losses in December 2022. Depreciation of the cedi to the dollar was 4.1% in 2021.

As part of a comprehensive strategy aimed at bringing the public debt stock back to sustainable level and to unlock financial assistance from the International Monetary Fund, the Government of Ghana launched a Domestic Debt Exchange Programme (DDEP) on 5th December 2022 which affected Government of Ghana bonds listed on the Ghana Fixed Income Market (GFIM). The DDEP was an invitation for the voluntary exchange of about GHS130 billion of the domestic bonds of the Republic for a package of new bonds with lower coupons and longer tenors. Under the Domestic Debt Exchange Programme, domestic bondholders were asked to exchange their existing instruments for new ones. Existing domestic bonds as of 1st December 2022 were exchanged for a set of four new bonds maturing in 2027, 2029, 2032 and 2037. The annual coupon on all these new bonds will be set at 0% in 2023, 5% in 2024 and 10% from 2025 until maturity. Coupon payments were to be paid semi-annually.

The Ministry of Finance in a revised agreement with banks and other finance companies agreed to pay bonds maturing from 2024 5% coupon in 2024 and thereafter between 9% and 10.65%. An agreement to pay 5% coupon for 2023 and a single coupon rate for each of the 12 new bonds, resulting in an effective coupon rate of 9%. This was in a joint statement by Ministry of Finance and Ghana Association of Bankers. The programme was intended to pave

the way and lay a sound foundation for economic recovery and had a significant impact on the economy. The sovereign transaction has impacted market operators in several ways, including portfolio liquidity, operational revenue, client base, and growth prospects.

## **Inflation**

Inflation remained elevated in 2022, driven by both demand pressures and supply shocks. The two price readings since the last MPC meeting showed a significant jump in headline inflation to 54.1% in December 2022, from 50.3% in November and 40.4% in October 2022. The acceleration in inflation was driven mainly by the lagging effects of the sharp currency depreciation recorded in October. Food and non-food inflation went up significantly. Food inflation surged to 59.7% in December from 55.3% in November 2022, while non-food inflation rose to 49.9% from 46.5% over the same comparative period.

Underlying inflationary pressures similarly remained elevated.

## **Currency Market**

The Ghana cedi depreciated by 30.0% against the US dollar in 2022, this compares with 4.1% depreciation in 2021. It depreciated 24.1% against the British pound sterling and 27.5% against the euro. The depreciation of the currency was driven by higher

crude oil product import bill on the back of rising prices, non-roll over of maturing bonds by non-resident investors, portfolio reversals and sudden exit of non-resident investors in the bond market, as well as loss of market access to Eurobond resources. The effect of these factors has been exacerbated by the strength of the US dollar, resulting in depreciation of the local currency from the beginning of the year to date.

## **Money Market / Interest Rates**

Development on the interest rates market movements posted high trends on the yield curve within the year 2022, mainly skewed southwards. The 91-day and 182-day Treasury bill rates recorded a sharp increase from 12.49% and 13.19% in 2021 to 35.36% and 35.91% in 2022 respectively. Similarly, the 364-day GOG Bill also took a high increase from 16.46% to 35.8% in the same comparative period. The 2year, 3year and 5year bonds closed the previous year at 19.75%, 19% and 21% respectively whilst it closed the year 2022 with 21%, 29% and 22.30% respectively.

## **Stock Market**

The Ghana Stock Exchange (GSE) recorded bullish performance in 2022 despite macroeconomic challenges facing the economy. The Equities market closed the year with an increase in volume, value, and number of transactions. The volume of shares

traded last year on the Accra bourse increased to 1,335,262,647 in 2022 from 486,587,748, representing an increase of 174.41%. The value of shares traded rose to 1,639,787,622.32 in 2022 from 533,270,293.38 in 2021, representing an increase of 207.50%. The number of transactions increased by 38.23% compared with the same period last year. Market capitalization increased by 0.32% from GH¢ 64, 495.20 million at the end of December 2021 to GH¢ 64, 507.32 million at the end of December 2022. However, the Composite and Financial Stock Indexes returned -12.38% and -4.61% respectively.

The Ghana Fixed Income Market closed the year with a cumulative volume trade of 230.68 billion, which was a 10.60% increase from the 298.57 billion volumes traded same period last year.

The bond market closed the year with cumulative volume trade of 230.68 billion, representing an increase of 10.68% compared with the total volume trade of 208.57 billion in the previous year. The total number of trades for the year increased by 58.30% from the 346.803 trades in 2021 to 528.188 trades in 2022 from 215.8 billion in 2021, representing an increase of 2.46%. Ghana was allocated \$234 million by the Global Fund (GF) to fight against Malaria, Tuberculosis (TB) and

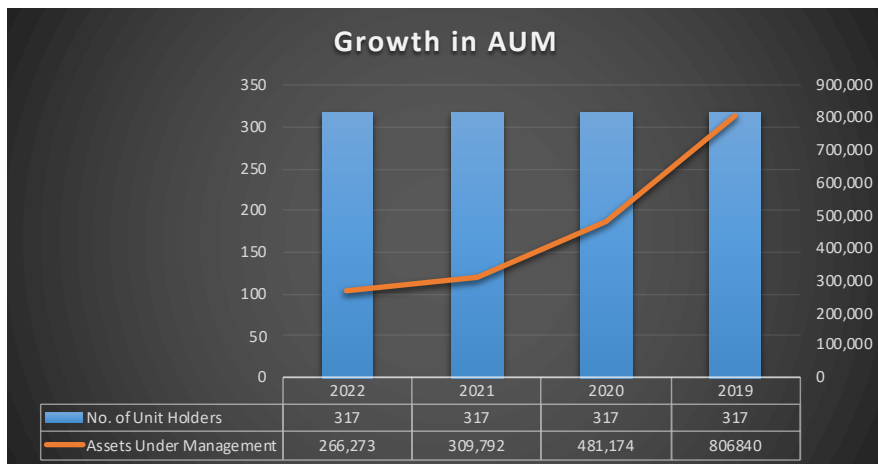
HIV/ AIDS. The grant, spanning 2023-2025, is expected to accelerate efforts at reducing prevalence of the three diseases as well as build a resilient health system to control epidemics.

### **Fund Performance**

Legacy Unit Trust achieved a year-to-date return of 2.45% with the fund closing the year with a unit price of 0.2845. This year's performance is reflective of the domestic shocks on the capital market coupled with market information on government's debt restructuring and the application of mark-to-market approach to investment valuation at year end. Net Assets Value of the scheme stood at GH¢254,914 at the end of 2022 as against GH¢296,871 in 2021. This represents a decrease in Net Assets Value of 14.13%. Net income from investments and operations stood at GH¢7,340 in 2022 as compared to GH¢14,483 in 2021. The fund manager was prudent in reducing expenses incurred for the scheme in the face of challenging economic conditions and rebalanced the portfolio to sustain and improve on the returns to unit holders.

## Annual Yield

	2022	2021	2020
Annual Fund Yield	2.45%	4.67%	-0.75%
Yield on GoG One Year Note	35.38%	16.46%	16.98%
Inflation	54.1%	12.60%	10.4%



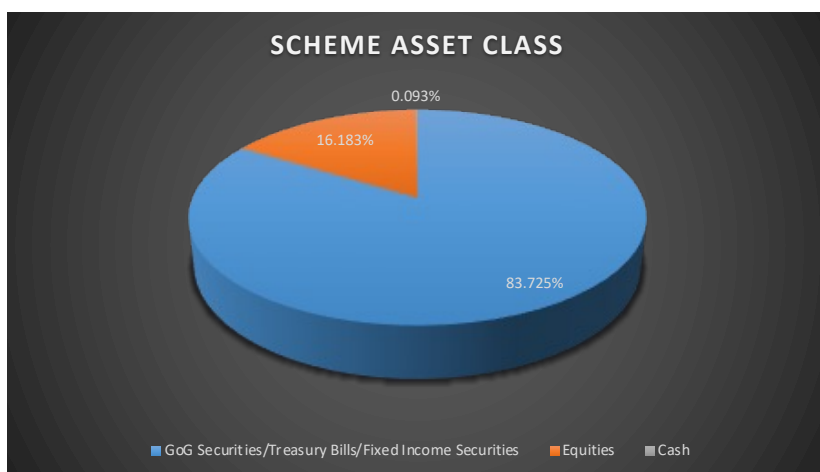
	December 31, 2022	December 31, 2021	December 31, 2020
Number of Unit Holders	317	317	317
Yield on the GSE – CI	-12.38%	43.66%	-13.98%
Yield on the GSE- FSI	4.61%	20.73%	-11.73%
Fund Yield	2.45%	4.67%	-0.75%

## Portfolio Review and Asset Mix

The Fund Manager carefully maintained a well-structured portfolio consistent with the funds core objective of being an income fund. This was achieved to ensure a steady return on investments for unit holders though the market was unstable, especially as witnessed on the Ghana Stock Exchange. By the end of 2022, total assets under management stood at 266,273, a reduction in value by

14.05% as compared to the previous year. The portfolio consisted of 83.73% holdings in Fixed Income Securities (treasury bills and Fixed term deposits), 16.18% in listed equities and the remaining 0.09% held as cash and cash equivalents as shown in the table below.

	December 31, 2022	December 31, 2021	December 31, 2020
Assets Under Management	266,273	309,792	481,174
% Fixed Income Securities on AUM	83.725%	76.262%	45.48%
% Equities on AUM	16.183%	13.937%	7.88%
% Cash & Cash Equivalents on AUM	0.093%	9.801%	46.65%



## Fund Strategy

The fund would invest in short to medium term Government of Ghana securities to provide security, liquidity, and stable return on investments to unitholders. absorb fluctuations in stock prices that may occur in the stock market. The fund manager will continue to monitor the performance of the stock market given the option to restructure the portfolio mix with new or existing stocks. We remain cautious and focused on our responsibility to professionally manage your funds in a way that brings you optimum returns.

## Outlook for 2023 and Conclusion

Global inflation remains high but expected to decrease in 2023, supported by declining fuel and non-fuel commodity prices, monetary tightening as financial market conditions ease, driven by expectations of moderated policy rate hikes by central banks.

The year 2022 was a difficult one for Ghana's economy coupled with the depreciation of the cedi, energy price hikes and unsustainable debt levels. However, the IMF deal is expected to provide policy credibility and open our economy to foreign investments with the foreign exchange market expected to see a prolonged stability. Your Fund is well positioned to take advantage of considerable growth opportunities in our environment as we navigate an uncertain external and internal environment in the year 2023 under an IMF programme. Ghana is projected to experience a low GDP growth in 2023, but the country offers opportunities amidst the economic challenges for sustainable growth in the years ahead.

We shall continue to take advantage of our fund management capabilities and our understanding of the market to grow your funds to earn for you a return that outperforms the performance of the previous year. We remain positive and committed to prudently investing your funds in approved financial securities to generate optimal returns.

Despite the perceived instability in the industry, we wish to reassure unit holders that their investments are safe and further ask unit holders to increase their holdings in these difficult times to bolster the capacity and help improve the performance of your fund.

Thank you for your attention.

**Fund Manager**

**IFS Capital Management Limited**





# **Independent Auditors' Report To The Members Of Legacy Unit Trust**

## **Opinion**

We have audited the financial statements of Legacy Unit Trust, which comprise the statement of financial position as at December 31, 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 14 to 32.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards for SME's (IFRS for SME's).

## **Basis for Opinion**

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

## **Responsibilities of The Board of Directors for the Financial Statements**

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and with the requirements of the Companies Act 2019, (Act 992), and for such internal control as

The Board of Directors determine 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, The Board of Directors is responsible for assessing the Company'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 The Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also;

i) 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.

ii) 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.

iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by The Board of Trustee.

iv) Conclude on the appropriateness of The Board of Trustee' 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.

v) 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.

We communicate with The Board of Trustee 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.

### **Report on Other Legal and Regulatory Requirements**

The Companies Act, 2019 (Act 992), the Securities and Industry Act, 2016 (Act 929), and the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695) requires that in carrying out our audit we consider and report 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 account 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 and statement of changes in net assets available for benefits are in agreement with the books of account.

**A. S. Obodai (ICAG/P/1345)**

**OBS Accounting (ICAG/F/2022/201)  
Chartered Accountants**

**P. O. Box TS 585  
Teshie**

**Tel: 0275300840**

28th August, 2023

**ALEXANDER SAI OBODAI (ICAG/F/1345)  
MANAGING PARTNER  
OBS ACCOUNTING (ICAG/F/20.....)  
CHARTERED ACCOUNTANTS  
P. O. BOX TS 585  
TESHIE - ACCRA**

# Legacy Unit Trust Financial Statements


## Statement Of Assets And Liabilities As At 31<sup>st</sup> December 2022

QUOTED EQUITY	% Net Assets	No. of Shares	Market Value 2022 GH¢	Market Value 2021 GH¢
<b>Banking</b>				
Ghana Commercial Bank	0.04	23	91	121
Ecobank Ghana Ltd	6.04	2,320	15,405	12,920
Cal Bank	1.25	4,909	3,191	2,540
Standard Chartered Bank	2.06	260	5,242	4,060
Ghana Oil Ltd	3.58	5,300	9,116	9,646
<b>Petroleum</b>				
Total Petroleum Ltd	1.41	900	3,600	4,518
<b>Insurance</b>				
Enterprise Group Ltd	-	-	-	-
<b>Selling &amp; Distribution</b>				
Fanmilk Ghana Ltd	0.88	748	2,244	2,992
Unilever Ghana Ltd	1.65	1,083	4,202	6,379
<b>Total Quoted Equity</b>	<b>16.90</b>	<b>15,543</b>	<b>43,090</b>	<b>43,176</b>
<b>Short Term Funds</b>				
Cash at bank and on Call	0.10		246	30,361
Short Term Investment	82.47		210,216	227,217
<b>Total Short-Term Funds</b>	<b>82.56</b>		<b>210,462</b>	<b>257,579</b>
<b>Total Investments</b>	<b>99.47</b>		<b>253,552</b>	<b>300,755</b>
Total Accounts Receivable	4.99		12,721	9,037
Other Assets	-		-	-
Total Accounts Payable	(4.46)		(11,359)	(12,921)
<b>Net Assets</b>	<b>100.00</b>		<b>254,914</b>	<b>296,871</b>

# Legacy Unit Trust Statement Of Assets And Liabilities As At 31st December 2022

<b>ASSETS</b>	<b>Note</b>	<b>2022 GH¢</b>	<b>2021 GH¢</b>
Long Term Investments	4	43,090	43,176
Short Term Investments	5	210,216	227,217
Accounts Receivable	6	12,721	9,037
Other Assets		-	-
Bank & Cash Balances		246	30,361
<b>Total Assets</b>		<b>266,273</b>	<b>309,792</b>
<b>LIABILITIES</b>			
Accounts Payable	7	11,359	12,921
<b>Net Assets</b>		<b>254,914</b>	<b>296,871</b>
<b>UNITHOLDERS FUNDS</b>			
Capital Accounts	8	(314,572)	(265,275)
Income & Distribution Account		569,486	562,147
		<b>254,914</b>	<b>296,871</b>

Approved by the Trustees and Fund Manager on 28th August, 2023

  
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**FUND MANAGER**

  
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**TRUSTEE**

# Legacy Unit Trust Income And Distribution Accounts For The Year Ended 31st December 2022

Dealings with members	Note	2022 GH¢	2021 GH¢
Investment Income	9	24,884	29,757
Less Admin. Expenses:			
Management Fees		(4,799)	(7,089)
Administrative Expenses		(1,800)	(2,658)
Auditors Fees		(5,760)	(5,760)
Trustee Fees		(5,000)	(5,000)
Redemption Fees		-	-
Other Expenses	10	(100)	(50)
Net Investment Income before Capital Gain/(Loss)		7,425	9,200
Net Realized Capital Gain/(Loss)	11	-	-
Net Investment Income		7,425	9,200
Net Unrealized Capital Gain/(Loss)		(86)	5,283
<b>Net Investment Income Operations</b>		<b>7,340</b>	<b>14,483</b>
<b>Accumulated Net Investment Income For the Year Ended 31st December 2022</b>			
Balance at 1st January		562,147	547,664
Net Income Transferred from Income and Distribution Account		7,340	14,483
Balance at 31st December		<b>569,486</b>	<b>562,147</b>

# Legacy Unit Trust Statement Of Movement In Net Assets For The Year Ended 31st December 2022

<b>From Operations:</b>	<b>2022 GH¢</b>	<b>2021 GH¢</b>
Net Investment Income before Capital gain	7,425	9,200
Net Realized Capital Gain/(Loss)	-	-
Net Unrealized Capital Gain/(Loss)	(86)	5,283
<b>TOTAL ASSETS</b>	<b>7,340</b>	<b>14,483</b>
<b>From Capital Transaction:</b>		
Proceeds from sale of units	64,386	4,157
Cash outflow for units redeemed	(113,682)	(138,173)
Net Cash inflow/(outflow) from Capital Transactions	(49,297)	(134,016)
Total Increase in Net Assets	(41,957)	(119,533)
Net Assets at 1st January	296,871	416,405
Net Assets at 31st December	254,914	296,871
<b>Statement of Movement in Issued Units for the Year Ended 31st December 2022</b>		
	<b>2022 No. of Units</b>	<b>2021 No. of Units</b>
Number of Units- 1st January	1,069,037	1,552,195
Number of Units Issued during the Year	228,034	15,645
Number of Units Redeemed during the Year	(405,028)	(498,803)
<b>TOTAL LIABILITIES</b>	<b>892,044</b>	<b>1,069,037</b>

# Legacy Unit Trust Portfolio Summary As At 31st December 2022

	No of Shares	No of Shares	Market Value	Market Value	Sales During The Year	Purch. During The Year	Capital Gain/Loss
EQUITY	31/12/22	31/12/21	31/12/22	31/12/21	Year	Year	31/12/22
			GH¢	GH¢	GH¢	GH¢	GH¢
GCB	23	23	91	121	-	-	(30)
ECOBANK	2,320	1,700	15,405	12,920	-	-	2,485
CAL BANK	4,909	2,920	3,191	2,540	-	-	650
TOTAL	900	900	3,600	4,518	-	-	(918)
FANMILK	748	748	2,244	2,992	-	-	(748)
Enterprise Group Ltd	-	-	-	-	-	-	-
Ghana Oil Ltd	5,300	5,300	9,116	9,646	-	-	(530)
Standard Chartered Bank	260	200	5,242	4,060	-	-	1,182
Unilever Ghana Ltd	1,083	1,083	4,202	6,379	-	-	(2,177)
	15,543	12,874	43,090	43,176	-	-	(86)
Realized Capital Loss							-
Unrealized Capital Gain							(86)
Balance on Unrealized Gain/ (Loss) Reserve			(30,370)	(30,284)			
At Cost			12,720	12,892			
<b>UNREALISED GAIN/(LOSS) RESERVE</b>					<b>2022 GH¢</b>		<b>2021 GH¢</b>
Balance At 1st January,					(30,284)		(35,567)
Unrealized Gain/(Loss) For the Year							
Charged To Income & Distribution Accounts					(86)		5,283
Realized Loss on Sale of Shares Transferred To Realized Gain/(Loss) Accounts					-		-
Balance At 31st December,					(30,370)		(30,284)

# Legacy Unit Trust Statement Of Cashflow For The Year Ended 31st December 2022

<b>Cash flows from Operating Activities</b>	<b>2022 GH¢</b>	<b>2021 GH¢</b>
Net Assets from Operations	7,340	14,483
<b>Adjustments for:</b>		
Unrealized (Gain)/Loss	86	(5,283)
	7,425	9,200
<b>Working Capital Adjustments</b>		
(Increase)/Decrease in Investment in Equities	-	-
(Increase)/Decrease in Government Securities	17,002	(16,952)
(Increase)/Decrease in Fixed Deposits	-	(0)
(Increase)/Decrease in Other Assets	-	-
(Increase)/Decrease in Accounts Receivable	(3,684)	(491)
Increase/(Decrease) in Total Liabilities	(1,562)	(51,849)
Net Cashflows Used In Operating Activities	19,182	(60,092)
<b>Cash flows from Finance Activities</b>		
Proceeds from Sale of Units	64,386	4,157
Payments for Redemption of Units	(113,682)	(138,173)
Net Change In Cash & Cash Equivalents	(30,115)	(194,108)
Cash & Cash Equivalents at 1st January,	30,361	224,470
Cash & Cash Equivalents at 31st December,	<b>246</b>	<b>30,361</b>

# Notes To The Financial Statements For The Year Ended 31st December 2022

## 1. Scheme information

Legacy Unit Trust is an open-ended unit trust governed by the laws of the Republic of Ghana and the Units and Mutual Trust Regulations, 2001, (L.I.1695). The initial offering of the trust began on June 3, 2013. The Trust's registered office is at Plot 7, Nii Yemoh Street, East Legon. The Trust is managed by IFS Capital Management Limited ("The Trust Manager"). The Trust's Trustee is Universal Merchant Bank Limited. The Trust's units are redeemable at the unit holder's option, and the units are not traded on the Ghana Stock Exchange.

## 2. Basis of preparation

### a) Statement of compliance

The financial statements of the trust have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in compliance with the Units and Mutual Trust Regulations, 2001, (L.I.1695) and relevant Guidelines.

### b) Basis of measurement

The financial statements have been prepared on 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 from the previous year.

### c) Foreign Currency Translation

#### i) Functional & presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in Ghana cedi (GH¢), which is the functional presentation currency.

#### ii) Transactions & balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing



at the dates of the transactions. 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 recognized in the profit or loss account. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within finance income or costs. All other foreign exchange gains and losses are presented in profit and loss within 'other (losses)/gains – net'.

#### **d) Use of Estimates and Judgements**

The preparation of financial statements in conformity with the IFRS, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in notes 10 to 28.

#### **e) Fair value of financial instruments**

Where the fair value of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived

from observable market data where possible, but if this is not available, judgement is required to establish fair value.

#### **f) Impairment**

##### **i) financial assets**

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flow of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individual significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk. All impairment losses are recognized in the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

### **3. Accounting Policies**

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

These policies have been consistently applied, unless otherwise stated.

#### a) **Investment Income**

Dividend income from investments are 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.

#### b) **Non-derivative financial instruments**

These comprise investment in shares, treasury bills, cash and cash equivalents, trade and other receivables, loans and borrowings and trade and other payables.

#### c) **Financial assets**

##### **Initial recognition and measurement**

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Trustee of the Scheme determines the classification of its financial assets.

All financial assets are recognized initially at fair value plus transaction costs, in the case of assets not at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the company commits to purchase or sell the asset.

##### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

i) The rights to receive cash flows from the asset have expired.

ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the

asset is recognized to the extent of the Company's continuing involvement in it.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### d) **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

#### e) **Held-to-maturity investments**

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Company has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the income statement. The

losses arising from impairment are recognized in the income statement in finance costs.

#### f) **Available-for-sale financial investments**

Available-for-sale financial investments include equity and debt securities. Equity investments classified as available-for-sale are those, neither classified as held-for-trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with unrealized gains or losses recognized as other comprehensive income in the available-for-sale reserve until the investment is derecognized, at which time, the cumulative gain or loss is recognized in other operating income, or determined to be impaired, at which time the cumulative loss is reclassified to the income statement in finance costs and removed from the available-for-sale reserve.

Interest income on available-for-sale debt securities is calculated using the effective interest method and is recognized in profit or loss.

## g) **Financial liabilities**

### **Initial recognition and measurement**

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, carried at amortized cost. This includes directly attributable transaction costs. The Company's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings.

### **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the income statement.

## h) **Provisions**

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the company and amounts can be estimated reliably.

### i) **New standards and interpretations not yet adopted**

#### **IFRS 9 Financial Instruments**

Effective for annual periods beginning on or after 1 January 2020

All financial assets are measured at fair value on initial recognition, adjusted for transaction costs if the instrument is not accounted for at fair value through profit or loss (FVTPL).

Debt Instruments are subsequently measured at FVTPL, amortized cost or fair value through other comprehensive income (FVOCI), on the basis of their contractual cash flows and the business model under which the debt instrument are held.

There is a fair value option (FVO) that allows financial assets on initial recognition to be designated as FVTPL if that eliminates or significantly reduces an accounting mismatch.

Equity instruments are generally measured at FTVPL. However, entities have an irrevocable option on an instrument-by-instrument basis to present changes in the fair value of non-trading instruments in other comprehensive income (OCI) (without

subsequent reclassification to profit or loss).

For financial liabilities designated as FVTPL using the FVO, the amount of change in the fair value of such financial liabilities that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss.

## **Impact**

The application of IFRS 9 may change the measurement and presentation of many financial instruments, depending on their contractual cash flows and business model under which they are held. The impairment requirements will generally result in earlier recognition of credit losses. The new hedging model may lead to more economic hedging strategies meeting the requirements for hedge accounting.

# Legacy Unit Trust Notes To The Financial Statements For The Year Ended 31st December 2022

<b>4 LONG TERM INVESTMENT</b>		<b>2022</b>		<b>2021</b>
		<b>GH¢</b>		<b>GH¢</b>
Investment in Quoted Shares		<b>43,090</b>		<b>43,176</b>
<b>5 SHORT TERM INVESTMENT</b>				
Fixed Deposits		98,057		98,057
Treasury Bills		112,158		129,160
		<b>210,216</b>		<b>227,217</b>
<b>6 ACCOUNTS RECEIVABLE</b>				
Interest Receivable		<b>12,721</b>		<b>9,037</b>
<b>7 ACCOUNTS PAYABLE</b>				
Auditors Fees		5,760		5,760
Management Fees		1,249		3,106
Trustee Fees		3,750		1,250
Administrative Fees		600		1,165
Other Payables		-		1,640
		<b>11,359</b>		<b>12,921</b>
<b>8 CAPITAL ACCOUNT</b>	<b>Units</b>	<b>2022</b>	<b>Units</b>	<b>2021</b>
		<b>GH¢</b>		<b>GH¢</b>
Balance at 1st January	1,069,037	(265,275)	1,552,195	(131,259)
Value of Units Sold	228,034	64,386	15,645	4,157
Value of Units Redeemed	(405,028)	(113,682)	(498,803)	(138,173)
Balance at 31st December	<b>892,044</b>	<b>(314,572)</b>	<b>1,069,037</b>	<b>(265,275)</b>

<b>9 INCOME</b>	<b>2022 GH¢</b>	<b>2021 GH¢</b>
Dividend Received on Stocks	3,303	2,508
Interest on Fixed Deposits	-	-
Interest on Load Accounts	-	15
Interest on Treasury Bills	21,582	27,234
	<b>24,884</b>	<b>29,757</b>
<hr/>		
<b>10 OTHER EXPENSES</b>		
Bank Charges	<b>100</b>	<b>50</b>
<hr/>		
<b>11 REALISED GAIN/(LOSS) ON SHARES</b>		
Proceeds from sale of Shares	-	-
Cost of Shares Sold	-	-
Transfer from Unrealized Gain/(Loss) Reserve	-	-
	-	-
<hr/>		

# Legacy Unit Trust

## Notes To The Financial Statements

### 12. Financial risk management

#### i) Overview

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

1. credit/Portfolio/Asset risk
2. liquidity risk
3. market risk
4. operational risk

This notes present information about the Scheme's exposure to each of the above risks, the Scheme's objectives, policies, and procedures for measuring and managing risk, and its management of capital.

#### Risk management framework

The Trustee has overall responsibility for the establishment and oversight of the Scheme's risk management framework. The Trustee is responsible for monitoring compliance with the Scheme's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation with the risk faced by the Scheme.

The Scheme's risk management policies are established to identify and analyze the risk faced by the Scheme, to set appropriate risk limits

and controls, and to monitor risks and adherence to

#### ii) Credit risk

Credit risk is the risk of financial loss to the Scheme if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

#### iii) Liquidity risk

Liquidity risk is the risk that the Scheme either does not have sufficient financial resources available to meet its obligations and commitments as they fall due or can access them only at excessive cost. The Scheme's approach to managing liquidity is to ensure that it will maintain adequate liquidity to meet its liabilities when due. It is the Scheme's policy to maintain adequate liquidity at all times, and for all currencies.

#### iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Scheme's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.



## **v) Operational risk**

Operational risk is the risk of direct or indirect loss due to an event or action resulting from the failure of internal processes, people and systems, or from external events. The Scheme seeks to ensure that key operational risks are managed in a timely and effective manner through a framework of policies, procedures, and tools to identify, assess, monitor, control, and report such.

## **13. Contingent Liabilities and commitments**

### **i) Contingent liabilities**

Pending legal suits:

There were no contingent liabilities as at the balance sheet date.

### **ii) Capital expenditure commitments**

Under contract, there were no capital commitments as at the balance sheet date.

## **14. Events after reporting period**

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.

# Proxy Form Legacy Unit Trust

I/We .....

Of .....

.....

Being unitholder/unitholders of Legacy Unit Trust hereby appoint .....

.....

Of.....

.....

(address)

Or failing him/her duly appoint .....

.....

Of.....

.....

(address)

As my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held via zoom on Monday, December 11, 2023 at 10:00am prompt and any adjournment thereof.

I/We direct that my/our vote(s) be cast on the specified resolution as indicated by an X in the appropriate space

No.	Resolutions	For	Against
1	To receive the report of the Manager of the year 2022		
2	To receive the Audited financial statements of Legacy Unit Trust for the year ended December 31, 2022 together with the Trustee and Auditors report thereon		
3	To authorize the Manager to appoint and fix the remuneration of the Auditors for the year 2023.		

Dated this ..... day of ..... 2023.....

Signature of Unit holder(s)





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call us now on:  
**0302 777 081**  
**0571 386 759**

**Asset Management | Corporate Finance | Investment Advisory | Research | Pension Fund Management**

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