

Unisecurities Unit Trust



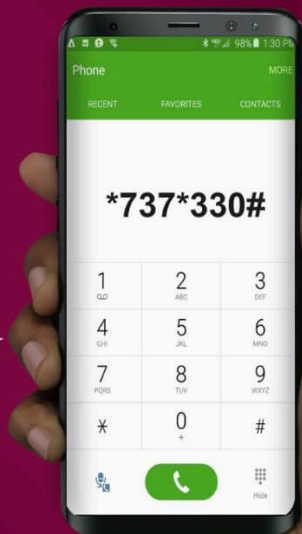
Annual Report
2022

FFC USSD CODE IS LIVE!



**TRANSFERRING FUNDS INTO YOUR
FIRST FINANCE MUTUAL FUNDS
NOW AT YOUR FINGERTIP**

1. Dial *737*330#
2. Select the Type of Fund
(1. Financial Independence and 2. Elite)
3. Enter your seven-digit First Finance Account Number
4. Ensure your name on your Mutual Fund appears
before proceeding
5. Enter your Investment Amount
6. Choose the payment option (1. GT Accountholder,
2. MTN momo, 3. Tigo Cash, 4. Vodafone Cash)
7. Confirm your transaction.



Contact us for more details

Tel: 233 0302 231536/546

Email: info@firstfinancecompany.com

Top UP
YOUR INVESTMENT

Dial USSD Code

*737*330#

Pay through our collection Banks GT Bank, ABSA and
Stanbic Bank. Both Mutual Funds are managed by First
Finance Company (FFC)

TABLE OF CONTENTS

Corporate Information	01
Notice of 6th Annual General Meeting	02 - 03
Fund Manager's Report	04 - 15
Report of the Trustee	16
Independent Auditor's Report	17 - 23
Statement of Assets and Liabilities	25
Statement of Financial Position	26
Statement of Profit or Loss	27
Statement of Movements in Net Assets	28
Statement of Cashflows	29
Notes to the Financial Statements	30 - 63
Proxy Form	64 - 65





Corporate Information

Directors of Fund Manager

Mr. Michael Asa-Eck - Board Chairman • Mr. Andrew Boye Doe
Prof. Anthony Owusu Ansah • Dr. Benjamin Amoah • Mr. Jerome C. Eshun
Mr. Kwame Sarpong

Registered Office

63 Ring RoadCentral
Accra-Ghana
info@firstfinancecompany.com

Fund Manager

First Finance Co. Ltd.
63 Ring RoadCentral
Accra-Ghana
info@firstfinancecompany.com

Auditors

John Kay & Co.
7th Floor, Trust Towers
Farrar Avenue-Accra
P.O. Box 16088
Accra, Ghana

Trustee

Universal Merchant Bank Ltd
Formerly Merchant Bank Ghana Ltd.
SSNIT Emporium, Airport City,
Liberation Road
Accra-Ghana
info@myumbbank.com



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT on **Wednesday, the 20th day of December, 2023**, the **6th Annual General Meeting** of the **Unit Holders of Unisecurities Unit Trust** will be held virtually and streamed live via Zoom at 9:00am to transact the following business:

AGENDA

- To receive the Report of the Fund Manager for the years ended December 31, 2020, December 31 2021, December 31 2022.
- To receive and adopt the Audited Financial Statements for the years ended December 31, 2020, December 31, 2021 and December 31, 2022, together with the Reports of the Trustees and Auditors thereon.
- To appoint PKF as Auditors of the Trust effective January 1, 2024 and to authorize the Fund Manager to fix the remuneration of the Auditors.
- To approve the Auditor's remuneration for the years ended December 31, 2020, December 31, 2021 and December 31, 2022.
- To ratify the change of name of the Trust from Unisecurities Unit Trust to First Finance Money Trust.

SPECIAL BUSINESS

- To create two classes of units as a temporary measure in dealing with the legacy issues, and its effect on liquidity and to separate and hold non-interest-bearing but validated assets separate from the interest earning assets of the trust.
- To amend the scheme's asset valuation methodology to be consistent with the provisions of IFRS 9 – Financial Instruments in the Valuation of Investment Assets using the Fair Value Through Other Comprehensive Income (**FVOCI**).

Dated In Accra This 20th Day of November, 2023.

By Order of the Fund Manager
UNICORN LEGAL
(COMPANY SECTARY)

NOTES

A Unitholder of the Trust is entitled to attend and vote at the meeting or to appoint a proxy to attend and vote in his or her stead. A proxy need not be a Unitholder of the Trust. A proxy form is enclosed with the accounts. Completed proxy forms should be lodged with the Trust via email at ekoranteng@firstfinance-company.com not less than 48hours before the appointed time for the meeting (that is, not later than 5pm, 15th December, 2023).

This serves as Notice to all Members

Instructions to Participate In the Virtual Annual General Meeting (AGM)

- A private zoom link, password and/or SMS, together with other details of participation to the meeting, will be sent to all Unit holders by the 15th of December, 2023.
- Unit holders who do not receive the access details should contact Ezekiel Koranteng at ekoranteng@firstfinancecompany.com any time before the date of the AGM.
- Unit holders will be granted access once they are verified.

Participating in the AGM

- Access to the meeting will be granted from 8:30am on the day of the meeting and the AGM will officially begin at 09:00am. There are two 2 simple steps to vote during the Virtual AGM.
- Voting will be done via zoom. The token to access the voting platform will be shared with Unit holders by SMS before the meeting date.
- At the time of voting, the relevant resolution will appear on your screen. Select your preferred option - “For”, “**Against**” or “**Abstain**” - to vote on a motion.



Fund Managers Report

Welcome Statement:

On behalf of the Board of Directors of First Finance Company Ltd., I extend a warm welcome to all cherished Unit Holders to this eagerly anticipated Annual General Meeting. We want to express our sincere gratitude for your unwavering support and patience over the past years.

The purpose of this meeting is to provide an overview of your Fund's current status and to seek Unit Holders' approval for various measures and actions taken to turn around the fortunes of your Fund. This journey has been a challenging one, requiring both personal and professional determination to restore the Fund's value and ensure its ongoing sustainability and success.

In this meeting, your new Fund Managers, First Finance Company Limited, will also share details of this transformative journey. Furthermore, we shall update unit holders on global and domestic economic developments that have influenced the Fund's performance and also present a comprehensive report on the Fund's performance in recent years. We conclude with an outlook for the year ahead.

ECONOMIC REVIEW

The Global Economy

The global economy in 2022 faced numerous shocks as rising inflationary pressures eroded household purchasing power and dimmed hope of economic recovery, amid aggressive policy tightening as well as spillover effects from the geo-political tension between Russia and Ukraine. These among other factors hampered on



Fund Managers Report

Cont'd.

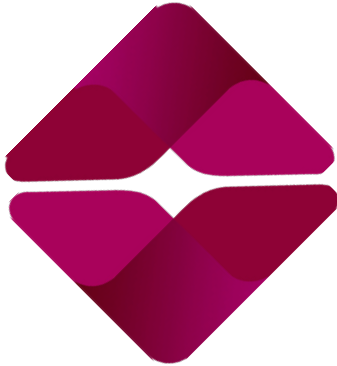
economic activities especially in advanced economies. Emerging markets and developing economies were also faced with tighter global financing conditions in the capital markets as well as weaker external demand. The relaxation of pandemic restrictions, supply chain hold-backs, and falling energy prices were expected to support economic turnaround. However, the International Monetary Fund (IMF) revised global growth projection from 3.4 percent to 2.7 percent in the last quarter of 2022, reflecting a significant growth moderation in advanced economies.

Global financial conditions and access to capital markets remained tight during the first half of 2022 on the back of elevated price pressures resulting in most central banks maintaining a rapid pace of monetary policy tightening.

The Local Economy - Highlights of Key Economic Indicators

Gross Domestic Product (GDP)

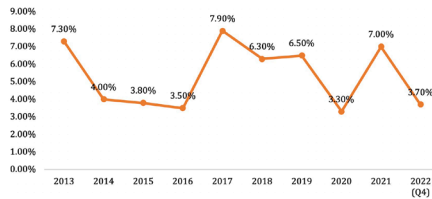
Ghana's real GDP growth was projected at 3.1 percent in the year 2022, as compared to the 5.1 percent recorded for 2021. The slower growth was on the back of slowdown in economic activities fuelled by persistent supply-chain constraints, tightened global financing conditions and rising input costs. The Services and the Agriculture sectors were the main drivers of growth, which grew by 5.5 percent and 4.2 percent respectively, while Industrial sector grew by 0.9 percent. Overall, the Services sector remained the main contributor to GDP growth with a 44.9 percent share against a 48.5 percent share recorded in the year 2021. The Industrial sector followed with a 34.2 percent share in 2022, versus 30.4 percent in 2021. The Agriculture sector, however recorded a marginal decline with a 20.9 percent share,



Fund Managers Report

Cont'd.

GPD Trend from 2013 to 2022



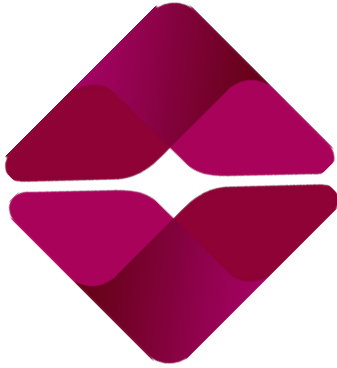
SOURCE: Bank of Ghana, IMF, Ghana Statistical Service

compared to 21.1 percent for 2021.

Consumer Price Inflation (CPI)

Inflation remained elevated in 2022, increasing consistently with a monthly average 3.7 percent, driven by both demand pressures and supply side shocks. Headline inflation recorded a full year average of 31.47 percent to pin at 54.1 percent in December 2022 from a 12.6 percent recorded in the previous year, 2021.

The acceleration in prices was mainly driven by the lagged effects of the sharp currency depreciation recorded in the last quarter of the year. Food and non-food inflation went up significantly. Food inflation surged to 59.7 percent in December 2022 from 12.8 percent recorded in December 2021, while non-food inflation rose to 49.9 percent from 12.5 percent over the same comparative period.



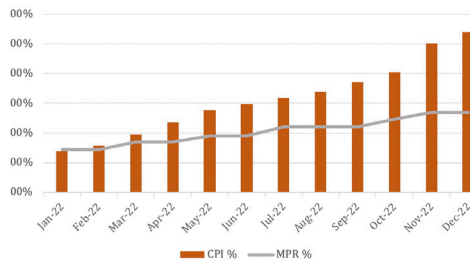
Fund Managers Report

Cont'd.

Interest Rates

The Central bank at its November 2022 meeting hiked the benchmark monetary policy rate by a further 250 bps to 27.0 percent from the 24.5 percent position in October, beating market forecasts of 26 percent, and sending the cost of borrowing to the highest since 2003. For the period, the benchmark interest rate quickened by 12.5 percentage points compared to its 14.5 percent year open position.

Trend Analysis of CPI & Interest Rate (MPR)

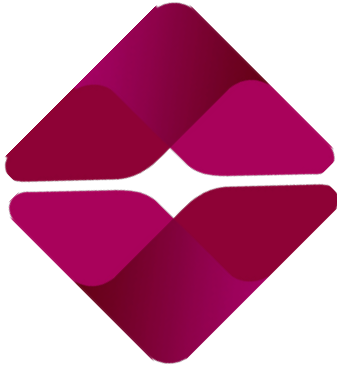


SOURCE: Bank of Ghana, IMF, Ghana Statistical Service

Exchange Rate

The Ghana cedi came under severe pressure in the year fuelled by sovereign downgrades and lack of access to the international capital markets. The tight monetary policy stance by the US Federal Reserve led to an intense portfolio reversals amid heightened foreign exchange demand pressures.

At the beginning of the last quarter of 2022, the cedi de-

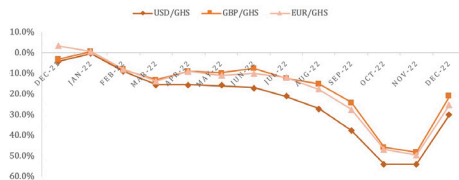


Fund Managers Report

Cont'd.

preciated sharply, underpinned by negative sentiments surrounding the Domestic Debt Exchange Programme (DDEP). However, it reversed sharply the losses in December 2022 after government reached a Staff Level Agreement (SLA) with the International Monetary Fund (IMF). As at year end of 2022, the cedi depreciated by 29.97 percent to the US dollar, 21.19 percent to the British pound and 25.34 percent to the Euro as compared to 4.1 percent and 3.1 percent depreciation to the US dollar and British pound respectively and a 3.5 percent gain to the Euro in 2021.

YTD Performance of the Cedi

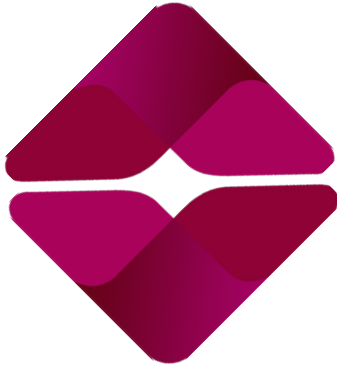


E: Bank of Ghana

SOURCE: Bank of Ghana.

Fixed Income Market in 2022

Interest rates development on the fixed income market largely trended upwards across the spectrum of the yield curve, consistent with the tight monetary policy stance by the central bank. The 91-Day and 182-Day Treasury bill rates increased to 35.48 percent and 36.23 percent respectively, in December 2022, from 12.49 percent and 13.19 percent respectively, recorded in 2021. Equally, the yield on the 364-Day



Fund Managers Report

Cont'd.

Treasury bill rose to 36.06 percent in December 2022 from the 16.46 percent position in December 2021.

Similarly, the rates on the 2-Year, 3-Year, 5-Year and 6-Year bonds advanced to 21.50 percent, 29.85 percent, 22.30 percent, and 21.75 percent, respectively, from 19.75 percent, 19.00 percent, 21.00 percent and 18.80 percent, respectively in the same period last year. However, rates on the long-dated treasury bonds remained flat.

Trend of Yield curve in 2022

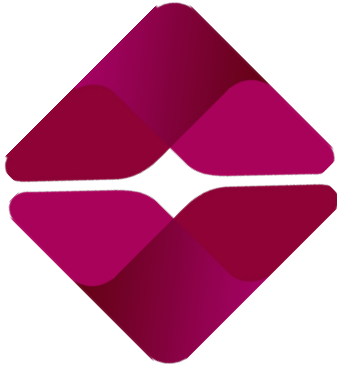


SOURCE: Bank of Ghana and Ghana Fixed Income Market

PORTFOLIO REPORT

Fund Review Investment Objective

The Unisecurities Unit Trust (“The Fund”) is an open ended Unit Trust scheme that seeks to maximize total returns, emphasizing current income and for a lesser extent, providing opportunity for capital appreciation. The fund achieves its investment objectives by investing primarily in a diversified portfolio of fixed income securities of all maturities.



Fund Managers Report

Cont'd.

Investment Strategy

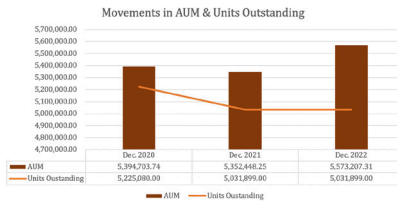
Under normal market conditions, the fund invests at least 90% its net assets in fixed income securities and/or investments that provide exposure to fixed income securities locally. Investments in fixed income securities may include but not limited, securities of governments, governmental agencies and instrumentalities, cash equivalents, debt securities of supranational and corporations, convertible securities, asset-based securities, inflation-linked securities and other securitized or collateralized debt securities.

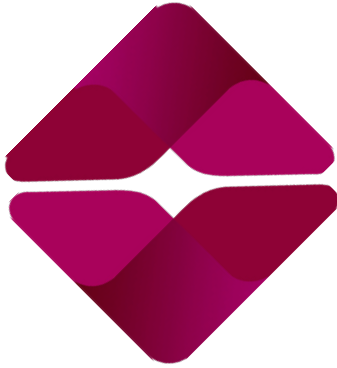
Portfolio Performance

Movements in AUM & Shares Outstanding

Total Assets Under Management (AUM) at the end of year 2022 stood at GH¢5.57 million, representing a 3.3 percentage growth from the year 2020. The slow growth fund is a reflection of the huge non-interest bearing assets under receivership which are yet to be paid. Total number of units outstanding ended the year 2022 and 2021 at 5,031,899 and 2020 at 5,225,080.

Movements in AUM & Units Outstanding





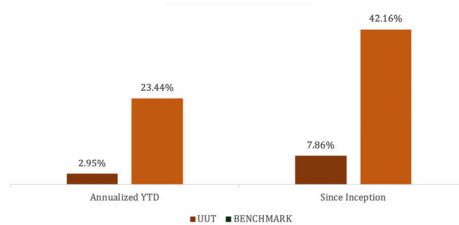
Fund Managers Report

Cont'd.

Fund Price and Returns

Price per share increased to GH¢1.0786 at the end of year 2022, up from GH¢1.0477 recorded in the prior year 2021. The Fund recorded a year-to-date return of 2.95 percent for year 2022 as compared to the benchmark return of 23.44 percent which is the average return on the 91-Day GoG Treasury bill. Cumulatively from inception, unit holders recorded a 7.86 percent returns on their investment at the end of the 2022 financial year.

Portfolio Performance

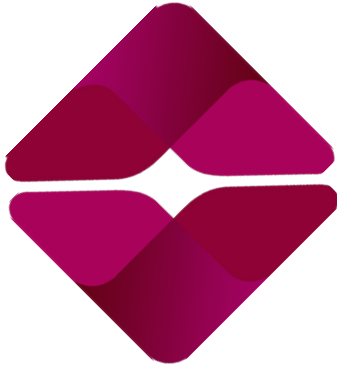


SOURCE: Bank of Ghana and Ghana Fixed Income Market

Monthly Performance (%)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2020	-	-	-	-	-	-	-	0.18	0.18	0.28	0.27	0.09	1.01
2021	0.09	0.09	0.1	0.1	0.1	0.11	0.1	0.11	0.11	0.12	0.12	0.13	1.27
2022	0.12	0.11	0.14	0.21	0.18	0.19	0.20	0.20	0.27	0.42	0.41	0.45	2.95

*First Valuation - 30-Jul-20



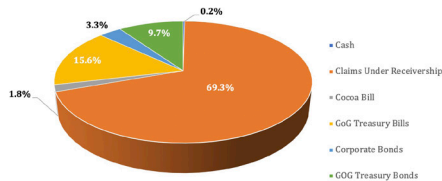
Fund Managers Report

Cont'd.

Portfolio Composition

The Unisecurities Unit Trust is an open ended Unit Trust scheme that seeks to maximize total returns, emphasizing current income and for a lesser extent, providing opportunity for capital appreciation. With the fund recording an 3.3 percentage growth in total assets under management at the end of the 2022 financial year, the portfolio is poised for further growth to achieve competitive returns for unit holders when the approval is given for new subscriptions. At the end December 2022, the fund portfolio composition is shown below:

Portfolio Mix - 2022



Regulatory and Market Developments in 2022

1. Mark-to-Market Directive by the Regulator (SEC)

The Securities and Exchange Commission (SEC) in October 2022, issued directive to all capital market operators to , adopt the Fair Value through Comprehensive Income (FVOCI) method in line with International Financial Regulatory Standards (IFRS) 9 in valuing holdings



Fund Managers Report

Cont'd.

in listed securities with immediate effect. This action was on the back of the high interest rate environment in Ghana with its adverse effects on liquidity in the secondary bond market, and high clients' redemption requests, compelling the sale at deep discount, investment securities normally designated as held to maturity. This directive implied that Collective Investment Schemes (CIS) prices will directly be impacted by the volatilities being witnessed on the secondary fixed income alongside equity market since all listed securities will be marked-to-market prices. The Fund Manager in consultation with the Board wrote to the SEC seeking an extension to comply with the directive effectively from January 1st, 2023. This request was granted and communicated to shareholders accordingly.

2. The Domestic Debt Exchange Programme and Impact on Fund

In December 2022, the government lunched the Domestic Debt Exchange Programme (DDEP), as part of the conditions required to receive external support from the International Monetary Fund (IMF). The invitation was to eligible bondholders (holders of ESLA, Daakye and Government of Ghana bonds) to exchange their bonds for a set of New Bonds with new terms. Collective Investment Schemes, that is mutual funds and unit trusts placed under "Category A" Bond holders were issued with two new sets of bonds with maturities dating 2027 and 2028 at a coupon rate of 10 percent. Additionally, some relief measures were accessible to eligible bond holders who participated in the programme. This included potential access to a liquidity support fund established by the Regulator.

The Fund participated in the program to gain access to the Ghana Financial Stability Fund (GFSF) when fully established as well as pave way for easy access



Fund Managers Report

Cont'd.

to the secondary bond market for liquidity needs. The Fund tendered its holdings in the Government of Ghana bonds and was allotted the New Bonds. The programme concluded and settlement was done on 21st February, 2023.

Outlook and Strategy for 2023

The Ghanaian economy is expected to weaken in 2023, with real GDP growth slowing to 2.9 percent, from an estimated 3.3 percent in 2022 according to Fitch Solutions. While healthy export growth will provide some cushion to the economy, domestic demand is projected to soften on still-elevated price pressures, fiscal consolidation and weaker access to credit for both businesses and the government amid a tighter global financial market.

The lingering uncertainties around Ghana's external debt restructuring programme and exchange rate volatility pose downside risks to the short-term economic outlook. Given these anticipated economic challenges, we anticipate a persistent upward trend in interest rates, leading to increased yields on government securities and necessitating additional adjustments to the government's debt landscape. Nonetheless, we foresee enhanced investor confidence as the IMF program is fully implemented and revenue mobilization measures are introduced. While capital market activities are expected to be subdued with a mixed performance due to unfavorable global and domestic economic indicators, ongoing government debt realignments may create opportunities for medium to long-term growth at attractive prices. We expect the fixed income market to bounce back after the final completion of the debt restructuring programs.

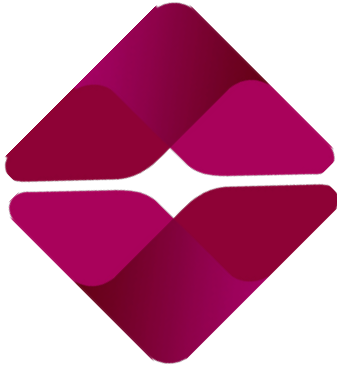
We shall continuously monitor the yield curve and take advantage of high-yielding securities in the fixed in-

Fund Managers Report

Cont'd.

come and equity markets to improve returns with an eye on minimizing the downside risk. In conclusion, we will like to express our sincere gratitude to all unit holders for your patience and trust in us, as we endeavor to contribute to your financial freedom.





Report of the Trustee

Report of the Trustee to the Unitholders of the Unisecurities Unit Trust

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 year covered by these financial statements in accordance with the Trust deed and all regulations for the time being in force under the Unit Trust and Mutual Funds Regulations, 2001, (L.I. 1695).

Signed on behalf of **Universal Merchant Bank Limited** by:


SIGNATURE


DATE



Independent Auditor's Report to the Unit Holders of Unisecurities Unit Trust

Opinion

We have audited the accompanying financial statements of Unisecurities Unit Trust, which comprise the statement of financial position as at 31 December 2022, statement of profit or loss for the year ended, statement of movement in net assets for the year ended, statement of cash flows and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 13-30.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Unisecurities Unit Trust as at 31 December 2022, the Unit Trust's financial performance and its movement in net assets for the year ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Securities Industry Act 2016 (Act 929) and the Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695).

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 Statement section of our report. We are independent of the Unit trust in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants (IESBA) and have fulfilled our other ethical responsibilities in accordance with the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Independent Auditor's Report to the Unit Holders of Unisecurities Unit Trust

Cont'd.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended 31 December 2022. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the following as key audit matters.

Existence and Valuation of Investment Assets

The assets of the trust are invested in Government Securities and Money Market Securities. In many respects, the custody of these investments is by third-party entities specifically authorized or nominated for such holding purposes. Based on the business model of the trust, these investments can either be valued at amortized cost or at fair value and the returns on these investments depend on the face value/cost, interest rates, and the tenor.

How the matter was addressed in our audit

- We obtained a list of investments in the name of the trust from the Central Securities Depository to confirm their existence and agreed the total to the unit trust manager's accounting records.
- We also reviewed whether the quarterly valuation of the investment portfolio by the trust manager as the basis for determining management fees was reasonably made and accurate.
- We evaluated the adequacy of disclosures of investment assets recognized in the trust's statement of financial position and the statement of assets and liabilities.
- We performed independent valuations of assets to verify the accuracy of the market values reported.



Independent Auditor's Report to the Unit Holders of Unisecurities Unit Trust

Cont'd.

Income Recognition

The investment asset of the trust yields interest income based on the rates of interest, face value/cost, and the tenor related to each investment type of asset. Interest income is recognized in the financial statements on an accrual basis on the basis that it is probable that economic benefits associated with the assets will flow to the trust.

How the matter was addressed in our audit

- We reviewed the design and implementation of controls over the trust's income recognition.
- We recomputed the interest income based on the agreed interest rates, face value/cost, and the duration for which the interest income relates to.
- We reviewed the cut-off period for investment assets of the trust to ensure that interest income accruing to the trust after 31 December 2022 are not recognized as interest income for the current year.
- We evaluated the adequacy of disclosures of interest income recognized in the trust's income and distribution account.

Other Information

The Manager is 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



Independent Auditor's Report to the Unit Holders of Unisecurities Unit Trust

Cont'd.

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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Securities Industry Act 2016 (Act 929) and the Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695) 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.

The Manager is also responsible for overseeing the Unit trust's financial reporting process.

In preparing the financial statements, the Manager is responsible for assessing the Unit trust'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 management either intends to liquidate the Unit trust or to cease operations or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements.

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free



Independent Auditor's Report to the Unit Holders of Unisecurities Unit Trust

Cont'd.

from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design an audit.
- Procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Unit trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Independent Auditor's Report to the Unit Holders of Unisecurities Unit Trust

Cont'd.

- Conclude on the appropriateness of management'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 Unit trust'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 Unit trust to cease to continue as a going concern.
- 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 trust or its business activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate 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.

Report on Other Legal and Regulatory Requirements

In compliance with the requirements of part 9 of Schedule 8 of the Unit Trusts and Mutual Funds



Independent Auditor's Report to the Unit Holders of Unisecurities Unit Trust

Cont'd.

Regulations, 2001 (L.I. 1695), we confirmed that:

- a) The accounts have been properly prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Securities Industry Act, 2016 (Act 929) and Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695).
- b) The statement of financial position shows a true and fair view as at 31 December 2022.
- c) In our opinion, proper accounting records have been kept by the manager and the accounts are in agreement with the manager's accounting records.
- d) 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, and
- e) The information given in the report of the manager is consistent with the accounts.

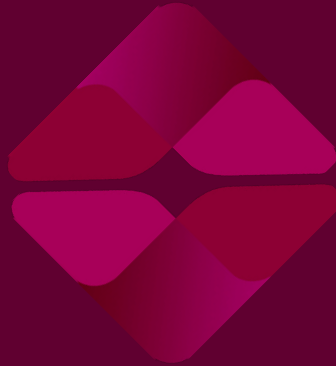
The engagement partner on the audit resulting in this independent auditor's report is Gilbert Adjetey Lomofio **(ICAG/P/1417)**:



For and on behalf of John Kay & Co. (ICAG/F/2023/128)
Chartered Accountants
Accra

14/12/2023





Unisecurities Unit Trust

Statement of Assets and Liabilities
as at 31 December

2022

Statement of Assets and Liabilities as at 31 December 2022

	MARKET VALUE GH¢	PERCENTAGE OF NET ASSETS %
FIXED INTEREST SECURITIES		
<i>Government of Ghana Securities</i>		
182-Day Treasury Bill	870,270	16
182-Day Cocoa Bills	99,024	2
5 Years GOG Bonds	499,472	9
7 Years GOG Bonds	42,501	1
10 Years GOG Bonds	185,786	3
	-----	----
	1,697,053	31
	-----	----
<i>Fixed Deposit Securities</i>		
365-Day Fixed Deposit	3,862,961	73
	-----	---
	3,862,961	73
	-----	---
FUNDS ON CALL		
Cash and cash equivalents	13,192	-
	-----	---
	13,192	-
	-----	---
Total Investment Securities	5,573,206	104
Total Liabilities	(226,754)	(4)
	-----	---
Total Net Investment	5,346,452	100
	=====	====

Statement of Financial Position as at December 2022


	Note (s)	2022 GH¢	2021 GH¢
Assets			
Financial assets at amortized cost	6	5,560,014	5,328,881
Cash and cash equivalents	7	13,192	23,566
Total Assets		5,573,206	5,352,447
Represented By:			
Unitholders' fund	8	5,346,452	5,210,469
Liabilities			
Payables	9	226,754	141,978
Total Members' Fund and Liabilities		5,573,206	5,352,447

NAME.....*Fantine Odei-Agyemaa*
SIGNATURE.....*[Signature]*

DATE.....*28/11/2023*

NAME.....MICHAEL ASA-EIK
SIGNATURE.....*[Signature]*

DATE.....*29/11/2023*



Statement of Profit or Loss for the year ended 31 December 2022

	Note (s)	2022 GH¢	2021 GH¢
Revenue			
Interest Income	10	288,690	197,016
		-----	-----
Total Revenue		288,690	197,016
		-----	-----
Expenses			
General Expenses	11	(152,707)	(148,105)
		-----	-----
Total Expenses		(152,707)	(148,105)
		-----	-----
Profit/(loss) for the year		135,983	48,911
		-----	-----
Increase/(decrease) in net assets available for benefits		135,983	48,911
		=====	=====



Statement of Movements in Net Assets for the year ended 31 December 2022

	2022 GH¢	2021 GH¢
Changes in net assets from operations		
Change in:		
Net Investment Income	135,983	48,911
Net change in net assets from operations	135,983	48,911
Change in net assets from capital transactions		
Proceeds from Issue of Units	-	-
Redemption of Units	-	(200,000)
Net change in net assets from capital transactions	-	(200,000)
Net additions to net assets	135,983	(151,089)
Analysis of changes in net assets for the year		
At 1 January	5,210,469	5,361,558
Net additions to net assets	135,983	(151,089)
At 31 December	5,346,452	5,210,469

Statement of Cash Flows for the year ended 31 December 2022

	2022 GH¢	2021 GH¢
Cashflow from operating activities		
Net Investment Income	135,983	48,911
Adjusted for:		
Interest receivable	(110,296)	(52,237)
	25,687	(3,326)
Changes in:		
Liabilities	84,776	70,618
Net cash flow from operating activities	110,463	67,292
Cashflow from investing activities		
Purchase/sales of financial assets	(120,837)	(129,611)
Net cash flow from investing activities	(120,837)	(129,611)
Cashflow from financing activities		
Proceeds from the issuance of units	-	-
Amount paid on redemption of units	-	(200,000)
Net cash flow from financing activities	-	(200,000)
Net increase (decrease) in cash and cash equivalent	(10,374)	(262,319)
At 1 January	23,566	285,885
At 31 December	13,192	23,566



Notes to the Financial Statements

1. Reporting Entity

Unisecurities Unit Trust is a unit trust investment whose primary objective is to obtain contributions from unit holders and invest the same for their benefit. Unisecurities Unit Trust is domiciled in the Republic of Ghana. The address and registered office of the unit trust can be found on page 2 of the financial statements.

The Trust was established in 9 July 2018 and operates in accordance with the Unit Trust and Mutual Fund Regulation (L.I.1695). The Trust shall be marketed as a “fixed-income trust”, which means it will invest primarily in fixed-income securities to achieve its investment objective. The investment activities shall be managed by First Finance Company Limited.

2. Basis of Accounting

(a) Basis of preparation

These financial statements have been prepared in accordance with the Unit Trust and Mutual Funds Regulations, 2001 (L.I. 1695) and comply with the International Financial Reporting Standards (IFRS).

(b) Functional and presentation currency

These financial statements are presented in Ghana cedi, which is the Trust’s functional currency. All amounts have been stated in full.

(c) Use of estimates and judgement

In preparing these financial statements, the Unit Trust’s management has made judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.



Notes to the Financial Statements

Cont'd.

(d) Comparative Information

The financial statements provide comparative information in respect of the previous period. In addition, the Company presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements or a retrospective correction of error.

3. Significant Accounting Policies

The following principal accounting policies have been consistently applied during the year in the preparation of the Unit trust's financial statements.

(a) Investments income recognition

Interest income, including interest income from non-derivative financial assets at amortized costs, are recognized in profit or loss, using the effective interest method. The effective interest is the rate that exactly discounts the estimated future cash payments or receipts, without consideration of future credit losses, over the expected life of the financial instrument or through to the next market-based re-pricing date to the net carrying amount of the financial instrument on initial recognition.

Interest received or receivable and interest paid or payable are recognized in the profit or loss as interest income or interest expense, respectively.

(b) Financial instruments

Financial assets and financial liabilities are recognised in the Unit trust's statement of financial position when the Unit trust becomes a party to the contractual provisions of the instrument.



Notes to the Financial Statements

Cont'd.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of Financial Assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



Notes to the Financial Statements

Cont'd.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL). Despite the foregoing, the Unit trust may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Unit trust may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Unit trust may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

a. Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated fu-



Notes to the Financial Statements

Cont'd.

ture cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying



Notes to the Financial Statements

Cont'd.

the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Unit trust recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the “finance income – interest income” line item.

b. Debt instruments classified as at FVTOCI

Corporate bonds held by the Unit trust are classified as at FVTOCI. Fair value is determined in the manner described in note 3(d)iii. The corporate bonds are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these corporate bonds had been measured at amortised cost. All other changes in the carrying amount of these corporate bonds are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate bonds are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.



Notes to the Financial Statements

Cont'd.

c. Equity instruments designated as at FVTOCI

On initial recognition, the unit trust may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Unit trust manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not to be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income' line item in profit or loss.



Notes to the Financial Statements

Cont'd.

The Unit trust has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of IFRS 9.

d. Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Unit trust designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Unit trust has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item. Fair value is determined in the manner described in note 3(d)iii



Notes to the Financial Statements

Cont'd.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period, specifically;

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other gains and losses' line item. Other exchange differences are recognised in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other gains and losses' line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investments revaluation reserve.
See hedge accounting policy regarding the recognition of exchange differences where the foreign currency risk. Impairment of financial assets.

The Unit trust recognises a loss allowance for expected credit losses (ECL) on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recog-



Notes to the Financial Statements

Cont'd.

tion of the respective financial instrument. The Unit trust always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Unit trust's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Unit trust recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Unit trust measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

i. Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Unit trust compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Unit trust considers both quantitative and qualitative information that is reasonable and support-



Notes to the Financial Statements

Cont'd.

able, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Unit trust's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Unit trust's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.



Notes to the Financial Statements

Cont'd.

Irrespective of the outcome of the above assessment, the Unit trust presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Unit trust has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Unit trust assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1. The financial instrument has a low risk of default,
2. The debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
3. Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Unit trust considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts. For financial guarantee contracts, the date that the Unit trust becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment.

In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Unit trust considers



Notes to the Financial Statements

Cont'd.

the changes in the risk that the specified debtor will default on the contract.

The Unit trust regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria is capable of identifying significant increase in credit risk before the amount becomes past due.

ii. Definition of default

The Unit trust considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Unit trust, in full (without taking into account any collateral held by the Unit trust).

Irrespective of the above analysis, the Unit trust considers that default has occurred when a financial asset is more than 90 days past due unless the Unit trust has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

iii. Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:



Notes to the Financial Statements

Cont'd.

1. significant financial difficulty of the issuer or the borrower;
2. a breach of contract, such as a default or past due event;
3. the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
4. it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
5. the disappearance of an active market for that financial asset because of financial difficulties.

iv. Write-off policy

The Unit trust writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Unit trust's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

v. Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial



Notes to the Financial Statements

Cont'd.

guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Unit trust's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Unit trust in accordance with the contract and all the cash flows that the Unit trust expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Unit trust is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Unit trust expects to receive from the holder, the debtor or any other party.

If the Unit trust has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Unit trust measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Unit trust recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the



Notes to the Financial Statements

Cont'd.

loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

vi. Derecognition of financial assets

The Unit trust derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Unit trust neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Unit trust recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Unit trust retains substantially all the risks and rewards of ownership of a transferred financial asset, the Unit trust continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

In contrast, on derecognition of an investment in equity instrument which the Unit trust has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.



Notes to the Financial Statements

Cont'd.

(ii) Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Unit trust are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Unit trust's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Unit trust's own equity instruments.

Compound instruments

The component parts of convertible loan notes issued by the Unit trust are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Unit trust's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This



Notes to the Financial Statements

Cont'd.

amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium/other equity. Where the conversion option remains unexercised at the maturity date of the convertible loan note, the balance recognised in equity will be transferred to retained profits/other equity. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

i. Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach ap-



Notes to the Financial Statements

Cont'd.

plies, and financial guarantee contracts issued by the Unit trust, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is *(i)* contingent consideration of an acquirer in a business combination, *(ii)* held for trading or *(iii)* it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Unit trust manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Unit trust's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire com-



Notes to the Financial Statements

Cont'd.

bined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship (see Hedge accounting policy). The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

(ii) Financial liabilities and equity

The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Gains or losses on financial guarantee contracts issued by the Unit trust that are designated by the Unit trust as at FVTPL are recognised in profit or loss. Fair value is determined in the manner described in note 3(b)iii.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii)



Notes to the Financial Statements

Cont'd.

held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9 (see financial assets); and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains



Notes to the Financial Statements

Cont'd.

and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other gains and losses' line item in profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognised in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Unit trust derecognises financial liabilities when, and only when, the Unit trust's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Unit trust exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Unit trust accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substan-



Notes to the Financial Statements

Cont'd.

tially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability.

If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

(iii) Financial Instrument Fair Valuation

The framework for measuring fair value provides a fair value hierarchy that prioritizes 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 Trust has the ability to access.

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 corroborat-



Notes to the Financial Statements

Cont'd.

ed by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

(c) Derivative Financial Statements and Hedging Activities

Derivatives are initially recognised at fair value on the date that a derivative contract is entered into, and are subsequently remeasured at their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The Unit trust uses foreign currency forward exchange contracts to limit its exposure to foreign exchange risk on highly probable forecast foreign currency sales transactions. The Unit trust designates these derivatives as hedges – that is, a hedge of foreign exchange risk associated with highly probably forecast sales transactions.

The Unit trust designates and documents, at the inception of a hedging transaction, the hedging relationship so that the risk being hedged, the hedged item and the hedging instrument are clearly identified and the risk in the hedged item is the risk being hedged with the hedging instrument.

Hedge accounting is only applied when the Unit trust expects the derivative financial instrument to be highly effective in offsetting the designated hedged foreign currency risk associated with the hedged item.



Notes to the Financial Statements

Cont'd.

The full fair value of a hedging derivative is classified as a non-current asset or liability where the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability where the remaining maturity of the hedged item is less than 12 months.

The effective portion of changes in the fair value of derivatives that are designated and qualify as hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within 'other gains/(losses) – net'.

Amounts recognised in other comprehensive income are reclassified to profit or loss in the periods when the forecast sales take place and are included within 'other gains/(losses) – net'.

When a foreign currency forward exchange contract expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction ultimately affects profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in other comprehensive income is immediately transferred to profit or loss within 'other gains/(losses) – net'.

(d) Foreign Currency

Transactions in foreign currencies during the period are converted into cedis at exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into cedis at exchange rates ruling at the financial year-end. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into cedis at the exchange rates at the date



Notes to the Financial Statements

Cont'd.

on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss as net foreign exchange losses, except for those arising on financial instruments at FVTPL, which are recognised as a component of net gains from financial instruments at FVTPL.

(e) Transfer values

Transfer values represent the capital sums paid to and from the Unit Trusts on the basis of when the member liability is accepted or discharged.

(f) Cash and Cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturity of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their value and are used by the Unit Trust in the management of short term commitment, other than cash collateral provided in respect of derivatives and security borrowing transactions.

(i) Fees and commission

Fees and commissions expenses are recognised in profit or loss as the related services are performed.

4. Critical Accounting Judgements And Key Sources Of Estimation Uncertainty

In the application of the Unit trust's accounting policies, which are described in note 3, the Trustee and the Manager are required to make judgments, estimates



Notes to the Financial Statements

Cont'd.

and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

5. Key Contractors

a. *Managers*

The Trustee of the unit trust appointed First Finance Company Limited, a fund management company incorporated in Ghana and duly licensed by the Securities and Exchange Commission of Ghana to implement the investment strategy and objectives as stated in the Unit trust's investment management scheme particulars. Under that investment management agreement, First Finance Company Limited receives a management fee at an annual rate of 2.0% of the net asset value attributable to unitholders of the unit trust.

The management fees incurred during the year amounted to GH¢ 106,607. Included in the payables as at 31 December 2022 were management fees payable of GH¢ 139,636.

b. *Trustee*

The Trust appointed Universal Merchant Bank Limited, a company incorporated in Ghana and duly licensed by

Notes to the Financial Statements

Cont'd.

the Bank of Ghana (BOG) as a Merchant Bank, and the Securities and Exchange Commission of Ghana (SEC), to provide trustee services as prescribed in the particulars. Under the trust deed, the Trustee receives a trustee fee at an annual rate of 0.5% of the net asset value attributable to members of the Trust. The Trustee fees charged during the year amounted to GH¢ 26,652. Included in the payables as at 31 December 2022 was GH¢ 38,233.

6. Financial Assets at Amortised Cost

	2022 GH¢	2021 GH¢
GOG Securities	1,697,053	1,465,920
Fixed Deposits	3,862,961	3,862,961
	<u>5,560,014</u>	<u>5,328,881</u>

7. Cash and Equivalents

	2022 GH¢	2021 GH¢
Main bank account	13,192	23,566
	<u>13,192</u>	<u>23,566</u>

8. Unit Holders' Funds

	2022 GH¢	2021 GH¢
Balance at 1/1/	5,210,469	5,361,558
Units in issue	-	-
Redemptions	-	(200,000)
Accumulated income	135,983	48,911
Balance at 31/12/	<u>5,346,452</u>	<u>5,210,469</u>



Notes to the Financial Statements

Cont'd.

9. Payable

	2022 GH¢	2021 GH¢
Management fees	139,636	89,370
Trustee fees	38,233	21,461
Audit fees	48,885	31,147
	<u>226,754</u>	<u>141,978</u>

10. Interest Income

	2022 GH¢	2021 GH¢
GOG Securities	288,690	149,977
Fixed Deposits	-	47,039
	<u>288,690</u>	<u>197,016</u>

11. General Expenses

	2022 GH¢	2021 GH¢
Management fees	106,607	105,000
Trustee fees	26,652	26,250
Audit fees	17,738	16,519
Bank Charges/CSD Fees	1,710	336
	<u>152,707</u>	<u>148,105</u>

Notes to the Financial Statements

Cont'd.

12. Financial Instruments

Analysis of changes in fair value of financial instruments

2022	Balance 01/01/22 GH¢	Purchases (Sales) GH¢	Accrued Interest GH¢	Fair Value Changes GH¢	Balance 31/12/22 GH¢
GOG Securities	1,465,920	120,837	110,296	-	1,697,053
Fixed Deposits	3,862,961	-	-	-	3,862,961
Total	5,328,881	120,837	110,296	-	5,560,014

2021	Balance 01/01/21 GH¢	Purchases/ (Sales) GH¢	Accrued Interest GH¢	Balance 31/12/21 GH¢
GOG Securities	860,024	553,659	52,237	1,465,920
Fixed Deposits	4,287,009	(424,048)	-	3,862,961
Total	5,147,033	129,611	52,237	5,328,881

13. Taxation

The income of an approved unit trust or mutual fund is exempt from tax under the income tax act, 2015 (act 896) as amended.

The Trust is to withhold taxes on payments made to service providers.



Notes to the Financial Statements

Cont'd.

14. Financial Risk Management

(a). *Asset/Portfolio/Credit risk*

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

The Trust's policy over credit risk is to minimize its exposure to counterparties with a perceived higher risk of default by dealing only with counterparties that meet the standards set out in the SEC guidelines and the unit trust's investment policy statement.

(b). *Liquidity risk*

Liquidity risk is the risk that the trust either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due. The Trust'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.

The following are contractual maturities of financial asset.

31 December 2022

Financial Assets	3 Months or less (GH¢)	4-6 Months or less (GH¢)	7-12 Months (GH¢)	More than 12 Months (GH¢)
GOG Securities	870,270	99,024	-	727,758
Fixed Deposits	-	-	3,862,961	-
Total	870,270	99,024	3,862,961	727,758



Notes to the Financial Statements

Cont'd.

The following are contractual maturities of financial liabilities

31 December 2022

Financial Liabilities	3 Months or less (GH¢)
Administrative Expenses Payable	226,754
Total	226,754

(c). Fair value of financial assets and liabilities

Fair values are based on discounted cash flows using a discount rate based upon the borrowing rate that the Directors expect would be available to the Unit trust at the balance sheet date. The fair values of the Unit trust's financial assets and liabilities approximate the respective carrying amounts.

The fair value hierarchy is as follows:

- **Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities
- **Level 2:** Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly and
- **Level 3:** Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The fair values of the Unit trust's investments at FVTPL and FVTOCI approximates its carrying amounts.

(d) Market risk

The objective of market risk management is to manage and control market risk exposures within acceptable



Notes to the Financial Statements

Cont'd.

parameters, while optimising the return. This systematic risk cannot be mitigated through diversification.

(e) Equity Price risk

Listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Trust's policy over equity price risk is to minimise its exposure to equities and only deal with equities that meets the standards set out in the SEC guidelines and the Trust's investment policy statement. Keen attention is paid to the equity market to realize capital gains on equity securities.

(f) 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 Trustee on the appropriate balance of the portfolio between equity, fixed-rate interest, and variable rate interest investments. The Trust uses duration targeting as a means of mitigating the effects of the risk. The target duration is regularly reviewed by the Trustee. 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.

(g) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the trust'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 Unit Trust behavior.



Notes to the Financial Statements

Cont'd.

The Trust's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Trust'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 manager. This responsibility is supported by the development of the following policies and standards;

- governing rules and Scheme Particulars;
- 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.

Compliance with the Unit trust governing rules is supported by a program of annual reviews undertaken by the external auditor. The results of these reviews are discussed with the Manager and Trustee.

15. Events after Reporting Period

The Manager is not aware of any other material events that have occurred between the date of the financial statement and the date of this report which may have an impact on these financial statements and hence require disclosure.

UniSecurities Unit Trust Proxy Form

I/We _____ being unit holder(s) hereby appoint _____

_____ or failing him/her the Chairman of the Meeting as my Proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Fund to be held on Wednesday, December 20, 2023 and at any adjournment thereof.

Resolution	For	Against	Abstain
1. To receive the Report of the Fund Manager for the year ended December 31, 2020, December 31 2021, December 31 2022.			
2. To receive and adopt the Audited Financial Statements for the years ended December 31, 2020, December 31, 2021 and December 31, 2022, together with the Reports of the Trustees and Auditors thereon.			
3. To appoint PKF as Auditors of the Trust effective January 1, 2024 and to authorize the Fund Manager to fix the remuneration of the Auditors.			
4. To approve the Auditor's remuneration for the year ended December 31, 2020, December 31, 2021 and December 31, 2022.			
5. To ratify the change of name of the Trust from Unisecurities Unit Trust to First Finance Money Trust.			
6. To create two classes of units as a temporary measure in dealing with the legacy issues, and its effect on liquidity and to separate and hold non-interest-bearing but validated assets separate from the interest earning assets of the trust.			
7. To amend the scheme's asset valuation methodology to be consistent with the provisions of IFRS 9 – Financial Instruments in the Valuation of Investment Assets using the Fair Value Through Other Comprehensive Income (FVOCI).			



UniSecurities Unit Trust Proxy Form

Cont'd.

Dated this _____ Day of _____ 2023:

Unit Holder(s) Signature / _____

NOTES

1. A proxy need not be a Unitholder of the Unit Trust.
2. Unless otherwise instructed, the proxy will vote at his/her discretion.
3. To be valid, this form must be signed and sent via email to info@firstfinancecompany.com not less than forty-eight (48) hours before the commencement of the meeting.
4. In the case of joint holders, the signature of only one of the joint holders is required.
5. In the case of a body corporate, the form must be under seal or under the hand of a duly authorized officer. The completion of and return of a proxy form does not prevent a Unitholder from attending the meeting and vote thereat.

UniSecurities Unit Trust

www.firstfinancecompany.com
info@firstfinancecompany.com
#63 Ring Road Central Accra
+233 302 231 536
+233 302 231 546

Annual Report **2022**

