FINANCIAL INDEPENDENCE MUTUAL FUND PLC

ANNUAL REPORT
2021

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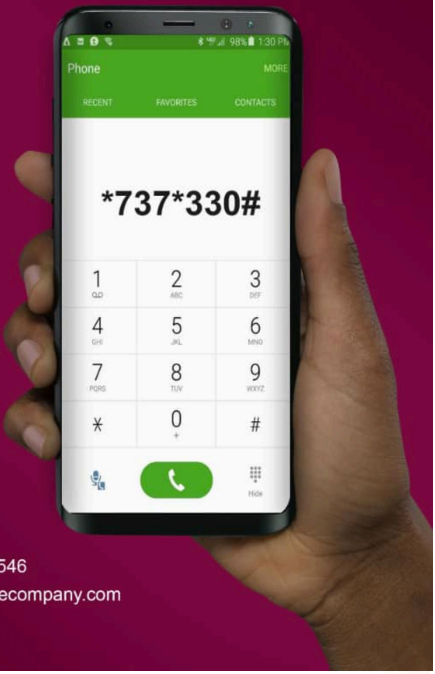

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5. Enter your Investment Amount
6. Choose the payment option (1. GT Accountholder, 2. MTN momo, 3. Tigo Cash, 4.Vodafone Cash)
7. Confirm your transaction.

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*737*330#

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

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NOTICE OF VIRTUAL ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT on the 13th day of October, 2022, the 2nd Annual General Meeting of Financial Independence Mutual Fund PLC (hereinafter, the "Company") will be held virtually and streamed live via Zoom at 11:00am to transact the following business:

AGENDA

- To receive and adopt the Financial Statements of the Company for the year ended 31st December 2021, together with the reports of Directors and the external Auditors;
- To authorize the Directors to fix the remuneration of the external Auditors.
- To fix the remuneration of the Board of Directors.
- AOB

DATED IN Accra THIS 12th Day of September 2022.

BY ORDER OF THE BOARD

SIGNED
PHILIP EDEM KUTSIENYO
(SOLICITOR)

NOTES

A Shareholder of the Company 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 Shareholder of the Company. A proxy form is enclosed with the accounts. Completed proxy forms should be lodged with the Company via email at ekoranteng@firstfinancecompany.com not less than 48hours before the appointed time for the meeting (that is, not later than 12:30pm, 11th October, 2022).

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 Directors and Shareholders by the 12th of October, 2022.
- Shareholders who do not receive the access details should contact Ezekiel Koranteng at ekoranteng@firstfinancecompany.com any time before the date of the AGM.
- Shareholders will be granted access once they are verified.

PARTICIPATING IN THE AGM

- Access to the meeting will be granted from 10:30am on the day of the meeting and the AGM will officially begin at 11:00am. There are two 2 simple steps to vote during the Virtual AGM.
- Voting will be done via the zoom platform and a web portal. The token to access the voting platform will be shared with shareholders 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.

CHAIRMAN'S STATEMENT TO FINANCIAL INDEPENDENCE MUTUAL FUND PLC SHAREHOLDERS

MR. ZAC BENTUM
(BOARD CHAIRMAN)

On behalf of the Board of Directors, I welcome you our esteemed shareholders to the 2nd Annual General Meeting (AGM) of the Financial Independence Mutual Fund PLC.

The year 2021 continued to be a challenging one for the global economy given the existing effects of COVID-19 on businesses and supply chains. That notwithstanding, your fund was able to post an appreciably return and saw a remarkable growth in its Assets Under Management (AUM).

I will begin my report with key highlights of the global economy and a brief analysis of the performance of Ghana's economy in 2021. Subsequently, I shall delve into the performance of the Financial Independence Fund for 2021 and conclude with a summary of our expectations for 2022.

Key Highlights of the Global Economy

- IMF estimated a year end global growth of 6.1 percent, but ended the year at 5.9 percent.
- Growth mostly fueled by consumer spending and uptick in investments from the various stimulus packages from governments in 2020/21
- Growth however slowed in the last quarter of 2021 as a result of the emergence of the omicron variant of the corona virus.
- Increased disruptions to supply chains and uptick in inflationary pressures also contributed to the muted growth prospects.

Review of Ghana's Economy

Ghana's economy expanded by 5.4 percent in 2021, a five percentage points higher than the 0.4 percent recorded in the year 2020, the period that the COVID-19 pandemic brought the global economy to a standstill. Non-oil GDP growth rate stood at 6.9 percent, according to estimates by the Ghana Statistical Service. Our growth rate was largely driven by the services sector, particularly the ICT sub-sector (33.1%) and the agriculture sector, i.e. fishing (13.4%).

This was largely due to the switch to online services as a result of the pandemic.

Overall, the Services sector recorded the highest GDP growth rate of 9.4 percent in 2021. The year-on-year quarterly GDP growth rate for the 4th quarter of 2021 was 7.0% compared to the 4.3% recorded for the last quarter of 2020.

The uptick in growth was largely fueled by the partial easing of COVID-19 pandemic restrictions, and the successful roll-out of vaccination programmes across the country.
Price developments in the last quarter of 2021 showed elevated pressures on inflation increasing from 11% in October to 12.2% in November 2021 before settling at 12.6% in December 2021. This was primarily due to sharp increases in energy prices and demand pressures. Thus, inflation was out of the medium-term target band of 8±2% as set by the Bank of Ghana for 2021. The Monetary Policy Rate as set by the Bank of Ghana was lowered from 14.5% in May 2021 to 13.5%, however, it was raised back to 14.5% in November 2021.

Rates on Government securities increased marginally in the last quarter of 2021. Interest rates on the 91-day, 182-day and 364-day Treasury bills averaged 12.48%, 13.17% and 16.32% respectively, in the last quarter of 2021. The number of secondary market trades cleared and settled by CSD increased by 90.7% from 182,044 in 2020 to 347,143 in 2021. Yields on longer dated securities remained unchanged within the period with the exception of the 2-year and 5-year which increased slightly from 17.5% and 18.8% to 19.75% and 21% respectively.

Fund Performance

At the end of the year 2021, the fund's total Assets under Management (AUM) stood at GH¢9.22 million, representing 92.7% growth compared to the GH¢4.8million recorded in the year 2020. The impressive growth trajectory in the AUM of the Fund was underpinned by the fund's investment returns over the period and the consistent contributions by you, our cherished and loyal shareholders.
The fund posted an annualized year-to-date (YTD) return of 16.51%, as against a benchmark of 12.81% which is the average return on the 91day Treasury Bill over the same period despite the general decline in yields on the fixed income market in the year under review. This growth is evidence of the Managers' strategy of selecting quality moderate-risk assets into the fund's portfolio. Shareholder's value also appreciated as price per share at the end of 2021 moved to GH¢1.3934 from the price of GH¢1.1959 recorded in 2020.

Closing Remarks

We anticipate 2022 to be a relatively good year for the fund despite some signals of uncertainties in global economy. The Fund is expected to grow in assets under management, clientele base and returns.

The Fund Manager shall remain committed to enhancing the value of investment as we continue to take advantage of the upside potential of the fixed income securities keeping in mind the fund's objectives.

Our strategy will continue to hinge on proper selection of issuers, securities and maturities based on expectations about the general economy and the direction of market yields. We will continue to monitor macroeconomic conditions and adjust accordingly, when necessary.

I sincerely appreciate your support and wish you the very best of year 2022 and beyond. I will like to use this opportunity to thank our service providers for the professionalism in managing the Fund and finally to my fellow Directors for the support. We look forward to a fruitful 2022.

God Bless us all.

Mr. Zac Bentum
(Board Chairman)

FUND MANAGER'S REPORT

ECONOMIC REVIEW

THE GLOBAL ECONOMY

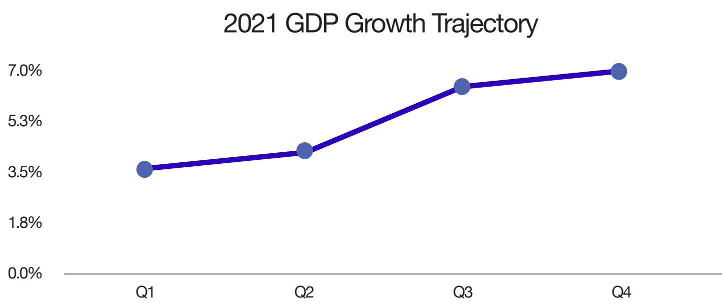
The world's economic recovery faced significant setbacks from the omicron variant of the COVID-19 virus, causing persistent labor market challenges, supply-chain disruptions and rising inflationary pressures globally. The global economic output which was projected to expand by 6.1 percent for the year 2021 by the IMF, however saw a contraction of 5.9 percent for 2021.

The recovery in 2021, as against 2020, was underpinned by strong consumer spending and an uptick in investments. However, the growth momentum especially in China, the United States and the Eurozone area was subdued considerably by the end of 2021, as the effects of monetary and fiscal stimuli began to effect inflationary pressures in many economies posing additional risks to recovery.

The Local Economy - Highlights of Key Economic Indicators

Gross Domestic Product (GDP)

Ghana's economy expanded by 5.4 percent in 2021, a five percentage points higher than the 0.4 percent recorded in the year 2020, when the COVID-19 pandemic brought the global economy to a standstill. Non-oil GDP growth rate stood at 6.9percent. The strong growth rate was largely driven by the Services sector, particularly the ICT sub-sector (33.1percent) and the Agriculture sector, such as fishing (13.4percent). Overall, the Services sector recorded the highest GDP growth rate of 9.4 percent in 2021.



SOURCE: Bank of Ghana, IMF, Ghana Statistical Service

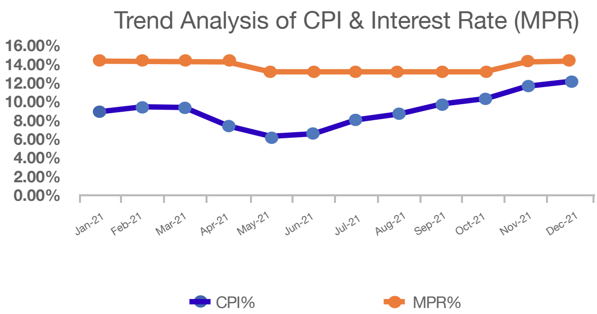
Consumer Price Inflation (CPI)

Ghana's headline inflation averaged 7.8% in the first half of 2021 and ending the full year 2021 at a 12.6percent, on the back of hikes to exchange rate, food and non-food prices.

Food inflation in December 2021 was 12.8%, compared to 14.1% in December 2020. Non-food inflation rose to 12.5 per cent, from 7.7%, compared to the same period.

Interest Rates

The Monetary Policy Committee of the Central bank raised its benchmark rate by 100 bps from 13.5 percent in the 4th quarter of 2021 to 14.5% at its last meeting for 2021, against market expectations, citing significant risks to the inflation outlook to the economy.



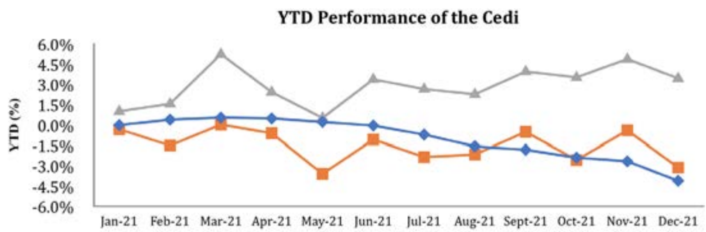
SOURCE: Bank of Ghana and Ghana Statistical Service

EXCHANGE RATE

The local currency cumulatively depreciated by 4.1percent and 3.1percent against the US dollar and the British pound respectively in 2021 as compared to a 3.9percent and 7.1percent depreciation respectively recorded in 2020 on the interbank currency market.

Against the Euro, the Ghana cedi appreciated by 3.5percent in 2021, compared to a depreciation of 12.1percent in the previous year.

The relative stability of the Ghana cedi in 2021 was on the back of a strong reserve position, which enabled the Central Bank to effectively support seasonal demand for foreign exchange in a bid to manage excessive volatilities in the currency markets.



SOURCE: Bank of Ghana

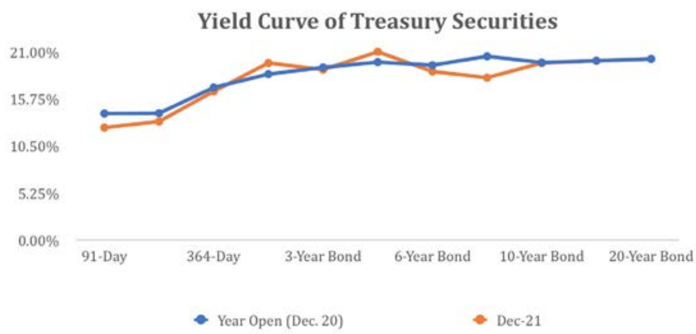
SOURCE: Bank of Ghana

FIXED INCOME MARKET IN 2021

Rates on the money market recorded mixed outturns in the year under review. Yields on the 91 and 182-day Treasury bills trended downwards to 12.51percent and 13.19percent, respectively, in December 2021, compared to 14.09percent and 14.1percent recorded in December 2020 respectively.

Likewise, the rate on the 364-day Treasury bill declined marginally to 16.57percent from 17.00percent over the same period. Rates on the 2-year and 5-year bonds increased to 19.75percent and 21percent, respectively, from 18.50percent and 19.85percent while rates on 3-year, 6-year, 7-year and 10-year bonds dipped by 25bps, 70bps, 240bps and 5bps, respectively, to settle at 19percent, 18.80percent ,18.10percent and 19.75% respectively.

The rates on the 15-year and 20-year bonds, however, remained unchanged at 19.75percent and 20.20percent, respectively, over the same period as there were no fresh issuances.



SOURCE: Bank of Ghana

Portfolio Report

Fund Review

Investment Objective

The Fund seeks to preserve and grow investors' capital through investments in high credit quality fixed income instruments carefully selected by the Fund Manager based on expertise and prevailing economic climate.

Investment Strategy

The fund invests primarily in well diversified investment-grade fixed income instruments that will provide security and liquidity.

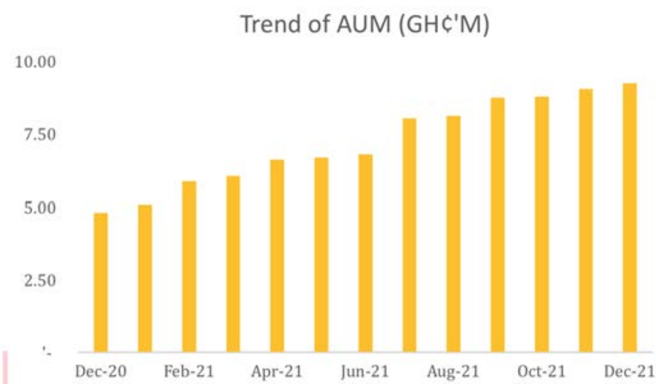
Fund Details

Fund Type	**Open End**
Risk Level	Low-Medium
Launch Date	September 25, 2019
Fund Manager	First Finance Company Limited
Custodian	Guaranty Trust Bank Ghana Limited
Auditor	John Kay & CO.
Solicitor	Mr. Philip Edem Kutsienyo Esq.
Front-end/Back-end Loading	No front-end load.
Fund Category	Fixed Income Fund
Listing	None
Valuation Days	Monday – Friday
Management Fee	2.5% p.a.
Administration Fee	1.50%

PORTFOLIO REPORT
CONTD.

At the end of the year 2021, the fund's total Assets under Management (AUM) stood at GH¢9.22 million, representing 92.7percent growth compared to the GH¢4.8million recorded for the year 2020.

he impressive growth trajectory in the AUM of the Fund was underpinned by the fund's investment returns over the period, new subscriptions into the fund and the consistent contributions by our cherished and loyal shareholders.



Fund Price and Return

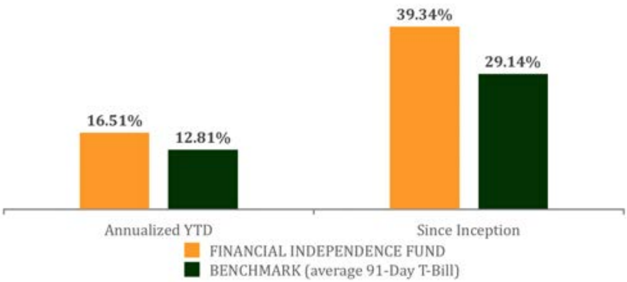
The Fund closed the year with an annualized year-to-date return of 17.13%, despite the drop in treasury and general market rates. This growth recorded in a year where interest rates had taken a nosedive reveals our competence in selecting quality moderate-risk assets into the fund's portfolio.

The fund's performance was significantly higher than the 12-month average of the 91, 182 and 1-Year GOG rates of 14.06%, 14.12% and 16.98% respectively. The Fund began the year with the price of GHS1.0206 and ended the year at GHS1.1959 per share.

Monthly Performance

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov*	Dec	YTD
2019											1.00	1.10	13.95
2020	1.00	4.24	1.11	1.11	1.08	1.03	1.08	1.00	1.09	1.06	1.06	1.30	17.20
2021	1.08	1.00	1.34	1.33	1.3	1.33	1.35	1.00	1.00	1.00	2.13	1.80	16.51

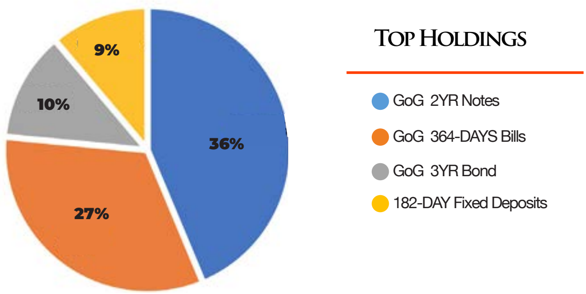
Portfolio Performance



The local currency cumulatively depreciated by 4.1percent and 3.1percent against the US dollar and the British pound respectively in 2021 as compared to a 3.9percent and 7.1percent depreciation respectively recorded in 2020 on the interbank currency market.

Portfolio Composition

The Fund's investment portfolio was widely diversified during the review period. The Fund invests mainly in the following types of Fixed Income securities: Treasury securities, Certificate of deposits and Corporate bonds.



Outlook/Investment Strategy for 2021

Ghana's economy is expected to remain relatively strong over the medium term, buoyed by higher commodity prices and higher revenues for key exports and strong domestic demand.

GDP growth is expected to be broad-based led by agriculture and services sectors and is projected to point to 5.5percent by year end 2022 and average 5.3percent over 2022 according to the Word Bank projections.

The Fund Manager shall remain committed to enhancing the val-

Outlook/Investment Strategy for 2021
CONTD.

ue of investment as we continue to take advantage of the upside potential of the fixed income securities keeping in mind the fund's objectives.

Our strategy will continue to hinge on proper selection of sectors, issuers, securities and maturities based on expectations about the general economy and the direction of market yields.

We will continue to monitor macroeconomic conditions and adjust accordingly, when necessary. We to create the best value for you our cherished shareholders.

We sincerely appreciate your support and wish you the very best for the year 2022.

Ezekiel Koranteng
(Portfolio Manager)

REPORT OF THE BOARD OF DIRECTORS

In accordance with section 136 of the Companies Act, 2019 (Act 992), the directors have the pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2021.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 31 December 2021, the statement of profit or loss for the year ended, statement of changes in equity for the year ended, statement of movement in net assets for the year ended, statement of cashflow and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992) of Ghana and Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695).

The directors' responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

FINANCIAL RESULT AND DIVIDEND

The results for the year are set out in the financial statements from pages 8-13. The Fund does not distribute dividend. All income earned are reinvested.

Shareholders should be aware that the mutual fund aims to achieve capital growth and as such income is reinvested to take advantage of the effects of compounding.

Total investment as at 31 December 2021 is made up as follows:

	2021 GH¢	Percentage %
Corporate Bonds	36,569	-
Government Bonds	5,632,491	62
Money Market Securities	835,091	9
Collective investment scheme	2,359,911	26
Cash at Bank	259,169	3
Total Investments	**9,123,231**	**100**

NATURE OF BUSINESS

Financial Independence Mutual Fund Plc is a company registered and domiciled in Ghana.

It is licensed by the Securities and Exchange Commission of Ghana to operate as an authorized mutual fund.

Financial Independence Mutual Fund Plc ("The Fund") is an open-end mutual fund which shall invest primarily in a variety of fixed income securities that are both long term and short term in nature with the aim of preserving and growing the capital of investors.

The Fund is targeted at middle and high income earners whose objective is to invest periodically in order to secure their financial independence.

REPORT OF THE BOARD OF DIRECTORS
CONTD.

INTEREST REGISTER

During the year under review, no director had any interest in contracts and proposed contracts with the company, hence there were no entries recorded in the Interest Register as required by sections 194(6), 195(1)(a) and the 196 of the Companies Act, (Act 992).

AUDITOR'S REMUNERATION

In accordance with Section 140 of the Companies Act, 2019 (Act 992), Messrs John Kay & Co. agreed with the directors to charge a fee inclusive of VAT, Covid levy, NHIL and Get Fund. Refer to Note 10 of this financial statement foramount payable as audit fees.

CORPORATE SOCIAL RESPONSIBILITY

The company did not contribute to corporate social responsibility during the year under review.

BUILDING THE CAPACITY OF DIRECTORS

The directors did not engage in any training on corporate governance.

APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the company as indicated above were approved by the board of directors on

10 June 2022
....

and are signed on its behalf by:

Mr. Zack Bentum
Chairman

Gloria Akoto (Mrs.)
Director

John Kay & Co.
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Email: info@johnkay.net

Independent Auditors' Report

Opinion

We have audited the accompanying financial statements of Financial Independence Mutual Fund Plc, which comprise the statement of financial position as at 31 December 2020, the statement of profit or loss for the year ended, statement of changes in equity for the year ended, statement of movement in net assets for the year ended, statement of cashflow and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 14-32.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Financial Independence Mutual Fund Plc as at 31 December 2020, the Fund's financial performance and its movement in net assets for the year ended in accordance with International Financial Reporting Standards (IFRS)

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 Company 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.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and the requirements of

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INDEPENDENT AUDITORS' REPORT

CONTD.

the Companies Act 2019, (Act 992) of Ghana, 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 Board of Directors is also responsible for overseeing the Company's financial reporting process.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

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

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INDEPENDENT AUDITORS' REPORT
CONTD.

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

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• 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 Company'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 Company 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 represents the underlying trans-

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INDEPENDENT AUDITORS' REPORT
CONTD.

actions and events in a manner that achieves fair presentation. 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.

KEY AUDIT MATTERS

In accordance with ISAs, this part of our report is intended to describe the matters communicated with those charged with governance that we have determined, in our professional judgement, were most significant in the audit of the financial statements. We have determined that, there are no matters to report under key auditmatters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992) of Ghana.

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. In our opinion, proper books of accounts have been kept by the Company so far as it appears from our examination of those books.

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

John Kay & Co

For and on behalf of John Kay & Co.
(ICAG/F/2021/128)
Chartered Accountants
Accra.

10 June 2022

FINANCIAL STATEMENTS

Statement of Financial Assets Designated through profit or loss as at 31 December 2021

Collective Investment Schemes	Shares	Price per shares GH¢	Market Value GH¢	Percentage of Net assets %
Crystal Wealth Fund	847,814	2.0655	1,751,160	20
OctaneDC Bond Fund	63,454	1.1892	75,459	1
Sem Income Fund	71,270	1.5985	113,925	1
Nimed Fixed Income Tier 2	685,576	0.6117	419,367	5
			2,359,911	**27**

Fixed Interest Securities

Amortised Cost

Government Bonds	5,632,491	64
Money Market Securities	835,091	9
Corporate Bond	36,569	-
	6,504,151	**73**

Total Investment Securities	8,864,062	100
Total Liability	(29,766)	-
	8,834,296	**100**

FINANCIAL STATEMENTS
CONTD.

Statement of Financial Position as at 31 December 2021

	Note(s)	2021 GH¢	2020 GH¢
Financial Assets at amortised cost	6	6,504,151	4,903,994
Financial assets at FVTPL	7	2,359,911	572,400
Cash and cash equivalent	8	259,169	99,100
Total Assets		**9,123,321**	**4,765,504**
Represented by:			
Members' fund	9	9,093,465	4,741,879
Liabilities			
Payables	10	29,766	23,625
Total Members' Fund and Liabilities		**9,123,321**	**4,765,504**

Mr. Zack Bentum
Chairman

Gloria Akoto (Mrs)
Director

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2021

	Note(s)	2021 GH¢	2020 GH¢
Revenue			
Interest Income	11	936,188	262,918
Total Revenue		**936,188**	**262,918**
Expenses			
General Expenses	12	(147,922)	(80,894)
Gain/(loss) on financial assets at FVTPL		295,523	-
Total operating expenses		**(147,601)**	**(80,894)**
Operating Profit		1,083,789	182,02
Increase in net assets available		**1,083,789**	**182,024**

Statement Of Changes In Equity For The Year Ended 31 December 2021

2021	**Capital Transactions GH¢**	**Investments GH¢**	**Total GH¢**
At 1 January	4,559,855	182,024	4,741,879
Net Income from operations	-	1,083,789	1,083,789
Share Issure	4,783,170	-	4,783,170
Shares redemption	(1,515,373)	-	(1,515,373)
At 31 December	**7,827,652**	**1,265,813**	**(155,503)**

2020	**Capital Transactions GH¢**	**Investments GH¢**	**Total GH¢**
At 1 January	-	-	-
Net Income from operations	-	182,024	182,024
Share Issure	4,832,230	-	4,832,230
Shares redemption	(272,375)	-	(272,375)
At 31 December	**4,559,855**	**182,024**	**4,741,879**

Statement Of Movements In Net Assets For The Year Ended 31 December 2021

Changes in net assets from operations	2021 GH¢	2020 GH¢
Change in:		
Change in Net Investment Income	1,083,789	182,024
Net change in net assets from operations	**1,083,789**	**182,024**

Change in net assets from capital transactions

Proceeds from Issue of Shares	4,783,170	4,832,231
Share Redemption	(1,515,373)	(272,376)
Net change in net assets from capital transactions	3,267,797	4,741,879
Net change in net assets from operations	**4,351,586**	**4,741,879**

Analysis of changes in cash and cash Equivalents for the year

At 1 January	4,741,879	-
Net additions to net assets	4.351,586	4,741,879
At 31 December	**9,093,465**	**4,741,879**

Statement of Cash Flows for the Year ended 31 December 2021

	2021 GH¢	2020 GH¢
Cash Flow from Operating Activities		
Net Investment Income	1,083,789	182,024
Adjusted for:		
Interest receivable	(303,045)	(155,503)
Unrealised gain/(loss)	(295,523)	-
	485,221	26,521
Changes in:		
Liabilities	6,141	23,625
Net cash flow from operating activities	491,362	50,146
Cash Flow from Investing Activities		
Purchase of financial assets	(7,470,483)	(5,326,685)
Proceeds from matured financial assets	3,871,383	815,794
Cash flows from Investing activities	(3,599,100)	(4,510,891)
Cash Flow from Financing Activities		
Issue of units	4,783,170	4,832,230
Amount paid on redemption of units	(1,515,373)	(272,375)
Cash flows from financing activities	3,267,797	4,559,855
Net increase (decrease) in cash and cash equivalents	**160,059**	**99,110**
Analysis of changes in cash and cash Equivalents for the year		
At 1 January	99,110	-
Net additions to net assets	160,059	99,110
At 31 December	**259,169**	**99,110**

Notes to the Financial Statements for the Year Ended 31 December 2021

1. Reporting Entity

Financial Independence Mutual Fund Plc is a mutual fund investment company whose primary objective is to obtain contributions from members and invest same for their benefit.

Financial Independence Mutual Fund Plc is a limited liability company and is incorporated and domiciled in the Republic of Ghana.

The address and registered office of the company can be found on page 2 of the financial statements.

The Fund was established in 9 July 2018 and operates in accordance with the Unit Trust and Mutual Fund Regulation (L.I.1695). The Fund shall be marketed as "fixed income fund", 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 Fund's functional currency. All amounts have been stated in full.

(c) Use of estimates and judgement

In preparing these financial statements, the mutual fund'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
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3. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Investments income recognition

Interest income, including interest income from non-derivative financial assets at Fair value through profit or loss (FVTPL), are recognised in profit or loss, using 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 recognised in the profit or loss as interest income or interest expense, respectively.

(b) Financial instruments

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

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 Company may make the following irrevocable election/designation at initial recognition of a financial asset:

• the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

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• the Company 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 future 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 creditadjusted 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 the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company 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 Company 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

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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.

c. Equity instruments designated as at FVTOCI

On initial recognition, the Company 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 Company 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.

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

a. 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 Company 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 Company 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

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, specif-

Notes to the Financial Statements
contd.

ically;

• 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 Company 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 recognition of the respective financial instrument.

The Company 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 Company'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 Company 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 Company 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 Company 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 Company considers both quantitative and qualitative information that is reasonable and supportable, 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 Company'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 Company's core operations.

In particular, the following information is taken into account

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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.

Irrespective of the outcome of the above assessment, the Company 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 Company has reasonable and supportable information that demonstrates otherwise.
Despite the foregoing, the Company 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 Company 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 Company 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 Company considers the changes in the risk that the specified debtor will default on the contract.
The Company 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 Company 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 debt-

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or is unlikely to pay its creditors, including the Company, in full (without taking into account any collateral held by the Company).

Irrespective of the above analysis, the Company considers that default has occurred when a financial asset is more than 90 days past due unless the Company 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:

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 Company 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, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company'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 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 Company'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 Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IAS 17 Leases.

For a financial guarantee contract, as the Company 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 Company expects to receive from the holder, the debtor or any other party.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous

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reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company 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 Company 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 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.

Derecognition of financial assets

The Company 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 Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company 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 Company 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.

(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 Company are recognised at the proceeds received, net of direct issue costs.
Repurchase of the Company'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 Company's own equity instruments.

Compound instruments

The component parts of convertible loan notes issued by the Company 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 Company'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 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.

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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 applies, and financial guarantee contracts issued by the Company, 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 Company 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 Company'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 combined 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

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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.

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 Company that are designated by the Company as at FVTPL are recognised in profit or loss. Fair value is determined in the manner described in note 3(d)iii.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) 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 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 Company derecognises financial liabilities when, and only when, the Company'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.

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When the Company 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 Company 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 substantially 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 Scheme 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 corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
Level 3:-Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

(e) 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 Company uses foreign currency forward exchange contracts to limit its exposure to foreign exchange risk on highly probable forecast foreign currency sales transactions. The Company designates these derivatives as hedges – that is, a hedge of foreign exchange risk associated with highly probably forecast sales transactions.

The Company 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 Company expects the derivative financial instrument to be highly effective in offsetting the designated hedged foreign currency risk associated with the hedged item.

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

Notes to the Financial Statements
CONTD.

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'.

(f) 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 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.

(g) 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.

(h) Cash and Cash equivalents

Cash and cash equivalents comprises deposits with banks and highly liquid financial assets with maturity of three months or less from the date of acquisition that are subject so 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 Fund's accounting policies, which are described in note 3, the Directors are required to make judgments, estimates 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.

NOTES TO THE FINANCIAL STATEMENTS
CONTD.

5. KEY CONTRACTORS

a. Fund Managers

The Directors of the Fund appointed First Finance Company Limited, an investment management company incorporated in Ghana and duly licensed by the Security and Exchange Commission of Ghana to implement the investment strategy and objectives as stated in the Fund's investment management policy manual.

Under that investment management agreement, First Finance Company Limited receives a management fee at annual rate of 2.5% of the net asset value attributable to members of the Fund. The management fees incurred during the year amounted to GH¢72,892.

Included in the payables as at 31 December 2021 were fund management fees payable of GH¢1,189.

a. Fund Custodians

The Directors of the Fund appointed Republic Bank (Ghana) Limited, Custody Services a Limited Liability Company incorporated in Ghana and duly licensed by Security and Exchange Commission of Ghana, to provide custody services as prescribed in the Fund's policy manual.

Under the custody agreement, the Custodian receives a custodian fee at an annual rate of 0.24% of the net asset value attributable to members of the Fund. The Custodian fees charged during the year amounted to GH¢15,722.

Custodian fees payable as at 31 December 2021 was GH¢16,652

6. FINANCIAL ASSETS AT AMORTISED COST

	2021 Gh¢	2020 Gh¢
Government Bonds	5,632,491	3,842,785
Money Market Securities	835,091	214,750
Corporate Bonds	36,569	36,459
	6,504,151	**4,093,994**

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2021 Gh¢	2020 Gh¢
Collective Investment scheme	2,359,911	572,400
	2,359,911	**572,400**

8 . CASH AND CASH EQUIVALENTS

	2021 Gh¢	2020 Gh¢
Cash and bank balances	259,169	99,100
	259,169	**99,100**

Notes to the Financial Statements
CONTD.

9. Members' Funds

	2021 Gh¢	2020 Gh¢
Opening Balance	4,741,879	-
New Issues	4,783,170	4,832,230
Redemptions	(1,515,373)	(272,375)
Movement on shares issued	1,083,789	182,024
	9,093,465	**4,741,879**

10. Payable Under Service Level Agreements

	2021 Gh¢	2020 Gh¢
Management fees	1,189	10,882
Custody fees	16,652	930
Audit fees	11,925	11,813
	29,766	**23,625**

11. INTEREST INCOME

	2021 Gh¢	2020 Gh¢
Ghana Government Bonds	143,312	231,924
Money Market Securities	788,400	30,916
Corporate Bonds	110	-
Credit interest	4,366	78
	936,188	**262,918**

12. GENERAL EXPENSES

	2021 Gh¢	2020 Gh¢
Management fees	72,892	40,471
Custody fees	15,722	3,750
Bank charges	2,481	2,551
Cost of securities	8,062	22,309
Audit Fees	11,925	11,813
Board Expenses	19,000	-
Annual General Meeting Expenses	17,840	-
	147,922	**80,894**

NOTES TO THE FINANCIAL STATEMENTS
CONTD.

13. FINANCIAL INSTRUMENTS
Analysis of changes in fair value of financial instruments

2020	Balance 01/1/21 Gh¢	Purchases GH¢	Sales GH¢	Accrued Interest GH¢	Unrealised Gain(Loss) GH¢	Value 31/12/21 Gh¢
GOG Bonds	3,842,785	3,834,634	(2,296,785)	251,857	-	5,632,491
Money Market	214,750	2,143,861	(1,574,598)	51,078	-	835,091
Corporate Bonds	36,459	-	-	110	-	36,569
CIS	572,400	1,491,988	-	-	295,523	2,359,911
Total	**4,666,394**	**7,470,483**	**(3,871,383)**	**303,045**	**295,523**	**8,864,062**

2020	Balance 01/1/21 Gh¢	Purchases GH¢	Sales GH¢	Accrued Interest GH¢	Value 31/12/21 Gh¢
GOG Bonds	-	4,202,147	(500,027)	140,665	3,842,785
Corporate Bonds	-	36,371	-	88	36,459
Money Market	-	515,767	(315,767)	14,750	214,750
CIS	-	572,400	-	-	572,400
Total	**-**	**5,326,685**	**(815,794)**	**155,503**	**4,666,394**

14. TAXATION

Income of approved unit trust scheme or mutual fund is exempt from tax under the income tax act, 2015 (act 896) as amended. The fund currently withholds taxes on payment made to directors and other service providers.

15. FINANCIAL RISK MANAGEMENT

(a). Asset/Portfolio/Credit risk

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

The Scheme's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meets the standards set out in the SEC guidelines and the Fund's investment policy statement.

(b). Liquidity risk

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

Notes to the Financial Statements
CONTD.

The following are contractual maturities of financial asset
31 December 2021

Financial Assets	3 Months or less (GH¢)	4-6 Months or less (GH¢)	7-12 Months or less (GH¢)	More than 12 Months (GH¢)
Government Bonds	106,832	108,978	1,758,527	3,658,154
Money Market	-	-	835,091	-
Coporate Bonds	-	36,569	-	-
Total	**106,832**	**145,547**	**2,593,618**	**3,658,154**

Financial Liabilities	3 Months or Less (GH¢)
Administrative Expenses payable	29,766
Total	**29,766**

(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 Company at the balance sheet date.

The fair values of the Company'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 Company'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 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 Scheme'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 Scheme'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 Trustees on the appropriate balance of the portfolio between equity, fixed rate interest, and variable rate interest investments. The scheme uses duration targeting as a means of mitigating the effects of the risk. The target duration is regularly reviewed by the Trust Board. For some of the bonds with issuers other than the Government of Ghana, investments are placed with a floating rate to hedge against this risk.

(g) Operational risk

Operational risk is the risk of

NOTES TO THE FINANCIAL STATEMENTS
CONTD.

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

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

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

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

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

16. EVENTS AFTER REPORTING PERIOD

Events subsequent to the balance sheet date are reflected in the financial statements only to the extent that they relate to the year under consideration.

17. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statement were approved by the directors of the Fund and Authorised for issue on 10 June 2022.

CUSTODIANS REPORT

Guaranty Trust Bank (Ghana) Ltd.
CS408022014

25A, Castle Road,
Ambassadorial Area, Ridge,
PMB CT 416, Cantonments,
Accra, Ghana.
Tel: (+233 302) 611 560, 680 662, 680 746, 676 474
(+233 302) 923 914, 966 755, 611 560
Head Office Fax: (+233 302) 662 727/664 533
Toll Free: 0800124000

GTBank

7th September, 2022

Financial Independence Mutual Fund
59 Ring Road Central
Accra-Ghana
P.O. Box CT 10535
Cantonment-Accra

Attention: Fund Manager

Dear Sir,

REPORT OF THE CUSTODIAN TO THE INVESTORS OF FINANCIAL INDEPENDENCE MUTUAL FUND

We, Guaranty Trust Bank Ghana Limited, acting as Custodians for the Financial Independence Mutual Fund, write to confirm to investors the Fund's statement of holdings as at close of business 31st December, 2021.

SYMBOL	CUMMULATIVE_COST
365 DAY LETS	200,000.00
365 DAY DAL FIN	55,235.62
365-DAY LETSHE	104,488.00
1-YEAR DAL FIN	109,828.97
1-YR LETSHEG	104,488.00
1-YEAR DALFIN	109,972.60
365-DAY BAYP	100,000.00
3-YR BAYP NOTE	36,459.00
12-YEAR ESLA	300,000.00
364-DAY BILL	100,000.00
182-DAY CMB	100,000.00
3-YEAR GOG BD	300,000.00

SYMBOL	CUMMULATIVE_COST
2YR GOG NOTE	114,000.00
2 YR GOG NT	190,000.00
2-YR GG NOTE	1,400,000.00
2-YR GG NT	100,000.00
2YR GG NOTE	1,028,337.00
6-YR GOG BD	520,000.00
6 YR GG BOND	486,297.00
5YR GG BOND	150,000.00
3 YR GOG BOND	92,000.00
6 YR GG BD	200,000.00
CISs	2,064,400.00
7-YR GOG BOND	100,000.00

Yours faithfully,
For: Guaranty Trust Bank (Ghana) Limited

Michael Yeyu
Head, Custody Services

Solace Fiadjoe
Head, Financial Institutions Division

Corporate Information

Board of Directors	Mr. Zac Bentum Mrs. Gloria Akoto Mr. Yaw Banahene Adjei
Registered Office	63, Ring Road Central Accra - Ghana Email: info@firstfinancecompany.com
Fund Manager	First Finance Company Limited 63, Ring Road Central Accra - Ghana Email: info@firstfinancecompany.com
Custodian	Guaranty Trust Bank (Gh.) Limited (October 2020 to Date) 25A, Castle Road, Ambassadorial Area Ridge, Accra, Ghana PMB CT416 Cantonments, Accra. Phone(+233)(0302)664533 Email: gh.custody@gtbank.com
Auditors	John Kay and Co. 7th Floor, Trust Towers Farrar Avenue P. O. Box 16088 Airport - Accra Email: jkayal@yahoo.com
Solicitors	Mr. Philip Edem Kutsienyo Esq. P. O. Box CO3078, Tema - Ghana Email: edemphilip@gmail.com

DIRECTORS INFORMATION

The Business affairs of the Financial Independence Mutual Fund PLC are managed under the leadership of the Board of Directors of the Fund.
The list below captures the names of the Directors, their occupations and other affiliations apart from the Fund.

Name	Other Affiliation	Occupation
Mr. Zack Bentum	*Patrick Murphy Homes Limited *Impact Capital Advisor	Accountant
Mr. Yaw Banahene Adjei	N/A	Accountant
Mrs. Gloria Akoto	*Urban Health Ghana Limited *First Finance Company Limited *Prestige Pension Trust Limited	Wealth Manager

Mr. Zack Bentum
Board Chairman

Gloria Akoto (Mrs.)
Director

Mr. Yaw Banahene Adjei
Director

FINANCIAL INDEPENDENCE MUTUAL FUND PLC

PROXY FORM

I/We ______________________________being a member of the above mentioned company hereby appoint ____as my/our proxy to vote on my/our behalf at the Second Annual General Meeting of the Fund to be held virtually via Zoom on Thursday, 13th October, 2022 at 11:00 am GMT and at any adjournment thereof.
Please indicate an "X" in the boxes provided below how you want to cast your vote.

Resolution	For	Against	Abstain
1. To receive and adopt the Financial Statements of the Company for the year ended 31st December 2021, together with the reports of Directors and the External Auditors.			
2. To authorize the Directors to fix the remuneration of the external Auditors.			
3. To fix the remuneration of the Board of DIrectors.			

Name: /___________________________

Date: /___________________________

Signature /___________________________

FINANCIAL INDEPENDENCE MUTUAL FUND PLC

Financial Independence Mutual Fund PLC

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ANNUAL REPORT
2021