INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC.

ANNUAL REPORT 2021

#15 Wawa Drive, North Dzorwulu, Accra | P. O. Box GP 22493, Accra
+233 (0) 302 50 90 45 | info@investcorpgh.com

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NOTICE OF VIRTUAL ANNUAL GENERAL MEETING OF INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC

NOTICE IS HEREBY GIVEN THAT the 4th Annual General Meeting of InvestCorp Mid-Tier Financial Services Investment Fund PLC (the **"Company"**) will be held virtually and **streamed live via Zoom on Thursday July 25, 2022 at 9:00 am**, to transact the following business:

AGENDA

ORDINARY BUSINESS

1. To receive and adopt the Financial Statements of the Company for the year ended December 31, 2021, together with the reports of the Directors and the external Auditors thereon
2. To authorize the Directors to fix the remuneration of the external Auditors
3. To extend the term of appointment of the retiring Directors from 5th October, 2022 until new directors are appointed at the next Annual General Meeting.

ANY OTHER MATTERS

Dated this 12th day of July, 2022.
BY ORDER OF THE BOARD

JLD & MB Legal Consultancy
JLD & MB LEGAL CONSULTANCY
ACCRA

JLD & MB LEGAL CONSULTANCY
(COMPANY SECRETARY)

NOTE
A member 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 member of the Company. A proxy form is enclosed with the accounts. Completed proxy forms should be lodged with the Company Secretary, JLD & MB Legal Consultancy, No. 1B Quartey Papafio Avenue, Airport Residential Area, Accra or sent via email to ***info@jldmblaw.net*** not less than 48 hours before the appointed time for meeting (that is, no later than 9:00am on 23rd August, 2022).
This serves as notice to all shareholders to attend.

PARTICIPATION IN THE AGM VIA ZOOM

Accessing the AGM
- A private Zoom link and password to the meeting will be sent to Board Members and Shareholders by the 15th of August 2022 via email and/or SMS together with other details of participation
- Shareholders who do not receive the access details should contact Jeanette Andrews Darko at *j.darko@investcorpgh.com* or call 0302 50 90 45 or 0501 55 68 70 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 8:30am and the AGM will officially begin at 9:00 am
- Participants can raise their hands to either second a motion or ask a question during the meeting
- At the time of voting, the poll will appear on your screen. Select your preferred option (For / Against) to vote on a motion

CHAIRMAN'S STATEMENT TO SHAREHOLDERS OF THE INVESTCORP MID-TIER FUND

Dear Valued Shareholder,

I am pleased to welcome you to the fourth Annual General Meeting (AGM) of the InvestCorp Mid-Tier Fund, for the year ended December 31, 2021. A special welcome to all new shareholders of the Fund, for choosing to partner us regarding your investment needs. On behalf of the Board of Directors, I say thank you for your continuous trust in the Mid-Tier fund as a strategic way to meet your long-term life goals through a well-diversified investment exposure to fixed-income securities.

In this address, I will give a general overview of the global and Ghanaian economies in the year 2021 and talk about the performance of the InvestCorp Mid-Tier Fund. The Fund Manager's report will provide the details of the Fund's performance and will answer many of your questions. I will conclude with our economic outlook and expectations of the Fund in the coming year, 2022.

ECONOMIC REVIEW

Global

The global economic recovery gradually began in 2021 even as the pandemic resurged (spread of the Omicron variant) in some parts of China, the UK, amongst others. Global growth for 2021 was estimated at 5.9%, a sharp 9.0% increase from the previous year's slowdown of -3.1%. The growth was primarily supported by the global vaccine rollout program and early policy measures by governments to curtail the spread of the virus, sustain livelihoods and bolster their economies. The rate of inflation trended upwards in advanced and developed economies alike, resulting from rising commodity prices and supply bottlenecks juxtaposed to recovery in global demand.

Ghana

Ghana's economy remained resilient amid dire COVID-19 induced challenges, with overall GDP growth for 2021 estimated at 4.4%. The positive economic outlook was premised on improved business confidence stemming mainly from sound economic policies implemented during the heights of the pandemic, a stable political environment and the implementation of the COVID-19 vaccine roll-out plan. Overall GDP growth was recorded at 5.4% for the year.

In line with real GDP growth, the Ghana Stock Exchange showed strong recovery in 2021, as investor sentiments on the economy and the prospects of listed companies significantly improved. The GSE-CI ended the year with YTD return of 43.66% compared to the -13.98% recorded the previous year.

The Central government's fiscal deficit target of 9.4% was missed due to COVID-19 related expenditure, while revenue underperformance deepened. Debt sustainability remained a key concern to investors, as debt to GDP rose to 80.1% by close of the year.

CHAIRMAN'S STATEMENT TO SHAREHOLDERS OF THE INVESTCORP MID-TIER FUND (CONT'D)

HIGHLIGHTS OF KEY ECONOMIC INDICATORS

Exchange Rate
The Ghana Cedi (GHS) ended 2021 weaker against some major trading currencies in spite of the regular FX liquidity support by the Central Bank. It is important to note however, that exchange rate volatility was low during the year. The strengthening US dollar, combined with the increased exits from the local bond market, following U.S. interest rate hikes towards the end of the year put pressure on the cedi. The local currency depreciated by 4.1% and 3.1% against the USD and GBP respectively, but recorded a YTD appreciation of 3.5% against the EUR.

Inflation
Headline inflation for the first half of 2021 generally trended downwards from the 2020-year end figure of 10.4% to 7.5% in May 2021 (similar to pre-pandemic levels and close to the lower limit of the medium-term band of 8±2%), before ticking up to 7.8% in June 2021. The decline in inflation was largely due to a decline in food prices. The second half of the year saw inflation shooting up from 7.8% in June to 10.6% in September 2021 and closed the year at 12.6% (a 4.6% upside deviation from the 2021 year-end inflation target of 8%). At the root of this surge was the sharp increase in the prices of food items over the period.

Interest Rates
Yields on the primary market generally trended downwards for the period under review as it ended the year lower compared to yields for the same period in 2020. At the close of the year, the yields on the 91-Day, 182-Day and 364-Day Treasury bills stood at 12.51%, 13.19% and 16.57% respectively, indicating a decline of 157, 93 and 43 basis points from the previous year yields. The decline resulted from the increased demand for GoG securities from commercial banks as they continued to increase investments (from their expanded liquidity room) in government securities to improve their earnings and reduce credit to the private sector.

Fund Performance
The InvestCorp Mid-Tier Fund achieved an annualized yield of 17.38%, against its benchmark of 15.51% (91-day T-bill + 3%) hence outperforming the benchmark by 187 basis points. The Fund recorded a growth rate of 12.8% from its previous Assets under Management (AUM) of GHS 18,142,384.00 to GHS 20,462,456.00, a significant improvement from the previous year growth of 5.3%. The significant growth in the Fund's size was driven by the competitive return it offers to investors.

To enable you, cherished shareholders to gain remote access to your accounts 24/7 and interact conveniently with the fund manager, an electronic self-service platform was launched during the year. This included an online platform, a mobile application to enable smart phone users (android and iOS) gain real-time access to their accounts as well as mobile money USSD short codes (in partnership with Emergent & Zeepay) to allow clients without smart phones or internet service have access to their accounts.

We remain confident that the InvestCorp Mid-Tier Fund will continue to outperform its benchmark by significant margins in 2022 and grow its AUM significantly.

Economic Outlook
The on-going geopolitical violence between Russia and Ukraine has worsened the global economic growth outlook, resulting from massive supply chain disruptions and sharp hikes in global inflation. In April 2022, the IMF revised downward the 2022 global growth estimate to 3.6% from the January growth estimate of 4.4%. The European Union's sanctions on Russia has raised the prospects of tighter oil supply and continuous sharp fuel price increases. Saudi Arabia's readiness to increase oil production may however provide some relief if implemented. There are fears of a global food crisis

CHAIRMAN'S STATEMENT TO SHAREHOLDERS OF THE INVESTCORP MID-TIER FUND (CONT'D)

as the pace of increase in food inflation mirrors the levels recorded in 2008 and 2011 which led to a global food crisis.

In Ghana, growth prospects remain positive. Government's YouStart initiative under the Ghana CARES (Obaatanpa) Programme is expected to support the SME sector, contribute to growth and further narrow the output gap. Economic growth is however expected to moderate as a result of high production costs from supply bottlenecks and high petroleum prices. Tight monetary conditions, to tame inflationary pressures, may further hamper real sector activities.

Our outlook on inflation is one of sustained elevation, as uncertainty around the on-going geopolitical violence between Russia and Ukraine remains. The central government's fiscal deficit target of 7.4% for 2022 may be missed due to the reduction of the E-Levy (a major revenue source) to 1.5% and the delay in its implementation, leaving room for revenue underperformance.

The expenditure controls put in place by government including the announced 30% cut in salaries of Government appointees and the 20% cut in government expenditure are laudable although we expect some challenges with the implementation of the latter. Despite an expected low external financing, the risk to debt sustainability remains heightened, affected by existing high debt levels and the impact of projected high interest rates on the current domestic interest cost (currently ~80% of total interest payments).

Reliance on domestic financing should soften the impact of external debt financing on the country's reserves and currency depreciation. Rising oil price may however lead to sustained pressure on the cedi to close the year. With the tight financing space and government's reliance on the domestic market for budget financing (by over 70%), coupled with the steady rise in headline inflation, we expect to see interest rates continue to move northwards to close the year.

Closing Remarks

Ladies and Gentlemen, we live in times marked by high levels of uncertainty - globally, and we must continue to remind ourselves of the need to build our investments and plan for our various dreams and life goals. The Mid-tier Fund is well positioned and our proactive approach to managing the Fund will continue to provide shareholders with value and highly attractive risk-adjusted returns. We will continue to work with you, this year, to preserve your wealth and achieve your financial goals.

To close, I would like to express my profound gratitude to the Fund Manager and to the staff of InvestCorp Asset Management Ltd for their hard work towards creating a rewarding investment product for shareholders.

Thank you once again.

....

Dr. Anthony Aubynn
Board Chairman

FUND MANAGER'S REPORT

Portfolio Review

The InvestCorp Mid-Tier Fund achieved a yield of 17.38% for the year under review, against its benchmark of 15.51% (91-day T-bill + 3%) hence outperforming the benchmark by 187 basis points.

The Fund recorded a growth rate of 12.8% from its previous AUM of GHS 18,142,384.00 to GHS 20,462,456.00, a significant improvement from the previous year growth rate of 5.3%. This is attributed to the pick-up in economic activities as a result of the reversal of lockdown restrictions, the massive rollout of the COVID-19 vaccination programme by the government and a gradual return to normalcy. Similarly, redemptions saw significant increases in the year under review, however, the Fund was able to promptly pay all redemption requests, giving more confidence to our shareholders as we navigated through the pandemic and post pandemic era.

At the end of the reporting period, the portfolio was exposed to Government of Ghana (GoG) bonds (31.4%), Non-Bank Financial Services Institutions (26.5%), Local Government and Statutory Agency bonds (12.6%), Banks (8.4%) and Corporate debt (21.1%). The Investment Committee of the Fund manager reviews the asset allocation mix and investment strategy, supported by detailed analysis of the economic environment to ensure a healthy risk-return profile.

The Fund continues to observe all relevant corporate governance practices. The Board underwent the mandatory Anti-Money Laundering (AML) training and met quarterly as prescribed by its own rules. The current Board members continue to serve on the Board and bring to bear their institutional memory and experience.

Strategy / Recommendations

Our strategy and recommendations for our permitted asset class universe are as summarized in the ensuing paragraph.

Local Currency Government of Ghana Bonds - We expect yields to remain elevated in 2022 on the back of debt sustainability concerns and anticipated interest rate hikes in the US which is likely to fuel further exits from local currency bond market. Hence we will remain at the short to mid-section of the yield curve, favouring 2023 - 2026 papers, and take advantage of high discount papers at the back-end.

Eurobond - Expose the portfolio to Eurobonds as the decline in prices present a discount play with a Held-to-Maturity (HTM) strategy.

Preferred Shares - The upcoming issuance of the Ghana Amalgamated Trust IPO presents opportunity to diversify the portfolio away from the traditional GoG asset class and at the same time enhance the overall return of the portfolio (return of 22% with the possibility of benefitting from an upside).

Money Market securities - We have observed upticks in rate cards of money market credit issuers as they have adjusted rates to compensate for higher inflation in addition to elevated yields on the bond market in the new year, 2022. We will invest in this asset class for liquidity management and portfolio balancing purposes by targeting high quality credit issuers that meet our credit assessment criteria.

Local Government and Agency bonds – Elevated yields present an opportunity to increase holdings in high discount Cocoa and ELSA papers in the Fund. We will therefore ramp up our holdings when the opportunities are available.

Corporate bonds – Securities continue to be high risk with little or no liquidity. However, the Daakye bond continue to remain attractive, hence we will increase our holdings when conditions are positive.

FUND MANAGER'S REPORT (CONT'D)

To our shareholders, we thank you for your continuous show of confidence and support by investing in the Fund and as managers of the Fund we are committed to ensuring that the Fund continues to meet its objectives and hopefully, your expectations

Solomon Adatsi
Fund Manager

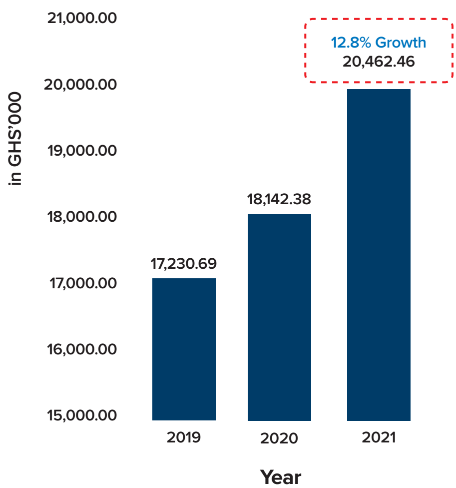
PORTFOLIO SUMMARY AS AT DECEMBER 2021

Year	Assets under Management (AUM)	Annualized Yield	Benchmark	Spread
2019	17,230,688.00	18.29%	17.70%	0.59%
2020	18,142,384.00	17.80%	17.09%	0.71%
2021	20.462,456.00	17.38%	15.51%	1.87%

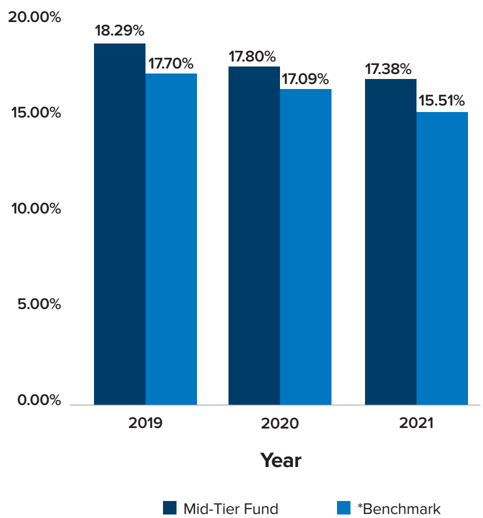
Fund Information

Price to Earnings	7.82
Price to Book Ratio	1.21
Standard Deviation (3 Yrs.)	0.68%
Weighted Average Maturity (Yrs.)	4.51

ASSETS UNDER MANAGEMENT AUM (GHS'000)



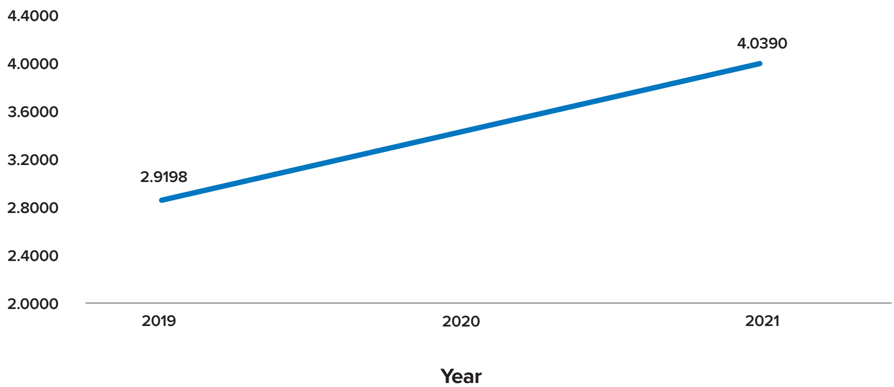
FUND PERFORMANCE (%)



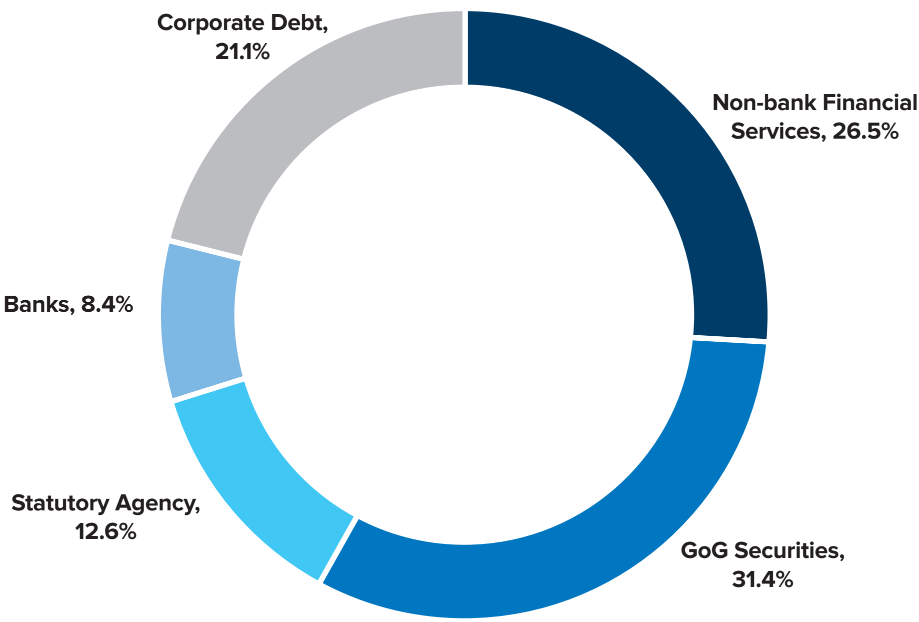
** 91-Day T-Bill Rate + 300 bps*

PORTFOLIO SUMMARY AS AT DECEMBER 2021 (CONT'D)

SHARE PRICE (GHS)

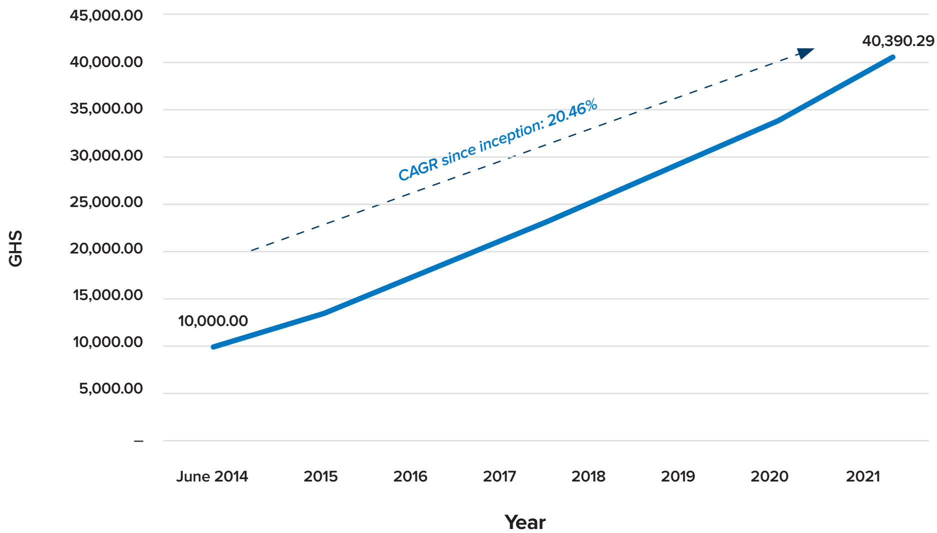


ASSET ALLOCATION (%)



PORTFOLIO SUMMARY AS AT DECEMBER 2021 (CONT'D)

GROWTH OF GHS 10,000 IN THE FUND SINCE INCEPTION



REPORT OF THE DIRECTORS TO MEMBERS OF INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements of InvestCorp Mid-Tier Financial Services Investment Fund PLC ("the Fund") for the year ended 31 December 2021.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation of financial statements that give a true and fair view of InvestCorp Mid-Tier Financial Services Investment Fund PLC, comprising the statement of financial position at 31 December 2021, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable shares and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and the Securities Industry Act, 2016 (Act 929). In addition, the Directors are responsible for the preparation of the Report of the Directors.

The Directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the ability of the Fund to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

NATURE OF BUSINESS/ PRINCIPAL ACTIVITIES

The Fund is registered to carry on the business of mobilising funds for investment in commercial paper, fixed or time deposits, listed bonds and other instruments, with the aim of achieving an attractive risk-adjusted return for its investors over the medium to long-term. There was no change in the nature of business of the Fund during the year.

INCORPORATION

The Fund was incorporated on 24 June 2014. It received a licence to operate from the Securities and Exchange Commission of Ghana on 23 July 2018.

FINANCIAL STATEMENTS/ BUSINESS REVIEW

The financial results of the Fund for the years ended 31 December 2021 and 31 December 2020 are set out in the financial statements, highlights of which are as follows:

	2021 GH¢	2020 GH¢
Increase in net assets attributable to holders of redeemable shares from operations	3,452,825	2,728,202
Total Assets	20,509,403	18,176,153
Total Liabilities	46,947	596,419
Total Equity	20,462,456	17,579,734

The Directors consider the state of the Fund's affairs to be satisfactory.

REPORT OF THE DIRECTORS TO MEMBERS OF INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC (CONT'D)

PARTICULARS OF ENTRIES IN THE INTERESTS REGISTER DURING THE FINANCIAL YEAR

No Director had any interest in contracts and proposed contracts with the Company during the year under review, hence there were no entries recorded in the Interests Register as required by 194(6),195(1)(a) and 196 of the Companies Act 2019, (Act 992).

CORPORATE SOCIAL RESPONSIBILITY

The Fund did not undertake any corporate social responsibility (CSR) programmes during the current and prior years.

CAPACITY BUILDING OF DIRECTORS TO DISCHARGE THEIR DUTIES

On appointment to the Board, Directors are provided with full, formal and tailored programmes of induction, to enable them gain in-depth knowledge about the Fund's business, the risks and challenges faced, the economic knowledge and the legal and regulatory environment in which the Fund operates. Programmes of strategic and other reviews, together with the other training programmes provided during the year, ensure that Directors continually update their skills, knowledge and familiarity with the Fund's businesses. This further provides insights about the industry and other developments to enable them fulfil their role on the Board and committees of the Board.

AUDIT FEES

The audit fee for the year is GH¢ 31,550 (2020: GH¢ 28,000)

APPROVAL OF THE REPORT OF THE DIRECTORS

The Report of the Directors of InvestCorp Mid-Tier Financial Services Investment Fund PLC, was approved by the Board of Directors on April 21st 2022 and signed on their behalf by

....	....
Signature	**Signature**
Henry Sunkwa-Mills	Anthony Aubynn
Name of Director	**Name of Director**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of InvestCorp Mid-Tier Financial Services Investment Fund PLC ("the Fund"), which comprise the statement of financial position at 31 December 2021, and the statements of comprehensive income, changes in net assets attributable to holders of redeemable shares and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 20 to 43.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund at 31 December 2021, and of its financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2019 (Act 992) and the Securities Industry Act, 2016 (Act 929).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Ghana and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Interest Income GH¢ 4,173,775
Refer to Note 7 to the financial statements

The key audit matter	*How the matter was addressed in our audit*
Interest income consists of interest on fixed deposits and government bills and bonds. The accuracy of the computation of interest income earned is dependent on the completeness and accuracy of the investment details, such as the investment amount, interest rates and the maturity dates, captured on the investment schedule. Interest on government bills and bonds earned is based on computation of interest by the Norbus system and its accuracy is dependent on the completeness and accuracy of the investment balances input in the system. Due to the manual nature of inputting investment balances in the system, there is a risk that the interest may be wrongly	Our procedures included: • Evaluated the design and implementation and testing the operating effectiveness of key controls over computation of interest income. • Selected a sample and agree the underlying data used in the computation of investment income to supporting documents. • Re-computed interest income amounts to ensure their accuracy as well as the appropriateness of accounting treatment.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC (CONT'D)

Key Audit Matters (cont'd)

The key audit matter	*How the matter was addressed in our audit*
computed which could adversely impact the total interest income balance. Given that revenue is an important measure to the Fund's performance targets, there is a presumed risk that revenue may not be appropriately recognized. We therefore consider interest income on investments to be a key audit matter.	• Evaluated the adequacy of the disclosure in line with the requirements of the applicable standard.

Impairment losses on financial instruments GH¢ 435,200 Refer to Note 15 to the financial statements	
The key audit matter	*How the matter was addressed in our audit*
At 31 December 2021, the Fund reported total impairment on financial instruments of GH¢ 435,200. The measurement of impairment under IFRS 9 is deemed a key audit matter as the determination of assumptions for the measurement of impairment requires management to apply significant judgments about future events. The key areas where we identified significant levels of management judgement and therefore increased levels of audit focus in the implementation of IFRS 9 is the timing and measurement of expected credit losses (ECL) in determining the allocation of assets to stage 1, 2, or 3 brackets. Given the high degree of estimation uncertainty and significance of the balance, we considered impairment allowances on investments to be a key audit matter.	In addressing the key audit matter the following procedures were performed: • Evaluated the design and implementation and testing the operating effectiveness of key controls over computation of impairment. • Assessed the completeness and accuracy of key data inputs used in the ECL calculation through testing relevant data. • Performed an overall assessment of the ECL provision levels by stage to determine if they were reasonable considering the Fund's portfolio, risk profile, credit risk management practices and management assumptions used in determining management overlay. • Assessed the appropriateness of the Fund's methodology for determining the ECL. • Assessed whether the disclosures of the key judgements and assumptions made were appropriate in terms of IFRS 9.

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors as required by the Companies Act, 2019 (Act 992) and Corporate Information but does not include the financial statements and our auditors report thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC (CONT'D)

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and the Securities Industry Act, 2016 (Act 929), and for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC (CONT'D)

- Conclude on the appropriateness of the Directors' 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 Fund'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 Fund 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.

We communicate with the Directors 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.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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 account have been kept, so far as appears from our examination of those books.

The statements of financial position and comprehensive income are in agreement with the accounting records and returns.

We are independent of the Fund under audit pursuant to Section 143 of the Companies Act, 2019 (Act 992).

The engagement partner on the audit resulting in this independent auditor's report is Frederick Nyan Dennis (ICAG/P/1426).

KPMG

....

For and on behalf of:
KPMG: (ICAG/F/2021/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

21st April 2022

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2021

	Note	2021 GH¢	2020 GH¢
Assets			
Investments	10	20,370,007	17,714,002
Cash and cash equivalents	9	139,396	462,151
Total assets		**20,509,403**	**18,176,153**
Liabilities			
Accrued expenses	14	46,947	33,769
Account payable	16	-	562,650
Total liabilities		**46,947**	**596,419**
Net assets attributable to holders of redeemable shares		**20,462,456**	**17,579,734**
Equity			
Shareholder's fund	11	9,232,393	9,802,496
Retained earnings	13	11,230,063	7,777,238
Total equity		**20,462,456**	**17,579,734**

Approval of the financial statements

The financial statements of InvestCorp Mid-Tier Financial Services Investment Fund PLC were approved by the Board of Directors on April 21st 2022 and signed on their behalf by:

....	....
Signature	**Signature**
Henry Sunkwa-Mills	Anthony Aubynn
Name of Director	**Name of Director**

The notes on pages 20 to 43 form an integral part of these financial statements.

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 GH¢	2020 GH¢
Interest income calculated using the effective interest method	7	4,173,775	2,557,574
Expenses	8	(450,298)	(338,688)
Impairment charge on financial instruments	15	(270,652)	509,316
Increase in net assets attributable to holders of redeemable shares from operations		**3,452,825**	**2,728,202**
Basic & Diluted earnings per share (Ghana Cedi per share)	21	0.66	0.52

The notes on pages 20 to 43 form an integral part of these financial statements.

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 GH¢	2020 GH¢
Balance at 1 January		17,579,734	17,230,688
Increase in net assets attributable to holders of redeemable shares		3,452,825	2,728,202
Contributions and redemptions by holders of redeemable shares:			
Issue of redeemable shares during the year	11	12,395,383	15,102,396
Redemption of redeemable shares during the year	11	(12,965,486)	(17,481,552)
Total contributions and redemptions by holders of redeemable shares		(570,103)	(2,379,156)
Balance at 31 December		**20,462,456**	**17,579,734**

The notes on pages 20 to 43 form an integral part of these financial statements.

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 GH¢	2020 GH¢
Cash flows from operating activities			
Increase in net assets attributable to holders of redeemable shares		3,452,825	2,728,202
Adjustments for:			
Interest income	7	(4,173,775)	(2,557,574)
Impairment losses on financial instruments	15	270,652	(509,316)
		(450,298)	(338,688)
Changes in:			
Accrued expenses	14	13,178	3,944
Account payable	16	(562,650)	562,650
		(999,770)	227,906
Interest received	7	3,114,932	1,453,963
Net cash generated from operating activities		2,115,162	1,681,869
Cash flows from investing activities			
Purchase of investments	10	(23,193,449)	(26,388,933)
Proceeds from redemption of investments	10	21,325,635	27,465,636
Net cash (used in)/ generated from investing activities		(1,867,814)	1,076,703
Cash flows from financing activities			
Proceeds from issue of redeemable shares	11	12,395,383	15,102,396
Payments on redemption of redeemable shares	11	(12,965,486)	(17,481,552)
Net cash (used in) financing activities		(570,103)	(2,379,156)
Net increase/(decrease) in cash and cash equivalents		(322,755)	379,416
Cash and cash equivalents at 1 January	9	462,151	82,735
Cash and cash equivalents at 31 December	9	**139,396**	**462,151**

The notes on pages 20 to 43 form an integral part of these financial statements.

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

InvestCorp Mid-Tier Financial Services Investment Fund PLC is a public limited liability Company incorporated and domiciled in Ghana. The principal activity of the Fund is to create a pool of funds and invest these funds in a range of securities.

The Fund is an open-ended mutual fund which is aimed at mobilising funds for investment in Commercial Paper, Fixed/Time Deposits, Listed Bonds and other instruments, with the aim of achieving an attractive risk-adjusted return for its investors over the medium to long-term.

The investment activities of the Fund are managed and administered by InvestCorp Asset Management Limited, the Fund Manager with Standard Chartered Ghana PLC as the custodian of the Fund.

These financial statements comprise the individual financial statements of the Fund as at and for the year ended 31 December 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Companies Act, 2019 (Act 992) and the Securities Industry Act 2016 (Act 929).

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention.

2.3 Functional and presentation currency

The financial statements are presented in Ghana cedis, which is the Fund's functional currency. All amounts have been rounded to the nearest Ghana cedi, unless otherwise indicated.

2.4 Use of judgements and estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

i. Judgements

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection and approval of models used to measure ECL. See Note 3.6.

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

ii. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ended 31 December 2021 is included in the following notes.

Impairment of financial instruments: determining inputs into the ECL measurement model, including incorporation of forward-looking information. See Note 3.6.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Interest income

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit- impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

Presentation
Interest income calculated using the effective interest method, presented in the statement of comprehensive income, consist of interest on financial assets measured at amortised cost.

3.2 Fees

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

3.3 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, bank balances and highly liquid financial assets with original maturities of three (3) months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Fund in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost.

3.4 Income tax

Under the current system of taxation in Ghana, the Fund is exempt from paying income taxes.

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3.5 Financial assets and liabilities

All financial assets and financial liabilities have been recognised in the statement of financial position and measured in accordance with their classification.

i. Recognition and initial measurement

The Fund initially recognises debt securities issued on the date on which they are originated. All other financial assets and financial liabilities are initially recognised when the Fund becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial asset

On initial recognition, a financial asset is classified and measured at: amortised cost, fair value through other comprehensive income (FVOCI) or FVTPL.
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

Business model assessment

In making the assessment of the objective of the business model of a financial asset that is held, the Fund considers all the relevant information about how the business is managed, including;

- the documented investment strategy and the execution of this strategy in practise. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of financial assets to the duration of any related financial liabilities or expect cash outflows or realising cash flows through the sale of the assets
- how the performance of the portfolio is evaluated and reported to the Fund's management.
- the risk that affect the performance of the business model (and the financial assets held within the business model) and how those risks are managed.
- how the investment manager is compensated e.g. whether compensation is based on the fair value of asset managed or contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectation about future sales activity.

Transfer of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Fund's continuing recognition of the assets.

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The Fund has determined that it has one business model.

- Held-to-collect business model: this includes cash and cash equivalent and investment in fixed deposits and bonds. These financial assets are held to collect contractual cash flow.

Assessment whether contractual cash flow is SPPI

For the purpose of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Fund considers the contractual terms of the instruments. This includes assessing whether the financial asset contains contractual term that could change the timing of contractual cash flows such that it would not meet this condition. In making this assessment, the Fund considers:

- contingent events that could change the amount or the timing of cash flow;
- leverage features;
- prepayment and extension features;
- terms that limits the Fund's claims to cash flow from specialised assets (e.g. non-recourse features); and
- features that modify considerations of time value of money (e.g. periodical reset of interest rates).

Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Fund changes its business model for managing financial assets.

Subsequent measurement of financial assets

- Financial assets at amortised costs

These assets are subsequently measured at amortised cost using the effective method. Interest income is recognized in 'interest income calculated using the effective interest method' and impairment is recognised in 'impairment losses on financial instruments' in the statement of comprehensive income. Any gain or loss derecognition is recognised in profit or loss.

- Financial assets at amortised cost comprises cash and cash equivalents, investments in government securities and fixed deposits.
- Financial liabilities – Classification, subsequent measurement and gains and losses
- Financial liabilities are classified as measured at amortised cost.

- A financial liability is initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. Financial liabilities measured at amortised cost include accrued expenses and other payables.

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

iii. Derecognition

Financial assets

The Fund derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risk and rewards of ownership and does not retain control over the transferred asset.

Any interest in such derecognized financial asset that is created or retained by the Fund is recognized as a separate asset or liability.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognized in profit or loss. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Fund is recognized as a separate asset or liability.

Financial liabilities

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

iv. Shareholder's Fund

Redeemable shares

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Fund issues redeemable shares that are the most subordinate classes of financial instruments issued by the Fund, they entitle the holders to the residual net assets, after repayment of the nominal amount of equity shares. The redeemable shares provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the Fund net assets at each redemption date and also in the event of the Fund's liquidation.

A puttable financial instrument that includes a contractual obligation for the Fund to repurchase or redeem that instrument for cash or another financial asset is classified as equity if it meets all of the following conditions:

- It entitles the holder to a pro rata share of the Fund's net assets in the event of the Fund's liquidation;
- It is in the class of instruments that is subordinate to all other classes of instruments;
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- Apart from the contractual obligation for the Fund to repurchase or redeem the instrument for cash or another financial asset, the instrument does not include any other features that would require classification as a liability; and
- The total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Fund over the life of the instrument.

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The Fund's redeemable shares meet these conditions and are classified as equity.

Incremental costs directly attributable to the issue or redemption of redeemable shares are recognised directly in equity as a deduction from the proceeds or part of the acquisition cost.

Repurchase of redeemable shares

When redeemable shares recognised as equity are redeemed, the value of the shares is presented as a deduction from shareholder fund, if shareholder fund is insufficient, as an adjustment to retained earnings.

3.6 Impairment of financial assets

The Fund recognises loss allowance for ECLs on financial assets measured at amortised cost. The Fund measures loss allowance at amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the Fund's historical experience and informed credit assessment and including forward-looking information.

The Fund assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Fund considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Fund is full, without recourse by the Fund to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Fund considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Fund is exposed to the credit risk.

Measurement of ECL

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Fund expects to receive).

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

ECLs are discounted at the effective interest rate of the financial assets.

Credit-impaired financial assets

At each reporting date, the Fund assesses whether financial assets carried at amortised cost are credit-impaired (referred to as 'Stage 3 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 the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

Financial assets are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Fund determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'impairment losses on financial instruments' in the statement of comprehensive income. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Fund's procedures for recovery of amounts due.

3.7 Changes in significant accounting policies

A number of new standards are effective from 1 January 2021, but they do not have a material effect on the Fund's financial statements.

The Fund has consistently applied the accounting policies to all periods presented in these financial statements.

a. COVID-19-Related Rent Concessions (Amendments to IFRS 16)

The amendments introduce an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. A lessee that applies the practical expedient is not required to assess whether eligible rent concessions are lease modifications, and accounts for them in accordance with other applicable guidance. The resulting accounting will depend on the details of the rent concession.

The practical expedient will only apply if:
- the revised consideration is substantially the same or less than the original consideration;
- the reduction in lease payments relates to payments due on or before 30 June 2021; and
- no other substantive changes have been made to the terms of the lease.

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Lessees applying the practical expedient are required to disclose:

- that fact, if they have applied the practical expedient to all eligible rent concessions and, if not, the nature of the contracts to which they have applied the practical expedient; and
- the amount recognised in profit or loss for the reporting period arising from application of the practical expedient.

The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. A lessee applies the amendments retrospectively and recognises the cumulative effect of initially applying them in the opening retained earnings of the reporting period in which they are first applied. It is not expected that this will impact the Fund significantly.

b. Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

IBOR reform will generally result in a change in the basis for determining the contractual cash flows of that financial asset or financial liability. As a practical expedient, a fund will apply paragraph B5.4.5 of IFRS 9 to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by IBOR reform – i.e. update the effective interest rate of the financial asset or financial liability. For this purpose, a change is required by IBOR reform if the following conditions are met.

- The change is necessary as a direct consequence of the reform.
- The new basis for determining the contractual cash flows is economically equivalent to the previous basis (i.e. the basis immediately before the change).

If there are other changes to the basis for determining the contractual cash flows, then a fund first applies the practical expedient to the changes required by IBOR reform and then other applicable requirements of
IFRS 9.

An insurer applying IAS 39 will also apply amendments similar to the above. The amendments are applied for annual periods beginning on or after 1 January 2021 with earlier application permitted. It is not expected that this will impact the Fund significantly.

4. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021 and have not been applied in preparing these financial statements. Those which may be relevant to the Fund are set out below. The Fund does not plan to early adopt these Standards. The Fund is yet to assess the impact of the standards on the financial statements.

a. Onerous Contracts: Cost of Fulfilling a Contract (Amendments to IAS 37)

Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets, issued by the International Accounting Standards Board, clarify that the 'costs of fulfilling a contract' when assessing whether a contract is onerous comprise both:

- the incremental costs – e.g. direct labour and materials; and
- an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments will be recognised as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives will not be restated. Earlier application is permitted.

b. Annual Improvements to IFRS Standards 2018-2020

IFRS 1 First-time Adoption of International Financial Reporting Standards	The amendment permits a subsidiary (as a first-time adopter of IFRS that applies IFRS later than its parent) that applies IFRS 1.D16(a) to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
IFRS 9 Financial Instruments	The amendment clarifies that for the purpose of performing the ''10 per cent test" for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
IFRS 16 Leases	The amendment removes the illustration of payments from the lessor relating to leasehold improvements. As currently drafted, this example is not clear as to why such payments are not a lease incentive.
IAS 41 Agriculture	The amendment removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier application permitted.

c. Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendment prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

Proceeds from selling items before the related item of property, plant and equipment is available for use should be recognised in profit or loss, together with the costs of producing those items. IAS 2 Inventories should be applied in identifying and measuring these production costs.

Companies will therefore need to distinguish between:

- costs associated with producing and selling items before the item of property, plant and equipment is available for use; and
- costs associated with making the item of property, plant and equipment available for its intended use.

Making this allocation of costs may require significant estimation and judgement.

The amendments apply for annual reporting periods beginning on or after 1 January 2022, with earlier application permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the fund first applies the amendments.

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

d. Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendment has:

- updated IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework;
- added to IFRS 3 a requirement that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination and
- added to IFRS 3 an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.

The amendment is effective for annual periods beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

e. Classification of liabilities as current or non-current (Amendments to IAS 1)

Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

There is limited guidance on how to determine whether a right has substance and the assessment may require management to exercise interpretive judgement.

The existing requirement to ignore management's intentions or expectations for settling a liability when determining its classification is unchanged.

It is not expected that this will impact the Fund significantly.

The amendments are to be applied retrospectively from 1 January 2023.

f. Definition of accounting estimates (Amendments to IAS 8)

Distinguishing between accounting policies and accounting estimates is important because changes in accounting policies are generally applied retrospectively, while changes in accounting estimates are applied prospectively.

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates.
- Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- The Board clarified that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.
- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The effects of changes in inputs and/or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged.

The amendments are effective for periods beginning on or after 1 January 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the fund applies the amendments. It is not expected that this will impact the Fund significantly.

g. Disclosure Initiative: Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

Making information in financial statements more relevant and less cluttered has been one of the key focus areas for the International Accounting Standards Board (the Board).

The Board has issued amendments to IAS 1 Presentation of Financial Statements and an update to IFRS Practice Statement 2 Making Materiality Judgements to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed;
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a fund's financial statements;
- accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are consistent with the refined definition of material.

It is not expected that this will impact the Fund significantly.

The amendments are effective from 1 January 2023 but may be applied earlier.

h. Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendment to IAS 12)

The amendment clarifies that the initial recognition exemption does not apply to transactions that give rise to equal and offsetting temporary differences such as leases and decommissioning obligations. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

It is not expected that this will impact the Fund significantly.

The amendments are effective from 1 January 2023 but may be applied earlier.

i. COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)

In May 2020, the Board issued COVID-19 Related Rent Concessions (the 2020 amendments), which amended IFRS 16 Leases. The 2020 amendments introduced an optional practical expedient that simplifies how a lessee accounts for rent concessions that are a direct consequence of COVID-19. Under that practical expedient, a lessee is not required to assess whether eligible rent concessions are lease modifications, instead accounting for them in accordance with other applicable guidance.

The practical expedient introduced in the 2020 amendments only applies to rent concessions for which any reduction in lease payments affects solely payments originally due on or before 30 June 2021. The economic challenges presented by the COVID-19 pandemic have persisted longer than anticipated. As a result, lessors and lessees are negotiating rent concessions that extend beyond 30 June 2021. The Board has therefore extended the practical expedient by 12 months – i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.
It is not expected that this will impact the Fund significantly.

The 2021 amendments are effective for annual reporting periods beginning on or after 1 April 2021.

Lessees are permitted to apply it early, including in financial statements not authorised for issue. The 2021 amendments are applied retrospectively with the cumulative effect of initially applying it being recognised in opening retained earnings.

5. FINANCIAL RISK MANAGEMENT

The Fund maintains positions in a variety of non-derivative financial instruments in accordance with its investment management strategy. The primary investment strategy of the Fund includes:

- Offering a well-diversified blend of securities to the Fund in such a way that the Fund's portfolio will be well cushioned to withstand any market volatility;
- Investing in high earning and carefully selected financial instruments; and
- Periodically reviewing and modifying investments and investment strategies as market conditions change.

The Fund's investment portfolio comprises investment in Government securities, commercial paper and fixed deposits.

The Fund's investment manager has been given discretionary authority to manage the assets in line with the Fund's investment objectives. In instances where the portfolio has diverged from target asset allocations, the Fund's investment manager is obliged to take immediate actions to rebalance the portfolio in line with the established targets.

The risks arising from financial instruments to which the Fund is invested include credit risk, market risk and liquidity risk.

The COVID-19 pandemic did not have any significant impact on the Fund's financial risk management.

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5.1. Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from non-derivative financial instruments held by the Fund and cash and cash equivalents. For risk management reporting purposes, the Fund considers and aggregates all elements of credit risk exposure such as individual obligor default risk, country risk and sector risk.

The Fund's policy over credit risk is to minimise its exposure to counterparties with perceived higher risk of default by dealing only with counterparties that meet the credit standards set out in the Fund's prospectus and by taking collateral.

Credit risk is monitored on a daily basis by the fund administrator in accordance with policies and procedures in place.

5.1.1 Concentration of credit risk

The investment manager reviews the credit concentration of investments held based on counterparties and industries. The carrying amount of financial assets represents the maximum exposure to credit risk. The maximum exposure to credit risk at the reporting date was:

	2021	2020
	GH¢	GH¢
Financial institutions:		
Investments	20,370,007	17,714,002
Cash at bank	139,396	462,151
	20,509,403	18,176,153

5.1.2 Amounts arising from ECL

Impairment of cash and cash equivalents, and investment in fixed deposits and government securities have been measured on a 12-month expected credit loss basis and reflects the maturities of the exposures. The Fund considers that these exposures have low credit risk based on the external credit rating of the Government of Ghana and external credit information of the other counterparties.

The Fund monitors changes in credit risk on these exposures by tracking published external credit ratings of the Government of Ghana and other counterparties. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published ratings, the Fund supplements it by reviewing changes in bond yields, where available together with available press and regulatory information about counterparties.

12-month and lifetime probabilities of default are based on historical data supplied by rating agency for each credit rating. Loss given default parameters generally reflect an assumed recovery rate of 60%. However, if the asset were credit-impaired, then the estimate of loss would base on a specific assessment of expected cash shortfalls and on the original effective interest rate.

Impairment loss recognised for financial assets at the end of the year was GH¢ 435,200 (2020: GH¢ 164,548).

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5.1.3 Credit quality of held to maturity investments and cash and cash equivalents

The Fund's exposure to credit risk in respect of investments and cash and cash equivalents is minimal. The Fund's bank balances are held with banks which are reputable and highly regulated. In addition, the fund's investments are held with highly reputable organisations and the Government of Ghana.

5.1.4 Accounting classification and fair values of financial assets and liabilities

The table below shows the carrying amounts and fair values of financial assets and liabilities in the statement of financial position and their categories. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The fair value equates the carrying amounts.

	Carrying value 2021	Carrying value 2020
	GH¢	GH¢
Financial assets not measured at fair value		
Fixed deposits	6,808,775	7,947,733
Government securities	13,561,232	9,766,269
Bank balances	139,396	462,151
Financial liabilities not measured at fair value		
Accrued expenses	46,947	33,769
Account payable	-	562,650

Financial instruments not measured at fair value

The following table sets out the fair values of financial instruments not measured at fair value in the statement of financial position, analysed by reference to levels in the fair value hierarchy into which each fair value measurement is categorized:

31 December 2021

Assets	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Cash and cash equivalents	-	139,396	-	139,396	139,396
Investment Securities	-	12,306,369	-	12,306,369	13,561,232
	-	12,445,765	-	12,445,765	13,700,628

31 December 2020

Assets	Level 1	Level 2	Level 3	Total fair value	Carrying amount
Cash and cash equivalents	-	462,151	-	462,151	462,151
Investment Securities	-	7,960,803	-	7,960,803	8,899,487
	-	8,422,954	-	8,422,954	9,361,638

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5.2 Market risk

Market risk is the risk that changes in market prices such as interest rates will affect the Fund's income or the value of its holding of financial instruments. The Fund's strategy for the management of market risk is driven by the Fund's investment objective. The primary investment objective of the Fund is to seek growth and create value for shareholders by investing in Commercial Paper, Fixed or Time Deposits, Listed Bonds and other instruments, with the aim of achieving an attractive risk-adjusted return for its investors over the medium to long-term. The Fund's market risk is managed on a daily basis by the Fund Manager in accordance with the policies and procedures in place. The Fund diversifies its portfolio with the approval of its Board of Directors. However, borrowing may be done for the purpose of ensuring liquidity, if the need arises. This may not be more than 10% of the total net assets of the Fund.

5.2.1 Interest rate risk

Interest rate risk is the exposure of current and future earnings and capital to adverse changes in the level of interest rates. Exposure to interest rate risk can result from a variety of factors, including:

- differences between the timing of market interest rate changes and the timing of cash flows (repricing risk);
- changes in the shape of market interest rate curves producing different effects on yields on similar instruments with different maturities (yield curve risk); and
- changes in the level of market interest rates producing different effects on rates received or paid on instruments with similar repricing characteristics (basis risk).

Exposure to interest rate risk

The Fund does not account for any fixed rate financial instruments at fair value through profit or loss therefore a change in interest rates at the reporting date would not affect profit or loss. No interest rate sensitivity analysis has thus been disclosed.

The Fund did not have variable-rate financial instruments and any interest-bearing liabilities in 2021 and 2020.

The table below summarises the repricing profiles of the Fund's financial instruments as at 31 December 2021. Items are allocated to time periods by reference to the earlier of the next contractual interest rate repricing and maturity dates.

At 31 December 2021

	Up to 1mth GH¢	1-3mths GH¢	3-12mths GH¢	Above 1year GH¢	Total GH¢
Investments	-	4,469,548	2,339,227	13,561,232	20,370,007
Total financial assets	-	4,469,548	2,339,227	13,561,232	20,370,007

At 31 December 2020

	Up to 1mth GH¢	1-3mths GH¢	3-12mths GH¢	Above 1year GH¢	Total GH¢
Investments	1,130,149	6,478,009	1,206,357	8,899,487	17,714,002
Total financial assets	1,130,149	6,478,009	1,206,357	8,899,487	17,714,002

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5.2.2 Currency risk

The Fund's currency risk is managed on a daily basis by the investment manager in accordance with the policies and procedures in place. At 31 December 2021, all assets and liabilities of the Fund were denominated in the presentation and functional currency therefore there is no currency mismatch.

5.2.3 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Fund's activities with financial instruments, either internally within the Fund or externally at the Fund's service providers, 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 investment management behaviour.

Substantially all of the assets of the Fund are held by Standard Chartered Bank Ghana PLC. The bankruptcy or insolvency of the Fund's Custodian may cause the Fund's rights with respect to the securities held by the Custodian to be limited. The Investment Manager monitors the credit ratings and capital adequacy of its Custodian on a regular basis.

5.4 Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting its obligations that are settled by delivering cash or another financial asset. The Fund's policy and the investment manager's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, including estimated redemptions of shares, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund holds investments in government security and fixed deposits from financial institutions. The Fund's liquidity risk is managed on a daily basis by the Fund Manager in accordance with the policies and procedures in place. The Manager of the Fund will at all times maintain prudent levels of liquidity. The Fund, for liquidity purposes, invest a maximum of 10% of its net assets in short term securities or near cash investments. Borrowings, which are approved by the Board of Directors of the Fund, may be done for the purpose of ensuring liquidity, if the need arises. This may not be more than 15% of the total net assets of the Fund.

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5.4.1 Non-derivative financial assets held for managing liquidity risk

The table below presents the assets held for managing liquidity risk by remaining contractual maturities at the balance sheet date.

2021	Up to 1mth GH¢	1-3mths GH¢	3-12mths GH¢	Above 1year GH¢	Total GH¢
Liabilities					
Accrued expenses	46,947	-	-	-	46,947
	46,947	-	-	-	46,947
Assets					
Investments	-	4,469,548	2,339,227	13,561,232	20,370,007
Cash and cash equivalents	139,396	-	-	-	139,396
Assets held for managing liquidity risk	139,396	4,469,548	2,339,227	13,561,232	20,509,403
Liquidity gap	92,449	4,469,548	2,339,227	13,561,232	20,462,456

2020	Up to 1mth GH¢	1-3mths GH¢	3-12mths GH¢	Above1 year GH¢	Total GH¢
Liabilities					
Accrued expenses	33,769	-	-	-	33,769
Account payable	562,650	-	-	-	562,650
	596,419	-	-	-	596,419
Assets					
Investments	1,130,149	6,478,009	1,206,357	8,899,487	17,714,002
Cash and cash equivalents	462,151	-	-	-	462,151
Assets held for managing liquidity risk	1,592,300	6,478,009	1,206,357	8,899,487	18,176,153
Liquidity gap	995,881	6,478,009	1,206,357	8,899,487	17,579,734

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. CAPITAL MANAGEMENT

At 31 December 2021, the Fund had GH¢ 9,232,393 (2020: GH¢ 9,802,496) of redeemable share capital classified as equity.

i. Fund objectives

The Fund's objectives when managing capital, which is a broader concept than 'equity' on the face of statement of financial position are:

- To safeguard the Fund's ability to continue as a going concern so that it can continue to operate;
- To achieve consistent returns while safeguarding capital of shareholders by investing in diversified portfolio, by participating in money market and other capital market.
- To maintain a strong capital base to support development of its business.
- To maintain sufficient liquidity to meet the expenses of the Fund as well as redemption requests from shareholders.

There were no changes in the policies and procedures during the year ended 31 December 2021 with respect to the Fund's approach to its redeemable share capital management. The Fund is not subjected to externally imposed capital requirements and has no legal restriction on the issue, repurchase or resale of redeemable shares beyond those included in the scheme particulars of the Fund.

The Fund's adjusted net debt to equity ratio at 31 December was as follows:

	2021	2020
	GH¢	GH¢
Total liabilities	46,947	596,419
Less: Cash and bank balances	139,396	462,151
Net debt	(92,449)	134,268
Equity	20,462,456	17,579,734
Net debt to equity ratio	(0.45%)	0.76%

7. INTEREST INCOME CALCULATED USING THE EFFECTIVE INTEREST METHOD

	2021	2020
	GH¢	GH¢
Interest on matured fixed deposits	3,114,932	1,453,963
Interest on fixed deposits yet to mature	1,058,843	1,103,611
	4,173,775	2,557,574

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. EXPENSES

	2021	2020
	GH¢	GH¢
Management fee	246,808	169,344
Administrative fee	203,490	169,344
	450,298	338,688

The Fund appointed InvestCorp Asset Management Limited, an investment management company, incorporated in Ghana, to implement the investment strategy as specified in its prospectus. Under the investment management agreement, the Investment Manager receives a management fee at an annual rate of 1.25% of the net asset value attributable to holders of redeemable shares as defined in the prospectus. The Fund Manager is also entitled to an additional charge of 1% per annum of net asset value attributable to holders of redeemable shares as administrative fees to enable it meet general expenses and make payments to service providers The investment management and administrative fees incurred during the year amounted to GH¢ 450,298 (2020: GH¢338,688).

Included in administrative fee is vat exclusive audit fee of GH¢ 31,550 (2020: GH¢28,000).

9. CASH AND CASH EQUIVALENTS

	2021	2020
	GH¢	GH¢
Absa Bank Ghana Limited	138,829	134,656
Standard Chartered Bank Ghana PLC	567	327,495
	139,396	462,151

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. INVESTMENTS

	2021	2020
	GH¢	GH¢
At 1 January	17,714,002	17,177,778
Additions	23,193,449	26,388,933
Redeemed on maturity	(21,325,635)	(27,465,636)
Accrued income	1,058,843	1,103,611
Add/(Less): Impairment losses on financial instrument	(270,652)	509,316
At 31 December	20,370,007	17,714,002
182-days fixed deposit	6,287,702	5,260,797
182-days cocoa bill	-	562,650
1 year fixed deposit	98,988	1,977,430
2 year Government of Ghana note	-	300,000
3 year Government of Ghana bond	1,414,562	2,302,351
5 year Government of Ghana bond	2,176,315	1,589,840
5 year Letshego Bond	989,419	-
6 year Government of Ghana bond	1,065,740	200,441
6 year Izwe bond	494,645	-
7 year Daakye bond	2,296,886	-
7 year Government of Ghana bond	1,554,072	1,359,483
10 year Government of Ghana bond	390,000	1,089,890
10 year ESLA bond	272,099	396,219
10 year Daakye bond	498,117	-
12 year ESLA bond	1,772,619	1,571,289
	19,311,164	16,610,390
Interest receivable	1,058,843	1,103,611
	20,370,007	17,714,001
Current	6,808,775	8,814,514
Non-current	13,561,232	8,899,487
Total	20,370,007	17,714,001

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. SHAREHOLDER'S FUND

The Capital of the Fund represents the Shareholders' contribution towards the Fund. This can vary from time to time depending on the units subscribed and redeemed over the period.

	Number of Shares	2021 GH¢	Number of Shares	2020 GH¢
Shares in issue at 1 January	5,284,084	9,802,496	6,114,365	12,181,652
Shares issued during the year	3,187,816	12,395,383	4,748,022	15,102,396
	8,471,900	22,197,879	10,862,387	27,284,048
Shares redeemed	(3,265,348)	(12,965,486)	(5,578,303)	(17,481,552)
Shares in issue at 31 December	5,206,552	9,232,393	5,284,084	9,802,496

Included in share amount redeemed during the year is exit fees of GH¢ 43,956 (2020: GH¢ 23,767). The Fund charges its clients exit fees when investments are liquidated any time before three years. Exit fees charged are paid to InvestCorp Asset Management Limited (Fund Manager). Exit fee ranges from 0% to 1% of the amount disinvested as detailed below:

Years invested		Percentage applied as exit fee
0 – 1	-	1.00%
1 - 2	-	0.75%
2 - 3	-	0.50%
After 3	-	0.00%

12. RELATED PARTY TRANSACTIONS

InvestCorp Asset Management Limited is the Fund Manager of the Fund. The Fund's operations and payments are carried out by the Fund Manager on behalf of the Fund. The related party transactions, outstanding balances at the year end and related income and expense are as follows:

a) Transactions during the year

	2021 GH¢	2020 GH¢
Management fee	246,808	169,344
Administrative fee	203,490	169,344
	450,298	338,688
Exit fee	43,956	23,767

For details on exit fee, refer to note 11.

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

b) Outstanding balances at year end

	2021 GH¢	2020 GH¢
Accrued Expenses		
InvestCorp Asset Management Limited	46,947	33,769

For details of the significant terms of this related party relationship, refer to Note 14.

13. RETAINED EARNINGS

	2021 GH¢	2020 GH¢
At 1 January	7,777,238	5,049,036
Increase in net assets	3,452,825	2,728,202
At 31 December	11,230,063	7,777,238

14. ACCRUED EXPENSE

	2021 GH¢	2020 GH¢
Accrued management and administrative fee	46,947	33,769

The Fund is charged Management fees and Administrative fees of 1.25% and 1% respectively on the total Portfolio Value at the end of each day. These fees are paid to the Fund Manager in the following month and are accrued at the end of each month.

15. IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS

	2021 GH¢	2020 GH¢
Opening balance	164,548	673,864
Charge for the year	270,652	(509,316)
Closing balance	435,200	164,548

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The Fund held investment securities of GH¢ 20,370,007 at 31 December 2021 (2020: GH¢ 17,714,001).

2021	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Investment Securities	**GH¢**	**GH¢**	**GH¢**	**GH¢**
Gross carrying amount	20,506,406	-	298,801	20,805,207
Loss allowance	136,399	-	298,801	435,200
	20,370,007	-	-	20,370,007

2020	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Investment Securities	**GH¢**	**GH¢**	**GH¢**	**GH¢**
Gross carrying amount	16,212,289	-	1,666,260	17,878,549
Loss allowance	111,903	-	52,645	164,548
	16,100,386	-	1,613,615	17,714,001

Increase in the gross carrying amount of the investment from the prior year resulted generally in a higher ECL allowance in the current year.

16. ACCOUNT PAYABLE

	2021	**2020**
	GH¢	**GH¢**
Account payable	-	562,650

17. CONTINGENT LIABILITIES

There are no claims from legal actions brought by various persons against the Fund in the current year. (2020: Nil).

18. CAPITAL COMMITMENTS

There were no capital commitments at 31 December 2021 (2020: Nil).

19. SUBSEQUENT EVENTS

No events have occurred since the end of the reporting period that would have had a material effect on the financial statements or require disclosure.

INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC
NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. SEGMENT REPORTING

An operating segment is a component of the entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Fund does not have an operating segment.

21. EARNINGS PER SHARE

The Fund presents basic and diluted EPS data for its shares. Basic EPS is calculated by dividing the profit or loss that is attributable to shareholders of the Fund by the weighted-average number of shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss that is attributable to shareholders and the weighted-average number of shares outstanding for the effects of all dilutive potential shares.
The calculation of basic and diluted earnings per share has been based on the profit attributable to shareholders of and weighted-average number of shares outstanding. Diluted earnings per share was calculated after adjusting for all the effects of all dilutive potential shares.

	2021	2020
Increase in net assets attributable to equity holders (GH¢)	3,452,825	2,728,202
Weighted average number of shares at 31 December	5,206,552	5,284,084
Basic earnings per share (Ghana cedis per share)	0.66	0.52
Diluted earnings per share (Ghana cedis per share)	0.66	0.52

CORPORATE INFORMATION
INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC

BOARD OF DIRECTORS	Dr. Anthony Aubynn (Chairman) Anthony Ebow Spio (Director) Matilda Asante-Asiedu (Director) Henry Sunkwa-Mills (Director) Kwabena Ofori Apeagyei (Director)
FUND MANAGER	InvestCorp Asset Management Ltd. No.15, Wawa Drive North Dzorwulu Accra
REGISTERED OFFICE	No.15, Wawa Drive North Dzorwulu Accra
CUSTODIAN	Standard Chartered Bank Ghana Ltd. Head Office 87 Independence Avenue Accra
COMPANY SECRETARY	JLD & MB Legal Consultancy No. 18 Quartey Papafio Avenue Airport Residential Area P.O. Box 410 Accra
AUDITOR	KPMG Chartered Accountants 13 Yiyiwa Drive, Abelenkpe P.O. Box 242 Accra
BANKERS	Absa Bank Ghana Ltd. Independence Avenue Accra

DIRECTORS' PROFILE

NAME
DR. ANTHONY (TONI) AUBYNN

OCCUPATION
BUSINESS EXECUTIVE

POSITION
BOARD CHAIRMAN

Toni is a former Chief Executive of Minerals Commission and the Ghana Chamber of Mines. Prior to that, he was the Director of Corporate Affairs for Tullow Ghana Limited. He has also worked for Ranger Minerals' Damang Mine and Gold Fields Ghana Limited, one of the leading gold producers in Ghana, in various senior management roles. For almost a decade, he was the Head of Corporate Affairs and Sustainable Development for Gold Fields Ghana.

He is involved in a number of mining initiatives both in Ghana and abroad, including his current role as the Chair of the Association and Commodities Group (ACG) of the London-based International Council of Minerals and Metals (ICMM). Toni serves on a number of Boards, including the Council of the University of Mines and Technology (UMaT), Tarkwa, and Ghana Railway Development Authority. He also chairs the Board of UN Global Compact Ghana Network as well as the Amenfiman Rural Bank.

Toni studied at undergraduate level at the University of Ghana and obtained Post-graduate degrees at the Universities of Oslo in Norway, Tampare and Helsinki in Finland. He was the first Ghanaian PhD Fellow at the United Nations University's Institute of Advanced Studies in Tokyo, Japan and a Fellow of the University of Tokyo. Toni has written over 40 academic papers (published and unpublished) and presented at various international conferences.

NAME
ANTHONY EBOW SPIO

OCCUPATION
CORPORATE EXECUTIVE

POSITION
DIRECTOR

Mr. Anthony Ebow Spio is a Senior Lecturer and Head of the Business Administration Department of Ashesi University College where he is responsible for providing strategic and academic leadership. Before joining Ashesi University, Mr. Spio was the General Manager of DiscoveryTel Ghana Limited where he developed a business plan to raise USD 1million to launch new internet service/technology with the potential of generating USD 10million. He was also the President and Managing Director of Spio & Spio Consulting Limited. Mr. Spio also held various top-level positions at Unilever Ghana and Nigeria as a Brands and Marketing Manager. His professional skills center on strategy development, competitor analysis, enterprise development, marketing and brand development.

He earned a Diploma in Sustainable Local Economic Development from Erasmus University, Rotterdam, an MSc in International Marketing from the University of Strathclyde, Scotland and an Advanced Marketing Diploma from the Institute of Marketing Management, South Africa. Mr. Spio also possesses a B.A. (Hons) Economics from the University of Ghana. He is a fellow of the Chartered Institute of Marketing U.K. 2013.

DIRECTORS' PROFILE

NAME
MATILDA ASANTE-ASIEDU

OCCUPATION
BANKER

POSITION
DIRECTOR

Matilda Asante-Asiedu is the Head of Private & Women Banking of Access Bank Ghana Limited, a subsidiary of Access Bank PLC., Nigeria. She previously headed the Corporate Communications Unit at Access Bank (Ghana) Limited. She managed the entire corporate communications functions of the Bank, promoting effective client and public relations. Her job function included: the design and implementation of strategies for Stakeholder Management, Advertising and Marketing, Events Management, Brand Management and Corporate Social Responsibility.

Matilda has over 15 years of professional experience in media practice, corporate communications, public relations and marketing. For more than 12 years (1997 to 2009) Matilda was the most influential political journalist in Ghana, shaping national discourse. She is a fellow of the One World Broadcast Trust U.K. and Les Aspin Centre for Governance USA, and the International Women's Media Forum USA. She acquired her Masters in Journalism Degree from the Cardiff University in the United Kingdom and holds several post-graduate diplomas in development and media studies.

NAME
HENRY SUNKWA-MILLS

OCCUPATION
INVESTMENT BANKER

POSITION
DIRECTOR

Henry is the Managing Director of InvestCorp. Prior to this role, he was the Deputy Managing Director of the Firm – responsible for planning, monitoring and evaluation of policy and strategy implementation. As Managing Director, he is responsible for the overall strategic management of the Firm, chairs the Investment Committee and serves as a board member of the Firm's managed mutual funds.

Henry worked with Merrill Lynch / Bank of America Merrill Lynch in New York within the Global Energy & Power Investment Banking Group. He possesses strong origination and corporate finance skills, including leveraged finance, deal origination and corporate restructuring. Henry has extensive and key relationships in Ghana and internationally, which are critical to the success of our firm.

He served on the Board of the Ghana Netherlands Business and Culture Council (GNBCC) between 2015 and 2019 and acted as the Treasurer of the Council. He is a member of the Rotary Club of Accra La-East and serves on the Public Image (PI) and Fundraising Committees.

Henry obtained an honors degree in Business Administration (Finance) from Morehouse College in Atlanta, Georgia, USA, graduating summa cum laude. He is a member of the Phi Beta Kappa and Beta Gamma Sigma honor societies. In 2012, Henry was admitted to Cornell University's Johnson School of Management MBA program but did not pursue it.

NAME
KWABENA OFORI APEAGYEI

OCCUPATION
INVESTMENT BANKER

POSITION
DIRECTOR

Kwabena has oversight responsibility for the firm's operations and business development. He helps in overseeing the day-to-day business activities and in ensuring that the firm's client acquisition strategy, operational risk and technology functions are effective and well-coordinated. He is a member of the firm's Investment Committee (IC). Prior to InvestCorp, he worked with Access Bank, Republic Bank, Fidelity Bank, FBN Bank and Omni Bank in roles of client acquisition, branch operations, and team management. He has built immense experience in sales and marketing, organizational efficiency and strategy and has developed key relationships in the financial industry.

He holds Bachelor of Arts (BA) degree in Psychology with a minor in philosophy and an MBA in Finance from the University of Ghana. He also undertook the Securities Industry Course at the GSE as well as other professional courses from the Ghana Banking College.

CUSTODIAN'S REPORT

INTERNAL

standard chartered

March 10, 2022

The Board
InvestCorp Mid-Tier Fund
15 Wawa Drive, North Dzorwulu
P.O.BOX 22493
Accra

REPORT OF THE CUSTODIAN TO THE INVESTORS OF INVESTCORP MID-TIER FUND – DECEMBER 31, 2021

Standard Chartered Bank Ghana PLC confirms the investment holding for InvestCorp Mid-Tier Fund as at December 31, 2021 as follows:

FIXED DEPOSITS		
Security Name	**Position**	**Valuation**
182 DAY REPUBLIC BK FD AT 14.25 PCT FM 13.09.2021 TO 14.03.2022	887,027.33	925,120.90
365 DAY BAYPORT FD AT 21.00 PCT FM 25.05.2021 TO 25.05.2022	600,000.00	676,290.41
182 DAY CAL FD AT 14.60 PCT FM 13.09.2021 TO 14.03.2022	886,591.27	925,601.29
365 DAY MEDREACH FD AT 20.50 PCT FM 09.12.2021 TO 09.12.2022	100,000.00	101,291.78
365 DAY BAYPORT FD AT 19.00 PCT FM 26.07.2021 TO 26.07.2022	507,668.75	549,687.03
182 DAY IZWE LOANS FD AT 18.50 PCT FM 12.08.2021 TO 10.02.2022	1,972,850.72	2,114,841.92
365 DAY IZWE LOANS FD AT 18.00 PCT FM 29.09.2021 TO 29.09.2022	392,994.78	411,212.51
Classification Total	**5,347,132.85**	**5,704,045.84**
GOVERNMENT BONDS		
Security Name	**Position**	**Valuation**
REPUBLIC OF GHANA - 20.75 PCT SNR BDS 06.03.2023 GHS1000	784,802.00	837,145.49
GOG-BD-08.11.27-A5471-1720-20.50	147,767.00	148,154.90
REPUBLIC OF GHANA - 20 PCT BDS 09.08.2027 GHS1000	887,197.00	983,046.33
REPUBLIC OF GHANA - 19.75 PCT BDS 07.07.2031 GHS1000	390,000.00	425,126.79
REPUBLIC OF GHANA - 19 PCT BDS 28.09.2023 GHS1000	119,760.00	124,732.87
REPUBLIC OF GHANA - 18.1 PCT BDS 12.06.2028 GHS1000	170,000.00	171,014.40
REPUBLIC OF GHANA - 19.85 PCT BDS 13.10.2025 GHS1000	108,861.00	117,116.77
REPUBLIC OF GHANA - 19.5 PCT SNR BDS 13.07.2026 GHS1000	200,441.00	218,265.93
REPUBLIC OF GHANA - 19.25 PCT BDS 27.11.2023 GHS1000	510,000.00	518,716.03
REPUBLIC OF GHANA - 19.25 PCT BDS 18.01.2027 GHS1000	865,299.00	941,214.11
GOG-BD-11.05.26-A5616-1746-18.80	529,797.00	551,266.52
REPUBLIC OF GHANA - 19.25 PCT SNR BDS 23.06.2025 GHS1000	1,537,657.00	1,541,722.92
REPUBLIC OF GHANA - 19.75 PCT SNR BDS 25.03.2024 GHS50000	349,108.00	367,292.31

Standard Chartered Bank Ghana PLC
Head Office,
87 Independence Avenue,
P O Box 768, Accra – Ghana
SC.com/gh

Tel 0302 610750 / 0302 633366

Dr. Emmanuel Oteng Kumah (Chairman) . Mansa Nettey (Managing Director) . Sheikh Jobe .Prof. Akua Kuenyehia
Ebenezer Twum Asante . Kwabena Nifa Aning . George Akello

CUSTODIAN'S REPORT

INTERNAL

standard chartered

Classification Total	6,600,689.00	6,944,815.37
CORPORATE BONDS		
Security Name	**Position**	**Valuation**
AFB-BD-15.09.26-C0705-21	1,000,000.00	1,062,136.99
DTP-BD-18.10.27-A5454-1717-20.90	2,320,986.00	2,447,312.20
ILL-BD-10.03.27-C0692-24.25	500,000.00	535,975.27
DTP-BD-16.04.31-A5597-1743-20.50	503,334.00	522,197.68
Classification Total	**4,324,320.00**	**4,567,622.14**
LOCAL GOV'T BONDS		
Security Name	**Position**	**Valuation**
E.S.L.A PLC - 19.85 PCT BDS 15.06.2029 GHS	274,858.00	276,057.11
ESLA-BD-29.12.31-5200-1676-20.50-12YR	1,692,230.00	1,857,106.20
ESLA-BD-09.09.33-A5718-1764-20.00	100,000.00	105,439.56
Classification Total	**2,067,088.00**	**2,238,602.87**

SUMMARY		
Description	**Market Value**	**PCT of Total**
CORPORATE BOND	4,567,622.14	23.48
LOCAL GOVERNMENT BOND	2,238,602.87	11.51
FIXED DEPOSIT	5,704,045.84	29.32
GOVERNMENT BOND	6,944,815.37	35.70
CASH BALANCE	567.65	0.00
GRAND TOTAL (GHS)	**19,455,653.87**	**100.00**

Yours faithfully

Bev. Ģ

Beverly Frimpong
Head, Securities Services Ghana

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SC.com/gh

Tel 0302 610750 / 0302 633366

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PROXY FORM
INVESTCORP MID-TIER FINANCIAL SERVICES INVESTMENT FUND PLC

I/We...of...

....being a member/members of InvestCorp Mid-Tier Financial Services Investment Fund PLC hereby appoint .... or, failing him/her, the duly appointed Chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held **virtually and streamed live via Zoom on Thursday, August 25, 2022 at 9:00 am prompt** and any adjournment thereof.

Please indicate with an X in the spaces below how you wish your votes to be cast.

ORDINARY RESOLUTIONS	FOR	AGAINST
1. To receive and adopt the Financial Statements for the year ended December 31, 2021 together with the reports of the Directors and external Auditors thereon.		
2. To authorize the Directors to fix the remuneration of the external Auditors.		
3. To extend the term of appointment of the retiring Directors from 5th October, 2022 until new directors are appointed at the next Annual General Meeting.		

Signed this......................day..............................2022

Shareholder's Signature ....


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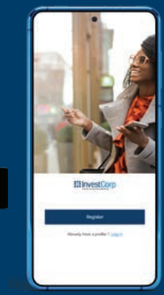

Dial *789*710#

15 Wawa Drive, North Dzorwulu, Accra
+233 (0) 302 50 90 45 | +233 (0) 303 93 75 84
info@investcorpgh.com | www.investcorpgh.com

@investcorpgh   +233 (0) 501 55 68 70

Connect with us
linktr.ee/InvestCorpGH

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