

**REPORT OF THE AUDITORS
TO THE INVESTORS OF
FIRSTBANC HERITAGE FUND.**

***Report on the Financial
Statements***

We have audited the financial statements set out on pages 13 to 23 of FirstBanC Heritage Fund, which comprise the statement of Net Asset, Statement of Asset and liabilities as at December 31 2011, Income and Distribution Account, Statement of Movements in Net Assets, and Statement of Movement in Issued Shares for the sixteen months period ended, and a summary of significant accounting policies and other explanatory notes.

***Director's Responsibility for the
Financial Statements***

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with Ghana Accounting Standards and in the manner required by

the Companies Code, 1963 (Act 179) and Unit Trust and Mutual Funds Regulations 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures

selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, proper books of account have been kept and the financial statements which are

in agreement therewith give a true and fair view of the state of affairs of the FirstBanC Heritage Fund as at December 31, 2012 and of the results of its operations and changes in the net assets for the year ended and comply with the Ghana Accounting Standards, Unit Trust and Mutual Funds Regulations 2001, (L.I. 1965) and the Ghana Companies Code, 1963 (Act 179).

Report on Other Legal and Regulatory Requirements

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

- I. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- II. In our opinion proper books of accounts have been kept by the Fund, so far as appears from our examination of those books, and

III. The Fund's Statements of Assets and Liabilities and Income and Distribution Account of the Fund are in agreement with the books of accounts.

Pannell Kerr Forster

**PANNELL KERR FORSTER
CHARTERED ACCOUNTANTS
APRIL 10, 2012**

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FINANCIAL STATEMENTS

FIRSTBANC HERITAGE FUND LTD

STATEMENT OF NET ASSETS
YEAR ENDED 31 DECEMBER 2012

	GH¢			
DESCRIPTION OF SHARES	SHARES NUMBER	PRICE	MARKET VALUE	% NET ASSETS
ALW	26,200	0.05	1,310	0.30
BOPP	100	1.40	140	0.03
EBG	8,200	3.00	24,600	5.72
EGL	47,400	0.48	22,752	5.29
ETI	92,000	0.12	11,040	2.57
FML	12,500	3.55	44,375	10.31
GCB	10,600	2.10	22,260	5.17
GOIL	22,200	0.62	13,764	3.20
SCB	2,700	11.50	31,050	7.22
SG-SSB	56,400	0.48	27,072	6.29
SIC	35,700	0.34	12,138	2.82
TOTAL	1,660	23.49	38,993	9.06
UNIL	1,100	8.52	9,372	2.18
NGLD	450	32.18	14,481	3.36

	NOTES		
TOTAL (Cost GH¢ 274,224.83)	3	273,347	<u>63.52</u>

	31 Dec. 12 GH¢		31 Dec. 11 GH¢	
MEDIUM TERM FUNDS				
Cash & Bank	2	18,860	4.38	27,602
182 - Day Fixed Income		138,143	32.10	22,627
365 - Day Fixed Income		0	0.00	78,291
Total Investments		<u>157,003</u>	<u>36.48</u>	<u>128,520</u>
Total Cost of shares		273,347		169,646
Total Investments		157,003		128,521
Total Portfolio Value in GH¢		<u>430,350</u>	100.00	<u>298,167</u>

FIRSTBANC HERITAGE FUND LTD
STATEMENT OF ASSET AND LIABILITIES
YEAR ENDED 31 DECEMBER 2012

			Sixteen Mos. Period Ended
	Notes	2012 GH¢	2011 GH¢
CASH AND SHORT TERM INVESTMENTS			
Bank and cash Balances	2	18,860	27,602
Certificate of Deposit		404,368	270,565
Total Cash and Short Term Investment		423,228	298,167
CURRENT ASSET			
Dividend		12,883	2,579
Accrued Interest		8,264	7,067
Total Current Assets		21,147	9,646
Total Assets		444,374	307,813
CURRENT LIABILITIES			
Back Load		(14)	(125)
Management Fees		(470)	(656)
Custodian Fees		-	(168)
Transaction Fees		(238)	(220)
Operation Expenses		(118)	(170)
Directors Emoluments		(4,500)	(5,750)
Auditors Fees		(2,500)	(7,981)
Total Liabilities		(7,840)	(15,070)
		436,534	292,743

*Total Current Liabilities are Reimbursable Expenses to Manager

Approved by the Board on 22nd April, 2013

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DIRECTOR

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DIRECTOR

FIRSTBANC HERITAGE FUND LTD
INCOME AND DISTRIBUTION ACCOUNT
YEAR ENDED 31 DECEMBER 2012

		2012	Sixteen Mos. Period ended
	<i>Notes</i>	GH¢	2011 GH¢
Investment			
Dividend Income		12,883	2,579
Interest Income	4	25,488	17,589
Total Income		<u>38,371</u>	<u>20,168</u>
Operational Expense	6	<u>17,493</u>	<u>7,572</u>
Total Expense		17,493	7,572
Net Investment Income/(loss)		20,878	12,597
Net Unrealized Gain/(Loss) on Investment	7	(877)	(36,008)
Net Decrease in Net Assets resulting from Operations		<u>20,000</u>	<u>(23,411)</u>

FIRSTBANC HERITAGE FUND LTD
ACCUMULATED NET INVESTMENT INCOME
YEAR ENDED 31 DECEMBER 2012

Beginning of Period	12,597	
Net Investment Income /(loss)	20,878	12,597
End of Period	<u>33,475</u>	<u>12,597</u>

FIRSTBANC HERITAGE FUND LTD
ACCUMULATED NET UNREALIZED GAINS/(LOSS)
YEAR ENDED 31 DECEMBER 2012

Beginning of Period	(36,008)	0
Change in Unrealized Gain/(Loss)	(877)	(36,008)
End of Period	<u>(36,885)</u>	<u>(36,008)</u>

FIRSTBANC HERITAGE FUND LTD
STATEMENT OF MOVEMENTS IN NET ASSETS
YEAR ENDED 31 DECEMBER 2012

	2012 GH¢	Sixteen Mos. Period Ended 2011 GH¢
INCREASE IN NET ASSETS		
Operations:		
Net Accumulated Investment Income	20,878	12,597
Net Unrealized Loss	8 (877)	(36,008)
Change in Unrealized Loss	<u>0</u>	<u>0</u>
Net Decrease in Net Assets Resulting from operations	<u>20,000</u>	<u>(23,411)</u>
Capital Transactions		
Proceeds from share issue	164,773	339,628
Shares Redeemed	<u>(52,473)</u>	<u>(23,475)</u>
Net Proceeds from Capital Transaction	<u>112,300</u>	<u>316,153</u>
Total Decrease in Net Assets	132,300	292,742
Beginning of Period	<u>292,742</u>	<u>0</u>
End of Period	<u>425,042</u>	<u>292,742</u>

STATEMENT OF MOVEMENTS IN ISSUED SHARES
YEAR ENDED 31 DECEMBER 2012

Shares issued at the beginning of period	9 1,556,950	599,103
Net Shares Issued/(Withdrawn) during the period	<u>298,759</u>	<u>957,847</u>
Shares in Issue at December 31, 2011	<u>1,855,709</u>	<u>1,556,950</u>