

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDC GHANA BALANCED FUND LIMITED



**John Kay & Co.**

7<sup>th</sup> Floor, Trust Towers  
Farrar Avenue, Adabraka  
P. O. Box 16088  
Airport, Accra

Tel: +233-21-235406  
+233-21-238370  
Fax: +233-21-238371  
E-mail: jkayal@4u.com.gh  
jkayal@yahoo.com

### Report on the Financial Statements

We have audited the accompanying financial statements of EDC Ghana Balanced Fund Limited which comprise of a statement of net assets, statement of assets and liabilities and a statement of movements in net assets at 31 December 2013, a statement of income and distribution and accumulated net investment income, as well as statement of changes in equity and portfolio summary for the year then ended and notes to the financial statements, which include a summary of significant accounting policies, as set out on pages 5 to 15.

### Board of Directors' Responsibilities for the Financial Statement

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with the Ghana Accounting Standards and in the manner required by the Companies Act, 1963 (Act 179) and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### 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 judgement, 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 the Board of 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, the financial statements present fairly, in all material respects, the statement of assets and liabilities and the statement of movements in net assets of EDC Ghana Balanced Fund Limited at 31 December 2013 and its statement of income and distribution and statement of changes in equity for the year then ended in accordance with the Ghana Accounting Standards and in the manner required by the Companies Act, 1963 (Act 179).

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDC GHANA BALANCED FUND LIMITED

### Report on Other Legal and Regulatory Requirements

*Compliance with the requirements of Section 133 of the Companies Act, 1963 (Act 179)*

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, and the statement of assets and liabilities, statement of movements in net assets, statement of income and distribution and statement of changes in equity are in agreement with the books of account.



**JOHN ARMSTRONG YAO KLINOGO  
PRACTICE NO.ICAD/P/1116**

**JOHN KAY AND CO.  
CHARTERED ACCOUNTANTS  
ACCRA  
PRACTICE NO.ICAG/F/2014/128**

29th April, 2014

## STATEMENT OF NET ASSETS AT 31 DECEMBER 2013

EQUITY INVESTMENTS	SHARES	PRICE PER SHARE GH¢	MARKET VALUE GH¢	PERCENT OF NET ASSETS %
<b>Banking</b>				
Ecobank Ghana Limited	186,728	5.610	1,047,544	5.80
Ecobank Transnational Incorporated	1,588,300	0.190	301,777	1.67
Ghana Commercial Bank	113,100	4.850	548,535	3.04
Standard Chartered Bank	55,704	14.940	832,218	4.61
CAL Bank	315,500	0.970	306,035	1.69
<b>Financial Services</b>				
State Insurance Company	119,900	0.39	46,761	0.26
Enterprise Insurance	134,000	1.88	251,920	1.39
<b>Food, Beverages &amp; Household Products</b>				
Guinness Ghana Breweries Ltd	78,320	6.20	485,584	2.69
Fan Milk Ltd	57,656	6.62	381,683	2.11
Patterson Zochonis Comp. Ltd	377,400	0.79	298,146	1.65
Unilever Ghana Ltd	9,995	18.31	183,008	1.10
<b>Agro-Processing</b>				
Benso Oil Palm Plantation	40,500	3.21	130,005	0.72
<b>Oil Marketing Companies</b>				
Ghana Oil Company	193,300	0.89	172,037	0.95
Total Petroleum	158,544	5.06	802,233	4.44
			5,787,486	32.02
<b>FIXED INCOME INSTRUMENTS</b>				
Treasury Notes & Bonds				
1-Year Fixed Rate Notes			321,141	1.78
2-Year Fixed Rate Notes			1,662,662	9.20
5-Year Fixed Rate Notes			1,155,990	6.40
			3,139,793	17.38
<b>Corporate Bond</b>				
2-Years Corporate Bond			1,597,719	8.84
			1,597,719	8.84
<b>Certificates of Deposit</b>				
182-Day Fixed Deposit			3,881,874	21.48
273-Day Fixed Deposit			1,703,588	9.43
365-Day Fixed Deposit			1,372,085	7.59
Funds on Call			581,899	3.22
			7,539,447	41.73
<b>TOTAL INVESTMENTS</b>			<b>18,064,445</b>	<b>99.99</b>
NET CURRENT ASSETS			1,671	0.01
<b>TOTAL NET ASSETS</b>			<b>18,066,116</b>	<b>100.00</b>

STATEMENT OF ASSETS AND LIABILITIES AT  
31 DECEMBER 2013

	2013 GH¢	2012 GH¢
<b>ASSETS</b>		
Total Investments	18,064,445 -----	11,306,058 -----
<b>CURRENT ASSETS</b>		
Interest Receivable	159,063 ----- <b>159,063</b> -----	- ---- - ----
<b>CURRENT LIABILITIES</b>		
Directors' Fees	(13,000)	-
Audit Fees	(8,000)	(6,000)
Management Fees	(119,386)	(58,906)
Custody Fees	(13,706)	(10,500)
EDC Investments	(3,300)	(3,300)
	----- <b>(157,392)</b> -----	----- <b>(78,706)</b> -----
<b>Net Current Assets</b>	<b>1,671</b> -----	<b>(78,706)</b> -----
<b>NET ASSETS (FUND BALANCE)</b>	<b>18,066,116</b> =====	<b>11,227,352</b> =====

.....  
DIRECTOR

.....  
DIRECTOR

INCOME AND DISTRIBUTION STATEMENT FOR  
THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 GH¢	2012 GH¢
<b>INVESTMENT INCOME</b>			
Dividend Income		202,854	162,528
Interest Income	4	2,176,544	1,165,137
		-----	-----
<b>TOTAL INCOME</b>		<b>2,379,398</b>	<b>1,327,665</b>
		-----	-----
<b>EXPENDITURE</b>			
Investment Management Fees		(363,142)	(272,911)
Other Expenses	12	(81,132)	(112,800)
		-----	-----
<b>TOTAL EXPENDITURE</b>		<b>(444,274)</b>	<b>(385,711)</b>
		-----	-----
<b>Net Investment Income</b>		<b>1,935,124</b>	<b>941,955</b>
<b>Net realized Gain on Investment</b>	5	681,093	69,753
<b>Change in Unrealized Gain (Loss)</b>	6	2,575,906	721,234
		-----	-----
<b>NET INVESTMENT INCOME</b>		<b>5,192,123</b>	<b>1,732,942</b>
		=====	=====

ACCUMULATED NET INVESTMENT INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2013

	2013 GH¢	2012 GH¢
Balance as at 1 January	3,942,498	2,209,557
Transfer from Income and Distribution Statement	5,192,123	1,732,941
	-----	-----
<b>Balance at 31 December</b>	<b>9,134,621</b>	<b>3,942,498</b>
	=====	=====

STATEMENT OF MOVEMENTS IN NET ASSETS FOR  
THE YEAR ENDED 31 DECEMBER 2013

	2013 GH¢	2012 GH¢
<b>Change in net assets from operations</b>		
Change in:		
Net Investment Income	1,935,124	941,955
Net Realized Gains	681,093	69,752
Unrealized Gains	2,575,906	721,234
	-----	-----
<b>Net change in net assets from operations</b>	<b>5,192,123</b>	<b>1,732,941</b>
	-----	-----
<b>Change in net assets from capital transactions</b>		
Proceeds from Issue of Shares	4,251,137	2,449,854
Share Redemption	(2,604,496)	(3,819,783)
	-----	-----
<b>Net change in net assets from capital transactions</b>	<b>1,646,641</b>	<b>(1,369,929)</b>
	-----	-----
<b>Net additions to net assets</b>	<b>6,838,764</b>	<b>363,012</b>
	=====	=====
Analysis of changes in cash and cash equivalents for the year		
At 1 January	11,227,352	10,864,340
Net additions to net assets	6,838,764	363,012
	-----	-----
<b>At 31 December</b>	<b>18,066,116</b>	<b>11,227,352</b>
	=====	=====



STATEMENT OF CHANGES IN EQUITY FOR  
THE YEAR ENDED 31 DECEMBER 2013

	CAPITAL TRANSACTIONS GH¢	INVESTMENTS GH¢	TOTAL GH¢
At 1 January 2013	7,284,854	3,942,498	11,227,352
Net Income from Operations	-	5,192,123	5,192,123
Share Issue	4,251,137	-	4,251,137
Shares Redemption	(2,604,496)	-	(2,604,496)
	-----	-----	-----
At 31 December 2013	8,931,495	9,134,621	18,066,116
	=====	=====	=====
At 1 January 2012	8,654,783	2,209,557	10,864,340
Net Income from Operations	-	1,732,941	1,732,941
Share Issue	2,449,854	-	2,449,854
Shares Redemption	(3,819,783)	-	(3,819,783)
	-----	-----	-----
At 31 December 2012	7,284,854	3,942,498	11,227,352
	=====	=====	=====

MOVEMENTS IN ISSUED SHARES FOR THE YEAR ENDED  
31 DECEMBER 2013

	2013 No. of Shares	2012 No. of Shares
Balance as at 1 January	60,182,139	68,809,617
Net Shares Issued/(Redeemed) During the Year	5,980,830	(8,627,478)
	-----	-----
<b>Balance at 31 December</b>	<b>66,162,968</b>	<b>60,182,139</b>
	=====	=====



## PORTOFOLIO SUMMARY AT 31 DECEMBER 2013

DESCRIPTION	POSITION AS AT 31.12.2012	VALUE AS AT 31.12.2012	POSITION AS AT 31.12.13	VALUE AS AT 31.12.2013	PURCHASES AS AT 31.12.2013	SALES AS AT 31.12.2013
		GH¢		GH¢	GH¢	GH¢
<b>Banking</b>						
Ecobank Ghana Limited	186,728	560,184	186,728	1,047,544	-	-
Ecobank Transnational Incorporated	588,300	70,596	1,588,300	301,777	213,150	-
Ghana Commercial Bank	157,900	331,590	113,100	548,535	134,168	398,326
Standard Chartered Bank	55,704	640,596	55,704	832,218	-	-
CAL Bank	665,500	252,890	315,500	306,035	-	291,869
<b>Financial Services</b>						
State Insurance Company	349,900	118,966	119,900	46,761	82,215	199,344
Enterprise Insurance	134,000	64,320	134,000	251,920	-	-
<b>Food, Beverages &amp; Household Products</b>						
Guinness Ghana Breweries Ltd	54,100	141,742	78,320	485,854	-	89,124
Fan Milk Ltd	156,056	553,999	57,656	381,683	-	522,873
Patterson Zochonis Comp. Ltd	377,400	67,932	377,400	298,146	-	-
Unilever Ghana Ltd	28,995	247,037	9,955	183,008	-	213,963
<b>Agro-Processing</b>						
Benso Oil Palm Plantation	75,500	105,700	40,500	130,005	-	102,716
<b>Oil &amp; Gas</b>						
Ghana Oil Company	193,300	119,846	193,300	172,037	-	-
Total Petroleum	19,818	465,525	158,544	802,233	-	-
		3,740,923		5,787,486	429,533	1,818,215

