



HFC EQUITY TRUST

FINANCIAL STATEMENTS

DECEMBER 31, 2013

Independent Auditor's Report to the Members of HFC Equity Trust



FOR THE YEAR ENDED 31 DECEMBER 2013

Report on the Financial Statements

We have audited the accompanying financial statements of HFC Equity Trust which comprise the statement of assets and liabilities as of December 31, 2013, the income and distribution accounts, statement of movement in net assets and issued units for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Trustee's Responsibility for the Financial Statements

The Trustee is responsible for the preparation and fair presentation of these financial statements in accordance with Ghana Accounting Standards and in the manner required by the Unit Trust and Mutual Funds Regulations, 2001, (L.I. 1695) and the Companies Code, 1963 (Act 179).

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 Trustee, 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 give a true and fair view of the financial position of HFC Equity Trust as of December 31, 2013 and of its financial performance for the year then ended in accordance with Ghana Accounting Standards and comply with the Companies Code, 1963 (Act 179) and have been properly prepared in accordance with the Unit Trust and Mutual Funds Regulations, 2001, (L.I. 1695).

Report on Other Legal and Regulatory Requirements

The 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 Trust, so far as appears from our examination of those books, and
- iii. The Trust's Statement of Assets and Liabilities and Income and Distribution Account are in agreement with the books of accounts.



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Signed by: F. Bruce-Tagoe (ICAG/P/1087)
For and on behalf of
PKF: (ICAG/F/039)
Chartered Accountants
Farrar Avenue
P. O. Box GP 1219,
Accra.
20th March 2014

HFC Equity Trust

Statement of Assets and Liabilities

As at 31 December 2013

DESCRIPTION	Notes	Shares No.	Market Value GH ¢	% Net Assets
Shares				
HFC		339,800	326,208	5.93
CAL		220,000	213,400	3.88
EBG		28,581	160,339	2.91
GCB		56,284	272,977	4.96
SCB		14,832	221,590	4.03
SG-SSB		221,058	165,794	3.01
UTB		60,000	27,000	0.49
ALW			-	-
EGL		141,640	266,283	4.84
ETI		518,696	98,552	1.79
FML		68,100	450,822	8.19
GOIL		156,082	138,913	2.52
GWEB		364,000	14,560	0.26
SPL		600,000	24,000	0.44
UNIL		11,915	218,164	3.96
GSR		2,000	5,500	0.10
SIC		100,000	39,000	0.71
BOPP		8,173	26,235	0.48
MLC		204,005	77,522	1.41
TOTAL		55,916	282,935	5.14
GGBL		85,456	529,827	9.63
PZ		87,400	69,046	1.25
TOTAL SHARES			3,628,667	64.67
SHORT TERM FUNDS				
Cash at Bank and on Call	4		104,428	1.90
HFC Unit Trust			3,186	0.06
HFC Future Plan			170,000	3.09
Treasury Bills			287,194	5.22
Bonds			300,000	5.45
Fixed Deposit			956,480	17.38
			1,716,860	31.19
Total Short Term Funds			1,821,288	33.09
Total Investments			5,449,955	99.01
Other Assets in Excess of Liabilities			54,647	0.99
Total Net Assets			5,504,602	100.00

HFC Equity Trust

Statement of Assets and Liabilities cont.

As at 31 December 2013

	Notes	2013 GH ₵	2012 GH ₵
Assets:			
Total Investments		5,449,955	2,363,449
Receivables:			
Interest	7	83,573	19,729
HFC ISL Current Account		31,625	0
Other Receivables		0	6,589
Total Assets		5,565,153	2,389,767
Liabilities:			
Amount Due to Managers		18,677	10,890
Management Fund	8	10,968	2,300
Management Fees Payable		7,749	3,898
HFC ISL Current Account		0	1,193
HFC UT Current Account		4,037	1,584
Accrued Charges		19,120	14,303
Total Liabilities		60,551	34,168
Net Assets		5,504,602	2,355,599

Signed For HFC Investment Services Limited 20th March, 2014.



 General Manager



 Director

HFC Equity Trust

Income And Distribution

Accounts

For the year ended 31 December 2013

	Notes	2013 GH ¢	2012 GH ¢
Investment Income			
Fixed Deposit		156,160	43,340
Bonds		54,250	0
Treasury Bills		64,191	33,831
Dividends		90,115	46,661
Call Account		9,361	989
Profit on Disposal of Shares		908,699	318,521
Total Income		1,282,776	443,342
Expenses			
Management Fees		85,676	41,133
Auditors Remuneration		16,582	14,300
Interest Paid on Disinvestments		0	33,052
Other Expenses	3	25,498	16,684
		127,756	105,169
		1,155,020	338,173
Transfer to Management Fund	5	(11,550)	(3,382)
Net Investment Income		1,143,470	334,791

Accumulated Net Investment Income

BALANCE AT 1 JANUARY	16,927	(317,864)
Net Investment Income	1,143,470	334,791
BALANCE AT 31 DECEMBER	1,160,397	16,927

HFC Equity Trust

Statement of Movement In Net Assets

For the year ended 31 December 2013

Notes	2013 GH ¢	2012 GH ¢
Net Investment Income	1,143,470	334,791
Change in Unrealised gains	820,795	127,047
Net Increase in Net Assets Resulting from Operations	1,964,265	461,838
Capital Transactions		
Value of Units Sold and Converted	1,814,551	170,656
Value of Units Disinvested	(629,813)	(228,671)
Net Proceeds from Capital Transactions	1,184,738	(58,015)
Total Increase in Net Assets	3,149,003	403,823
Net Assets:		
Balance at 1 January	2,355,599	1,951,776
Total Increase in Net Assets	3,149,003	403,823
Balance at 31 December	5,504,602	2,355,599

Statement of Movement In Issued Units

For the year ended 31 December 2013

Number of Units at 1 January	9,125,028	9,447,095
Number of Units Issued during the year	5,351,332	826,398
	14,476,360	10,273,493
Number of Units disinvested during the year	(1,807,578)	(1,148,465)
Number of Units at 31 December	12,668,782	9,125,028

HFC Equity Trust Portfolio Summary

For the year ended 31 December 2013

	No. Of Shares 31/12/12	Value 31/12/12 GH ¢	No. Of Shares 31/12/13	Value 31/12/13 GH ¢	Purchase During the Year GH ¢	Sales During the Year GH ¢
HFC	52,000	23,400	339,800	326,208	173,922	0
CAL	100,000	38,000	220,000	213,400	111,575	11,400
EBG	31,481	94,443	28,581	160,339	27,906	23,700
GCB	26,284	55,196	56,284	272,977	281,177	52,500
SCB	13,332	153,318	14,832	221,590	93,713	57,500
SGSSB	117,758	56,524	221,058	165,794	92,365	0
UT	80,000	30,400	60,000	27,000	0	7,600
ALW	27,075	1,354	0	0	0	1,354
EGL	226,640	67,992	141,640	266,283	0	25,500
ETI	498,696	59,844	518,696	98,552	3,672	0
FML	65,100	231,105	68,100	450,822	127,489	60,350
GOIL	68	42	156,082	138,913	126,225	13,714
GWEB	364,000	14,560	364,000	14,560	0	0
SPL	600,000	30,000	600,000	24,000	0	0
UNIL	25,115	213,980	11,915	218,164	66,392	150,804
GOLD STAR	2,000	5,500	2,000	5,500	0	0
SIC	100,000	34,000	100,000	39,000	0	0
BOPP	99,673	139,542	8,173	26,235	51,999	154,803
MECHANICAL LOYD	204,005	30,600	204,005	77,522	0	0
TOTAL	6,597	154,963	55,916	282,935	129,196	64,891
GGBL	75,456	197,694	85,456	529,827	86,109	26,200
PZ	0	0	87,400	69,046	77,362	0
		<u>1,632,457</u>		<u>3,628,667</u>	<u>1,449,102</u>	<u>650,316</u>

HFC Equity Trust Capital Account

For the year ended 31 December 2013

CAPITAL ACCOUNT

	2013 Units	GH ¢	2012 Units	GH ¢
Balance at 1st January	9,125,028	1,697,578	9,447,095	1,755,593
Value of Units Sold and Converted	5,351,332	1,814,551	826,398	170,656
	<u>14,476,360</u>	<u>3,512,129</u>	10,273,493	1,926,249
Value of Units Disinvested	<u>(1,807,578)</u>	<u>(629,813)</u>	(1,148,465)	(228,671)
Value of the Trust Fund at 31 December	<u><u>12,668,782</u></u>	<u><u>2,882,316</u></u>	<u>9,125,028</u>	<u>1,697,578</u>