

HFC UNIT TRUST

FINANCIAL STATEMENTS

DECEMBER 31, 2013



Independent Auditor's Report to The Members of HFC Unit Trust



For the year ended 31 December 2013

Report on the Financial Statements

We have audited the accompanying financial statements of HFC Unit 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 Unit 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.



.....
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 UNIT TRUST

Statement of Assets and Liabilities

As at 31 December 2013

Description	Notes	Shares No.	Market Value GH ¢	% Net Assets
Shares				
GSR		7,080	19,470	0.05
TOTAL SHARES			19,470	0.05
SHORT TERM FUNDS				
Cash at Bank and on Call	4		777,007	1.83
Treasury Bills			3,392,205	7.99
Fixed Deposits			22,761,252	53.64
Bonds			12,184,610	28.71
HFC REIT			346,160	0.82
HFC Equity Trust			386,900	0.91
HFC Future Plan			350,000	0.82
			39,421,127	92.90
Total Short Term Funds			40,198,134	94.73
Total Investments			40,217,604	94.78
Other Assets in Excess of Liabilities			2,217,172	5.22
Total Net Assets			42,434,776	100.00

HFC UNIT TRUST

Statement of Assets and Liabilities cont.

As at 31 December 2013

	Notes	2013 GH ¢	2012 GH ¢
Assets:			
Total Investments		40,217,604	32,484,904
Receivables:			
HFC REIT Current Account		14,682	2,312
HFC Equity Trust Current Account		4,037	1,584
HFC Future Plan Current Account		2,842	1,584
Prepaid	6	17,666	
Interest	7	2,592,821	1,082,322
Total Assets		42,849,652	33,572,706
Liabilities:			
Management Fund	8	197,838	148,336
Accrued Charges		204,668	173,358
HFC ISL Current Account		12,370	124,106
Total Liabilities		414,876	445,800
Net Assets		42,434,776	33,126,906

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



General Manager



Director

HFC UNIT TRUST

Income And Distribution Accounts

For the year ended 31 December 2013

	Notes	2013 GH ¢	2012 GH ¢
Investment Income			
Fixed Deposit		4,734,548	3,440,730
Treasury Bills		1,447,903	1,181,870
Dividends		41,893	79,146
Call Account		28,897	43,120
Bonds		2,347,699	640,341
Other Income		965,912	248,505
Total Income		9,566,852	5,633,712
Expenses			
Management Fees		802,300	661,864
Auditors Remuneration		20,643	17,800
Interest Paid on Disinvestments		0	523,660
Other Expenses	3	112,261	219,470
		935,204	1,422,794
Transfer to Management Fund	8	(86,316)	(47,346)
Net Investment Income		8,545,332	4,163,572

Accumulated Net Investment Income

BALANCE AT 1 JANUARY	16,032,554	11,868,982
Net Investment Income	8,545,332	4,163,572
BALANCE AT 31 DECEMBER	24,577,886	16,032,554

HFC UNIT TRUST

Statement of Movement In Net Assets

For the year ended 31 December 2013

	Notes	2013 GH ¢	2012 GH ¢
Net Investment Income		8,545,332	4,163,572
Change in Unrealised gains	5	(648,238)	28,140
Net Increase in Net Assets Resulting from Operations		7,897,094	4,191,712
Capital Transactions			
Value of Units Sold and Converted		17,810,970	13,264,048
Value of Units Disinvested		(16,400,194)	(13,181,663)
Net Proceeds from Capital Transactions		1,410,776	82,385
Total Increase in Net Assets		9,307,870	4,274,097
Net Assets:			
Balance at 1 st January		33,126,906	28,852,809
Total Increase in Net Assets		9,307,870	4,274,097
Balance at 31 st December		42,434,776	33,126,906

Statement of Movement In Issued Units

For the year ended 31 December 2013

Number of Units at 1 st January	339,286,460	339,240,992
Number of Units Issued during the year	88,656,755	71,341,113
	427,943,215	410,582,105
Number of Units disinvested during the year	(81,972,996)	(71,295,645)
Number of Units at 31 st December	345,970,219	339,286,460

HFC UNIT 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 Bank	300,069	135,031	0	0	0	159,311
CAL Bank	247,900	94,202	0	0	0	151,097
Standard Chartered Bank	31,704	364,596	0	0	0	437,783
Societe Generale	25	12	0	0	0	21
Aluworks	22	1	0	0	0	1
Fanmilk	63,000	223,650	0	0	0	349,370
Unilever Ghana	6,572	55,993	0	0	0	87,386
Golden Star	7,080	19,470	7,080	19,470	0	0
Total	3,083	72,420	0	0	0	80,861
		<u>965,375</u>		<u>19,470</u>	<u>0</u>	<u>1,265,830</u>

HFC UNIT TRUST

Capital Account

For the year ended 31 December 2013

11. CAPITAL ACCOUNT

	Units	2013 GH ¢	Units	2012 GH ¢
Balance at 1st January	339,286,460	16,420,130	339,240,992	16,337,749
Value of Units Sold and Converted	88,656,755	17,810,971	71,341,113	13,264,044
	427,943,215	34,231,101	410,582,105	29,601,793
Value of Units Disinvested	(81,972,996)	(16,400,194)	(71,295,645)	(13,181,663)
Value of the Trust Fund at 31December	345,970,219	17,830,907	339,286,460	16,420,130