

Report of the independent auditors to the unitholders of Stanbic Income Fund

Report on the Financial Statements

We have audited the financial statements of Stanbic Income Fund Trust, which comprise the statement of assets and liabilities as of 31 December 2013, income and distribution account, portfolio statement and capital account for the year then ended, and notes to the financial statements which include a summary of significant accounting policies and other explanatory notes as set out on pages 14 to 16.

Manager's Responsibility for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the Ghana National Accounting Standards and in the manner required by the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695). This responsibility includes: designing, implementing and maintaining internal controls 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 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 controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Manager, 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 Stanbic Income Fund Trust as of 31st December 2013, and of its financial performance for the year then ended in accordance with the Ghana National Accounting Standards and in the manner required by the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695).

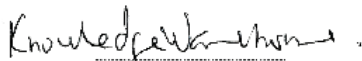
Report of the independent auditors to the unitholders of Stanbic Income Fund (cont.)

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Part 9 of schedule 8 of the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695).

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 as of 31 December 2013, income and distribution account, portfolio statement and capital account for the year then ended are in agreement with the books of account.



CHARTERED ACCOUNTANTS
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TEMA.

Signed by: Prosper Asamoah (100526)

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Prosper K. Asamoah
Practising Certificate Licence No: ICAG/P/1072

KnowledgeWarehouse
Licence Number: ICAG/F/2014/093
Chartered Accountants
Accra, Ghana

....., 2014

Statement of Net Assets as at 31st December 2013

Description	Note	No. of Share	Price at 31-Dec-13(GH¢)	Market Value at 31-Dec-13(GH¢)	% of Net Assets
Shares					
<i>Banking</i>					
Standard Chartered Bank Limited		5,300	14.94	79,182	1.33
SOGECH		50,000	0.75	37,500	0.63
Ghana Commercial Bank		1,000	4.85	4,850	0.08
<i>Food & Household Products</i>					
Fan Milk Ltd		77	6.62	510	0.01
<i>Consumer Goods</i>					
PZ Cussons		4,300	0.79	3,397	0.06
				-----	-----
Total Shares				125,439	2.11
				-----	-----
Medium Term Funds					
GOG Bonds				3,006,827	50.41
				-----	-----
Short Term Funds					
Cash at Bank				146,131	2.45
Corporate Bonds				1,230,000	20.62
Fixed Deposits				1,211,407	20.31
				-----	-----
Total				2,587,538	43.38
				-----	-----
Total Investments				5,719,804	95.90
Other Assets in Excess of Liabilities				245,165	4.10
				-----	-----
Total Net Assets				5,964,969	100.00
				=====	=====

The notes on pages 16 and 17 are an integral part of these financial statements.

Statement of Assets and Liabilities as at 31st December 2013

	Note	2013 GH¢	2012 GH¢
ASSETS			
Total Investments		5,719,804	4,553,349
Interest Receivable:			
Fixed Deposits		68,898	42,599
Corporate Bonds		91,770	50,581
GOG Bonds		161,209	114,614
Treasury Bills & Notes		-	12,024
Total Receivables		321,877	219,818
Total Assets		6,041,681	4,773,167
LIABILITIES			
Accrued Fund Management Fees		67,941	8,011
Accrued Trustee Fees		1,271	11,581
Accrued Audit Fees		7,500	7,000
Total Liabilities		76,712	26,592
NET ASSETS		5,964,969	4,746,575

The financial statements on pages 9 to 18 were approved by **Stanbic Investment Management Services Ltd** and signed on its behalf by:

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Director

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Director

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The notes on pages 14 and 16 are an integral part of these financial statements.

Income and Distribution Accounts for the year ended 31st December 2013

		2013 GH¢	2012 GH¢
INCOME			
Gross Dividend Income		5,096	9,805
Less: Withholding Tax		(408)	(784)
		-----	----
Net Dividend Income		4,688	9,021
Interest Income	4	1,173,735	794,595
Other Income	5	29	2,116
		-----	-----
Total Income		1,178,452	805,732
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EXPENSES			
Fund Management Fees		110,305	92,646
Trustees Fees		13,809	11,581
Audit Fees		7,500	7,000
Other Expenses	7	7,521	399
		-----	-----
Total Expenses		139,135	111,626
		-----	-----
NET INVESTMENT INCOME		1,039,317	610,933
Net Realised Gain on Investments		28,857	12,724
Unrealised Gain on Investments	6	32,642	54,012
		-----	-----
NET INVESTMENT GAINS		1,100,816	677,669
		=====	=====

The notes on pages 14 and 16 are an integral part of these financial statements.

Statement of Movement in Net Assets for the year ended 31st December 2013

	2013 GH¢	2012 GH¢
Operations:		
Net Investment Income	1,039,317	610,933
Net Realised Gain on Investments	28,857	12,724
Unrealised Gain/ (Loss) on Investments	32,642	54,012
	-----	-----
Net increase in net assets resulting from operations	1,100,816	677,669
	-----	-----
Capital Transactions:		
Proceeds from units issued	1,584,598	3,288,947
Units Redeemed	(1,467,020)	(3,052,844)
	-----	-----
Net proceeds from capital transactions	117,578	236,103
	-----	-----
Total Increase in Net Assets	1,218,393	913,772
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Net Assets:		
Balance as of 1st January	4,746,575	3,832,803
Total Increase in Net Assets	1,218,393	913,772
	-----	-----
Balance as of 31st December	5,964,969	4,746,575
	=====	=====

The notes on pages 14 and 16 are an integral part of these financial statements.

Statement of Movement in Issued Units for the year ended 31st December 2013

	2013	2012
Number of Units in issue at 1st January	3,401,161	3,188,106
Number of Units issued during the year	1,017,704	2,653,269
	-----	-----
Number of Units redeemed during the year	4,418,865 (923,558)	5,841,375 (2,440,214)
	-----	-----
Number of Units in issue at 31st December	3,495,307 =====	3,401,161 =====

Capital Account for the year ended 31st December 2013

	2013 GH¢	2012 GH¢
Value of Units in issue at 1st January	3,828,249	3,592,146
Value of Units issued during the year	1,584,598	3,288,947
	-----	-----
Value of Units redeemed during the year	5,412,847 (1,467,020)	6,881,093 (3,052,844)
	-----	-----
Value of Units in issue at 31st December	3,945,827 =====	3,828,249 =====

Portfolio Summary as at 31st December 2013

Description	No. of Shares at 31-Dec-12	Value at 31-Dec-12(GH¢)	No. of Shares at 31-Dec-13	Value at 31-Dec-13(GH¢)	Purchases During The Year(GH¢)	Sales During The Year(GH¢)
Banking:						
Standard						
Chartered Bank	10,800	124,200	5,300	79,182	-	62,301
SOEGEH Ghana	50,000	24,000	50,000	37,500	-	-
Commercial Bank	-	-	1,000	4,850	50,85	-
Food & Household Products:						
Fan Milk Ltd	10,077	35,773	77	510	-	65,306
Consumer Goods:						
PZC	-	-	4,300	3,397	2,488	-
Total		183,973		125,439	7,573	127,607

The notes on pages 16 and 18 are an integral part of these financial statements.