



John Kay & Co.

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

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 2014, 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 11 to 20.

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 National 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 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 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 2014 and its statement of income and distribution and statement of changes in equity for the year then ended in accordance with the Ghana National Accounting Standards and in the manner required by the Companies Act, 1963 (Act 179).

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jkayal@yahoo.com**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
EDC GHANA BALANCED FUND LIMITED (CONT'D)****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**A handwritten signature in blue ink that reads "John Kay & Co". The signature is written in a cursive style. Below the signature, the year "2015" is printed in a small, black font.

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STATEMENT OF NET ASSETS AT 31 DECEMBER 2014

EQUITY INVESTMENTS	SHARES	PRICE PER SHARE GH¢	MARKET VALUE GH¢	PERCENT OF NET ASSETS %
Banking				
Ecobank Ghana Limited	199,728	7.60	1,517,933	6.61
Ecobank Transnational Incorporated	1,806,100	0.28	505,708	2.20
Ghana Commercial Bank	166,600	5.30	882,980	3.84
Standard Chartered Bank	55,704	20.35	1,133,576	4.93
CAL Bank	407,100	1.01	411,171	1.79
Financial Services				
State Insurance Company	119,900	0.37	44,363	0.19
Enterprise Insurance	334,000	1.75	584,500	2.54
Food, Beverages & Household Products				
Guinness Ghana Breweries Ltd	78,320	3.20	250,624	1.09
Fan Milk Ltd	57,656	5.25	302,694	1.32
Patterson Zochonis Comp. Ltd	377,400	0.30	113,220	0.49
Unilever Ghana Ltd	9,995	10.70	106,947	0.47
Agro-Processing				
Benso Oil Palm Plantation	93,500	4.10	383,350	1.47
Oil & Gas				
Ghana Oil Company	193,300	1.05	202,965	0.88
Total Petroleum	158,544	6.10	967,118	4.21
			7,407,149	32.32
FIXED INCOME INSTRUMENTS				
Treasury Bills				
91 Day Treasury Bill			306,467	1.33
182 Days Treasury Bill			324,322	1.41
			630,789	2.75
Treasury Notes & Bonds				
2-Year Fixed Rate Notes			549,285	2.39
3-Year Fixed Rate Notes			209,100	0.91
5-Year Fixed Rate Notes			1,156,742	5.03
			1,915,127	8.33
Corporate Bond				
AFS 1-Floating Rate Note			503,734	2.19
AFS 2-Floating Rate Note			1,618,718	7.04
AFS 3-Floating Rate Note			105,335	0.46
			2,227,787	9.70
Certificates of Deposit				
91-Day Fixed Deposit			4,905,174	21.35
182-Day Fixed Deposit			4,860,126	21.15
273-Day Fixed Deposit			479,841	2.09
			10,245,141	44.59
Funds on Call			595,831	2.59
Total Fixed Income			15,614,675	67.95
TOTAL NET ASSETS			23,021,824	100.28
NET CURRENT ASSETS			(63,385)	(0.28)
TOTAL NET ASSETS			22,958,439	100.00

STATEMENT OF ASSETS AND LIABILITIES
AT 31 DECEMBER 2014

	2014 GH¢	2013 GH¢
ASSETS		
Total Investments	23,021,824 -----	18,064,445 -----
CURRENT ASSETS		
Interest Receivable	- -----	159,063 -----
	- -----	159,063 -----
CURRENT LIABILITIES		
Directors' Fees	-	(13,000)
Audit Fees	(12,000)	(8,000)
Management Fees	(39,475)	(119,386)
Custody Fees	(8,077)	(13,706)
EDC Investments	(3,833)	(3,300)
	-----	-----
	(63,385) -----	(157,392) -----
Net Current Assets	(63,385) -----	1,671 -----
NET ASSETS (FUND BALANCE)	22,958,439 =====	18,066,116 =====



.....
DIRECTOR



.....
DIRECTOR

INCOME AND DISTRIBUTION STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 GH¢	2013 GH¢
INVESTMENT INCOME			
Dividend Income		185,604	202,854
Interest Income	4	3,526,858	2,176,544
Other Income		21,224	
		-----	-----
TOTAL INCOME		3,733,686	2,379,398
		-----	-----
EXPENDITURE			
Investment Management Fees		(528,503)	(363,142)
Other Expenses	12	(96,793)	(81,132)
		-----	-----
TOTAL EXPENDITURE		(625,296)	(444,274)
		-----	-----
Net Investment Income		3,108,390	1,935,124
Net realized Gain on Investment	5	-	681,093
Change in Unrealized Gain (Loss)	6	336,000	2,575,906
		-----	-----
NET INVESTMENT INCOME		3,444,390	5,192,123
		=====	=====

ACCUMULATED NET INVESTMENT INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 GH¢	2013 GH¢
Balance as at 1 January	9,134,621	3,942,498
Transfer from Income and Distribution Statement	3,444,390	5,192,123
	-----	-----
Balance at 31 December	12,579,011	9,134,621
	=====	=====

STATEMENT OF MOVEMENTS IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 GH¢	2013 GH¢
Change in net assets from operations		
Change in:		
Net Investment Income	3,108,390	1,935,124
Net Realized Gains	-	681,093
Unrealized Gains	336,000	2,575,906
	-----	-----
Net change in net assets from operations	3,444,390	5,192,123
	-----	-----
Change in net assets from capital transactions		
Proceeds from Issue of Shares	6,685,197	4,251,137
Share Redemption	(5,237,264)	(2,604,496)
	-----	-----
Net change in net assets from capital transactions	1,447,933	1,646,641
	-----	-----
Net additions to net assets	4,892,323	6,838,764
	=====	=====
Analysis of changes in cash and cash equivalents for the year		
At 1 January	18,066,116	11,227,352
Net additions to net assets	4,892,323	6,838,764
	-----	-----
At 31 December	22,958,439	18,066,116
	=====	=====

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

31 December 2014	CAPITAL TRANSACTIONS GH¢	INVESTMENTS GH¢	TOTAL GH¢
At 1 January	8,931,495	9,134,621	18,066,116
Net Income from Operations	-	3,444,390	3,444,390
Share Issue	6,685,197	-	6,685,197
Shares Redemption	(5,237,264)	-	(5,237,264)
	-----	-----	-----
At 31 December	10,379,428	12,579,011	22,958,439
	=====	=====	=====
31 December 2013	Capital Transaction GH¢	Investments GH¢	Total GH¢
At 1 January	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	8,931,495	9,134,621	18,066,116
	=====	=====	=====

MOVEMENTS IN ISSUED SHARES
FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 No. of Shares	2013 No. of Shares
Balance as at 1 January	66,162,969	60,182,139
Net Shares Issued/(Redeemed) During the Year	6,193,881	5,980,830
	-----	-----
Balance at 31 December	72,356,850	66,162,969
	=====	=====

