

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HFC EQUITY TRUST FOR THE YEAR ENDED 31 DECEMBER 2014

PKF

Accountants &
business advisers

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, 2014, 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.

Trustees Responsibility for the Financial Statements

The Trustees are 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 Act, 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, 2014 and of its financial performance for the year then ended in accordance with Ghana Accounting Standards and comply with the Companies Act, 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 Act, 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.

Dated 18th Day of March 2015

HFC EQUITY TRUST

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2014

Description	Notes	Shares	Market	% Net
			Value	Assets
		No.	GH ¢	
Shares				
HFC		421,500	632,250	11.07
CAL		257,600	260,177	4.56
EBG		56,099	426,353	7.47
GCB		86,834	460,219	8.06
SCB		13,495	274,623	4.81
SG-SSB		187,758	187,758	3.29
UTB		20,000	5,000	0.09
ALW			-	-
EGL		192,740	337,295	5.91
ETI		527,896	147,846	2.59
FML		10,000	52,500	0.92
GOIL		166,082	174,386	3.05
GWEB		364,000	10,920	0.19
SPL		600,000	12,000	0.21
UNIL		8,237	88,136	1.54
GSR		2,000	4,680	0.08
SIC		83,000	30,710	0.54
BOPP		20,173	82,710	1.45
MLC		204,005	57,121	1.00
TOTAL		45,916	280,087	4.91
GGBL		39,256	125,619	2.20
PZ		16,200	4,800	0.08
TOTAL SHARES			3,655,190	63.93

HFC EQUITY TRUST

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2014

SHORT TERM FUNDS			
Cash at Bank and on Call	4	67,801	1.19
HFC Unit Trust		3,186	0.06
HFC Future Plan		170,000	2.98
Bonds		200,000	3.50
Fixed Deposit		1,403,658	24.58
		<u>1,776,844</u>	<u>31.12</u>
Total Short Term Funds		<u>1,844,645</u>	<u>32.31</u>
Total Investments		5,499,835	96.32
Other Assets in Excess of Liabilities		210,227	3.68
Total Net Assets		<u>5,710,062</u>	<u>100.00</u>

HFC EQUITY TRUST

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2014

	Notes	2014 GH¢	2013 GH¢
Assets:			
Total Investments		5,499,835	5,449,955
Receivables:			
Interest	7	141,679	83,573
HFC ISL Current Account		30,492	31,625
Other Receivables		107,313	0
Total Assets		5,779,319	5,565,153
Liabilities:			
Amount Due to Managers		25,765	18,677
Management Fund	8	15,153	10,968
Management Fees Payable		9,839	7,749
HFC ISL Current Account		0	0
HFC UT Current Account		0	4,037
Accrued Charges		18,500	19,120
Total Liabilities		69,257	60,551
Net Assets		5,710,062	5,504,602

Signed For HFC Investment Services Limited dated 18th March, 2015.


Chief Executive Officer


Director

HFC EQUITY TRUST

INCOME AND DISTRIBUTION

ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 GH ₵	2013 GH ₵
Investment Income			
Fixed Deposit		421,373	156,160
Bonds		61,938	54,250
Treasury Bills		5,400	64,191
Dividends		134,411	90,115
Call Account		2,683	9,361
Profit on Disposal of Shares		783,323	908,699
Total Income		<u>1,409,128</u>	<u>1,282,776</u>
Expenses			
Management Fees		120,584	85,676
Auditors Remuneration		18,500	16,582
Other Expenses	3	17,726	25,498
		<u>156,810</u>	<u>127,756</u>
		<u>1,252,318</u>	<u>1,155,020</u>
Transfer to Management Fund	5	(12,523)	(11,550)
Net Investment Income		<u>1,239,795</u>	<u>1,143,470</u>

ACCUMULATED NET INVESTMENT INCOME

BALANCE AT 1 JANUARY		1,160,397	16,927
Net Investment Income		<u>1,239,795</u>	<u>1,143,470</u>
BALANCE AT 31 DECEMBER		<u>2,400,192</u>	<u>1,160,397</u>

HFC EQUITY TRUST

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

	2014 GH¢	2013 GH¢
Net Investment Income	1,239,795	1,143,470
Change in Unrealised gain	(828,197)	820,795
Net Increase in Net Assets Resulting from Operations	411,598	1,964,265
Capital Transactions		
Value of Units Sold and Converted	1,600,547	1,814,551
Value of Units Disinvested	(1,806,685)	(629,813)
Net Proceeds from Capital Transactions	(206,138)	1,184,738
Total Increase in Net Assets	205,460	3,149,003
Net Assets:		
Balance at 1 January	5,504,602	2,355,599
Total Increase in Net Assets	205,460	3,149,003
Balance at 31 December	5,710,062	5,504,602

STATEMENT OF MOVEMENT IN ISSUED UNITS FOR THE YEAR ENDED 31 DECEMBER 2014

Number of Units at 1 January	12,668,782	9,125,028
Number of Units Issued during the year	3,836,435	5,351,332
	16,505,217	14,476,360
Number of Units disinvested during the year	(4,389,794)	(1,807,578)
Number of Units at 31 December	12,115,423	12,668,782

HFC EQUITY TRUST

PORTFOLIO SUMMARY FOR THE YEAR ENDED 31 DECEMBER 2014

	No. Of Shares	Value	No. Of Shares	Value	Purchase	Sales				
					31/12/13	31/12/13	31/12/14	31/12/14	During	During
									the Year	the Year
		GH¢		GH¢	GH¢	GH¢				
HFC	339,800	326,208	421,500	632,250	126,854	19,200				
CAL	220,000	213,400	257,600	260,177	255,529	223,100				
EBG	28,581	160,339	56,099	426,353	377,866	151,470				
GCB	56,284	272,977	86,834	460,219	508,881	300,884				
SCB	14,832	221,590	13,495	274,623	170,399	156,870				
SGSSB	221,058	165,794	187,758	187,758	65,593	95,982				
UT	60,000	27,000	20,000	5,000	0	18,000				
EGL	141,640	266,283	192,740	337,295	315,380	187,812				
ETI	518,696	98,552	527,896	147,846	164,239	85,500				
FML	68,100	450,822	10,000	52,500	47,536	427,652				
GOIL	156,082	138,913	166,082	174,386	8,262	0				
GWEB	364,000	14,560	364,000	10,920	0	0				
SPL	600,000	24,000	600,000	12,000	0	0				
UNIL	11,915	218,164	8,237	88,136	0	45,775				
GOLD STAR	2,000	5,500	2,000	4,680	0	0				
SIC	100,000	39,000	83,000	30,710	0	2,925				
BOPP	8,173	26,235	20,173	82,710	43,627	0				
MECHANICAL LOYD	204,005	77,522	204,005	57,121	0	0				
TOTAL	55,916	282,935	45,916	280,087	58,667	101,200				
GGBL	85,456	529,827	39,256	125,619	0	285,820				
PZ	87,400	69,046	16,200	4,800	0	56,248				
		<u>3,628,667</u>		<u>3,655,190</u>	<u>2,142,833</u>	<u>2,158,438</u>				

HFC EQUITY TRUST

CAPITAL ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

CAPITAL ACCOUNT	2014		2013	
	Units	GH¢	Units	GH¢
Balance at 1st January	12,668,782	2,882,316	9,125,028	1,697,578
Value of Units Sold and Converted	3,836,435	1,600,547	5,351,332	1,814,551
	16,505,217	4,482,863	14,476,360	3,512,129
Value of Units Disinvested	(4,389,794)	(1,806,685)	(1,807,578)	(629,813)
Value of the Trust Fund at 31 December	12,115,423	2,676,178	12,668,782	2,882,316