

CM FUND LIMITED

FINANCIAL STATEMENTS 31ST DECEMBER, 2014

**BLA & ASSOCIATES
CHARTERED ACCOUNTANTS**

CM FUND LIMITED

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CM FUND LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS

Emile Yartey
Mathias Dorfe
Reginald Hansen - Thompson.
Seth Kwasi Asante

REGISTERED OFFICE

H/No D921/3 Adjacent AMA
Asafoatse Nettey Street. Accra
P. O. BOX GP 14198
Accra, Ghana.

CUSTODIAN

Standard Chartered Bank Ghana Limited
P.O.Box GP 768
High Street, Accra, Ghana.

AUDITORS

BLA & Associates
Chartered Accountants
P. O. BOX AB 295
Abeka Accra.

INVESTMENT MANAGER

SDC Capital Limited
H/se D/921/3 Adjacent (AMA)
Asafoatse Netty Street, Accra.
P. O. BOXGP 14198
Accra, Ghana.

CM FUND LIMITED
REPORT OF DIRECTORS

The Directors have pleasure in submitting the financial statements of the Fund for the period ended December 31, 2014.

Statement of director's responsibilities

The directors are responsible for the preparation of financial statements for each financial year which gives a true and fair view of the state of affairs of the Fund and of the statements of operations for that period. In preparing those financial statements, the directors have selected suitable accounting policies and then applied them consistently, made judgments and estimates that are reasonable and prudent and followed Ghana Accounting Standards.

The directors are responsible for ensuring that the Fund keeps proper accounting records that disclose with reasonable accuracy at any time the financial positions of the Fund and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Nature of business

The nature of business of the Fund is to invest the monies of its members for their mutual benefit and to hold and arrange for the management of securities and other property acquired with such monies.

The Fund is licensed by the Securities and Exchange Commission to operate as an authorized mutual fund.

Financial results

The results for the period are as set out in the attached financial statements.

Distribution policy

The Fund does not distribute income. All income earned is reinvested.

Shareholders should be aware that the prime objective of the Fund is to achieve capital growth and as such income is reinvested to take advantage of the effects of compounding.

BY ORDER OF THE BOARD

.....
Director

.....
Director

CM FUND LIMITED

REPORT OF THE AUDITORS TO THE INVESTORS OF CM FUND LIMITED

We have audited the financial statements set out on pages 5 to 13. We have obtained all the information and explanations we required for the purpose of our audit.

Respective Responsibilities of Directors and Auditors

As stated, the directors are responsible for the preparation of the financial statements. Our responsibility is to express an independent opinion on those financial statements based on our audit.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

Opinion

In our opinion, proper books of account have been kept and the financial statements which are in agreement therewith give a true and fair view of the state of affairs of the CM Fund Limited at 31st December 2014 and of the results of its operations and changes in the net assets for the year ended and comply with the Ghana Accounting Standards, Unit Trust and Mutual Funds Regulations, 2001, (L.I. 1695) and the Ghana Companies Code, 1963, Act 179.

Bosman Nii Laryea Laryea (ICAG/P/1025)
For and on behalf of
BLA & ASSOCIATES (ICAG/F/2015/085)

Chartered Accountants

DATED2015

CM FUND LIMITED

STATEMENT OF NET ASSETS AS AT 31 DECEMBER 2014

Equity	Qty	Price as at 31-Dec-2014 GH¢	Market Value GH¢	% Net Asset
<i>Financial & Insurance</i>				
Cal Bank Limited	20,000	1.01	20,200	1.06%
<i>Manufacturing</i>				
FML	500	5.25	2,625	0.14%
<i>Oil & Marketing</i>				
TOTAL	21,760	6.10	<u>132,736</u>	<u>6.99%</u>
Total Shares (Cost GH¢ 139,045)			<u>155,561</u>	<u>8.19%</u>
Short Term Funds				
Fixed Deposit			1,363,446	71.82%
Local Unlisted Bond			389,838	20.53%
Bank Balance			<u>11,521</u>	<u>0.61%</u>
Total Cash and Short Term Funds:			<u>1,764,805</u>	<u>92.96%</u>
Total Investment			1,920,366	101.15%
Net Current Assets			<u>(21,841)</u>	<u>-1.15%</u>
Total Net Assets			<u>1,898,525</u>	<u>100.00%</u>

CM FUND LIMITED

STATEMENT OF ASSETS AND LIABILITIES AS AT 31 DECEMBER 2014

	2014	2013
	GH¢	GH¢
Assets		
Total Investments	1,920,366	1,456,195
Receivables		
Dividend	-	-
Other Receivables	<u>-</u>	<u>-</u>
Total Asset	<u>1,920,366</u>	<u>1,456,195</u>
LIABILITIES		
Management Fee & Custody Fee	16,841	13,121
Auditors' Fee	<u>5,000</u>	<u>5,000</u>
Total Liabilities	21,841	18,121
Net Current Liabilities	<u>(21,841)</u>	<u>(18,121)</u>
Net Assets	<u>1,898,525</u>	<u>1,438,074</u>

The financial statements were approved by the board of directors on

..... and signed on its behalf by:

Director

Director

The Accounting policies and notes form an integral part of the financial statements.

CM FUND LIMITED

INCOME AND DISTRIBUTION ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER, 2014

	Note	2014	2013
		GH¢	GH¢
Investment Income			
Gross Dividend		36,873	20,518
Less : WHT		<u>(2,950)</u>	<u>(1,641)</u>
Net Dividend Income		<u>33,923</u>	<u>18,877</u>
Other Income		(93,643)	394,168
Interest Income		<u>297,474</u>	<u>70,957</u>
Total Income		<u>237,754</u>	<u>484,002</u>
Investment Management Fees		(52,947)	(29,805)
Other Expenses	3	<u>(55,832)</u>	<u>(59,648)</u>
Total Expense		<u>(108,779)</u>	<u>(89,453)</u>
Net Investment Income		128,975	394,549
Changes in Unrealised Gain/(Loss)	2	<u>(28,518)</u>	<u>(68,129)</u>
Net Increase in Net Asset Resulting from Operations		<u>100,457</u>	<u>326,420</u>

CM FUND LIMITED

ACCUMULATED NET INVESTMENT INCOME

	2014	2013
	GH¢	GH¢
Beginning Period	451,829	57,280
Net Investment Income	128,975	394,549
End of Period	580,804	451,829

ACCUMULATED NET REALIZED GAINS

	2014	2013
	GH¢	GH¢
Beginning Period	428,852	37,234
Changes in Realised Gains at the end of Period	<u>(97,413)</u>	<u>391,618</u>
	<u>331,439</u>	<u>428,852</u>

CM FUND LIMITED

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

	2014	2013
	GH¢	GH¢
Increase in Net Asset Operations		
Operations:		
Net Investment Income	128,975	394,549
Net Unrealised Gains	<u>(28,518)</u>	<u>(68,129)</u>
Net Increase in Net Assets Resulting from Operations	<u>100,457</u>	<u>326,420</u>
Capital Transactions:		
Proceed from share issue	647,802	743,622
Shares Redeemed	<u>(287,808)</u>	<u>(87,697)</u>
Net Proceeds from Capital Transaction	359,994	655,925
Total Increase in Net Asset	<u>460,451</u>	<u>982,345</u>
Beginning of Period	<u>1,438,074</u>	<u>455,729</u>
End of Period	<u>1,898,525</u>	<u>1,438,074</u>

CM FUND LIMITED

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

	2014	2013
	000	000
Shares in Issue at Beginning of Period	3,560	1,895
Net Shares Issued During the Period	768	1,665
Shares in Issue at 31st December 2014	4,328	3,560

CM FUND LIMITED

NOTES TO FINANCIAL STATEMENTS

1. Accounting Policies

The principal accounting policies adopted in the preparation of the Fund's financial statements are:

i) Valuation of investment

Securities listed on a stock exchange or traded on any other organized market are valued at the last available market price on the relevant valuation day.

Securities that are actively traded on the over-the-counter market are valued at the mean between the most recently quoted bid and offer prices provided by the principal brokers. Securities and assets for which market quotations are not readily available are valued at fair values as determined in good faith by or under the direction of the Board of Directors. Short-term debt securities having a maturity of ninety-one days or less are valued at amortised cost.

ii) Treatment of dividend income

The assets of the Fund include all dividend income. Dividends are accrued if the qualifying date falls within the year under review.

iii) Investment income

Interest income is recorded on an accrual basis.

iv) Investment transaction and investment income

Investment transactions on the Ghana Stock Exchange at the other African Stock Market are accounted for on the trade date. Transactions in stocks listed on the other African Stock Markets are translated at the transaction date to cedis. Realized gains and losses on the sale of investment securities are determined on the identified cost basis.

v) Foreign Currency

Assets and Liabilities denominated in foreign currency are translated into cedis at rates of exchange ruling at the date of the Statement of Assets and Liabilities.

vi) Bonus Shares

Bonus shares recognized when the right to holdings is established.

CM FUND LIMITED

2. Unrealised gains on investments

Description	2014 GH¢	2013 GH¢
Market Value of Investment	155,561	306,430
Cost of Investment	<u>(139,045)</u>	<u>(261,396)</u>
	16,516	45,034
Add : Unrealized Gain/(Loss) on Forex	<u>-</u>	<u>-</u>
	16,516	45,034
Add back (Losses)/gains from previous year	<u>(45,034)</u>	<u>(113,163)</u>
Unrealised Gains As at December 31	<u>(28,518)</u>	<u>(68,129)</u>

CM FUND LIMITED

3. Other Expenses include

Description	2014 GH¢	2013 GH¢
Directors Remuneration	-	1,911
Audit Fees	5,150	5,000
Printing & Stationery	1,720	5,765
Other Expenses	3,173	4,150
Redemption Expenses	<u>45,789</u>	<u>42,822</u>
	<u>50,832</u>	<u>59,648</u>

4. Capital Transactions

	2014 NO.OF SHARES 000	2013 NO.OF SHARES 000
Balance b/d	3,560	1,895
New Issues	1,584	2,028
Redemptions	<u>(816)</u>	<u>(363)</u>
Balance	<u>4,328</u>	<u>3,560</u>

5. Taxation

Under current legislation, mutual funds in Ghana are not subject to taxes on income or capital gains, nor to any taxes on income distributions.