



# **PKF** Independent Auditor's Report to the Members of HFC REIT for the year ended 31 December 2011

Accountants &  
business advisers

## **Report on the Financial Statements**

We have audited the accompanying financial statements of HFC Real Estate Investment Trust which comprise the statement of assets and liabilities as of December 31, 2011, the income and distribution accounts, statement of movement in net assets and issued share 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 are responsible for the preparation and fair presentation of these financial statements in accordance with Ghana Accounting Standards and in the manner required by 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 the 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 Real Estate Investment Trust as of December 31, 2011 and of its financial performance and its cash flows 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:

1. 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.
2. In our opinion proper books of accounts have been kept by the Trust, so far as appears from our examination of those books, and
3. The Trust's Statement of assets and liabilities and the income and distribution account are in agreement with the books of accounts.

CHARTERED ACCOUNTANTS

FARRAR AVENUE

ACCRA

20th April 2012



## **HFC BROKERAGE SERVICES LTD.**

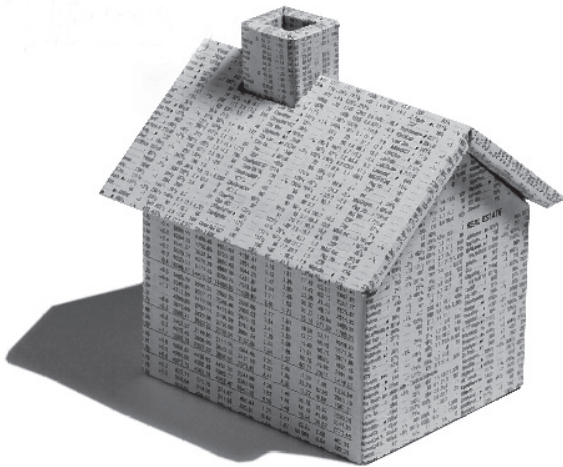
We undertake the following

- **Brokerage Services**
- **Portfolio Management**
- **Research, and**
- **Corporate Finance**

Timely Delivery and Value Addition is our Hallmark !!!

**PKF**

Accountants &  
business advisers



HFC REIT

**2011**

Financial Statements





## HFC Real Estate Investment Trust Statement Of Assets and Liabilities As At 31 December 2011

Description	Notes	Market Value GH ¢	% Net Assets
<b>Properties</b>			
Serviced Plots		155,168	1.44
Investment Property		1,984,445	18.39
Work In Progress		524,770	4.86
<b>TOTAL</b>		<b>2,664,383</b>	<b>24.70</b>
<b>SHORT TERM FUNDS</b>			
Cash at Bank and on Call	4	149,841	1.39
Treasury Bills		700,000	6.49
Fixed Deposits		3,852,148	35.71
Bonds		1,750,000	16.22
HFC Equity Trust		315,346	2.92
		6,617,494	61.34
<b>Total Short Term Funds</b>		<b>6,767,335</b>	<b>62.73</b>
Total Investments		9,431,718	87.42
Other Assets in Excess of Liabilities		1,356,801	12.58
<b>Total Net Assets</b>		<b>10,788,519</b>	<b>100.00</b>



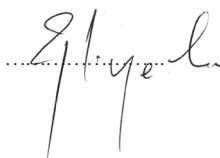
## HFC Real Estate Investment Trust


### Statement Of Assets And Liabilities

As At 31 December 2011

	Notes	2011 GH ₵	2010 GH ₵
<b>Assets:</b>			
Total Investments		9,431,718	8,388,135
<b>Receivables:</b>			
Property Debtors		1,021,231	23,930
Deposit for Land		750,000	750,000
Interest	5	397,795	264,874
Other Receivable		4,095	0
<b>Total Assets</b>		<b>11,604,839</b>	<b>9,426,939</b>
<b>Liabilities:</b>			
Amount Due to Managers		22,000	20,330
HFC Unit Trust Current Account		0	6,454
Other Creditors		370,471	103,191
Deposits	6	409,349	40,865
Accrued Charges		14,500	33,481
<b>Total Liabilities</b>		<b>816,320</b>	<b>204,321</b>
<b>Net Assets</b>		<b>10,788,519</b>	<b>9,222,618</b>

SIGNED FOR HFC INVESTMENTS 12th APRIL 2012.

 GENERAL MANAGER

 DIRECTOR



## HFC Real Estate Investment Trust Income And Distribution Accounts For The Year Ended 31 December 2011

	Notes	2011 GH ¢	2010 GH ¢
<b>Investment Income</b>			
Profit on Sale of Houses		136,542	628,251
Treasury Bills		367,030	281,030
Fixed Deposits		509,134	426,149
Bonds		90,790	0
Call Account		5,324	54,262
Interest		2,542	220,435
Rent Income		126,418	61,314
Other Income		93,709	101,304
<b>Total Income</b>		<b>1,331,489</b>	<b>1,772,745</b>
<b>Expenses</b>			
Management Fees		253,319	215,946
Auditors Remuneration		14,500	13,500
Other Expenses	3	1,102,506	475,176
		<b>1,370,325</b>	<b>704,622</b>
Net Investment Income		<b>(38,836)</b>	<b>1,068,123</b>
<b>Accumulated Net Investment Income BALANCE AT 1 JANUARY</b>		2,439,674	1,371,551
Net Profit For The Year		38,836	1,068,123
<b>BALANCE AT 31 DECEMBER</b>		<b>2,400,838</b>	<b>2,439,674</b>



## HFC Real Estate Investment Trust

### Statement Of Movement In Net Assets

#### FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 GH ₵	2010 GH ₵
Net Investment Income		38,836	1,068,123
Unrealised Gains	7	392,892	0
Net Increase in Net Assets Resulting from Operations		354,056	1,068,123
Capital Transactions			
Value of Units Sold and Converted		4,100,712	5,145,940
Value of Units Disinvested		(2,888,867)	(1,824,515)
Net Proceeds from Capital Transactions		<b>1,211,845</b>	<b>3,321,425</b>
Total Increase in Net Assets		<b>1,565,901</b>	<b>4,389,548</b>
Net Assets:			
<b>Balance at 1 January</b>		<b>9,222,618</b>	<b>4,833,070</b>
Total Increase in Net Assets		1,565,901	4,389,548
<b>Balance at 31 December</b>		<b>10,788,519</b>	<b>9,222,618</b>

## Statement Of Movement In Issued Units

#### FOR THE YEAR ENDED 31 DECEMBER 2011

<b>Number of Units at 1 January</b>	<b>10,689,157</b>	<b>6,645,768</b>
Number of Units Issued during the year	4,259,042	6,227,591
	14,948,199	12,873,359
Number of Units disinvested during the year	(2,863,483)	(2,184,202)
<b>Number of Units at 31 December</b>	<b>12,084,716</b>	<b>10,689,157</b>





## HFC Real Estate Investment Trust Capital Account For The Year Ended 31 December 2011

CAPITAL ACCOUNT	2010		2009	
	Units	GH ¢	Units	GH ¢
Balance at 1st January	10,682,157	6,782,944	6,638,768	3,461,519
Value of Units sold & Converted	4,259,042	4,100,711	6,227,591	5,145,940
	14,941,199	10,883,655	12,866,359	8,607,459
Value of Units Disinvested	(2,863,483)	(2,888,867)	(2,184,202)	(1,824,515)
	12,077,716	7,994,788	10,682,157	6,782,944
Balance at 31 December	12,077,716	7,994,788	10,682,157	6,782,944