



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HFC REIT FOR THE YEAR ENDED 31 DECEMBER 2013

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, 2013, 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.

Trustee's Responsibility for the Financial Statements

The Trustee is 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 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, 2013 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:

- 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.
20th March, 2014

HFC REAL ESTATE INVESTMENT TRUST

STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 DECEMBER 2013

Description	Notes	Market Value GH ₵	% Net Assets
Properties			
Land		3,794,298	13.79
Investment Properties		1,991,288	7.24
TOTAL		<u>5,785,586</u>	<u>21.03</u>
SHORT TERM FUNDS			
Cash at Bank and on Call	4	489,339	1.78
Treasury Bills		350,003	1.27
Fixed Deposit		3,250,000	11.81
Bonds		13,195,370	47.97
HFC Equity Trust		315,346	1.15
		<u>17,110,719</u>	<u>62.20</u>
Total Short Term Funds		<u>17,600,058</u>	<u>63.98</u>
Total Investments		23,385,644	85.01
Other Assets in Excess of Liabilities		4,124,474	14.99
Total Net Assets		<u>27,510,118</u>	<u>100.00</u>

HFC REAL ESTATE INVESTMENT TRUST

STATEMENT OF ASSETS AND LIABILITIES

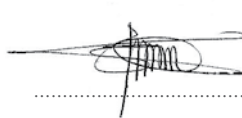
AS AT 31 DECEMBER 2013

Assets:	Notes	2013 GH ¢	2012 GH ¢
Total Investments		23,385,644	18,498,738
Receivables:			
Property Debtors		6,338	102,874
Deposit for Houses	8	3,038,462	0
Interest	5	1,133,805	419,938
HFC ISL Current Account		40,123	0
Other Receivables		1,886	1,774
Total Assets		27,606,258	19,023,324
Liabilities:			
Amount Due to Managers		62,716	40,072
HFC ISL Current Account		0	51,438
HFC UT Current Account		14,682	2,312
Other Creditors		186	101,056
Deposits	6	0	43,399
Accrued Charges		18,556	16,336
Total Liabilities		96,140	254,613
Net Assets		27,510,118	18,768,711

Signed for HFC Investment Services Limited 20th March, 2014.



GENERAL MANAGER



Director

HFC REAL ESTATE INVESTMENT TRUST INCOME AND DISTRIBUTION ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2013

Investment Income	Notes	2013 GH ¢	2012 GH ¢
Profit on Sale of Houses		0	601,654
Treasury Bills		607,140	320,391
Fixed Deposits		314,879	390,949
Bonds		2,778,459	1,095,495
Call Account		26,720	14,042
Interest		0	0
Rent Income		238,990	191,443
Other Income		194,467	81,419
Total Income		4,160,655	2,695,393
 Expenses			
Management Fees		584,228	393,238
Trustees Fees		17,520	8,655
Auditors Remuneration		18,556	16,000
Other Expenses	3	59,877	1,384,930
		680,181	1,802,823
Net Investment Income		3,480,474	892,570
 ACCUMULATED NET INVESTMENT INCOME			
BALANCE AT 1 JANUARY		3,293,408	2,400,838
Net Investment Income		3,480,474	892,570
BALANCE AT 31 DECEMBER		6,773,882	3,293,408

HFC REAL ESTATE INVESTMENT TRUST

STATEMENT OF MOVEMENT IN NET ASSETS

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 GH ¢	2012 GH ¢
Net Investment Income		3,480,474	892,570
Change In Unrealised Gains	7	1,124,601	1,352,121
Net Increase in Net Assets Resulting from Operations		4,605,075	2,244,691
Capital Transactions			
Value of Units Sold and Converted		12,259,995	9,350,063
Value of Units Disinvested		(8,123,663)	(3,614,562)
Net Proceeds from Capital Transactions		4,136,332	5,735,501
Total Increase in Net Assets		8,741,407	7,980,192
Net Assets:			
Balance at 1 January		18,768,711	10,788,519
Total Increase in Net Assets		8,741,407	7,980,192
Balance at 31 December		27,510,118	18,768,711

STATEMENT OF MOVEMENT IN ISSUED UNITS

FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	2013 GH ¢	2012 GH ¢
Number of Units at 1 January		17,318,809	12,077,716
Number of Units Issued during the year		8,740,250	8,435,109
		26,059,059	20,512,825
Number of Units disinvested during the year		(5,681,814)	(3,194,016)
Number of Units at 31 December		20,377,245	17,318,809

CAPITAL ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2013

CAPITAL ACCOUNT	2013 Units	2013 GH ¢	2012 Units	2012 GH ¢
Balance at 1st January	17,318,809	13,730,289	12,077,716	7,994,788
Value of Units sold & Converted	<u>8,740,250</u>	<u>12,259,995</u>	<u>8,435,109</u>	<u>9,350,063</u>
	26,059,059	25,990,284	20,512,825	17,344,851
Value of Units Disinvested	<u>(5,681,814)</u>	<u>(8,123,663)</u>	<u>(3,194,016)</u>	<u>(3,614,562)</u>
Balance at 31 December	<u>20,377,245</u>	<u>17,866,621</u>	<u>17,318,809</u>	<u>13,730,289</u>