

HFC REAL ESTATE INVESTMENT TRUST

# FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2014



# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF

### HFC REAL ESTATE INVESTMENT TRUST

### FOR THE YEAR ENDED 31 DECEMBER 2014

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#### 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, 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 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 the Trustees, 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, 2014 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 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.

18th March, 2015

# HFC REAL ESTATE INVESTMENT TRUST

## STATEMENT OF ASSETS AND LIABILITIES

### AS AT 31 DECEMBER 2014

Description	Notes	Market Value GH ₵	% Net Assets
<b>Properties</b>			
Land		9,418,245	25.96
Investment Properties		1,991,287	5.49
Work In Progress		3,328,462	9.17
<b>TOTAL</b>		<b>14,737,994</b>	<b>40.62</b>
<b>SHORT TERM FUNDS</b>			
Cash at Bank and on Call	4	528,353	1.46
Treasury Bills		2,290,004	6.31
Fixed Deposit		2,850,000	7.86
Bonds		15,385,370	42.40
HFC Equity Trust		315,346	0.87
		<b>20,840,720</b>	<b>57.44</b>
<b>Total Short Term Funds</b>		<b>21,369,073</b>	<b>58.90</b>
Total Investments		<b>36,107,067</b>	<b>99.52</b>
Other Assets in Excess of Liabilities		175,137	0.48
<b>Total Net Assets</b>		<b>36,282,204</b>	<b>100.00</b>

# HFC REAL ESTATE INVESTMENT TRUST

## STATEMENT OF ASSETS AND LIABILITIES

### AS AT 31 DECEMBER 2014

Assets	Notes	2014 GH ¢	2013 GH ¢
<b>Total Investments</b>		<b>36,107,067</b>	23,385,644
<b>Receivables:</b>			
Property Debtors		<b>6,338</b>	6,338
Deposit for Houses	8	<b>0</b>	3,038,462
Interest	5	<b>1,092,769</b>	1,133,805
Rent Income Receivable		<b>27,500</b>	0
HFC ISL Current Account		<b>32,684</b>	40,123
Other Receivables		<b>18,060</b>	1,886
<b>Total Assets</b>		<b>37,284,418</b>	27,606,258
<b>Liabilities:</b>			
Amount Due to Managers		<b>77,537</b>	62,716
HFC UT Current Account		<b>0</b>	14,682
Other Creditors		<b>18,776</b>	186
Deposits	6	<b>885,576</b>	0
Accrued Charges		<b>20,325</b>	18,556
<b>Total Liabilities</b>		<b>1,002,214</b>	96,140
<b>Net Assets</b>		<b>36,282,204</b>	27,510,118

SIGNED FOR HFC INVESTMENT SERVICES LIMITED MARCH 18th, 2015.

  
 .....  
 CHIEF EXECUTIVE OFFICER

  
 .....  
 DIRECTOR

# HFC REAL ESTATE INVESTMENT TRUST

## INCOME AND DISTRIBUTION ACCOUNTS

### FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 GH¢	2013 GH¢
<b>Investment Income</b>			
Profit on Sale of Land		92,749	0
Treasury Bills		238,336	607,140
Fixed Deposits		604,703	314,879
Bonds		3,403,362	2,778,459
Call Account		17,872	26,720
Rent Income		318,882	238,990
Other Income		22,681	194,467
<b>Total Income</b>		<b>4,698,585</b>	<b>4,160,655</b>
<b>Expenses</b>			
Management Fees		798,971	584,228
Trustees Fees		27,044	17,520
Auditors Remuneration		21,900	18,556
Other Expenses	3	61,059	59,877
		<b>908,974</b>	<b>680,181</b>
<b>Net Investment Income</b>		<b>3,789,611</b>	<b>3,480,474</b>

## ACCUMULATED NET INVESTMENT INCOME

<b>BALANCE AT 1 JANUARY</b>	<b>6,773,882</b>	3,293,408
Net Investment Income	<b>3,789,611</b>	3,480,474
<b>BALANCE AT 31 DECEMBER</b>	<b>10,563,493</b>	<b>6,773,882</b>

# HFC REAL ESTATE INVESTMENT TRUST

## STATEMENT OF MOVEMENT IN NET ASSETS

### FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	2014 GH¢	2013 GH¢
Net Investment Income		3,789,611	3,480,474
Change In Unrealised Gains	7	2,233,299	1,124,601
Net Increase in Net Assets Resulting from Operations		6,022,910	4,605,075
Capital Transactions			
Value of Units Sold and Converted		14,523,989	12,259,995
Value of Units Disinvested		(11,774,813)	(8,123,663)
Net Proceeds from Capital Transactions		2,749,176	4,136,332
Total Increase in Net Assets		8,772,086	8,741,407
Net Assets:			
<b>Balance at 1 January</b>		27,510,118	18,768,711
Total Increase in Net Assets		8,772,086	8,741,407
<b>Balance at 31 December</b>		36,282,204	27,510,118

## STATEMENT OF MOVEMENT IN ISSUED UNITS

### FOR THE YEAR ENDED 31 DECEMBER 2014

<b>Number of Units at 1 January</b>	20,377,245	17,318,809
Number of Units Issued during the year	8,564,348	8,740,250
	28,941,593	26,059,059
Number of Units disinvested during the year	(7,011,350)	(5,681,814)
<b>Number of Units at 31 December</b>	21,930,243	20,377,245

# HFC REAL ESTATE INVESTMENT TRUST

## CAPITAL ACCOUNT

### FOR THE YEAR ENDED 31 DECEMBER 2014

CAPITAL ACCOUNT	2014		2013	
	Units	GH¢	Units	GH¢
Balance at 1st January	<b>20,377,245</b>	<b>17,866,621</b>	17,318,809	13,730,289
Value of Units sold & Converted	<b>8,564,348</b>	<b>14,523,989</b>	8,740,250	12,259,995
	<b>28,941,593</b>	<b>32,390,610</b>	26,059,059	25,990,284
Value of Units Disinvested	<b>(7,011,350)</b>	<b>(11,774,813)</b>	(5,681,814)	(8,123,663)
Balance at 31 December	<b>21,930,243</b>	<b>20,615,797</b>	20,377,245	17,866,621