PROPERTY MANAGEMENT CORPORATION

FINANCIAL STATEMENTS

PERIOD FROM SEPTEMBER 1, 2013 TO DECEMBER 31, 2013

PROPERTY MANAGEMENT CORPORATION

TABLE OF CONTENTS

CORPORATE INFORMATION

DIRECTORS	:	Yves Choppy Timothe Sinon Ronny Palmyre Marie-Celine Vidot Wallace Cosgrow Linda William-Melanie Elizabeth Charles
SECRETARY		Imelda Anette Aglae
REGISTERED OFFICE	:	Victoria, Mahé, Seychelles
PRINCIPAL PLACE OF BUSINESS	:	Victoria, Mahé, Seychelles
AUDITORS	:	BDO Associates Chartered Accountants Seychelles
MAIN BANKERS	:	Habib Bank Limited Bank of Baroda The Mauritius Commercial Bank (Seychelles) Limited Seychelles Commercial Bank Limited Barclays Bank (Seychelles) Ltd

The Directors have pleasure in submitting their report together with the audited financial statements of the Corporation for the period from September 1, 2013 to December 31, 2013.

PRINCIPAL ACTIVITIES AND EVENTS DURING THE PERIOD

The Corporation was created under the Property Management Corporation Act, 2004 and is engaged in the sale, lease or rental of flats and houses. These activities were transferred to Housing Finance Company Limited (HFC) on February 1, 2009. Effective September 1, 2013, the Government of Seychelles decided to transfer back the above-named activities, as well as all related assets from HFC to the Corporation.

RESULTS

	SR
Loss for the period	(2,694,065)
Retained earnings taken over from HFC at September 1, 2013 (note 16)	7,874,180
Adjustment to retained earnings post transfer (note 17)	(1,763,657)
Retained earnings carried forward	**3,416,458**

EQUIPMENT AND INVESTMENT PROPERTIES

Additions to equipment of SR 301,132 during the period were mainly furniture and equipment. There were additions of SR 26,155,385 to investment properties during the period under review.

The Directors are of the opinion that fair values of equipment of the Corporation at December 31, 2013 do not differ materially from their carrying amounts at the end of the reporting period.

DIRECTORS AND DIRECTORS' INTEREST

The Directors of the Corporation from the date of the split to the date of this report are:

Yves Choppy
Timothe Sinon
Ronny Palmyre
Marie-Celine Vidot
Wallace Cosgrow
Linda William-Melanie
Elizabeth Charles

None of the Directors holds any interest directly or indirectly in the Corporation.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for the overall management of the affairs of the Corporation including the operations of the Corporation and making investment decisions.

The Board is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Standards in Seychelles and in compliance with the Property Management Corporation Act, 2004. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances. The Directors have the general responsibility of safeguarding the assets, both owned by the Corporation and those that are held in trust and used by the Corporation.

The Directors consider they have met their aforesaid responsibilities.

AUDITORS

The Auditor General of Seychelles has been mandated to audit the financial statements of the Corporation pursuant to Section 21 of Part IV- Financial Provisions of the Property Management Corporation Act, 2004.

BOARD APPROVAL

Yves Choppy
Director

Timothe Sinon
Director

Ronny Palmyre
Director

Marie-Celine Vidot
Director

Wallace Cosgrow
Director

Linda William-Melanie
Director

E. Charles
Elizabeth Charles
Director

Dated: 19th Feb 2015
Victoria, Seychelles

BDO

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Victoria
Seychelles

INDEPENDENT AUDITORS' REPORT TO THE AUDITOR GENERAL

This report is made solely to the Auditor General of Seychelles, in terms of our engagement to conduct the audit of the financial statements of Property Management Corporation on his behalf. Our audit work has been undertaken so that we might state to the Auditor General those matters which we are required to state to him in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Auditor General, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of Property Management Corporation set out on pages 4 to 18 which comprise the Balance Sheet at December 31, 2013, the Income Statement, the Statement of changes in Equity and the Cash Flow Statement for the period then ended and a summary of significant accounting policies and other explanatory notes.

Board's Responsibility for the Financial Statements

As stated on page 2(a) of the Directors' Report, the Board of Directors are responsible for preparation of the financial statements.

Auditors' Responsibility

Our responsibility is to express an opinion on those financial statements based on our audit. We conducted our audit in accordance with Generally Accepted Auditing Standards in Seychelles. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of 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 auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making these risk assessments, the auditors consider internal control relevant to the Corporation'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 Corporation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors 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.

PROPERTY MANAGEMENT CORPORATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (CONT'D)

Basis of qualified opinion

Provision for credit impairment

The Corporation's accounting system cannot provide an ageing of rent receivable from tenants. In the absence of an aged analysis of rental due or other documents giving such details, we were unable to perform adequate audit procedures in respect of those receivables and could not ascertain the adequacy of provision for credit impairment.

Opinion

In our opinion, except for the financial impact of any of the matter described above, the financial statements on pages 4 to 18 give a true and fair view of the financial position of the Corporation at December 31, 2013 and of its financial performance and its cash flows for the period then ended in accordance with Generally Accepted Accounting Standards in Seychelles and comply with the provisions of the Property Management Corporation Act, 2004.

Report on Other Legal Regulatory Requirements

Property Management Corporation Act, 2004

We have no relationship with, or interests, in the Corporation other than in our capacity as auditors and business advisers and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Corporation as far as it appears from our examination of those records.

Public Enterprise Monitoring Commission Act, 2013

In our opinion,, proper accounting records have been kept by the Corporation as far as it appears from our examination of those records.

We have obtained all the information necessary for the purpose of our audit and are satisfied with the information received.

BDO Associates

BDO ASSOCIATES

Chartered Accountants

Dated: 19th Feb 2015

Mahé, Seychelles

BALANCE SHEET AS AT DECEMBER 31, 2013

	Notes	2013
		SR
ASSETS		
Non-current assets		
Equipment	5	1,027,361
Investment properties	6	186,636,774
Finance lease receivables	7	495,351,215
		683,015,350
Current assets		
Trade and other receivables	8	12,410,126
Cash and bank balances		6,721,695
		19,131,821
TOTAL ASSETS		702,147,171
EQUITY AND LIABILITIES		
Equity		
Stated capital		695,759,650
Retained earnings		3,416,458
		699,176,108
LIABILITIES		
Non-current liability		
Retirement benefit obligations	9	113,429
Current liability		
Trade and other payables	10	2,857,634
Total liabilities		2,971,063
Total equity and liabilities		702,147,171

These financial statements have been approved for issue by the Board of Directors on 19th Feb 2015

Yves Choppy Director	Timothe Sinon Director	Marie-Celine Vidot Director	Ronny Palmyre Director
Wallace Cosgrow Director	E.Charles Elizabeth Charles Director	Linda William-Melanie Director	

The notes on pages 8 to 18 form an integral part of these financial statements

Auditors' Report on pages 3 and 3(a)

INCOME STATEMENT - PERIOD FROM SEPTEMBER 1, 2013 TO DECEMBER 31, 2013

	Notes	Period 2013 SR
Revenue	11	15,365,025
Operating expenses	12(a)	(14,646,751)
Gross profit		718,274
Administrative expenses	12(a)	(6,583,298)
Other income	13	3,170,959
Loss for the period	15	(2,694,065)

The notes on pages 8 to 18 form an integral part of these financial statements
Auditors' Report on pages 3 and 3(a)

STATEMENT OF CHANGES IN EQUITY - PERIOD FROM SEPTEMBER 1, 2013 TO DECEMBER 31, 2013

	Notes	Stated capital	Retained earnings	Total
		SR	SR	SR
Equity transferred from HFC at September 1, 2013	16	637,441,040	7,874,180	645,315,220
Post transfer adjustments	17	58,318,610	(1,763,657)	56,554,953
Loss for the period		-	(2,694,065)	(2,694,065)
At December 31, 2013		**695,759,650**	**3,416,458**	**699,176,108**

The notes on pages 8 to 18 form an integral part of these financial statements
Auditors' Report on pages 3 and 3(a)

CASH FLOW STATEMENT - PERIOD FROM SEPTEMBER 1, 2013 TO DECEMBER 31, 2013

	Notes	2013
		SR
Cash generated from operations		
Loss for the period		(2,694,065)
Adjustments for:		
Depreciation of equipment	5	143,083
Amortisation of investment properties	6	8,664,614
Movement in provision for credit impairment	8(a)	1,375,331
Movement in retirement benefit obligations		113,429
Post transfer adjustments	17	56,554,953
		64,157,345
Changes in working capital items:		
Trade and other receivables		(1,382,664)
Trade and other payables		2,857,634
Net cash generated from operating activities		65,632,315
Cash flows from investing activities		
Purchase of equipment	5	(301,132)
Additions to investment properties	6	(26,155,385)
Additions to finance lease	7	(41,916,248)
Repayment of finance leases	7	8,823,312
Net cash used in investing activities		(59,549,453)
Net increase in cash and cash equivalents		6,082,862
Movements in cash and cash equivalents:		
Transfer from HFC at September 1, 2013	16	638,833
Increase		6,082,862
At December 31,		6,721,695

1. GENERAL INFORMATION

Property Management Corporation is a corporate body incorporated under the Property Management Corporation Act, 2004 with perpetual succession and a common seal domiciled in Seychelles. Its objectives are to ensure the equitable provision of living accommodation to the people of Seychelles by sale, lease or rental of flats and houses in accordance with the policy of the Government; to manage and maintain buildings and other property on behalf of the Government; and to ensure the provision of utility services for the rental of flats and houses.

The Corporation is wholly owned by the Government of Seychelles and the principal place of business is located at Oceangate House, Victoria, Seychelles.

The Corporation is engaged in the sale, lease or rental of flats and house. These activities were previously carried out under Housing Finance Company Limited (HFC). Effective September 1, 2013, the Board of HFC, upon request from the Government of Seychelles, decided to discontinue with these activities which were transferred to the Corporation as well as all relating assets pertaining to same.

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements of Property Management Corporation comply with the Property Management Corporation Act, 2004 and have been prepared in accordance with Generally Accepted Accounting Standards in Seychelles. Where necessary, comparative figures have been amended to conform with change in presentation in the current period. The financial statements are prepared under the historical cost convention, except that:

(i) Finance Lease receivables from lessees under the House Purchase Scheme are stated at their fair values and comprise costs of houses including discounts and capitalised interest.

(ii) Investment properties are stated at their fair values.

(b) Equipment

Vehicles are stated at deemed cost less accumulated depreciation. All other equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(b) Equipment (Cont'd)

Properties in the course of construction for leasing and sale purposes are carried at cost less any recognised impairment loss. Cost includes professional fees and for qualifying assets, borrowing costs capitalised. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated on the straight line method to write off the cost or revalued of the assets, to their residual values over their estimated useful life as follows:

Furniture, equipment and vehicles	3 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of property and equipment are determined by comparing proceeds with carrying amount and are included in the Income Statement.

(c) Investment properties

Investment properties comprising flats and houses rented out are amortised over 25 years. These are stated at their fair values.

Costs associated with developing or maintaining investment properties are recognised as an expense in the income statement.

(d) Financial instruments

Financial assets and liabilities are recognised on the Corporation's balance sheet when the Corporation has become a party to the contractual provisions of the instrument. The Corporation's accounting policies in respect of the main financial instruments are set out below.

(i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Corporation will not be able to collect all amounts due according to the original terms of receivables.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(d) Financial instruments (Cont'd)

(i) Trade and other receivables (Cont'd)

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of provision is recognised in the income statement.

The carrying amount of trade and other receivables approximate their fair value.

(ii) Trade and other payables

Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method.

The carrying amount of trade and other payables approximate their amortised cost.

(iii) Cash and cash equivalents

Cash and cash equivalents include cash in hand, cash at banks and bank overdrafts. Bank overdrafts are shown within borrowings under current liabilities on the balance sheet.

(e) Finance lease receivables

Receivable for finance leases from lessees under the House Purchase Scheme are stated at the values agreed with the lessees for cost of the house including capitalised interest, if any. This is a House Purchase Scheme offered to the lessees. Risks and rewards are vested and the ownership passed to the lessees upon repayment of full amount due to the Corporation.

Payments made by the lessees under finance leases are treated as repayment over the period of the lease and are recognised in the Income Statement.

Interest on the House Purchase Scheme varies according to the social housing scheme of the Government which determines the instalment based on the income and repaying capacity of the lessees.

Instalments received are recognised on a cash basis.

(f) Stated capital

The stated capital originates from the contra to net assets from HFC transferred to the Corporation at nil consideration.

2. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

(h) Retirement benefit obligations

The Company provides for a payment of gratuity to permanent employees. Gratuities are paid every five years (except in the case of early retirement) as from January 2007, for continuous service.The amount provisioned every year is based on the number of years the employee has worked after the last payment date.The liability recognised in the balance sheet is the present value of the defined obligation at the reporting date less fair value of plan assets together with adjustments for unrecognised actuarial gains and losses and past service costs.

(i) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(j) Revenue recognition

Revenue comprises proceeds from rental of flats, sale of property and other related income. Rental of flats is accounted on accrual basis whereas sale of property and other related income are accounted on a cash basis.

(k) Provisions

Provisions are recognised when the Corporation has a present or constructive obligation as a result of past events; it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

(l) Tax

The Corporation's activities of leasing and sale of flats and houses are subject to business tax under the Business Tax Act, 2009. However, under Section 23 of the Property Management Corporation Act, 2004 the Corporation is not be liable to any tax in respect of its income and profits.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Corporation's activities expose it to a variety of financial risks: (including fair value interest risk), credit risk and liquidity risk. The Corporation's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effect of it's financial performance.

A description of the significant risk factors is given below together with the risk management policies applicable.

3.1 Financial risk factors (Cont'd)

(a) Credit risk

The Corporation does not have a significant concentration of credit risk, with exposure spread over a large number of customers. However, the Corporation has policies in place to ensure that collections are made on a timely basis.

(b) Cash flow and fair value interest rate risk

The Corporation does not carry significant interest-bearing asset and its income and operating cash flows are not dependent on the changes in market interest rates. In addition, since the Corporation received its finance lease assets and investment properties at nil consideration and no major projects are on-going, the risk is minimal. The Corporation does not have any interest bearing risks with respect to borrowings.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through an adequate amount of inflows from borrowers. Management monitors rolling forecasts of the Corporation's liquidity reserve on the basis of expected cash flow.

3.2 Fair value estimation

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Corporation for similar financial instruments.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical accounting estimates and assumptions

The Corporation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) *Impairment of other assets*

At the end of each reporting period, management reviews and assesses the carrying amounts of other assets and where relevant writes them down to their recoverable amounts based on their best estimates and experience.

(b) *Valuation of investment properties*

The Corporation did not perform a valuation for the period ended December 31, 2013, instead management used a mix of valuation techniques consisting of discounted cash flow model and comparable market data. The inputs of these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing the fair value. The judgement include consideration such as inflation rate, yield and long-term occupancy rate. Changes in assumptions about these factors could affect the reported fair value of the investment property.

(c) *Carrying amounts of finance leases*

No separate valuation nor any impairment exercises were carried with respect to finance leases taken over from HFC. The Directors have estimated that the carrying amount of the finance leases approximate their fair values.

(d) **Tax**

The Corporation's activities of leasing and sale of flats and houses are subject to business tax under the Business Tax Act, 2009. However, under Section 23 of the Property Management Corporation Act, 2004 the Corporation is not be liable to any tax in respect of its income and profits.

The Directors are of the opinion that the Corporation should not be subject to business tax in view of the social aspect of its operations and consequently applied for exemption to the Seychelles Revenue Commission.

5. EQUIPMENT

	Furniture & Equipment	Vehicles	Total
	SR	SR	SR
COST			
At September 1, 2013	1,308,549	398,188	1,706,737
Additions	301,132	-	301,132
At December 31, 2013	1,609,681	398,188	2,007,869
DEPRECIATION			
At September 1, 2013	549,874	287,551	837,425
Charge for the period	98,845	44,238	143,083
At December 31, 2013	648,719	331,789	980,508
NET BOOK VALUES			
At December 31, 2013	**960,962**	**66,399**	**1,027,361**
NBV transferred from HFC at September 1, 2013 (note 16)	758,675	110,637	869,312

6. INVESTMENT PROPERTIES

	2013
	SR
COST	
At September 1,	-
At September 1, 2013	204,356,339
Additions	26,155,385
At December 31,	230,511,724
AMORTISATION	
At September 1,	-
At September 1, 2013	35,210,336
Charge for the period	8,664,614
At December 31,	43,874,950
NET BOOK VALUE	
At December 31,	186,636,774
NBV transferred from HFC at September 1, 2013 (note 16)	169,146,003

Amortisation charge has been fully recognised under operating expenses.

7. FINANCE LEASE RECEIVABLES

	2013
	SR
At September 1,	-
Transfer from HFC at September 1, 2013 (note 17)	462,258,279
Additions (leases granted during the period)	41,916,248
Repayments received during the period	(8,823,312)
At December 31,	495,351,215

The carrying amounts of finance lease receivables approximate their fair value.

8. TRADE AND OTHER RECEIVABLES

	2013
	SR
Rent receivable	12,874,282
Deposit receivable	180,979
Expenses rechargeable	1,705,847
Provision for credit impairment (see note (a) below)	(5,305,534)
	9,455,574
Other debtors and prepayments	2,954,552
	12,410,126

The carrying amounts of 'trade and other receivables' approximate their fair value.

(a) Movement in provision for credit impairment

	2013
	SR
Transfer from HFC at September 1, 2013 (note (c))	3,930,203
Charge for the year (note 12)	1,375,331
At December 31,	5,305,534

(c) Trade and other receivables taken over from HFC

	SR
Rent receivable	13,532,994
Deposit receivable	165,578
Expenses rechargeable	1,337,370
Provision for credit impairment (see note (b))	(3,930,203)
	11,105,739
Other debtors and prepayments	1,297,054
Trade and other receivables as at September 1, 2014 (note 16)	12,402,793

9. RETIREMENT BENEFIT OBLIGATIONS

		2013
		SR
(a)	Amounts recognised in the Balance Sheet	
	- Gratuity (note (c))	113,429
(b)	Income statement charge:	
	- Gratuity (note (c))	113,429
(c)	Movement in the gratuity provision:	
		2013
		SR
	Total expense charged in the income statement and at December 31,	113,429

The Corporation provides for gratuity in line with the requirements for parastatal organisations.

10. TRADE AND OTHER PAYABLES

	2013
	SR
Trade payables	124,214
Payable to Ministry of Land Use and Habitat	2,000,000
Other creditors and accrued expenses	733,420
	2,857,634

Trade and other payables approximate their amortised cost.

11. REVENUE

	Period 2013
	SR
Rental income	1,290,692
Interest income	14,074,332
	15,365,025

12. EXPENSES BY NATURE

	Period 2013
	SR
Employee benefit expense (note 14)	1,013,333
Depreciation and amortisation charges	8,807,697
Repairs and maintenance expense	7,438,523
Insurance expense	521,024
Legal and professional fees	294,084
Provision for credit impairment (note 8(a))	1,375,331
Rental expense	700,421
Directors' remuneration (note (b))	158,581
Other expenses	921,055
Total operating and administrative expenses	21,230,049

12. EXPENSES BY NATURE (CONT'D)

(a) *Analysed as:*

	Period 2013
	SR
Operating expenses	14,646,751
Administrative expenses	6,583,298
	21,230,049

(b) *Directors' remuneration*

	Directors' fees 2013	Other emoluments 2013	Period 2013
	SR	SR	SR
Directors' fees:			
Yves Choppy	14,118	-	14,118
Timothe Sinon	9,412	87,991	97,403
Ronny Palmyre	9,412	-	9,412
Marie-Celine Vidot	9,412	-	9,412
Wallace Cosgrow	9,412	-	9,412
Linda William-Melanie	9,412	-	9,412
Elizabeth Charles	9,412	-	9,412
	70,590	87,991	158,581

13. OTHER INCOME

	Period 2013
	SR
Funds received from HFC	3,114,805
Other income	56,155
	3,170,959

14. EMPLOYEE BENEFIT EXPENSE

	Period 2013
	SR
Wages and salaries	783,447
Pension contributions	26,528
Gratuity provision (note 9(b))	113,429
Other staff costs	89,929
	1,013,333

15. LOSS FOR THE PERIOD

This is arrived at after:

	Period 2013
	SR
Crediting:	
Rental income (note 11)	1,290,692
Interest income (note 11)	14,074,332
and (charging):	
Depreciation on equipment (note 5)	143,083
Depreciation of investment properties (note 6)	8,664,614
Directors' remuneration (note 12(b))	158,581
Rental expense (note 12)	700,421

16. ASSETS AND EQUITY TRANSFERRED FROM HFC

	2013
	SR
ASSETS	
Property and equipment (note 5)	869,312
Investment properties (note 6)	169,146,003
Finance lease receivables (note 7)	462,258,279
Trade and other receivables (note 8(c))	12,402,793
Cash and bank balances (page 7)	638,833
	645,315,220
REPRESENTED BY:	
EQUITY	
Capital reserve	637,441,040
Retained earnings	7,874,180
	645,315,220

17. POST TRANSFER ADJUSTMENTS

	2013
	SR
Cash and bank balances	63,363
Finance lease receivables	(23,257,599)
Interest income	2,831,554
Trade and other receivables	79,660,636
Trade and other payables	(979,344)
Retained earnings	(1,763,657)
	56,554,953

18. CAPITAL COMMITMENTS

There were no capital commitments as at December 31, 2013.

19. CONTINGENT LIABILITIES

There were no contingent liabilities as at December 31, 2013.