



REIT



HFC REAL ESTATE INVESTMENT TRUST

ANNUAL REPORT 2015

HFC INVESTMENT SERVICES LIMITED
A SUBSIDIARY OF HFC BANK (GHANA) LIMITED



EARN UP TO

15% Interest on your Savings



0 Service Charges on Specific Accounts



0 Charges on HFC Bank ATM transactions

Switch to a World of More
Explore the HFC Bank Suite of products

☎ 0302 242090-4 ✉ hfcomp@hfcbank.com.gh
📘 [hfcbankghana](https://www.hfcbankghana.com)



REIT

ANNUAL REPORT 2015



The Manager

Name: HFC Investment Services Limited (HFC Investments)

Country of Incorporation: Ghana

Registration Number: 50,533

Nature of Corporate Form: Limited liability, wholly-owned subsidiary of the HFC Bank (Ghana) Ltd.

Registered Office: Ebankese
No. 35 Sixth Avenue,
North Ridge
P. O. Box CT. 4603
Cantonments, Accra

Principal Place of Business: No. 48 A, Sixth Avenue
North Ridge, Accra

Date of Incorporation: 7TH JULY 1993 (Name changed from Home Finance Investment Fund Limited to HFC Investment Services Limited on 1ST OCT. 2001).

Capitalization (as at December 31 2015)

Authorized: 10,000,000 (Ten million) Ordinary shares of no Par value

Issued: 2,346,400 shares

Auditors: Ernst and Young
G 15 White Avenue
Airport Residential Area
P.O. Box 16009
Accra





Contents

6	Notice of Annual General Meeting
7	Statement of Trustees' Responsibilities
8	Trustees' Report
9	Fund Manager's Report
12	Auditor's Report
14	Financial Statements
19	Notes to the Financial Statements
29	Admission Form
30	Proxy Form

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twentieth Annual General Meeting of Unitholders will be held at the Osu Presby Church Hall, Accra at 10:30am on Tuesday 31st May, 2016 to transact the following businesses:

AGENDA

1. To receive the report of the Manager for the Year 2015.
2. To receive the Audited Statement of Income and Expenditure of HFC REIT for the financial year ended December 31, 2015 together with the Trustees and Auditors report thereon.
3. To authorize the Manager to fix the remuneration of the Auditors for the Year 2016.

A Unitholder has the right to appoint a proxy to attend and vote on his/her behalf at the Meeting. Such a proxy need not be a Unitholder. A copy of the instrument appointing the proxy may be deposited at any time prior to the commencement of the Meeting at the principal place of business of the Manager.

HFC Investments
No. 48 A, Sixth Avenue
North Ridge, Accra

Dated 20th April, 2016
By Order of the Manager
HFC Investments

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Trust Deed requires the Trustees to prepare financial statements for each financial period, which gives a true and fair view of the state of affairs of the Real Estate Investments Trust. In preparing the financial statements, the Trustees are required to:

- Select suitable accounting policies and apply them consistently,
- Make judgments and estimates that are responsible and prudent,
- State whether applicable accounting standards have been followed, subject to any material departures, disclosed and explain them in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Investment Trust will continue in business.

The Trustees are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Real Estate Investments Trust, which will ensure that the financial statements comply with the Trust Deed and Securities Industry Law, 1993 (PNDCL 333).

They are responsible for safeguarding the assets of the Investment Trust and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The statements should be read in conjunction with the statements of the Auditors' responsibilities as set out on page 12, the respective responsibilities of the Trustees and the Auditors in relation to the financial statement.

REPORT OF THE TRUSTEES

TO THE UNIT HOLDERS OF THE HFC REAL ESTATE INVESTMENT TRUST FOR THE YEAR ENDED 31 DECEMBER 2015

In our opinion, according to the information made available to us and the explanations provided, we confirm that in all material respects, the manager has managed the scheme during the period covered by these financial statements in accordance with the Trust Deed dated 5th August, 1994 and all regulations for the time being in force under the Unit Trust and Mutual Funds Regulations, 2001, (L.I. 1695).

A handwritten signature in black ink, consisting of several overlapping loops and a vertical line extending downwards.

Dated this 20th Day of April 2016

For: UNIVERSAL MERCHANT BANK (GHANA) LIMITED

HFC REAL ESTATE INVESTMENT TRUST

FUND MANAGER'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2015

The residential and commercial real estate market boom witnessed from 2007 onwards, largely on account of oil production and a fast growing economy has gradually slowed down in line with the decline in expansion of the economy in recent times. The deteriorating economic fundamentals, characterized chiefly by rising inflation with continued increased upside risks, high interest rates together with reduced disposable incomes and the impact of the energy crises, primarily underpin the slowdown in the real estate market.

The unsatisfactory local situation was however also further impacted upon by the weakened global economic environment which saw total remittances, a significant source of investor funds for the real estate sector to Ghana, dropping for the second consecutive year to USD1.92billion for 2015. The defining characteristic of the real estate market in 2015 was the available supply of space on the residential front, but with cost structures that reflected the boom periods, thus making available space particularly uncompetitive and not addressing the prevailing demand levels.

These challenges notwithstanding the sector continued to record high rents and leases through 2015. The sector witnessed prime retail space averaging \$42 per sq meter a month and appeared to be on the rise throughout the year, as opposed to declining in line with the economic difficulties. At best this served to indicate that the scope for investment in real estate remained indisputable. Indeed it is interesting to note that UK based renowned Property Consultancy Knight Frank, ranked Accra 10th throughout Africa for its prime rental charges.

Fund Performance

HFC REIT's assets grew by 19.75% over the year from GH¢37.7 million to GHS45.1 million, attributable to your continued patronage and investment returns.

Despite the particularly difficult operating environment as a result of the economic downturn, your fund managed to return a yield of 24.26%. This was significantly above the year end inflation rate of 17.5%. The number of unit holders in the fund increased from 4,833 to 5,575 over the year under review.

Portfolio Review and Asset Mix

Properties continued to dominate the asset mix with an exposure of 59% as against 39.28% in 2014. Investment in both Money Market and Bonds (GOG/Corporate) constituted 38.90% and 25.38% of fund value respectively. This strategic mix contributed significantly in boosting fund performance and providing enough liquidity for unanticipated redemptions during the year under review.

Fund Strategy

HFC REIT will continue to identify pockets of opportunity within the market to ensure the fund yields above average returns for its unit holders.

In the near term HFC REIT is pursuing the development of approximately 5000sqm of office space off the Independence Avenue with guaranteed tenancy for the available space to let, post construction. In addition, the fund is in the process of concluding discussions to enable it commence the construction of 1,400sqm of affordable residential units in the Nyaniba residential area.

These two accretive projects with estimated valuations totaling USD6.6million are expected to be executed in 2016 and should significantly influence the holdings of the fund.

HFC REIT

HIGHLIGHTS OF FUND STATISTICS

	2013	2014	2015	3 yr Avg
REIT (%)	23.01	23.61	24.26	23.16
GOG 1-Year Treasury Note (%)	21.19	21.52	22.51	21.74

Fund Value
GHS37.7m
2014



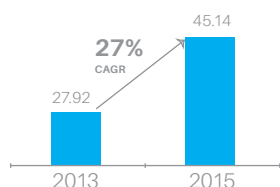
18%

GHS45.1m
2015

2015 Return (Yield)

24.26%

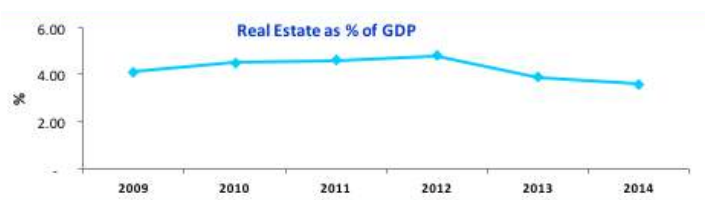
Fund Growth (GHS'm)



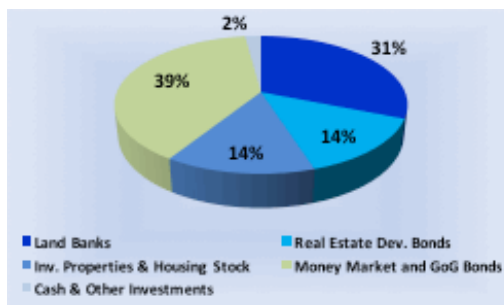
No. of Unit Holders

5,575 (Dec 2015)

15% Growth (y/y)



Portfolio / Asset Mix - Fund Value (2015)



Type	Value (GHC)	% of NFV
Land Banks	14,021,251	31.06%
Investment Properties & Housing Stock	6,297,532	13.95%
Real Estate Development Bonds	6,308,375	13.97%
Money Market & GoG Bonds	17,575,384	38.93%
Cash & Others	942,184	2.09%
Total	45,144,726	100%

Outlook for 2016

The outlook for HFC REIT remains bright in both the near term and long term, despite the economic challenges affecting the real economy. Inflation continues to remain heightened with increased upside risks for 2016 and this clearly has an undesirable effect on the activities of the real estate sector. Interest rates also remain high and are not conducive for the real estate market. However investors on the other hand will continue to have the need to hold real estate as part of their diversified portfolios, to hedge against inflation and to re-organise their wealth and investment portfolios.

Perhaps more importantly and like many other emerging countries, the country's demographic fundamentals over the medium to long term are very strong and will shape and sustain the demand for property. The population of Accra is currently growing at an estimated 2% per annum. Between 2010 and 2015, the population of Accra grew by an estimated 38% and is expected to reach 4.2million by 2025 from the current levels of 2.7million. This will continue to place pressure for appropriate real estate holdings.

The demand pressure is further compounded by the fact that the sector remains fraught with inconsistencies in the acquisition of land that complicates and frustrates development.

We remain confident that the prospects for your fund are immense, and ask that you continue to invest and keep the fund as a key part of your investment portfolio.

I thank you all and wish us the best for 2016.



PETER LARBI-YEBOAH
CHIEF EXECUTIVE OFFICER



Switch to a World of More
Earn up to 15%
on your Savings

Explore the HFC Bank suite of products
#YouDeserveMore

 0302 242090-4  hfcomp@hfcbank.com.gh



A Subsidiary of Republic Financial Holdings Limited

FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2015

HFC REAL ESTATE INVESTMENT TRUST





INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HFC REAL ESTATE INVESTMENT TRUST FOR THE YEAR ENDED 31 DECEMBER 2015

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, 2015, 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 International Financial Reporting 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 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, 2015 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting 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/2016/039)
Chartered Accountants
Farrar Avenue
P. O. Box GP 1219,
Accra.

20th April 2016

HFC REAL ESTATE INVESTMENT TRUST

STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 DECEMBER 2015

Description	Notes	2015 Market Value GH ¢	% Net Assets	2014 Market Value GH ¢	% Net Assets	01-Jan-14 Market Value GH ¢	% Net Assets
NON CURRENT ASSETS							
Land- Serviced Plots		12,468,874	27.83	9,418,245	25.96	3,794,298	13.79
Investment Properties		3,889,746	8.68	5,319,749	14.66	1,991,288	7.24
Housing Stock		3,741,377	8.35	0	0	0	0
TOTAL		20,099,997	44.86	14,737,994	40.62	5,785,586	21
SHORT TERM FUNDS							
Cash at Bank and on Call	4	525,239	1.17	528,353	1.46	489,339	1.78
Held to maturity investments	5	22,629,905	50.50	20,525,374	56.57	16,795,636	61.05
HFC Equity Trust		157,673	0.35	315,346	0.87	315,346	1.15
		22,787,578	50.85	20,840,720	57.44	17,110,982	62.20
Total Short Term Funds		23,312,817	52.03	21,369,073	58.90	17,600,321	63.98
Total Investments		43,412,814	96.88	36,107,067	99.52	23,385,907	85.01
Other Assets in Excess of Liabilities		1,396,240	3.12	175,137	0.48	4,124,474	14.99
Total Net Assets		44,809,054	100.00	36,282,204	100.00	27,510,381	100.00

HFC REAL ESTATE INVESTMENT TRUST

STATEMENT OF ASSETS AND LIABILITIES

AS AT 31 DECEMBER 2015

Assets	Notes	2015	2014	1 Jan. 2014
		GH¢	GH¢	GH¢
Total Investments		43,412,814	36,107,067	23,385,644
Receivables:				
Property Debtors		0	6,338	6,338
Deposit for Land	6	1,552,378	0	0
Interest Receivables	7	1,254,223	1,092,769	1,133,805
Rent Income Receivable		27,500	27,500	40,123
HFC ISL Current Account		61,922	32,684	1,886
Other Receivables		16,963	18,060	0
Total Assets		46,325,800	37,284,418	27,606,258
Liabilities:				
Amount Due to Managers		94,117	77,537	62,716
HFC UT Current Account		4,496	0	14,682
Other Creditors		60,561	18,776	186
Deposits for houses	8	1,331,873	885,576	0
Accrued Charges		25,699	20,325	18,556
Total Liabilities		1,516,746	1,002,214	96,140
Net Assets		44,809,054	36,282,204	27,510,118

SIGNED FOR HFC INVESTMENT SERVICES LIMITED 20th April., 2016.


 Chief Executive Officer


 Director

HFC REAL ESTATE INVESTMENT TRUST

INCOME AND DISTRIBUTION ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 GH¢	2014 GH¢
Investment Income			
Profit on Sale of Land		0	92,749
Treasury Bills		321,641	238,336
Fixed Deposits		2,085,461	604,703
Bonds		3,424,390	3,403,362
Call Account		51,046	17,872
Rent Income		434,376	318,882
Other Income		255,915	22,681
Total Income		6,572,829	4,698,585
Expenses			
Management Fees		1,017,128	798,971
Trustees Fees		0	27,044
Auditors Remuneration		25,700	21,900
Other Expenses	3	165,175	61,059
		1,208,003	908,974
Net Investment Income		5,364,826	3,789,611

ACCUMULATED NET INVESTMENT INCOME

BALANCE AT 1 JANUARY	10,563,493	6,773,882
Net Investment Income	5,364,826	3,789,611
BALANCE AT 31 DECEMBER	15,928,319	10,563,493

HFC REAL ESTATE INVESTMENT TRUST

STATEMENT OF MOVEMENT IN NET ASSETS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 GH¢	2014 GH¢
Net Investment Income		5,364,826	3,789,611
Change In Unrealised Gains	7	4,619,536	2,233,299
Net Increase in Net Assets Resulting from Operations		<u>9,984,362</u>	<u>6,022,910</u>
Capital Transactions			
Value of Units Sold and Converted		17,929,283	14,523,989
Value of Units Disinvested		(19,386,795)	(11,774,813)
Net Proceeds from Capital Transactions		<u>(1,457,512)</u>	<u>2,749,176</u>
Total Increase in Net Assets		<u>8,526,850</u>	<u>8,772,086</u>
Net Assets:			
Balance at 1st January		36,282,204	27,510,118
Total Increase in Net Assets		<u>8,526,850</u>	<u>8,772,086</u>
Balance at 31st December		<u>44,809,054</u>	<u>36,282,204</u>

STATEMENT OF MOVEMENT IN ISSUED UNITS

FOR THE YEAR ENDED 31 DECEMBER 2015

Number of Units at 1st January	21,930,243	20,377,245
Number of Units Issued during the year	<u>8,333,253</u>	<u>8,564,348</u>
	30,263,496	28,941,593
Number of Units disinvested during the year	<u>(9,109,721)</u>	<u>(7,011,350)</u>
Number of Units at 31st December	<u>21,153,775</u>	<u>21,930,243</u>

HFC REAL ESTATE INVESTMENT TRUST

CAPITAL ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2015

CAPITAL ACCOUNT	2015		2014	
	Units	GH¢	Units	GH¢
Balance at 1st January	21,930,243	20,615,797	20,377,245	17,866,621
Value of Units sold & Converted	8,333,253	17,929,283	8,564,348	14,523,989
	30,263,496	38,545,080	28,941,593	32,390,610
Value of Units Disinvested	(9,109,721)	(19,386,795)	(7,011,350)	(11,774,813)
Balance at 31 December	21,153,775	19,158,285	21,930,243	20,615,797

HFC REAL ESTATE INVESTMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

1 Accounting Policies

The significant accounting policies adopted by the Trust and which have been used in preparing these financial statements are stated below:

1.1 Basis of Accounting

The Trust prepares the financial statements under the historical cost convention as modified by the revaluation of Properties.

1.2 Income

Income from Sale of properties is recognised only when the trust has transferred ownership of the property to the buyer.

1.3 Investments

Investments in bills and bonds have been stated at cost. Investments in properties have been stated at current market values. Investment income is accounted for on accrual basis.

1.4 Foreign Currency

Assets and liabilities denominated in foreign currencies are translated into cedis at the exchange rates ruling at the balance sheet date Investments.

Gains and losses resulting from foreign currency translation are included in the income and expenditure statement for the year.

2. MANAGEMENT FEES

This is based on 2.5% of the fair market value of the total assets owned by the Trust.

HFC REAL ESTATE INVESTMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

3 OTHER EXPENSES comprise of the following:

	2015 GH¢	2014 GH¢
Bank Charges	32,723	16,752
Impairment Loss	46,178	0
General Expenses	86,274	44,307
	<u>165,175</u>	<u>61,059</u>

4 CASH AT BANK AND ON CALL

Cash at Bank	525,239	528,353
	<u>525,239</u>	<u>528,353</u>

5 HELD TO MATURITY INVESTMENTS

Treasury Bills	0	2,290,004
Fixed Deposit	14,553,125	2,850,000
Bonds	8,076,780	15,385,370
	<u>22,629,905</u>	<u>20,525,374</u>

6 DEPOSITS FOR LAND

Blue Rose Company Limited	1,552,378	0
---------------------------	-----------	---

The Fund made a payment to Blue Rose Company to acquire Land for development. The Fund has since finished payment but the documents are with HFC Bank who are working to transfer ownership of title to the Fund.

7 INTEREST RECEIVABLE

Fixed Deposits	784,545	1,076,681
Call	379	0
Bonds	469,299	0
Treasury Bills	0	16,088
	<u>1,254,223</u>	<u>1,092,769</u>

8 DEPOSIT FOR HOUSES

Amounts paid by customers in respect of subsequent purchase of houses.	1,331,873	885,576
	<u>1,331,873</u>	<u>885,576</u>

HFC REAL ESTATE INVESTMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

	2015	2014
	GH¢	GH¢
9 UNREALIZED GAINS / (LOSSES)		
Market Value of Investment Property	12,468,874	9,418,245
Cost of Investment Property	(7,849,338)	(7,184,946)
Change in Unrealised gains	4,619,536	2,233,299
Add Unrealised gains from previous years	5,102,913	2,869,614
Unrealised gains as at 31 December	<u>9,722,449</u>	<u>5,102,913</u>

10 CONTINGENT LIABILITIES

There were no contingent liability at the end of the year.

HFC REAL ESTATE INVESTMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

11a Transition to IFRS

HFC Real Estate Investment Trust has reported under Ghana GAAP in its previous financial statements for the year ended 31 December 2014. The analysis below shows a reconciliation of total income statement and equity as reported under Ghana GAAP as at 31 December 2014 to the revised total Comprehensive income and equity under IFRS in these financial Statements. In addition there is reconciliation of equity under Ghana GAAP to IFRS at the transition date 1 January 2014.

The Income statement for the reporting period ended 31 December 2014 can be reconciled to amounts reported under previous Ghana GAAP as follows:

	Previous GAAP	Effects of transition to IFRS	IFRSs 2014
	GH¢	GH¢	GH¢
Investment Income			
Profit on Sale of Land	92,749	0	92,749
Treasury Bills	238,336	0	238,336
Fixed Deposits	604,703	0	604,703
Bonds	3,403,362	0	3,403,362
Call Account	17,872	0	17,872
Rent Income	318,882	0	318,882
Other Income	22,681	0	22,681
Total Income	4,698,585	0	4,698,585
Expenses			
Management Fees	798,971	0	798,971
Trustees Fees	27,044	0	27,044
Auditors Remuneration	21,900	0	21,900
Other Expenses	61,059	0	61,059
	908,974	0	908,974
Net Investment Income	3,789,611	0	3,789,611

HFC REAL ESTATE INVESTMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

11b Transition to IFRS (Continued)

The Statement of Assets and Liabilities reported at 31 December 2014 can be reconciled to the amounts reported under previous Ghana GAAP as follows:

Non Current Assets	Notes	Previous GAAP GH¢	Effects of transition to IFRS GH¢	IFRSs 2014 GH¢
Land		9,418,245	0	9,418,245
Investment Properties	11b i	1,991,287	3,328,462	5,319,749
Work In Progress	11b i	3,328,462	(3,328,462)	0
TOTAL		14,737,994	0	14,737,994
SHORT TERM FUNDS				
Cash at Bank and on Call		528,353	0	528,353
Held to maturity Investments		0	20,525,374	20,525,374
Treasury Bills	11b ii	2,290,004	(2,290,004)	0
Fixed Deposit	11b ii	2,850,000	(2,850,000)	0
Bonds	11b ii	15,385,370	(15,385,370)	0
HFC Equity Trust		315,346	0	315,346
Total Short Term Funds		21,369,073	0	21,369,073
Total Investments		36,107,067	0	36,107,067
Other Assets in Excess of Liabilities		175,137	0	175,137
Total Net Assets		36,282,204	0	36,282,204
Total Investments		36,107,067	0	36,107,067
Receivables:				
Property Debtors		6,338	0	6,338
Interest		1,092,769	0	1,092,769
Rent Income Receivable		27,500	0	27,500
HFC ISL Current Account		32,684	0	32,684
Other Receivables		18,060	0	18,060
Total Assets		37,284,418	0	37,284,418
Liabilities:				
Amount Due to Managers		77,537	0	77,537
Other Creditors		18,776	0	18,776
Deposits		885,576	0	885,576
Accrued Charges		20,325	0	20,325
Total Liabilities		1,002,214	0	1,002,214
Net Assets		36,282,204	0	36,282,204

HFC REAL ESTATE INVESTMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

- 11b i Under the previous GAAP work in progress is shown separately but under IFRS this is classified under investment properties.
- 11b ii Under the previous GAAP Investments in Treasury bills, fixed deposits and bonds are shown separately but under IFRS all such investments are classified under Held to Maturity investments.
- 11c Transition to IFRS
Equity reported at the date of transition can be reconciled to the amounts reported under the previous Ghana GAAP as follows:

HFC REAL ESTATE INVESTMENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2015

Non Current Assets	Notes	Previous GAAP GH¢	Effects of transition to IFRS GH¢	IFRSs 1 Jan. 2014 GH¢
Land		3,794,298	0	3,794,298
Investment Properties		1,991,288	0	1,991,288
TOTAL		5,785,586	0	5,785,586
SHORT TERM FUNDS				
Cash at Bank and on Call		489,339	0	489,339
Held to maturity Investments	11c i	0	16,795,373	16,795,373
Treasury Bills	11c i	350,003	(350,003)	0
Fixed Deposit	11c i	3,250,000	(3,250,000)	0
Bonds	11c i	13,195,370	(13,195,370)	0
HFC Equity Trust		315,346	0	315,346
Total Short Term Funds		17,600,058	0	17,600,058
Total Investments		23,385,644	0	23,385,644
Other Assets in Excess of Liabilities		4,124,474	0	4,124,474
Total Net Assets		27,510,118	0	27,510,118
Total Investments		23,385,644	0	23,385,644
Receivables:				
Property Debtors		6,338	0	6,338
Deposit for Houses		3,038,462	0	3,038,462
Interest		1,133,805	0	1,133,805
HFC ISL Current Account		40,123	0	40,123
Other Receivables		1,886	0	1,886
Total Assets		27,606,258	0	27,606,258
Liabilities:				
Amount Due to Managers		62,716	0	62,716
HFC UT Current Account		14,682	0	14,682
Other Creditors		186	0	186
Accrued Charges		18,556	0	18,556
		96,140	0	96,140
		27,510,118	0	27,510,118

11c i Under the previous GAAP Investments in Treasury bills, fixed deposits and bonds are shown separately but under IFRS all such investments are classified under Held to Maturity investments.

START
an
INVESTMENT PLAN
today @ HFC Investments

Call us on
0302664430, 0302664203
Visit us on
www.hfcinvestments.com



HFC REAL ESTATE INVESTMENT TRUST

ADMISSION FORM

Annual General Meeting to be held at the Osu Presby Church Hall, Accra at 10:30am on Tuesday, 31st May 2016.

A Unitholder who is unable to attend an Annual General Meeting (AGM) is allowed to vote by proxy. The Proxy form on the next page has been prepared to enable you to exercise your right to vote in case you cannot personally attend the meeting.

Provision has been made on the form for the Chairman of the meeting to act as your proxy, but if you wish, you may insist in the blank space on the form (marked**) the name of any person whether a Unitholder or not, who will attend the meeting and vote on your behalf instead of the Chairman of the Meeting.

Please sign the proxy form on the next page and post it so as to reach the address in the front not later than Tuesday, 31st May 2016.

If executed by a Body Corporate, the proxy form should bear its common seal or be signed on behalf by a director.

IMPORTANT:

- a. The name of the Unitholder must be written in BLOCK LETTERS on the Proxy form where marked (**)
- b. This admission form must be produced by the Unitholder or his/her proxy in order to obtain admission to the Annual General Meeting.
- c. Unitholders or their Proxies are requested to sign the admission form before attending the meeting.
- d. In case of joint holders, each joint holder should sign.

HFC Real Estate Investment Trust / Proxy Form

Annual General Meeting to be held at the Osu Presby Church Hall, Accra at 10:30am on Tuesday, 31st May 2016..

I/we..... being a Unitholder(s) hereby appoint
or failing him/her the Chairman of the

Meeting as my/our proxy to act and vote for me/us and on my/our behalf at the Annual General Meeting of the Fund to be held on 31st May 2016 and at any adjournment thereof

Dated this 31st day of May 2016.

.....

Unit Holder(s) Signature

Resolution	For	Against
To adopt the 2015 Manager’s Report		
To approve the accounts for the financial year ended 31st December, 2015.		
To authorize the Manager to Fix the Auditor’s Remuneration for the year 2016		

Please indicate with an “X” in the appropriate square how you wish your votes to be cast on the resolution set out above.

Unless otherwise instructed the proxy will vote for or abstain from voting at his/her discretion.

(Do not complete this form if you will attend the meeting)



Be different. Be global.

Let your card take you places.

***Enjoy transactions anytime on ATMs, ONLINE and POS.**

(233-0302) 242090-4
www.hfcbank.com.gh
www.facebook.com/hfcbankghana

 **hfc**bank
possible together



HFC Investments
No. 48 A, Sixth Avenue
North Ridge, Accra