

DRILL

# HFC UNIT TRUST

HFC INVESTMENT SERVICES LIMITED

A Subsidiary of HFC Bank (Ghana) Limited

## 2008 | ANNUAL REPORT and Financial Statement



HFC INVESTMENT SERVICES



# Success Early...



**HFC INVESTMENT SERVICES**

## ■ COLLECTIVE SCHEMES

- HFC Equity Trust
- HFC Unit Trust
- HFC Real Estate Investment Trust (REIT)

## ■ ASSET MANAGEMENT

- High Networth Individuals
- Provident & Pension Funds

## ■ FINANCIAL ADVISORY SERVICES

## ■ HFC BROKERAGE SERVICES LTD.

(A Subsidiary of HFC Investment Services Ltd.)

**Look out  
for the  
HFC F-Plan**

HFC Future Plan - Yen Daakye Nti  
Launch - 9th June '09

**HFC INVESTMENT SERVICES LIMITED**  
(A Subsidiary of HFC BANK)

Tel. : (233-21) 683891-3,  
Fax: (233-21) 664106  
Email:isl@hfcbankgh.com  
Web: www.hfcinvestments.com

**HFC INVESTMENT SERVICES LIMITED**

A Subsidiary of HFC Bank (Ghana) Limited

DR12

# **HFC UNIT TRUST**

**Annual Report and Financial Statement**

# **2008**



**HFC INVESTMENT SERVICES**



## HFC UNIT TRUST

2008 Annual Report and Financial Statement

# THE MANAGER

Name:	HFC Investment Services Limited (HFCISL)
Country of Incorporation:	Ghana
Registration Number:	50,533
Nature of Corporate Form:	Limited liability, wholly-owned subsidiary of HFC Bank (Ghana) Ltd.
Registered Office:	Ebankese No. 35 Sixth Avenue, North Ridge P. O. Box CT. 4603 Cantonments, Accra
Principal Place of Business:	HFC Bank (Ghana) Ltd., Ridge Branch 6 Sixth Avenue, Ridge Ambassadorial Enclave, West Ridge, Accra
Date of Incorporation:	7th JULY 1993 (Name changed from Home Finance Investment Fund Limited to HFC Investment Services Limited on 1ST OCTOBER 2001).
Capitalization (as at December 31, 2008)	
Authorized:	1,000,000 (One million) Ordinary shares of no Par value
Issued:	100,000 shares
Auditors:	Pricewaterhousecoopers Chartered Accountants UNA Home, Accra Airport City.



# CONTENTS

Notice of Annual General Meeting	2
Statement of Trustees Responsibilities	3
Trustees' Report	4
Manager's Report	5
Auditors' Report	12
Financial Statement	18
Notes to the Accounts	22
Schedule to the Income Account	26
Admission Form	27
Proxy Form	28



## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of Unitholders will be held at the National Theatre, Accra, at 11.00am on 26th June, 2009 to transact the following businesses:

### Agenda

1. To receive the report of the Manager for the Year 2008.
2. To receive the Audited Statement of Income and Expenditure and Distribution Statement of HFC Unit Trust for the Financial Year ended December 31, 2008 together with the Trustees and Auditors reports thereon.
3. To authorize the Manager to fix the remuneration of the Auditors for Year 2009.

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 Investment Services Limited

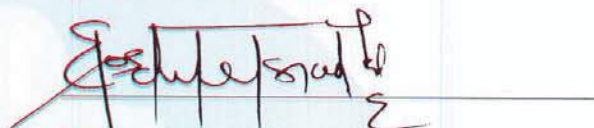
6 Sixth Avenue,

Ridge Ambassadorial Enclave,

West Ridge, Accra

Dated 28th May, 2008

By Order of the Manager.



JOSEPH NKETSIAH

For: HFC Investment Services Limited

## Statement of Trustee's 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 Unit 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 explained 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 Unit Trust, which will ensure that the financial statements comply with the Trust Deed and Securities Industry Law, 1993 (PNDCL 333). They are also 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 statement of the Auditors' responsibilities as set out on page 12, the respective responsibilities of the Trustees and the Auditors in relation to the financial statements.

## Report of the Trustee to the Unitholders of the HFC UNIT TRUST for the year ended 31 December 2008

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 14th May, 1991 and all regulations for the time being in force under the Securities Industry Law, 1993 (PNDCL 333).

Dated this 28th Day of April 2009

For:

  
MERCHANT BANK (GHANA) LIMITED



## **HFC UNIT TRUST Managers Report for the year ended 31 December 2008**

### **ECONOMIC OVERVIEW**

#### **Introduction**

The Ghanaian economy witnessed significant expansion through robust revenue generation and a disproportionately high expenditure levels as has been indicated by provisional fiscal data for 2008. These were contained in the midst of the global food and crude oil crisis which threatened macro-economic stability particularly in emerging markets and developing countries.

#### **Inflation**

Inflation, which was 12.7% as at December 2007 consistently moved upward to 18.41% as at the end of the second quarter. It declined steadily to 17.44% by November 2008 before edging up to close the year at 18.13%. The rise in inflation was primarily a result of global food shortages and high energy prices. On the local front, increase in domestic demand and the fast pace of economic activity contributed to inflation levels recorded at the end of the year.

#### **Interest rate**

Interest rates generally moved upwards in 2008. The Prime Rate was increased on three occasions. From 13.5% at the beginning of the year, it went up to 14.5% in March, 16.0% in May and rose again in July to 17.0%. In response to the Prime Rate trends, average interest rates on Government Securities and inter-bank market also went up during the year. The benchmark 91-Day Treasury bill gained 14.06 percentage points to close the year at 24.67%. The 1-Year and the 2-Year Notes also increased by 7.70% and 8.20% to close the year at 20.0% and 21.0% respectively. The base rates of banks followed an upward trend in line with the direction of rates on Government Securities. The average base rate of banks in Ghana was 26.12% as at the end of September 2008. This was revised upward in the fourth quarter to an average of 27.22%.

## Exchange rates

On the inter-bank market the Cedi was steady during the first quarter of the year. However, in the second quarter, it weakened sharply and by the end of the first half of the year, it had depreciated by 6.0%, 4.6% and 11.7% against the US Dollar, the Pound Sterling and the Euro respectively. The performance of the Cedi in the second quarter was partly as a result of the re-alignment of major international currencies, a surge in demand for foreign exchange to meet higher oil and food prices and servicing of external debt.

The local currency continued to depreciate against the US Dollar and the Euro but traded strongly against the Pound Sterling in the second half of the year. On an annual basis, the Cedi depreciated by 20.1% and 16.1% against the US Dollar and the Euro respectively, but appreciated by 5.2% against the Pound Sterling.

## Real GDP

The slippage in the growth of the economy in 2007 manifested in the first few months of 2008. Macro-economic balances weakened and thus increased the country's external vulnerabilities. Provisional data point to a growth in the GDP in the region of 6 to 7 percent for the year 2008.

## FINANCIAL MARKET ENVIRONMENT

### Stock Market Review-2008

The Ghana Stock Exchange once again recorded significant gains during the year despite the turmoil on the world's major capital markets. The GSE All-share index recorded a gain of 58.06% as at December 2008, compared with a gain of 31.84% in December 2007. Ecobank Transnational Incorporated (ETI) and UT Financial services Ltd (UTFSL) both commenced their initial public offers (IPOs) for subscription in the year 2008. However, only UT Financial services Ltd was listed on the stock exchange by the end of 2008.



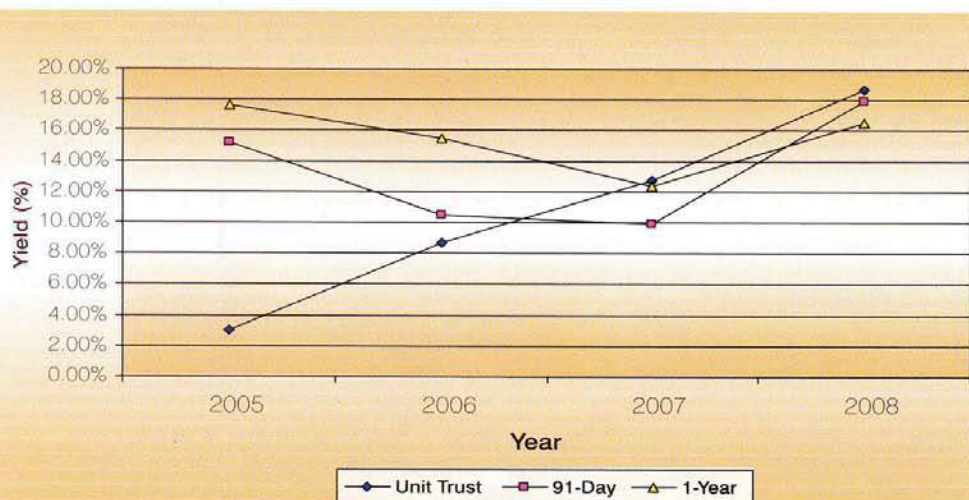
## FUND PERFORMANCE

Our investment strategy in 2008 was anchored on an aggressive but prudent approach to profitably investing your funds, taking advantage of the developments in the money market environment. The result of this investment strategy was a marked improvement in the annualized yield, the size of the fund and the portfolio mix.

### Yield

HFC Unit Trust maintained its position as the best performing Money Market Collective Investment Scheme on the Ghanaian market in terms of yield. The fund posted an annualized yield of 18.70% as at December 2008, compared with 12.75% recorded within the same period in 2007. This means, for instance, that an investment GH¢1,000.00 made in January 2008 would have become GH¢1,187.00 in December 2008; i.e. generating interest earnings of GH¢187.00.

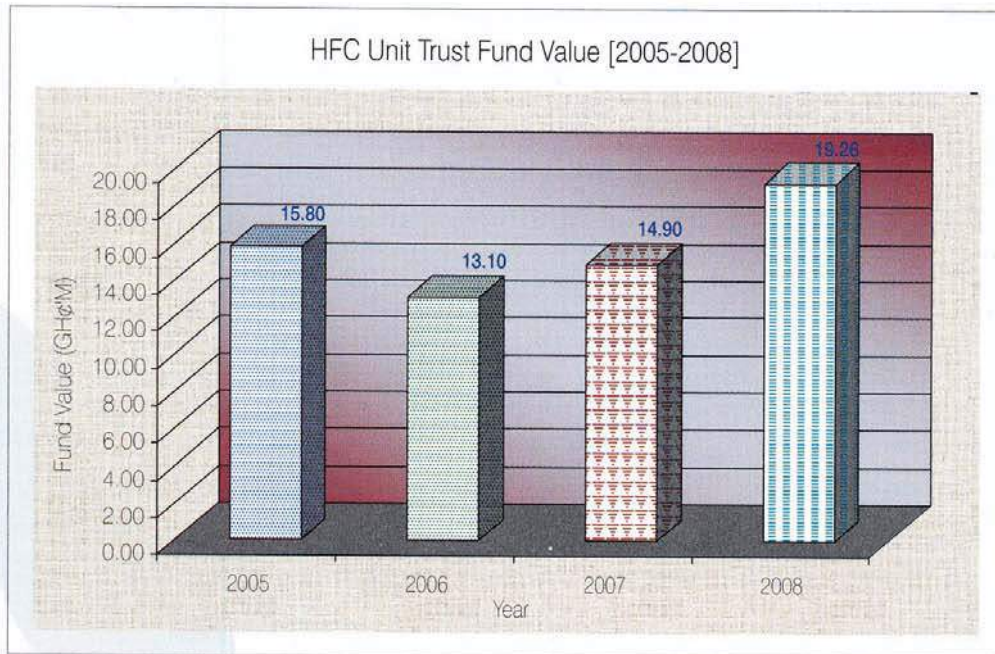
A line graph showing the historical performance of HFC Unit Trust against 12-month Average of BOG 91-day T'Bill and 1-year Note



The Fund's yield compared favourably with the benchmark BOG Treasury rates recorded within the same period. The 12-month average rates on the 91-Day Treasury bill and the 1-Year Treasury note were 0.76 and 2.15 percentage points below the yield on HFC Unit Trust. This impressive performance in 2008 became possible through continuous investment shift towards higher yielding fixed income instruments, particularly blue chip corporate notes and bonds.

### Fund Value

The gross fund value grew by 29.3% from GH¢14.9 million in December 2007 to GH¢19.267 million in December 2008. The growth in the size of the fund mainly resulted from additional investments made in the year by both existing and new clients who took advantage of the rising performance of the fund relative to other available investment opportunities. Total number of unit holders increased by 17.95% from 13,509 in 2007 to 15,934 in 2008.



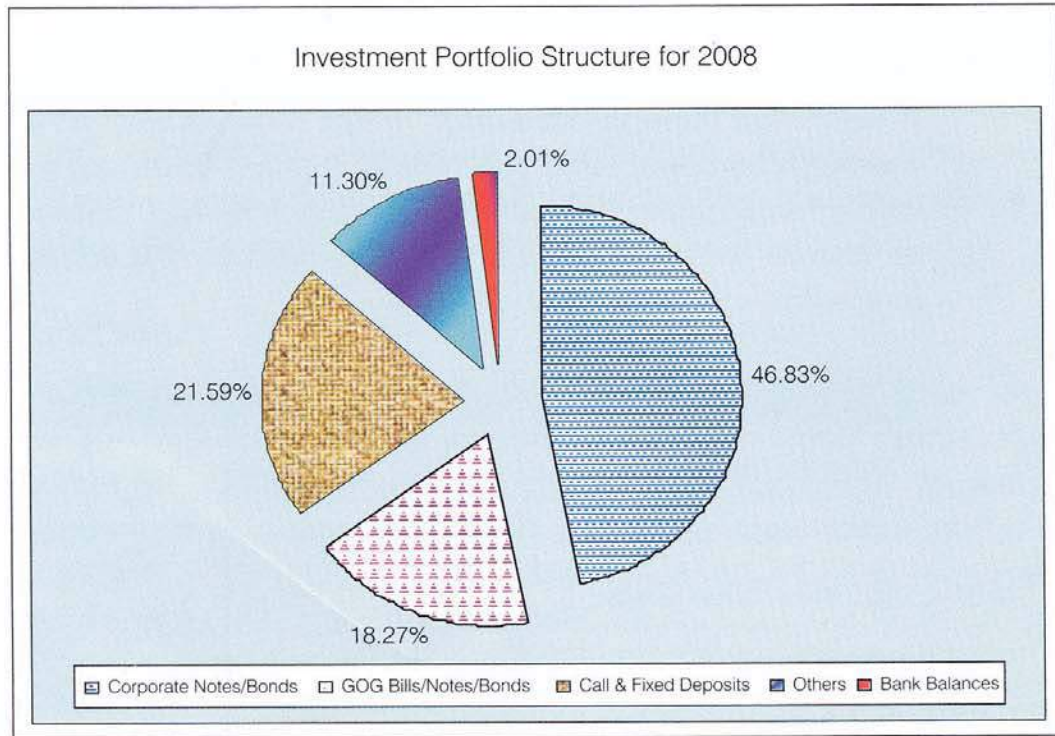


## Investment Portfolio

Being conscious of the need to stabilize the short-term returns as well as long-term growth of the fund, your manager in 2008 embarked on an active realignment of the fund. This made it possible to swiftly move funds into attractive investment opportunities through effective monitoring of developments within the financial system. As a result, the portfolio structure as at December 2008 comprised the following:

	Value (GH¢)	%
Corporate Notes/Bonds	9,023,547.10	46.83
Call & Fixed Deposits	4,160,283.00	21.59
GOG Bills/Notes/Bonds	3,521,134.38	18.27
Others	2,174,412.05	11.30
Bank Balances	387,696.34	2.01
	19,267,072.87	100.00

The above portfolio structure reflects the dynamism and flexibility maintained in placing funds into higher yielding financial instruments to deliver improved returns to our valued clients.



**Marketing and Promotion:**

Your manager continued with the various marketing and promotional activities started in 2007. The aim was to disseminate the quality of investment opportunity that is provided by HFC Unit Trust and the significant improvement in its performance to attract more investments in the fund. The programs comprised organizing of investment talks to various groups such as churches, advertisement on the television, radio and print media, printing of hand bills and erection of bill boards.




## OUTLOOK FOR THE YEAR 2009

The effect of the global financial crisis on the Ghanaian economy is expected to be much more visible in 2009. Already, the Ghana stock market has received its fair share of the turmoil in the global capital markets through market corrections and depreciation in stock prices. Also, the rise in inflation is expected to peak early in the second quarter before returning to the range of 10 – 13 percent by the end of the year. We expect that government policy of curbing spending in the economy through tightening its monetary policy will hold interest rates relatively high throughout the year. HFC Unit Trust is therefore poised to achieve a higher return than the previous year.

## CONCLUSION

We wish to assure you, our most cherished unit holders that HFC Investments Services Limited is fully committed to relentlessly combining all efforts at making your investments dreams a reality in 2009. We encourage you therefore to increase your investments in HFC Unit Trust because we remain confident that 2009 will surely be another year of great rewards.



---

JOSEPH NKETSIAH  
GENERAL MANAGER

## **Independent Auditor's Report to the Members of HFC UNIT TRUST for the year ended 31 December 2008**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of HFC Unit Trust which comprise the balance sheet as of December 31, 2008, and the income statement, and cash flow statement 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 National Accounting Standards and in the manner required by 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 Unit Trust as of December 31, 2008 and of its financial performance and its cash flows for the year then ended in accordance with Ghana National Accounting Standards and comply with the Ghana Companies Code, 1963 (Act 179) and have been properly prepared in accordance with the Securities Industry Law, 1993 (PNDCL 333).

## Report on Other Legal and Regulatory Requirements

The Ghana 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 Company, so far as appears from our examination of those books, and
- iii The Company's balance sheet and profit and loss account of the Company are in agreement with the books of accounts.

**HFC UNIT TRUST**

2008 Annual Report and Financial Statement

FARRAR AVENUE  
ACCRA

29th APRIL 2009

*Pannell Kerr Forster*

**PANNELL KERR FORSTER**  
**CHARTERED ACCOUNTANTS**



## ASSET MANAGEMENT SERVICES

*Are you seeking good interest rates, security and timely reports on your investments?  
Talk to us HFC-ISL Asset Management.....*

### We have expertise in:

- 🍏 Provident /Pension Fund Management
- 🍏 High Net worth Investment Services
- 🍏 Fund Management For Groups & Institution (Churches, Investment Clubs, NGO's, Etc)
- 🍏 Endowment Fund Management

### What You receive:

- 🍏 High Returns on your Investments
- 🍏 A Dedicated Investment Officer to handle all your investment needs
- 🍏 Benefits from the expertise of our competent investment managers
- 🍏 Low and highly competitive management fee
- 🍏 Quarterly reports on your investment
- 🍏 Provident fund statements for individual members within a fund
- 🍏 Ability to use your investment to secure a wide variety of loans (including mortgage loans) from HFC BANK
- 🍏 Ability to use your investment statement to support visa application
- 🍏 Holding a Diversified Portfolio with one competent investment manager
- 🍏 The peace of mind that comes with leaving the management of your finances to professionals!

**With Us, Your Future Cash Flows Are Secured!! Talk To Us!**

021 683891-3 / [www.hfcinvestments.com](http://www.hfcinvestments.com) / [isl@hfcbankgh.com](mailto:isl@hfcbankgh.com)

# **HFC BROKERAGE SERVICES LTD.**

*We undertake the following*

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

Timely Delivery and Value Addition is our Hallmark!!!



## FINANCIAL ADVISORY

HFC-ISL provides advisory services for corporate clients in the following areas:

- ❶ **Public Offering:** HFC-ISL provides quality and efficient advisory and marketing services for clients who desire to raise capital by offering equity or debt instrument to the investing public in public offer of shares, notes and bonds. HFC-ISL ensures that all such instruments meet the legal requirements of the SEC, and where such instruments are to be listed on the stock market, the legal and procedural requirements of the Ghana Stock Exchange as well.
- ❷ **Private Placement:** HFC-ISL is a significant market player in the private placement of debt (short and medium term) and equity instrument by offering such instruments directly to a number of sophisticated institutional investors which include insurance companies, trusts and collective investment schemes, or as it frequently does, fully underwrite the entire issue.
- ❸ **Investment Banking:** HFC-ISL also provides a wide range of advisory services in mergers, acquisitions, corporate defence activities, restructuring, Management Buyout (MBO) and Leveraged Buyout (LBO) deals.
- ❹ **Feasibility Studies:** HFC-ISL undertakes the preparation of financial feasibility studies for clients and also reviews and refines feasibility reports presented by clients seeking funds for the implementation of business projects. We propose viable options available to the client, and consult with the client to select the option that best suits the goals and objectives of the business.

## Income and Expenditure Account

for the year ended 31 December 2008

	Notes	2008 GH c	2007 GH c
<b>INCOME</b>		<b>2,357,359</b>	<b>1,768,973</b>
<b>LESS: EXPENSES</b>			
Management Fees	2	349,556	280,505
Audit Fees		9,500	7,000
Other Expenses	3	104,424	142,760
		<b>463,480</b>	<b>430,265</b>
<b>NET INCOME</b>		<b>1,893,879</b>	<b>1,338,708</b>
Transfer to Management Fund	4	(18,939)	(13,387)
		<b>1,874,940</b>	<b>1,325,321</b>
Interest paid on Disinvestments		(673,025)	(462,846)
<b>Net Income Before Distribution Transferred to Distribution Account</b>		<b>1,201,915</b>	<b>862,475</b>

## Distribution Statement for the year ended 31 December 2008

Balance at 1st January		3,481,350	2,575,458
Prior Year Adjustment	13	0	43,417
		<b>3,481,350</b>	<b>2,618,875</b>
Income for Distribution for the year		<b>1,201,915</b>	<b>862,475</b>
		<b>4,683,265</b>	<b>3,481,350</b>
Payments made during the year		0	0
<b>Balance at 31st December</b>		<b>4,683,265</b>	<b>3,481,350</b>

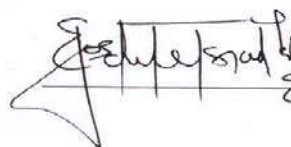


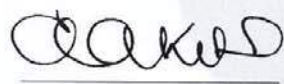
## BALANCE SHEET

as at 31 December 2008

	Notes	2008 GH ¢	2007 GH ¢
<b>ASSETS</b>			
Investments	5	16,937,515	12,902,503
Accounts Receivable	6	16,118	15,266
Interest Receivable	7	723,017	527,404
Cash at Bank and on Call	8	1,092,961	974,439
		<b>18,769,611</b>	<b>14,419,612</b>
<b>LIABILITIES</b>			
Overdraft	9	167,866	137,353
Accounts Payable	10	88,632	74,693
Management Fund		256,497	212,046
<b>NET ASSETS</b>		<b>18,513,114</b>	<b>14,207,566</b>
<b>AMOUNTS DUE TO UNIT HOLDERS</b>			
Capital Account	11	12,307,284	9,578,297
Distribution Account		4,683,265	3,481,351
Capital Surplus	12	1,522,565	1,147,918
		<b>18,513,114</b>	<b>14,207,566</b>

SIGNED FOR HFC INVESTMENT SERVICES LIMITED 16th APRIL, 2009.

  
GENERAL MANAGER

  
DIRECTOR

## Cash Flow Statement

for the year ended 31 December 2008

	2008 GH c	2007 GH c
<b>RECOILIATION OF OPERATING PROFIT TO THE NET CASH FLOW FROM OPERATING ACTIVITIES</b>		
Income Before Distribution	1,201,915	862,476
(Increase) / Decrease In Accounts Receivable	(852)	2,010
Increase In Interest Receivable	(195,613)	(116,217)
Increase In Accounts Payable	30,513	57,326
Interest Paid on Disinvestment	673,025	462,846
Investment Income	(2,295,506)	(1,766,484)
Profit Realised on Sale Of Shares	(46,411)	(1,031)
Change In Management Fund	13,939	9,386
<b>NET CASH OUT FLOW FROM OPERATING ACTIVITIES</b>	<b>(618,990)</b>	<b>(489,688)</b>
<b>RETURN ON INVESTMENT AND SERVICING OF FINANCE</b>		
Investment Income	2,295,506	1,766,484
<b>INVESTING ACTIVITIES</b>		
Purchase of Fixed Deposit	(1,919,867)	(5,030,031)
Sale of Shares	55,264	4,958
Purchase of Other Securities	(145,353)	(2,617,293)
<b>FINANCING ACTIVITIES</b>		
Interest Paid on Disinvestment	(673,025)	(462,846)
Units Sold	14,729,773	8,116,329
Units Disinvested	(12,000,786)	(7,627,875)
Distribution Paid		



## Cash Flow Statement

for the year ended 31 December 2008

Increase / (Decrease) in Cash And Cash Equivalents	1,722,522	(6,339,962)
Cash And Cash Equivalents At 1 January	1,564,439	7,904,401
Cash And Cash Equivalents At 31 December	3,286,961	1,564,439
Analysis Of Cash And Cash Equivalents		
Cash and Bank balances	1,092,961	974,439
Short Term Investments	2,194,000	590,000
	3,286,961	1,564,439

## Notes to the Financial Statements

for the year ended 31 December 2008

### 1 ACCOUNTING POLICIES

The principal 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 listed investments.

#### 1.2 Investments

##### i) Government Securities

Government Securities comprise treasury bills and bonds which are debt securities issued by the government of Ghana. These securities are stated at cost.

##### ii) Listed Securities

Listed Securities are initially recognized at cost and subsequently re-measured at fair value (market price).

Unrealised gains or losses arising from the changes in the fair value are recognized in equity. On disposal the fair value adjustment accumulated in equity are recognized in the income statement.

Dividends from listed securities are accounted for on cash basis.

### 2. MANAGEMENT FEES

This is based on 2% of the fair market value of the total assets owned by the Trust.

### 3. OTHER EXPENSES comprise the following:

	2008	2007
	GH ¢	GH ¢
Bank Charges	19,410	28,333
Loss on Revaluation		



## Notes to the Financial Statements

for the year ended 31 December 2008

Manager's Reimbursable Expenses	85,014	114,427
	104,424	142,760

### 4. MANAGEMENT FUND

Transfers to the Management fund are made in accordance with the Trust Deed. The Trustees shall be paid out of this fund.

### 5. INVESTMENTS

Short Term Securities	2,194,000	590,000
Fixed Deposits	7,816,898	5,897,031
Listed Securities	2,174,414	1,643,847
Other Securities	4,752,204	4,771,625
	16,937,515	12,902,503

### 6. ACCOUNTS RECEIVABLE

HFC-REIT Current Account	8,324	7,472
HFC Bank	7,794	7,794
	16,118	15,266

### 7. INTEREST RECEIVABLE

Treasury bills	129,452	48,873
Fixed Deposit	352,823	281,937
Bonds	78,298	188,254
Housebonds	162,444	8,340
	723,017	527,404

### 8. CASH AT BANK AND ON CALL

Cash at Bank	342,961	22,818
Cash on Call	750,000	951,621
	1,092,961	974,439

## Notes to the Financial Statements

for the year ended 31 December 2008

	2008	2007		2008	2007
	GH c	GH c		Units	GH c
<b>9. ACCOUNTS PAYABLE</b>					
Amounts Due to Managers	70,000	120,000			
Equity Fund Current Account	65	1,468			
Accrued Charges	97,801	15,885			
	<b>167,866</b>	<b>137,353</b>			
<b>10. MANAGEMENT FUND</b>					
Balance at 1 January	74,693	65,307			
Payments made during the year	(5,000)	(4,000)			
Charge for the year	18,939	13,386			
Balance at 31 December	<b>88,632</b>	<b>74,693</b>			
<b>11. CAPITAL ACCOUNT</b>					
	Units	GH c		Units	GH c
Balance at 1st January	142,318,395	9,578,297		118,134,901	9,089,843
Value of Units Sold and Converted	218,313,716	14,729,773		84,754,347	8,116,329
	360,632,111	24,308,070		202,889,248	17,206,172
Value of Units Disinvested	(85,925,505)	(12,000,786)		(60,570,853)	(7,627,875)
Value of the Trust Fund at 31 December	<b>274,706,606</b>	<b>12,307,284</b>		<b>142,318,395</b>	<b>9,578,297</b>



## Notes to the Financial Statements

for the year ended 31 December 2008

### 12. CAPITAL SURPLUS

This arose as a result of the revaluation of the listed securities by the Managers of the Trust

	2008 GH c	2007 GH c
Balance at 1 January	1,147,918	1,000,507
Prior Year Adjustment	o	(43,417)
Net Increase In the value of shares	374,647	190,828
Balance at 31 December	<b>1,522,565</b>	<b>1,147,918</b>

### 13. PRIOR YEAR ADJUSTMENT

This arose as a result of a change in accounting policy for listed securities Investment.

## Schedule to Income and expenditure Statement

for the year ended 31 December 2008

	2008	2007
	GH ¢	GH ¢
<b>1. INCOME</b>		
Interest on Fixed Deposits	1,477,004	625,525
Interest on Treasury Bills	243,000	802,037
Dividends	37,740	22,815
Interest on Call Account	85,618	29,560
Other Income	61,853	6,257
Interest on Bonds	452,144	282,779
	<b>2,357,359</b>	<b>1,768,973</b>
<b>2. EXPENSES</b>		
Management Fees	349,556	280,505
Audit Fees	9,500	7,000
Other Expenses:		
Bank Charges		28,333
Loss on Revaluation	19,410	0
Reimbursable Expenses-Manager	85,014	114,427
	<b>463,480</b>	<b>430,265</b>
<b>3. NET INCOME FOR THE YEAR</b>	<b>1,893,879</b>	<b>1,338,708</b>



## HFC UNIT TRUST / Admission Form

Annual General Meeting to be held at National Theatre, Accra at 11:00 am on Friday 26th June, 2009.

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 25th June 2009.

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 UNIT TRUST / Proxy Form

Annual General Meeting to be held at National Theatre, Accra at 11:00 am on Friday, 26th June 2009.

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 26th June 2009 and at any adjournment thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2009

\_\_\_\_\_  
Unit Holder(s) Signature

Resolution	For	Against
To adopt the 2008 Manager's Report		
To approve the accounts and distribution statement for the financial year ended 31st December, 2008.		
To authorize the Manager to Fix the Auditor's Remuneration		

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)



# HFC BANK DEFINES MICROFINANCING IN GHANA



HFC Bank in partnership with CHF International of USA established a microfinance service company in December 2006 called BOAFO MICROFINANCE SERVICES LTD. Boafo is a subsidiary of HFC Bank with a mission "To serve the credit demands of low and moderate-income Ghanaian households to maximize their pursuit of shelter, business, education, and other opportunities." We offer individual loans from GH¢500.00 to GH¢20,000.00 per person.

	<i>Hi-5 Loan (Loan Improvement Loan)</i>	<i>Busy Bee Loan (Business Development Loan)</i>	<b>Boafo Express</b>	<b>OPEN Loan</b>
<b>PURPOSE</b>	<p><b>PURPOSE</b> This product is for home completion or construction in stages. We believe in the old saying that "Rome was not built in a day".</p> <p>Whether you are a worker, artisan or petty trader you can own a home or improve your existing house in the following ways:</p> <ul style="list-style-type: none"> <li>▪ <b>Buy a plot of land</b> We will need proof of ownership to the piece of land on which you intend to build.</li> <li>▪ <b>Build a structure</b> You can borrow to lay a foundation, erect walls, roof or add rooms (if you have an existing house).</li> <li>▪ <b>Buy Fittings &amp; Fixtures</b> Your structure is complete! You can borrow to buy shutters, kitchen or bathroom fittings.</li> <li>▪ <b>Make Finishing Touches</b> Make your house habitable by plastering, painting, ceiling or general decoration. Our HI-5 loan can do this for you.</li> <li>▪ <b>Connect Utilities</b> The HI -5 loan can facilitate connection to electricity, water and telephone. Call us now.</li> </ul>	<p>Let us inject some life into your business with the Boafo Busy Bee Loan. We offer loans for:</p> <ul style="list-style-type: none"> <li>• Working capital</li> <li>• Business expansion</li> <li>• Business assets</li> <li>• Other short -term financial support</li> </ul>	<p>This is a multi -purpose loan product designed for groups and individuals. The loan can be used in any of the following areas:</p> <ol style="list-style-type: none"> <li>1. For business expansion (groups)</li> <li>2. Payment of medical bills</li> <li>3. Buying consumables</li> <li>4. House furnishing</li> <li>5. Payment of rent</li> </ol> <p><b>GROUPS</b> Group size 5 to 10 people Members should be prepared to co-guarantee each other</p> <p><b>REPAYMENT TERMS</b> 4 to 12 months.</p>	<p>This product is for SSNIT Informal Sector Clients only.</p> <p>The guarantee for the loan is the money in the clients occupational scheme account.</p> <p>Client must contribute to the account for at least five months and must continue to contribute after the loan has been contracted</p>
<b>LOAN AMOUNTS</b>	GH¢500 to GH¢20,000	GH¢500 to GH¢10,000	GH¢100 to GH¢5000	Up to four times of client's contribution in occupational scheme account.
<b>REPAYMENT TERMS</b>	4 to 24 months	<p>Because you have different needs, we offer flexible repayment methods:</p> <p><b>(a) Collection</b> You don't have to leave your business to repay a loan; we will come for it. Your business needs you.</p> <p><b>(b) Self Deposit</b> Loan Repayment is so easy that you can make deposits directly to your account in ANY HFC Bank branches countrywide.</p>	Express Loans can be repaid in any of HFC Bank branches. Payments are on weekly, bi-weekly or monthly bases according to the repayment schedule provided.	Collection by field officers of the fund and repayment is on weekly, bi-weekly or by monthly basis
<b>ELEGIBILITY CRITERIA</b>	<p><b>ELIGIBILITY:</b></p> <p>Applicants must</p> <ol style="list-style-type: none"> <li>1. Be aged between 18 and 60 years</li> <li>2. Operate a micro/small business</li> <li>3. Be of good character</li> <li>4. Have adequate repayment capacity</li> </ol>	<p><b>ELIGIBILITY:</b></p> <p>Applicants must</p> <ol style="list-style-type: none"> <li>1. Be aged between 18 and 60 years</li> <li>2. Operate a micro/small business</li> <li>3. Be of good character</li> <li>4. Have adequate repayment capacity</li> </ol>	<p><b>ELIGIBILITY</b></p> <p>Applicants must</p> <ol style="list-style-type: none"> <li>1. Must have micro or small business</li> <li>2. Not above 60 ye ars by end of the loan period.</li> </ol>	<p><b>ELIGIBILITY</b></p> <p>Applications must</p> <ol style="list-style-type: none"> <li>1. Must be a contributor to the SSNIT Informal Sector Fund for at least 5 months</li> </ol>
<b>CONTACT S</b>	<p><b>HEAD OFFICE</b> Ring Road South, East Industrial Area Old Fadama Road, Agbogbloshie, P.O. Box CT4603, Accra, Ghana Tel (0233-21) 670807 /670816 Fax (0233-21) 670847</p>	<p><b>TUDU BRANCH</b> HFC Bank G2, St Francis Building, Tudu Tel (233-21) 666203 / 675114 FAX (233-21) 675894</p>	<p><b>TECHIMAN BRANCH</b> HFC Bank Abammu, (Techiman – Tamale Main Street Tel (233-653) 22054 Fax (233-653) 22414</p>	<p><b>TAKORADI</b> HFC BANK OLD GNTC BUILDING MARKET CIRCLE</p>
	<p><b>AGBOGBLOSHIE BRANCH</b> HFC Bank Tel 021 670859 / 670816 Fax 021 670847</p>	<p><b>KOFORIDUA BRANCH</b> HFC Bank Tel 081 26847 / 26845 Fax 081 26843</p>	<p><b>KUMASI BRANCH</b> HFC Bank Adum Roundabout, Adum Kumasi Tel 051 32597 / 31579 Fax 051 31580</p>	<p><b>ASHAIMAN BRANCH</b> HFC Bank Tel 022 301468</p>





# Products and Services



Real Estate Consultancy



Property Development



Property Valuation



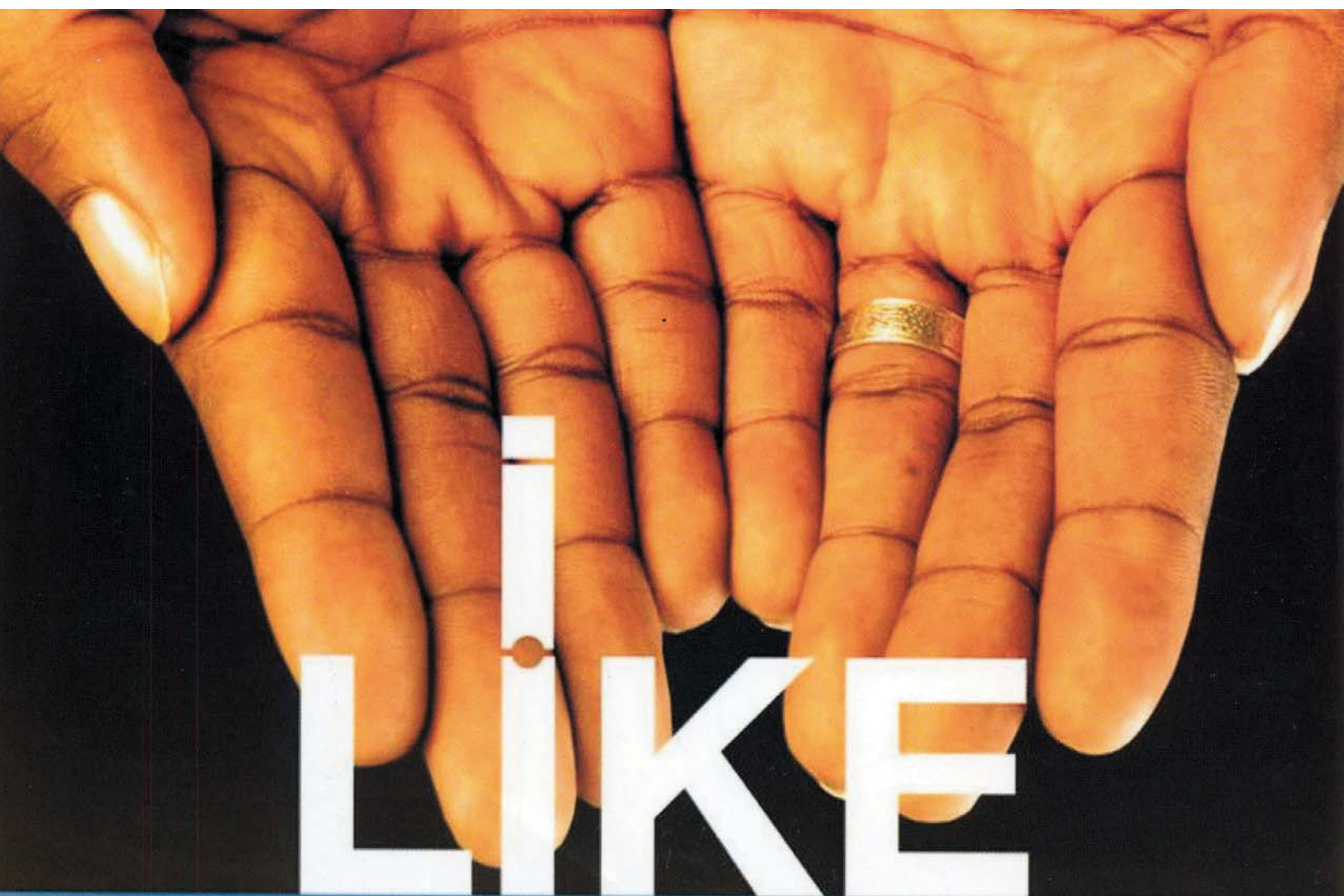
Property Management



Project Cost Estimation

*... A Total Real Estate Centre*





LIKE

TRUST

**Because trust is everything.**

We receive all customers with an open hand to win their trust.  
We call it HFC Customer Service.  
**Who would you like to trust?**

[www.hfcbankgh.com](http://www.hfcbankgh.com)

Ebankese: Tel: 021-2420904 • Accra Central: Tel: 021-683756-9 • Legon: Tel: 021-519152-6  
Ridge: Tel: 021-683691-3 / 683891-9 • Abossey Okai: Tel: 021-673181 / 673475  
Tema: Tel: 022-208385-6 • Techiman: Tel: 0653-22411



**HFC BANK**

*Banking. The way you like it*