



John Kay & Co

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REPORT OF THE AUDITORS TO THE INVESTORS OF DATABANK BALANCED FUND LIMITED

We have audited the financial statements set out on pages 16 to 25. We have obtained all the information and explanations we required for the purposes of our audit.

Respective Responsibilities of Directors and Auditors

As stated on page 14 the Directors are responsible for the preparation of the financial statements. Our responsibility is to express an independent opinion on those financial statements.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

Opinion

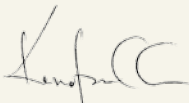
In our opinion, proper books of account have been kept and the financial statements which are in agreement therewith give a true and fair view of the state of affairs of the Databank Balanced Fund Limited as at December 31, 2010 and of the results of its operations and changes in the net assets for the year ended and comply with the Ghana Accounting Standards, Unit Trust and Mutual Funds Regulations, 2001, (L.I. 1695) and the Ghana Companies Code, 1963, (Act 179).

John Kay & Co
Chartered Accountants
21st April, 2011

STATEMENT OF NET ASSETS AS AT DECEMBER 31, 2010

| Description | | | | | |
|---------------------------------------|-------|------------------|------------------------------|------------------|-----------------|
| Shares | Notes | Shares Number | Price 31- DEC-10 GH(¢) | Market Value | % Net Assets |
| Banking | | | | | |
| Ghana Commercial Bank | | 64,327 | 2.70 | 173,683 | 4.79 |
| CAL Bank Ltd | | 262,115 | 0.31 | 81,255 | 2.24 |
| UT Bank Ltd | | 400,000 | 0.30 | 120,000 | 3.31 |
| Standard Chartered Bank Ghana Ltd | | 2,000 | 45.16 | 90,320 | 2.49 |
| SG-SSB Ghana Ltd | | 248,200 | 0.64 | 158,848 | 4.38 |
| Ecobank Ghana Ltd | | 20,000 | 3.00 | 60,000 | 1.65 |
| Food & Household Products | | | | | |
| Fan Milk Ghana Ltd | | 96,000 | 2.45 | 235,200 | 6.48 |
| P Z Cussons (Ghana)Ltd | | 92,574 | 1.20 | 111,089 | 3.06 |
| Insurance | | | | | |
| SIC Company Ltd | | 276,400 | 0.43 | 118,852 | 3.27 |
| Enterprise Group Ltd | | 450,000 | 0.50 | 225,000 | 6.20 |
| Petroleum Products | | | | | |
| Ghana Oil Company Ltd | | 339,500 | 0.29 | 98,455 | 2.71 |
| Total Petroleum Ghana Ltd | | 25,200 | 10.00 | 252,000 | 6.94 |
| Total Shares | | | | | |
| (Cost GH¢1,321,702) | | | | <u>1,724,702</u> | 47.52 |
| Medium Term Funds | | | | | |
| Bonds | 2 | | | 100,000 | 2.76 |
| Short Term Funds | | | | | |
| Cash-Bank & Call | | | | 224,437 | 6.18 |
| Short Term Investments | | | | 1,431,364 | 39.44 |
| Certificates of Deposit(CD) | | | | | |
| Treasury Notes | | | | <u>80,000</u> | 2.20 |
| 1 Year Treasury Notes | | | | 1,735,801 | 47.83 |
| Total | | | | <u>3,560,503</u> | 98.10 |
| Total Investments | | | | 68,811 | 1.90 |
| Other Assets in Excess of Liabilities | | | | <u>3,629,314</u> | 100.00 |
| Total Nets Assets | | | | | |

The financial statements on pages 16 to 25 were approved by the Board of Directors on 20thApril, 2011 and signed on its behalf by:



KEN OFORI-ATTA
CHAIRMAN
20th April, 2011

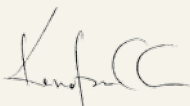


STEPHEN ADEI
DIRECTOR
20th April, 2011

STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2010

| ASSETS | Note | 31 DEC 2010 GH¢ | 31 DEC 2009 GH¢ |
|------------------------------|------|-------------------------|-------------------------|
| Total Investments | | <u>3,560,503</u> | <u>1,773,997</u> |
| Account Receivables: | | | |
| Receivable -Interest | | 100,847 | 74,904 |
| Receivable-DBL | | - | 5,309 |
| Receivable-Money Systems | 3 | 29,682 | 29,682 |
| Receivables-V & A | | <u>30,000</u> | <u>317,382</u> |
| Total Receivables | | <u>160,529</u> | <u>427,277</u> |
| Liabilities | | | |
| Payables: | | | |
| Commission - (1% Front Load) | | 6,489 | 2,082 |
| Management Fees | | 12,210 | 16,476 |
| Audit fee | | 5,000 | 4,428 |
| Withholding Tax | | - | 381 |
| Payable -Others | | <u>68,019</u> | <u>41,441</u> |
| Total Liabilities | | <u>91,718</u> | <u>64,808</u> |
| Net Current Assets | | <u>68,811</u> | <u>362,469</u> |
| Net Assets | | <u>3,629,314</u> | <u>2,136,466</u> |

The financial statements on pages 16 to 25 were approved by the board of directors on 20thApril, 2011 and signed on its behalf by:



KEN OFORI-ATTA
CHAIRMAN
20th April, 2011



STEPHEN ADEI
DIRECTOR
20th April, 2011

INCOME AND DISTRIBUTION ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2010

| | Note | 31 DEC 2010 GH¢ | 31 DEC 2009 GH¢ |
|--|------|--------------------|--------------------|
| Investment Income | | | |
| Gross Dividend Income | | 60,577 | 46,487 |
| Less: Withholding Tax | | <u>(4,846)</u> | <u>(4,263)</u> |
| Net Dividend Income | 4 | 55,731 | 42,224 |
| Interest Income | 5 | <u>282,389</u> | <u>310,749</u> |
| Total Income | | <u>338,120</u> | <u>352,973</u> |
| Management Fees | | (40,230) | (35,087) |
| Other Expenses | 6 | (160,070) | (70,515) |
| Total Expenses | | <u>(200,300)</u> | <u>(105,602)</u> |
| Net Investment Income | | 137,820 | 247,371 |
| Net Realized Gain on Investment | 7 | (17,219) | (123,410) |
| Change in Unrealized (Loss)/Gain | 8 | <u>407,476</u> | <u>(179,071)</u> |
| Net Increase in Net Assets Resulting from Operations | | <u>528,077</u> | <u>(55,110)</u> |

ACCUMULATED NET INVESTMENT INCOME FOR THE YEAR ENDED DECEMBER 31, 2010

| | 31 DEC 2010 GH¢ | 31 DEC 2009 GH¢ |
|--------------------------------------|--------------------|--------------------|
| Beginning Period | 440,337 | 192,966 |
| Net Investment Income for the period | <u>137,820</u> | <u>247,371</u> |
| End of period | <u>578,158</u> | <u>140,338</u> |

ACCUMULATED NET REALIZED GAINS (LOSS)

| | 31 DEC 2010 GH¢ | 31 DEC 2009 GH¢ |
|--|-------------------------|--------------------|
| Beginning Period | (121,219) | 2,190 |
| Net realized gain/(Loss)for the period | <u>(17,219)</u> | <u>(123,409)</u> |
| Change in Realized Gain | <u>(138,438)</u> | <u>(121,219)</u> |

STATEMENT OF MOVEMENT IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2010

| Change in Net Assets | 31 DEC 2010 GH¢ | 31 DEC 2009 GH¢ |
|---------------------------------------|-------------------------|--------------------|
| Operations: | | |
| Net Investment Income | 3 137,820 | 247,371 |
| Net Realized Gain | 7 (17,219) | (123,410) |
| Unrealized Gain/(Loss) | 8 <u>407,476</u> | <u>(179,071)</u> |
| Change in net assets from operations | <u>528,077</u> | <u>55,110</u> |
| Capital Transactions: | | |
| Proceeds from share issue | 1,492,371 | 439,824 |
| Shares redeemed | <u>(527,600)</u> | <u>(1,716,125)</u> |
| Net Proceeds from Capital Transaction | <u>964,771</u> | <u>1,276,301</u> |
| Total Increase in Net Assets | <u>1,492,848</u> | <u>(1,331,411)</u> |
| Net Assets : Beginning of Period | <u>2,136,466</u> | <u>3,467,877</u> |
| : End of Period | <u>3,629,314</u> | <u>2,136,466</u> |

STATEMENT OF MOVEMENT IN ISSUED SHARES FOR THE YEAR ENDED DECEMBER 31, 2010

| Change in Net Assets | 31 DEC 2010 | 31 DEC 2009 |
|--|---------------------|-------------------|
| | Number of Shares | Number of Shares |
| Shares in Issue at Beginning of Period | <u>18,963,227</u> | <u>29,373,011</u> |
| Shares in Issue at December 31 | 9 <u>23,392,370</u> | <u>18,963,227</u> |

PORTFOLIO SUMMARY AS AT DECEMBER 31, 2010

| DESCRIPTION | SHARES AS AT 12/31/10 | VALUE AS AT 12/31/10 | SHARES AS AT 12/31/09 | VALUE AS AT 12/31/09 | PURCHASES DURING YEAR '10 | SALES DURING YEAR '10 |
|--------------------------------------|-----------------------|----------------------|-----------------------|----------------------|---------------------------|-----------------------|
| | GHC | GHC | GHC | GHC | GHC | GHC |
| Banking | | | | | | |
| Ghana Commercial Bank | 64,327 | 173,683 | 181,327 | 134,182 | - | 157,774 |
| Cal Bank Ltd | 262,115 | 81,255 | 262,115 | 52,423 | - | - |
| UT Bank Ltd | 400,000 | 120,000 | 999,000 | 209,790 | - | 194,629 |
| Ecobank Ghana Ltd | 20,000 | 60,000 | - | - | 77,292 | - |
| Standard Chartered Bank Ltd | 2,000 | 90,320 | 2,000 | 60,000 | - | - |
| SG-SSB Ltd | 248,200 | 158,848 | 120,000 | 54,000 | 78,703 | - |
| Bank of Baroda (Uganda) | - | - | 511,773 | 127,943 | - | 169,469 |
| Food & Household Products | | | | | | |
| Fan Milk Ghana Ltd | 96,000 | 235,200 | - | - | 74,750 | - |
| Unilever Ghana Ltd | - | - | 20,000 | 68,000 | - | 66,774 |
| P Z Cussons (Ghana)Ltd | 92,574 | 111,089 | - | - | 112,015 | - |
| Insurance | | | | | | |
| SIC Insurance Company Ltd | 276,400 | 118,852 | 130,000 | 35,100 | 66,402 | 39,240 |
| Enterprise Group Ltd | 450,000 | 225,000 | - | - | 168,490 | 29,430 |
| Mining | | | | | | |
| Uganda Clay Ltd | - | - | 612,400 | 24,496 | - | 24,790 |
| Agro processing | | | | | | |
| Benso Oil Palm Plantation Ltd | - | - | 51,280 | 24,614 | - | 35,788 |
| Petroleum Products | | | | | | |
| Ghana Oil Company Ltd | 339,500 | 98,455 | - | - | 71,734 | - |
| Total Petroleum Ghana Ltd | <u>25,200</u> | <u>252,000</u> | - | - | <u>208,199</u> | - |
| TOTAL | <u>2,276,316</u> | <u>1,724,702</u> | <u>2,889,895</u> | <u>790,548</u> | <u>857,585</u> | <u>717,894</u> |