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Report of The Auditors to The Investors of Databank Epaçk Investment Fund Limited

We have audited the financial statements set out on pages 21 to 32. 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 18 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 Epack Investment Fund Limited as at December 31, 2009 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).

Chartered Accountants

23rd April, 2011

Statement of Net Assets as at December 31, 2010

Description	Number of Shares	Price 31-Dec-10 GH¢	Market Value GH¢	Net Assets %
SHARES				
<i>Banking</i>				
Bank of Baroda (Uganda)	2,550,000	0.3157	805,035	1.22
Commercial International Bank (Egypt)	180,000	11.7046	2,106,828	3.20
CRDB (Tanzania)	24,790,240	0.1150	2,850,878	4.32
Equity Bank (Kenya)	3,546,000	0.4814	1,707,044	2.59
First Bank (Nigeria)	16,182,733	0.1342	2,171,723	3.29
Ghana Commercial Bank (Ghana)	2,000,000	2.7000	5,400,000	8.19
National Bank of Malawi (Malawi)	4,356,448	0.5634	2,454,423	3.72
National Societe General (Egypt)	322,102	12.3552	3,979,635	6.04
SG-SSB Bank Limited (Ghana)	6,259,162	0.6400	4,005,864	6.04
Standard Chartered Bank (Ghana)	91,868	45.1600	4,148,759	6.29
Trust Bank (Gambia) Limited (Ghana)	458,090	1.3300	609,260	0.92
UT Bank (Ghana)	6,666,600	0.3000	1,999,980	3.03
Zenith Bank (Nigeria)	1,475,000	0.1467	216,383	0.33
<i>Beverage & Tobacco</i>				
Accra Brewery Limited (Ghana)	83	0.1000	8	0.00
Tanzania Breweries (Tanzania)	585,000	1.7796	1,041,066	1.58
<i>Dealership & Trading</i>				
Mechanical Lloyd (Ghana)	4,722,515	0.1000	472,252	0.72
Rogers and Company Ltd (Mauritius)	68,000	14.0174	953,183	1.45
<i>Financial Services</i>				
Botswana Insurance Holding (Botswana)	593,536	2.4261	1,439,978	2.18
Enterprise Group Ltd (Ghana)	7,842,655	0.5000	3,921,328	5.95
<i>Food & Household Products</i>				
Fan Milk (Ghana)	2,227,926	2.4500	5,458,419	8.28
PZ Industries (Nigeria)	375,000	0.3079	115,463	0.18
Verimark (South Africa)	3,699,124	0.3116	1,152,647	1.75
<i>Manufacturing</i>				
Aluworks (Ghana)	442,098	0.1200	53,052	0.08
<i>Agroprocessing</i>				
Illovo Sugar (Malawi)	2,380,400	1.0567	2,515,369	3.81
Medine (O)(Mauritius)	550,000	5.1668	2,841,740	4.31
SODIA (Mauritius)	1,100,000	0.1316	144,760	0.22
Williamson Tea (Kenya)	172,700	3.3292	574,953	0.87
<i>Transportation</i>				
Kenya Airways (Kenya)	2,850,100	0.8278	2,359,313	3.58

Telecommunication

Egypt Telecom	260,000	4.5071	1,171,846	1.78
Sonatel (Ivory Coast)	1,800	452.2208	813,997	1.23

Conglomerate

Press Corp Limited (Malawi)	1,466,546	1.6811	2,465,410	3.74
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Total Shares(Cost GHƆ34,939,600)			59,950,592	90.92
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Short Term Funds

Cash-Bank & Call (Ghana)			1,102,622	1.67
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Cash- Bank & Call (Outside Ghana)			1,458,466	2.21
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Total			2,561,088	3.88
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Fixed Income Instruments

Malawi Savings Bank repo			2,318,456	3.52
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Certificates of Deposit			750,000	1.14
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Total			3,068,456	4.65
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Total Cash and Short Term Funds			5,629,544	8.54
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Total Investments			65,580,136	99.46
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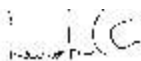
Net Current Assets			354,130	0.54
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Total Net Assets			65,934,266	100.00
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Statement of Assets And Liabilities as at December 31, 2010

ASSETS	2010 GH¢	2009 GH¢
Total Investments	65,580,136	52,003,298
Current Assets		
Dividend	-	11,086
Interest	55,323	102,551
Due from Databank	-	644
Investments Receivable	160,000	766,000
Other Receivables	<u>354,245</u>	
Total	<u>569,568</u>	<u>880,281</u>
Current Liabilities		
Sales Commission	9,058	13,383
Audit Fees	12,500	10,000
Management and Custody Fees	190,290	222,888
Other Liabilities	657	657
Directors Fee	1600	
Due to MFUND	<u>1,333</u>	<u>1,333</u>
Total	<u>215,438</u>	<u>248,261</u>
Net Current Assets (Liabilities)	<u>354,130</u>	<u>632,020</u>
Net Assets (Fund Balance)	<u>65,934,266</u>	<u>52,635,318</u>

The financial statements on pages 21 to 32 were approved by the Board of Directors on 23rd April 2011 and signed on its behalf by:



KEN OFORI-ATTA,
Chairman
23rd April, 2011



GEORGE OTOO,
Director
23rd April, 2011

Income And Distribution Accounts as at December 31, 2010

	Note	2010 GHᄁ	2009 GHᄁ
<i>Investment Income</i>			
Gross Dividend Income		2,020,130	1,927,008
Less: Withholding Tax		<u>(29,357)</u>	<u>(18,616)</u>
Net Dividend Income	2	1,990,773	1,908,392
Interest Income	3	<u>634,692</u>	<u>1,157,434</u>
Total Income		<u>2,625,465</u>	<u>3,065,826</u>
Investment Management Fees		(1,312,024)	(1,311,573)
Operating Expenses	4	<u>(512,432)</u>	<u>(2,154,972)</u>
Total Expenses		<u>(1,824,456)</u>	<u>(3,466,545)</u>
Net Investment Income/(Loss)		801,009	(400,719)
Net Realized Gain on Investment	5	4,192,342	1,622,332
Change in Unrealized Loss	6	<u>8,558,832</u>	<u>(9,436,457)</u>
Net Decrease in Net Assets Resulting from Operations		<u>13,552,183</u>	<u>(8,214,844)</u>
ACCUMULATED NET INVESTMENT INCOME			
Beginning of Period		3,861,166	4,261,885
Net Investment Income/(Loss)		<u>801,009</u>	<u>(400,719)</u>
End of Period		<u>4,662,175</u>	<u>3,861,166</u>
ACCUMULATED NET REALIZED GAINS			
Beginning of Period		10,505,390	8,883,058
Change in Realized Gain		<u>4,192,342</u>	<u>1,622,332</u>
End of Period		<u>14,697,732</u>	<u>10,505,390</u>

Statement of Movement in Net Assets as at December 31, 2010

	2010 GH¢	2009 GH¢
<i>Increase in Net Assets</i>		
<i>Operations:</i>		
Net Investment Income/(Loss)	801,009	(400,719)
Net Realized Gain	4,192,342	1,622,332
Change in Unrealized Loss	8,558,832	(9,436,457)
Net Decrease in Net Assets Resulting from Operations	13,552,183	(8,214,844)
<i>Capital Transactions:</i>		
Proceeds from Share Issue	12,001,329	9,214,120
Shares Redeemed	<u>(12,254,564)</u>	<u>(34,196,823)</u>
Net Proceeds from Capital Transaction	(253,235)	(24,982,703)
Total Decrease in Net Assets	13,298,948	(33,197,547)
Beginning of Period	<u>52,635,318</u>	<u>85,832,865</u>
End of Period	<u>65,934,266</u>	<u>52,635,318</u>

Statement of Movement in Issued Shares

	Note	2010 No. of Shares	2009 No. of Shares
Shares in Issue at Beginning of Period		70,531,687	103,144,154
Net Shares Issued/(Withdrawn) During the Period	7	<u>(4,554,450)</u>	<u>(32,612,467)</u>
Shares in Issue at End of Period		<u>65,977,237</u>	<u>70,531,687</u>

Portfolio Summary as at December 31, 2010

DESCRIPTION	POSTION AS AT 12/31/09	VALUE AS AT 12/31/09 GH¢	POSTION AS AT 12/31/10	VALUE AS AT 12/31/10 GH¢	PURCHASE DURING YEAR 2010 GH¢	SALES DURING YEAR 2010 GH¢
<i>Banking</i>						
Bank of Baroda (Uganda)	2,550,000	576,300	2,550,000	805,035	-	-
Commercial Int Bank (Egypt)	90,000	1,276,353	180,000	2,106,828	-	-
CRDB (Tanzania)	24,790,240	4,127,575	24,790,240	2,850,878	-	-
Equity Bank (Kenya)	3,546,000	962,384	3,546,000	1,707,044	-	-
First Bank (Nigeria)	9,584,652	1,308,305	16,182,733	2,171,723	-	-
First Bank (Nigeria)	9,584,652	1,308,279	16,182,733	2,171,822	633,968	-
Ghana Commercial Bank (Ghana)	2,000,000	1,480,000	2,000,000	5,400,000	-	-
National Bank of Malawi (Malawi)	4,345,849	2,518,854	322,102	3,979,635	-	-
National Societe General (Egypt)	292,280	2,177,987	322,102	3,979,623	-	-
SG-SSB Bank Limited (Ghana)	8,122,462	3,655,108	6,259,162	4,005,864	-	1,148,590
Standard Chartered Bank (Ghana)	92,868	2,786,040	91,868	4,148,759	-	39,819
Trust Bank Gambia Ltd (Ghana)	458,090	609,260	458,090	609,260	-	-
UT Bank (Ghana)	6,666,600	1,399,986	6,666,600	1,999,980	-	-
Zenith Bank (Nigeria)	-	-	1,475,000	216,383	192,647	-
<i>Beverage & Tobacco</i>						
Accra Brewery Limited (Ghana)	1,480,183	148,018	83	8	-	145,742
Guinness Gh Brewery Ltd (Ghana)	1,248,501	1,685,476	-	-	-	1,879,032
Tanzania Breweries	585,000	1,124,195	585,000	1,041,066	-	-
<i>Dealership & Trading</i>						
CMC Holdings Ltd (Kenya)	21,220	4,555	-	-	-	4,793
Mechanical Lloyd (Ghana)	4,722,515	944,503	4,722,515	472,252	-	-
Rogers & Company Ltd (Mauritius)	68,000	973,026	68,000	953,183	-	-
<i>Financial Services</i>						
Botswana Ins Holdings (Botswana)	593,536	1,403,357	593,536	1,439,978	-	-
Enterprise Group Ltd (Ghana)	878,829	1,933,424	7,842,655	3,921,328	1,129,856	-
<i>Consumer Goods</i>						
Fan Milk (Ghana)	671,321	3,725,832	2,227,926	5,458,419	-	2,179,084
PZ Industries (Nigeria)	375,000	91,088	375,000	115,463	-	-
Verimark (S.A)	5,381,539	449,897	3,699,124	1,152,647	-	1,801,880
<i>Manufacturing</i>						
Aluworks (Ghana)	442,098	194,523	442,098	53,052	-	-

*Portfolio Summary**Agroprocessing*

Benso Oil Palm Plantation (Ghana)	609,740	292,675	-	-	-	294,291
Illovo Sugar (Malawi)	3,280,400	3,544,800	2,380,400	2,515,369	-	899,617
Medine (O) (Malawi)	550,000	2,229,865	550,000	2,841,740	-	-
SODIA (Mauritius)	-	-	1,100,000	144,760	-	-
Williamson Tea (Kenya)	172,700	486,669	172,700	574,953	-	-
Zambia Sugar (Zambia)	5,595,734	659,177	-	-	-	529,508

Transportation

Kenya Airways	2,850,100	1,927,953	2,850,100	2,359,313	-	-
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Telecommunication

Egypt Telekom	260,000	1,220,715	260,000	1,171,851	-	-
Sonatel (Cote d'Ivoire)	-	-	1800	813,997	816,467	-

Real Estate

Caudan (Mauritius)	3,685,000	281,166	-	-	-	276,492
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Conglomerate

Press Corp Limited (Malawi)	1,466,546	2,348,223	1,466,546	2,465,410	-	-
		48,546,597		59,950,592	2,772,938	9,198,848