

### What is your outlook for the African stock markets?

We expect profit taking in Zambia, which was the best performing African stock market in 2011.

We however, anticipate a recovery in markets which experienced significant sell offs in 2011, such as Egypt, Nigeria and Kenya. On the Ghana market, we have seen impressive full year company results and expect it to translate into stock market appreciation; albeit not a very strong market performance as trends indicates that election years witness a wait-and-see attitude by investors to the stock market. On the fixed income front, we anticipate yields on shorter dated government paper to pick up given the likelihood that government will use domestic borrowing to keep inflation at bay.

### What is the outlook for the Fund?

Our prime objective is to deliver good returns to our shareholders in line with their risk appetite. We continue to favor stocks which give back to shareholders in terms of dividends. The Fund also seeks out stocks which have strong growth potential as these tend to deliver capital gains for price appreciation of the Fund. With respect to entering other

African markets, valuations are looking quite attractive. We will however keep an eye on currency risk as this tends to impact performance. On the fixed income portfolio, given that shorter dated fixed income returns are likely to be higher than those on longer dated fixed income securities, we shall maintain overweight positions in shorter dated fixed income investments.

Given our outlook for the performance of the market for 2012, we anticipate moderate returns on the Fund. We continue to encourage investors to grow wealth slowly and to look to the long term to realize their investment objectives.

I wish you a fruitful year and encourage you with a scripture from Proverbs 13:11 "Money wrongly gotten will disappear bit by bit; money earned little by little will grow and grow [Contemporary English Version]".

**Build your financial ark little by little towards a bright future.**

*This has been an interview with your Arkfund manager.*

  
Edna Ahunu

## Report of The Directors

The Directors have the pleasure in submitting the financial statements of the Databank Ark Fund Limited for the year ended December 31, 2011.

### Statement of Directors' Responsibilities

The Directors are responsible for the preparation of financial statements for the financial year, which give a true and fair view of the state of affairs of the Company and of the statement of operations for the period. In preparing those financial statements, the directors have selected suitable accounting policies which are to be applied consistently, made judgments and estimates that are reasonable and prudent and followed Ghana Accounting Standards.

The Directors are responsible for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Nature of Business

The nature of the business of the Company is to invest monies of its members for their mutual benefit and to hold and arrange for the management of securities and other property acquired with such monies.

The Company is licensed by the Securities and Exchange Commission to operate as an authorized mutual fund.

### Financial Results

The results for the year ended December 31, 2011 are set out below:

	2011 GH¢	2010 GH¢
Total Income	<b>280,945</b>	116,899
Total Expenses	<b>(107,261)</b>	(44,759)
Net Investment Income	<b>173,684</b>	72,140

### Distribution Policy

The Fund passes substantially its net income along to its investors as distributions. The dividend policy is to be adopted by the directors of the Fund from time to time such that any dividend distributions will not jeopardize the Fund's ability to operate effectively.

  
**CHAIRPERSON**  
4th April, 2012

### Dividend

The Directors do not recommend payment of a dividend for the year.

BY ORDER OF THE BOARD

  
**DIRECTOR**  
4th April, 2012



**John Kay & Co**

7th Floor, Trust Towers  
Farrar Avenue, Adabraka  
P.O.Box 16088  
Airport, Accra

Tel: +233 30-2235406  
+233 30-2238370  
Fax: +233 30-2238371  
E-mail: jkayal@4u.com.gh  
jkayal@yahoo.com

## REPORT OF THE AUDITORS TO THE INVESTORS OF DATABANK ARK FUND LIMITED

We have audited the financial statements set out on pages 18 to 27. 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 15 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 Ark Fund Limited as at December 31, 2011 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  
4th April, 2012

## STATEMENT OF NET ASSETS AS AT DEC. 31, 2011

Description	Shares	Price 31-DEC-11 GH(¢)	Market Value GH(¢)	% Net Assets
SHARES				
<b>Banking</b>				
Ghana Commercial Bank	20,700	1.85	38,295	1.36
Standard Chartered Bank Ghana Ltd	1,900	45.48	86,412	3.06
SG-SSB Ghana Ltd	161,000	0.46	74,060	2.62
Ecobank Ghana Ltd	40,000	3.19	127,600	4.52
<b>Food &amp; Household Products</b>				
Fan Milk Ghana Ltd	52,200	2.37	123,714	4.38
Produce Buying Company	540,000	0.25	135,000	4.78
<b>Insurance</b>				
SIC Company Ltd	174,200	0.40	69,680	2.47
Enterprise Group Ltd	194,300	0.38	73,834	2.61
<b>Petroleum Products</b>				
Ghana Oil Company Ltd	271,000	0.32	86,720	3.07
Total Petroleum Company Ltd	6,100	19.83	120,963	4.28
<b>Total Shares (Cost GH¢785,382)</b>			<b>936,278</b>	<b>33.15</b>
<b>Medium Term Funds</b>				
Bonds			250,000	8.85
			<b>250,000</b>	<b>8.85</b>
<b>Short Term Funds</b>				
Cash-Bank & Call			11,774	0.42
<b>Short Term Investments</b>				
Certificates of Deposit(CDs)			1,416,581	50.14
Commercial Paper (CP)			100,000	3.54
<b>Treasury Bills</b>				
182 Day Treasury Bills			25,235	0.89
<b>Total Cash and Short Term Funds</b>			<b>1,553,590</b>	<b>54.99</b>
<b>Total Investments</b>			<b>2,739,868</b>	<b>96.99</b>
Other Assets in Excess of Liabilities			85,136	3.01
<b>Total Nets Assets</b>			<b>2,825,004</b>	<b>100.00</b>

## STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2011

ASSETS	Note	31 DEC 2011 GH¢	31 DEC 2010 GH¢
Total Investments		<b>2,739,868</b>	<b>1,815,703</b>
<b>Current Assets:</b>			
Interest Receivables		70,792	36,708
Redemption Receivables		37,612	276
Total		<b>108,404</b>	<b>36,984</b>
<b>Current Liabilities</b>			
Commission - (1% Front Load)		5,202	4,098
Management Fees		10,858	4,205
Audit fee		3,500	2,700
Custody		2,762	460
Withholding Tax		46	72
Directors' Emoluments		900	-
<b>Total</b>		<b>23,268</b>	<b>11,535</b>
<b>Net Current Assets</b>		<b>85,136</b>	<b>25,449</b>
<b>Total Net Assets</b>		<b>2,825,004</b>	<b>1,841,152</b>

The financial statements on page 18 to 27 were approved by Board of Directors on 4th May, 2012 and signed on its behalf by:

  
CHAIRPERSON  
4th April, 2011

  
DIRECTOR  
4th April, 2011

## INCOME AND DISTRIBUTION ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2011

	Note	31 DEC 2011 GH¢	31 DEC 2010 GH¢
<b>Investment Income</b>			
Gross Dividend Income		24,910	12,545
Less: Withholding Tax		-	(1,004)
Net Dividend Income	2	24,910	11,541
Interest Income	3	256,035	105,358
<b>Total Income</b>		<b>280,945</b>	<b>116,899</b>
Management Fees		(39,875)	(14,605)
Other Expenses	4	(67,386)	(30,154)
<b>Total Expenses</b>		<b>(107,261)</b>	<b>(44,759)</b>
Net Investment Income		173,684	72,140
Net Realized Gain on Investment		-	6,151
Change in Unrealized (Loss)/Gain	5	151,044	170,033
<b>Net Increase/Decrease in Net Assets Resulting from Operations</b>		<b>324,728</b>	<b>248,324</b>

## ACCUMULATED NET INVESTMENT INCOME FOR THE YEAR ENDED DECEMBER 31, 2011

	31 DEC 2011 GH¢	31 DEC 2010 GH¢
Beginning Period	79,647	7,507
Net Investment Income for the period	173,684	72,140
End of period	<b>253,331</b>	<b>79,647</b>

## STATEMENT OF MOVEMENT IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2011

	31 DEC 2011 GH¢	31 DEC 2010 GH¢
<b>Increase in Net Assets Operations:</b>		
Net Investment Income	173,684	72,140
Net Realized Gain/(Loss)	-	6,151
Unrealized Gain/(Loss)	151,044	170,033
Net Increase/Decrease in Net Assets from Operations	324,728	248,324
<b>Capital Transactions:</b>		
Proceeds from share issue	1,959,055	1,524,294
Shares redeemed	(1,299,931)	(241,480)
Net Proceeds from Capital Transaction	659,124	1,282,814
Total Increase/Decrease in Net Assets	<b>983,852</b>	<b>1,531,138</b>
<b>Net Assets:</b>		
Beginning of Period	1,841,152	310,014
End of Period	<b>2,825,004</b>	<b>1,841,152</b>

## STATEMENT OF MOVEMENT IN ISSUED SHARES FOR THE YEAR ENDED DECEMBER 31, 2011

	Note	31 DEC 2011 Number of Shares	31 DEC 2010 Number of Shares
Shares in Issue at Beginning of Period		12,994,189	3,024,590
Net shares issued during the year	6	5,836,386	9,969,599
Net shares in issue at the end of the year		<b>18,830,575</b>	<b>12,994,189</b>

## PORTFOLIO SUMMARY AS AT DECEMBER 31, 2011

DESCRIPTION	SHARES AS AT 31- DEC-11	VALUE AS AT 31-DEC-11 GH¢	SHARES AS AT 31- DEC-10	VALUE AS AT 31-DEC-10 GH¢	PURCHASES DURING YEAR '11 GH¢	SALES DURING YEAR '11 GH¢
<b>Banking</b>						
Ghana Commercial Bank	20,700	<b>38,295</b>	20,700	<b>55,890</b>	-	-
Ecobank Ghana Ltd	40,000	<b>127,600</b>	-	-	136,416	-
Standard Chartered Bank Ltd	1,900	<b>86,412</b>	1,100	<b>49,676</b>	52,070	-
SG-SSB	161,000	<b>74,060</b>	111,000	<b>71,040</b>	36,684	-
<b>Food &amp; Household Products</b>						
Fan Milk Ghana Ltd	52,200	<b>123,714</b>	45,000	<b>110,250</b>	18,562	-
Produce Buying Company	540,000	<b>135,000</b>	-	-	99,042	-
<b>Insurance</b>						
SIC Company Ltd	174,200	<b>69,680</b>	101,200	<b>43,516</b>	39,425	-
Enterprise Group Ltd	194,300	<b>73,834</b>	75,000	<b>37,500</b>	65,517	-
<b>Petroleum Products</b>						
Ghana Oil Company Ltd	271,000	<b>86,720</b>	171,000	<b>49,590</b>	30,570	-
Total Company Ltd	6,100	<b>120,963</b>	6,100	<b>61,000</b>	-	-
<b>TOTAL</b>	<b>1,461,400</b>	<b>936,278</b>	<b>531,100</b>	<b>478,462</b>	<b>478,286</b>	-

## FINANCIAL HIGHLIGHTS

The following schedule presents financial highlights for one share of the Fund outstanding throughout the periods indicated.

FINANCIAL HIGHLIGHTS	2011	2010
Net assets value, January 1 (i.e. share price)	0.1417	0.1025
Net Investment Income	0.0092	0.0056
Net Realised and Unrealised gain / (loss)	(0.0009)	0.0336
Net Assets Value, Dec 31 (i.e. share price) GH¢	0.1500	0.1417
Total Return	5.88%	38.23%
Ratio of Expenses to average assets	3.80%	2.43%
Ratio of net investment income to average net assets	6.15%	3.92%