

REPORT OF THE DIRECTORS

The Directors have the pleasure in submitting the financial statements of the Databank Balanced 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 are as set out in the financial statements

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.

Dividend

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

BY ORDER OF THE BOARD



Keli Gadzekpo
Director



Betty Elizabeth Naayi Zormelo
Director



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REPORT OF THE AUDITORS TO THE INVESTORS OF DATABANK BALANCED FUND INVESTMENT 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 16 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, 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 Accountant
April, 2012

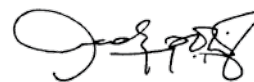
STATEMENT OF NET ASSETS AS AT DECEMBER 31, 2011

Description	Notes	Shares	Price 31-DEC-11 GH(¢)	Market Value GH(¢)	% Net Assets
Shares					
Banking					
Ghana Commercial Bank		64,327	1.85	119,005	2.09
CAL Bank Ltd		262,115	0.28	73,392	1.29
UT Bank Ltd		400,000	0.32	128,000	2.25
Standard Chartered Bank Ghana Ltd		5,772	45.48	262,511	4.60
SG-SSB Ghana Ltd		310,100	0.46	142,646	2.50
Ecobank Ghana Ltd		84,000	3.19	267,960	4.70
Food & Household Products					
Fan Milk Ghana Ltd		111,000	2.37	263,070	4.61
P Z Cussons (Ghana)Ltd		555,444	0.24	133,307	2.34
Insurance					
SIC Company Ltd		627,700	0.40	251,080	4.40
Enterprise Group Ltd		450,000	0.38	171,000	3.00
Petroleum Products					
Ghana Oil Company Ltd		559,200	0.32	178,944	3.14
Total Petroleum Company Ltd		14,200	19.83	281,585	4.94
Total Shares					
(Cost GH¢1,978,011)				2,272,500	39.86
Medium Term Funds					
Bonds	2			600,000	10.53
Short Term Funds					
				GH¢	% Net Asset
Cash-Bank & Call				(22,746)	(0.40)
Short Term Investments					
Certificates of Deposit(CD)				2,122,716	37.24
Commercial Paper (CP)				200,000	3.51
Treasury Notes& Bills					
1 Year Treasury Notes				146,264	2.57
182 Day Treasury Bills				148,810	2.61
Total				2,617,790	45.92
Total Investments				5,467,544	95.91
Other Assets in Excess of Liabilities				233,046	4.09
Total Nets Assets				5,700,590	100.00

STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2011

	Note	31 DEC -11 GH(¢)	31 DEC -10 GH(¢)
ASSETS			
Total Investments		5,467,544	3,560,503
Account Receivables:			
Receivable -Interest		245,560	100,847
Receivable-Money Systems	3	29,682	29,682
Receivables-others		315	30,000
Total Receivables		275,557	160,529
LIABILITIES			
Payables:			
Commission - (1% Front Load)		1,017	6,489
Management Fees		16,422	12,211
Audit fee		8,000	5,000
Custody		4,341	0
Withholding Tax		(48)	(36)
Payable -Others		12,779	68,050
Total Liabilities		42,511	91,714
Net Current Assets		233,046	68,815
Net Assets		5,700,590	3,629,318

The financial statements on pages 18 to 27 were approved by the board of directors on 27th April 2012 and signed on its behalf by:



Keli Gadzekpo
Director



Betty Elizabeth Naayi Zormelo
Director

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

	Note	31 DEC -11 GH(¢)	3 1DEC -10 GH(¢)
Investment Income			
Gross Dividend Income		69,399	60,577
Less: Withholding Tax		-	(4,846)
Net Dividend Income	5	69,399	55,731
Interest Income	6	424,996	282,389
Total Income		494,395	338,120
Expenses			
Management Fees		(73,095)	(40,230)
Other Expenses	7	(100,033)	(160,070)
Total Expenses		(173,128)	(200,300)
Net Investment Income		321,267	137,820
Net Realized Gain on Investment	8	179,995	(17,219)
Change in Unrealized (Loss)/Gain	9	292,937	407,476
Net Increase in Net Assets Resulting from Operations		794,199	528,077

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

	Note	31 DEC -11 GH(¢)	3 1DEC -10 GH(¢)
Investment Income			
Beginning Period		578,158	440,338
Net Investment Income for the period		321,267	137,820
End of period		899,425	578,158

ACCUMULATED NET REALIZED GAINS

	Note	31 DEC -11 GH(¢)	3 1DEC -10 GH(¢)
Beginning Period		(138,438)	(121,219)
Net realized gain/(Loss) for the period		179,994	(17,219)
Change in Realized Gain		41,556	(138,438)

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

	Note	31 DEC -11 GH(¢)	3 1DEC -10 GH(¢)
Change in Net Assets			
Operations:			
Net Investment Income		321,267	137,820
Net Realized Gain	8	179,995	(17,219)
Unrealized Gain/(Loss)	9	292,936	407,476
Change in net assets from operations		794,198	528,077
Capital Transactions:			
Proceeds from share issue		2,889,396	1,492,371
Shares redeemed		(1,612,322)	(527,600)
Net Proceeds from Capital Transaction		1,277,074	964,771
Total Increase in Net Assets		2,071,272	1,492,850
Net Assets :			
Beginning of Period		3,629,318	2,136,468
End of Period		5,700,590	3,629,318

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

	Note	31 DEC -11 Number of Shares	31 DEC -10 Number of Shares
Shares in Issue at Beginning of Period		<u>23,393,370</u>	<u>18,963,227</u>
Shares in Issue at December 31	10	<u>34,233,548</u>	<u>23,392,370</u>

PORTFOLIO SUMMARY AS AT DECEMBER 31, 2011

DESCRIPTION	SHARES AS AT 12/31/11	VALUE AS AT 12/31/11 GH¢	SHARES AS AT 12/31/10	VALUE AS AT 12/31/10 GH¢	PURCHASES DURING YEAR '11 GH¢	SALES DURING YEAR '11 GH¢
Banking						
Ghana Commercial Bank	64,327	119,005	64,327	173,683	-	-
Cal Bank Ltd	262,115	73,392	262,115	81,255	-	-
UT Bank Ltd	400,000	128,000	400,000	120,000	-	-
Ecobank Ghana Ltd	84,000	267,960	20,000	60,000	220,864	
Standard Chartered Bank Ltd	5,772	262,511	2,000	90,320	189,489	
SG-SSB	310,100	142,646	248,200	158,848	45,573	
Food & Household Products						
Fan Milk Ghana Ltd	111,000	263,070	96,000	235,200	39,435	-
P Z Cussons (Ghana)Ltd	555,444	133,307	92,574	111,089	-	-
Insurance						
SIC Company Ltd	627,700	251,080	276,400	118,852	180,487	-
Enterprise Group Ltd	450,000	171,000	450,000	225,000	-	-
Petroleum Products						
Ghana Oil Company Ltd	559,200	178,944	339,500	98,455	71,499	-
Total Company Ltd	14,200	281,585	25,200	252,000	-	90,881
TOTAL	3,443,858	2,272,500	2,276,316	1,724,702	747,347	90,881

FINANCIAL HIGHLIGHTS

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

FINANCIAL HIGHLIGHTS	2011	2010	2009	2008
Net assets value, January 1 (i.e. share price)	0.1551	0.1127	0.1181	0.1000
Net Investment Income	0.0137	0.0059	0.013	0.0066
Net Realised and Unrealised gain	-0.0024	0.0366	-0.0184	0.0115
Net Assets Value, Dec 31 (i.e. share price) GH¢	0.1665	0.1551	0.1127	0.1181
Total Return	7.35%	37.62%	-4.57%	18.06%
Ratio of Expenses to average assets	3.04%	5.52%	4.94%	3.47%
Ratio of net investment income to average net assets	5.64%	3.80%	11.58%	5.56%

NOTES TO THE FINANCIAL STATEMENTS

Accounting Policies

1. The Principal accounting policies adopted in the preparation of the fund's financial statements are:

i) Valuation of investments

Securities listed on a stock exchange or traded on any other organized market are valued at the last available market price on the relevant valuation day. Securities that are actively traded on the over the counter market are valued at the mean between the most recently quoted bid and offer prices provided by the principal brokers. Securities and assets for which, market quotations are not readily available are valued at fair value as determined in good faith by or under the direction of the Board of Directors. Other debt obligations including securities having maturity of ninety-one days or less are valued at amortized cost.

ii) Treatment of dividend income

The income of the Fund includes all net dividend income. Dividends are accrued if the qualifying date falls within the year under review.