



Ernst & Young Chartered Accountants

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
IFUND MUTUAL FUND LIMITED**

Report on the financial statements

We have audited the accompanying financial statements of iFUND Mutual Fund Limited, which comprise the statement of assets and liabilities as at 31 December 2011, and the statement of income and distribution, statement of movement in net assets and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and the directors' report, as set out on pages 1 to 14.

Directors' responsibility for the financial statements

The Fund's directors are responsible for the preparation and fair presentation of these financial statements in accordance with Ghana Accounting Standards and in the manner required by the Companies Act 1963 (Act 179), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 about 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 the directors, 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.



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Opinion

In our opinion, the financial statements presents fairly, in all material respects, the financial position of iFUND Mutual Fund Limited as at 31 December 2011 and of the results of its operations and movement in net assets for the year then ended in accordance with the Ghana Accounting Standards and the Ghana Companies Act, 1963 (Act 179).

Report on other Legal and Regulatory Requirements

The Ghana Companies Act, 1963 (Act 179) requires that in carrying out our audit we consider and report on the following matters. We confirm that;

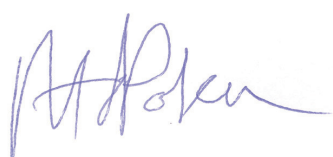
- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii) In our opinion proper books of account have been kept by the company, so far as appears from our examination of those books; and
- iii) The balance sheet (statement of assets and liabilities) and profit and loss account (income and distribution account) are in agreement with the underlying books of account.

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 Accra

Date: *8* May 2012

**STATEMENT OF ASSETS AND LIABILITIES
ENDED 31 DECEMBER 2011**

	Notes	2011 GH¢	2010 GH¢
ASSETS			
Investments	3	10,530,684	7,502,707
Investment redeemed – due from bank		<u>400,000</u>	<u>-</u>
		10,930,684	7,502,07
Current Liabilities			
Directors' fees	5	13,000	-
Audit fees	6	16,409	14,635
Other accrued expenses		2,461	2,195
EDC investment		7,000	5,500
Management and custodial fees payable	7	<u>27,474</u>	<u>1,721</u>
		<u>66,344</u>	<u>24,051</u>
Net Assets		<u>10,864,340</u>	<u>7,478,656</u>
Represented by:			
Owners' fund	8	<u>10,864,340</u>	<u>7,478,656</u>



Director:

Date: 3rd May 2012



Director:

Date: 3rd May 2012

The attached notes 1 to 13 form an integral part of the financial statements.

**INCOME AND DISTRIBUTION ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Notes	2011 GH¢	2010 GH¢
Income			
Interest income	9	866,931	649,334
Dividend income		<u>108,308</u>	<u>61,953</u>
		975,239	711,287
Expenses			
Investment management fees	10	251,845	134,189
Other expenses	11	<u>181,212</u>	<u>96,799</u>
		433,057	230,988
		542,182	480,299
Unrealised (loss)/gain on investments	12	<u>(143,855)</u>	<u>918,813</u>
Net investment income		<u>398,327</u>	<u>1,399,112</u>

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

	2011 GH¢	2010 GH¢
Opening balance: 1 January	1,811,230	412,118
Increase in net assets resulting from operations	<u>398,327</u>	<u>1,399,112</u>
Closing balance: 31 December	<u>2,209,557</u>	<u>1,811,230</u>

The attached notes 1 to 13 form an integral part of the financial statements

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

		2011 GH¢	2010 GH¢
	Notes		
Operations:			
Net investment income		542,182	480,299
Unrealized gain/(loss)		<u>(143,855)</u>	<u>918,813</u>
Net increase in net assets resulting from operations		<u>398,327</u>	<u>1,399,112</u>
Capital transactions:			
Proceeds from share issue		5,210,057	3,153,122
Shares redeemed		<u>(2,222,700)</u>	<u>(1,247,509)</u>
Net proceeds from capital transactions		<u>2,987,357</u>	<u>1,905,613</u>
Total increase in net assets		3,385,684	3,304,725
Net assets at the beginning of year		<u>7,478,656</u>	<u>4,173,931</u>
Net assets at the end of the year	8	<u>10,864,340</u>	<u>7,478,656</u>

The attached notes 1 to 13 form an integral part of the financial statements

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011**

2011	Capital transaction GH¢	Investment GH¢	Total GH¢
Balance as at 1 January 2011	5,667,426	1,811,230	7,478,656
Net investment income resulting from operations	-	398,327	398,327
Issue of shares	5,210,057	-	5,210,057
Redemption of shares	(2,222,700)	-	(2,222,700)
Balance as at 31 December 2011	<u>8,654,783</u>	<u>2,209,557</u>	<u>10,864,340</u>

2010	Capital transaction GH ¢	Investments GH¢	Total GH¢
Balance as at 1 January 2010	3,761,813	412,118	4,173,931
Net investment income resulting from operations	-	1,399,112	1,399,112
Issue of shares	3,153,122	-	3,153,122
Redemption of shares	(1,247,509)	-	(1,247,509)
Balance as at 31 December 2010	<u>5,667,426</u>	<u>1,811,230</u>	<u>7,478,656</u>

The attached notes 1 to 13 form an integral part of the financial statements.