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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 19 to 30. 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, 2012 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).

Report on Other Legal and Regulatory Requirements

The Companies Code 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 explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii. In our opinion proper books of accounts have been kept by the Fund, so far as appears from our examination of the books, and;
- iii. The Fund's statement of assets and liabilities and the income and distribution account are in agreement with the books of accounts.

John Kay + Co

Chartered Accountant

30th April, 2013

STATEMENT OF NET ASSETS AS AT DECEMBER 31, 2012

Description	Number of Shares	Price 31-Dec-12 GH(¢)	Market Value GH(¢)	% Net Assets
Banking				
Ghana Commercial Bank	64,327	2.10	135,086	2.75
Ecobank Ghana Ltd	84,000	3.00	252,000	5.13
UT Bank Ltd	400,000	0.37	148,000	3.01
Standard Chartered Bank Ghana Ltd	34,632	11.00	380,952	7.76
SG-SSB Ghana Ltd	310,100	0.48	148,848	3.03
Food & Household Products				
Fan Milk Ghana Ltd	53,000	3.55	188,150	3.83
P Z Cussons (Ghana)Ltd	660,804	0.18	118,944	2.42
Insurance				
SIC Company Ltd	275,000	0.34	93,500	1.90
Enterprise Group Ltd	605,000	0.48	290,400	5.92
Petroleum Products				
Ghana Oil Company Ltd	281,200	0.62	174,344	3.55
Total Petroleum Company Ltd	10,500	23.49	246,645	5.02
Total (Cost GH¢1,611,371)			2,176,869	44.34
Medium Term Funds				
Bonds- Bank of Ghana, etc.			600,000	12.22

STATEMENT OF NET ASSETS AS AT DECEMBER 31, 2012 CONTD.

Short Term Funds	GH¢	% Net Asset
Cash-Bank & Call	63,763	1.30
Short Term Investments		
Certificates of Deposit (CD)	1,419,075	28.91
Commercial Paper (CP)	200,000	4.07
Treasury Notes and Bills		
1 Year Treasury Notes	52,992	1.08
3 Year Treasury Notes	100,000	2.04
Total	1,835,830	37.40
Total Investments	4,612,699	93.96
Other Assets in Excess of Liabilities	296,358	6.04
Total Nets Assets	4,909,057	100.00

STATEMENT OF ASSETS AND LIABILITIES AS AT DECEMBER 31, 2012

ASSETS	Note	2012 GH¢	2011 GH¢
Total Investments		<u>4,612,699</u>	<u>5,467,544</u>
Account Receivables:			
Receivable-Redemption		55,000	-
Receivable-Interest		251,999	245,560
Receivable-Money Systems	3	29,682	29,682
Receivables-others		315	315
Total Receivables		<u>336,996</u>	<u>275,557</u>
Liabilities			
Payables:			
Commission - (1% Front Load)		-	1,017
Management Fees		12,485	16,422
Audit fee		9,000	8,000
Custody		6,560	4,341
Withholding Tax		928	(48)
Payable -Others		11,665	12,779
Total Liabilities		<u>40,638</u>	<u>42,511</u>
Net Current Assets		<u>296,358</u>	<u>233,046</u>
Net Assets		<u>4,909,057</u>	<u>5,700,590</u>

The financial statements on pages 19 to 30 were approved by the board of directors on 30th April 2013 and signed on its behalf by:



.....
Keli Gadzekpo
Director



.....
Stephen Adei
Director

INCOME AND DISTRIBUTION ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2012

	Notes	2012 GH¢	2011 GH¢
Investment Income			
Gross Dividend Income		106,486	69,399
Interest Income	6	444,903	424,996
Total Income		<u>551,389</u>	<u>494,395</u>
Management Fees		(76,481)	(73,095)
Other Expenses	7	(110,921)	(100,033)
Total Expenses		<u>(187,402)</u>	<u>(173,128)</u>
Net Investment Income		363,987	321,267
Net Realized Gain on Investment	8	113,701	179,995
Change in Unrealized (Loss)/Gain	9	571,084	292,937
Net Increase in Net Assets Resulting from Operations		<u>1,048,772</u>	<u>794,199</u>

ACCUMULATED NET INVESTMENT INCOME FOR THE YEAR ENDED DECEMBER 31, 2012

	2012 GH¢	2011 GH¢
Beginning Period	899,425	578,158
Net Investment Income for the period	<u>363,987</u>	<u>321,267</u>
End of period	<u>1,263,412</u>	<u>899,425</u>

ACCUMULATED NET REALISED GAIN

	2012 GH¢	2011 GH¢
Beginning Period	41,556	(138,438)
Net realized gain/(Loss) for the period	<u>113,701</u>	<u>179,994</u>
End of period	<u>155,257</u>	<u>41,556</u>

STATEMENT OF MOVEMENT IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2012

	Notes	2012 GH¢	2011 GH¢
Change in Net Assets			
Operations:			
Net Investment Income		363,987	321,267
Net Realized Gain	8	113,701	179,995
Unrealized Gain/(Loss)	9	571,084	292,936
Change in net assets from operations		<u>1,048,772</u>	<u>794,198</u>
Capital Transactions:			
Proceeds from share issue		1,259,831	2,889,396
Shares redeemed		(3,100,136)	(1,612,322)
Net Proceeds from Capital Transaction		<u>(1,840,305)</u>	<u>1,277,074</u>
Total Increase/(Decrease) in Net Assets		<u>(791,533)</u>	<u>2,071,272</u>
Net Assets: Beginning of Period		<u>363,987</u>	<u>321,267</u>
End of Period		<u>4,909,057</u>	<u>5,700,590</u>

STATEMENT OF MOVEMENT IN ISSUED SHARES FOR THE YEAR ENDED DECEMBER 31, 2012

	Note	2012 Number of Shares	2011 Number of Shares
Shares in Issue at Beginning of Period		34,233,548	23,393,370
Shares in Issue at December 31	10	25,242,811	34,233,548

PORTFOLIO SUMMARY AS AT DECEMBER 31, 2012

DESCRIPTION	SHARES AS AT 12/31/12	SHARE VALUE AS AT 12/31/12 GH¢	SHARES AS AT 12/31/11	SHARE VALUE AS AT 12/31/11 GH¢	PURCHASES AS AT YEAR '12 GH¢	SALES AS AT YEAR '12 GH¢
Banking						
Ghana Commercial Bank	64,327	135,086	64,327	119,005	-	-
Cal Bank Ltd	-	-	262,115	73,392	-	69,548
UT Bank Ltd	400,000	148,000	400,000	128,000	-	-
Ecobank Ghana Ltd	84,000	252,000	84,000	267,960	-	-
Standard Chartered Bank Ltd	34,632	380,952	5,772	262,511	-	-
SG-SSB	310,100	148,848	310,100	142,646	-	-
Food & Household Products						
Fan Milk Ghana Ltd	53,000	188,150	111,000	263,070	-	125,686
P Z Cussons (Ghana)Ltd	660,804	118,944	555,444	133,307	19,325	-
Insurance						
SIC Company Ltd	275,000	93,500	627,700	251,080	-	121,593
Enterprise Group Ltd	605,000	290,400	450,000	171,000	53,596	-
Petroleum Products						
Ghana Oil Company Ltd	281,200	174,344	559,200	178,944	-	158,571
Total Company Ltd	10,500	246,645	14,200	281,585	-	77,864
TOTAL	<u>2,778,563</u>	<u>2,176,869</u>	<u>3,443,858</u>	<u>2,272,500</u>	<u>72,921</u>	<u>553,262</u>

FINANCIAL HIGHLIGHTS

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

	2012	2011	2010	2009	2008
FINANCIAL HIGHLIGHTS					
Net assets value, January 1 (i.e. share price)	0.1665	0.1551	0.1127	0.1181	0.1000
Net Investment Income	0.0161	0.0317	0.0059	0.0130	0.0066
Net Realised and Unrealised gain	0.0119	-0.0024	0.0366	-0.0184	0.0115
Net Assets Value, Dec 31 (i.e. share price) GH¢	0.1945	0.1665	0.1551	0.1127	0.1181
Total Return	16.80%	7.35%	37.71%	-4.57%	18.06%
Ratio of Expenses to average assets	3.53%	3.04%	5.52%	4.94%	3.47%
Ratio of net investment income to average net assets	10.39%	5.64%	3.80%	11.58%	5.56%