

THE DATABANK  
MONEY MARKET FUND LIMITED

**FULL YEAR REPORT**  
FOR THE YEAR ENDED  
*DECEMBER 31, 2006*

*Audited*



May10, 2007

Dear Valued Shareholders,

**2006 Databank Money Market Fund (Mfund) Investment Report**

We present you with our 2006 report. This report contains information about **Databank Money Market Fund** and analyzes its results for the full year ended December 31, 2006.

We detail our Chairman's 2007 statement to you with your Fund Managers report on the performance of your fund during 2006. We also present you with the key growth milestones of your Fund since 2004. Our audited report for 2006, also contains financial results of your fund's management and operations for the year under review.

**We appreciate you as our client and hope this report reflects your expectations for your investment in the Databank Money Market Fund for 2006.**

Current information on your Fund's performance can be accessed at the end of every business day from the Databank website @ [www.databankgroup.com](http://www.databankgroup.com). *You can also call our Client Service Executives on 233-21-681404 for an update on your statement.*

*Kind Regards,*



***Fund Manager***



## CONTENTS

	Page
<input checked="" type="checkbox"/> Notice of Annual General Meeting	4
<input checked="" type="checkbox"/> Chairman's Statement to Shareholders	5
<input checked="" type="checkbox"/> Performance Summary	9
<input checked="" type="checkbox"/> Portfolio at a Glance	9
<input checked="" type="checkbox"/> Investment Report	10
<input checked="" type="checkbox"/> Corporate Information	14
<input checked="" type="checkbox"/> Report of the Directors	15
<input checked="" type="checkbox"/> Report of the Auditors	17
<input checked="" type="checkbox"/> Statement of Assets and Liabilities	19
<input checked="" type="checkbox"/> Income and Distribution Accounts	20
<input checked="" type="checkbox"/> Statement of Movement In Net Assets and Issued Shares	21
<input checked="" type="checkbox"/> Notes to Financial Statements	22
<input checked="" type="checkbox"/> Custodian's Report	29
<input checked="" type="checkbox"/> Directors and Officers Information	34
<input checked="" type="checkbox"/> Proxy Form	37

*This report shall not constitute an invitation to buy shares of the Fund. Subscriptions are to be made only on the basis of the current scheme particulars, accompanied by a copy of the latest available annual report, and if published thereafter, the most recent half year report.*



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the third Annual General Meeting of the shareholders of Databank Money Market Fund Limited will be held at the Ghana-India Kofi Annan Center for Excellence in ICT - Accra (*opposite the side entrance of the State House on the GLJ - Parliament Road*) on Tuesday, July 24<sup>th</sup>, 2007 at 11.30a.m for the following purposes:

1. To approve the accounts and the Directors' and the Auditors' Report for the 12 months ended December 31, 2006.
2. To re-elect Directors retiring by rotation.
3. To authorize the Directors to appoint and fix the remuneration of Auditors.
4. To approve Directors' Fees.
5. To transact any other business appropriate to be dealt with at an Annual General Meeting.

*Dated this 10<sup>th</sup> day of May, 2007*

BY ORDER OF THE BOARD



**Geta Striggner-Quartey (Mrs)**  
**Secretary**



## CHAIRMAN'S STATEMENT TO SHAREHOLDERS

Dear Valued Shareholders,

It is a great pleasure and honour for me to welcome you all to the 3<sup>rd</sup> Annual General Meeting of the Databank Money Market Fund (Mfund). I will also like to especially welcome all new Mfund shareholders who may be attending this meeting for the first time. I will lead off with few comments on the performance of the Ghanaian economy and present highlights of your Fund's performance in 2006, which I know will be of utmost interest to you. I will conclude with highlights on our investment strategies as well as expected performance of Mfund in 2007.

### *Overview of Economy and Money Market*

The Ghanaian economy continued to experience stability and deepening of the financial market in 2006. This was evident in the reduction of the prime rate from 15.5% in December 2005 to 12.5% by the end of December 2006, following on from a consistent lowering of inflationary trends. Year-on-year inflation at the end of 2006 was 10.90%, just a little shy of the single digit Government target. Consequently, the average yield on the benchmark 91-Day T-bill fell from 11.45% in 2005 to 9.64% in 2006. The interest rates on bank savings also averaged about 5% during the year. All these interesting developments, coupled with the Bank of Ghana's removal of secondary reserve requirements on commercial banks, significantly helped to increase funds available for lending to the private sector. Consequently, the increase in supply of credit funds helped to drive down the price of loanable funds. It is therefore, instructive to view the performance of the Databank Mfund in 2006 against the backdrop of the growing macro stability and steady decline in the yield on money market instruments.

### *Fund Performance*

In 2006, Mfund returned an annualized yield of 14.47%, compared with an average savings rate of 5% in 2006. In practical terms, ₵10 million cedis invested in Mfund at the beginning of 2006 would have returned about ₵1,144,700 compared to about ₵500,000 on average bank savings and ₵964,000 on the 91-Day Treasury bill.



Given that the average inflation rate in 2006 was 10.24%, it is important to point out that the Fund gave shareholders a real return of over 4% during the period under review. The Fund thus achieved its principal objective of preserving invested funds as well as providing a real return over and above the yields on comparable instruments such as the Government 91-Day Treasury bill.

The Fund grew steadily during the past year. Its value increased from ₵72.8billion in December 2005 to ₵117.6billion at the end of December 2006, representing a growth rate of about 62%. In terms of investor interest, the Databank Mfund seems to be enjoying strong positive word-of-mouth promotion from our satisfied shareholders, aided by the evangelizing spirit of our Databank Client Services Limited Department. This is because, even in the absence of any massive promotional campaign, the number of shareholders grew from 7,654 in 2005 to 11,184 in 2006 (up by 46%).

### ***Outlook***

Fellow shareholders, even though the trending stability of the economy suffered some momentary shocks due to the current energy crisis and instability in the global petroleum market, the Ghanaian economy has largely remained resilient. This has mainly been achieved on the back of efficient management of the economy, especially, from a curtailment of Government borrowing and crowding out of the private sector. As at the end of April 2007, the year-on-year inflation stood at 10.50%, while the yield on the benchmark 91-day Treasury bill stood at 9.60% at the end of April 2007, compared to the current annualized yield of 12.05% on Mfund (as at the end of April 2007).

It is our considered expectation that the Ghanaian economy will continue to remain strong in spite of the current energy crisis. We do not expect any serious disturbance of the stability we have enjoyed over the past five years. For example, the impending redenomination of the cedi in July 2007 is a testament to the current and anticipated economic stability. As you may all know, the currency redenomination will knock off four zero's but the cedis' purchasing value will REMAIN THE SAME. Similarly, the face value of Mfund and your investments in it will be redenominated in lower figures, but their value will also be THE SAME!



Obviously, putting your short-term funds in Mfund is a safe and sure way to preserve your money against the corrosive effects of inflation!

### ***Investment Strategy and Innovation***

The main challenge for the Fund Manager in 2007 and in the immediate future, will be in finding investment avenues which will not only provide yields higher than inflation but also offer better returns than those on comparable financial instruments of duration below 12 months. In addition, we will maximize our investments in high-yielding, but safe Commercial Papers and Certificates of Deposit.

Fellow shareholders, ladies and gentlemen, I am glad to announce that since March this year, Databank Client Services have entered into a distribution alliance with Zenith Bank. By this arrangement shareholders can now make payments into their Mfund accounts at all the branch offices of Zenith Bank in Ghana. The Fund also plans to augment its core service of superior investment management with the introduction of facilities which will enable shareholders draw cheques at all the branch offices of Zenith.

We have also embarked on a strong promotional campaign to increase awareness of the Databank Mfund among the public. We therefore take this opportunity to invite other investors, especially those in Epack, to also consider investing in the Databank Mfund in order to achieve a balance in their financial portfolio. The Databank Mfund is an ideal complement for all investors who already have holdings in long-term mutual funds or shares because it meets your distinctive financial short term needs – It seeks to provide investors with high yielding securities with regular income. Broadly, the Databank Mfund is suitable for people who cannot tolerate the relatively high risk or periodic fluctuations associated with shares and equity mutual funds.

The Fund can also be used by Ghanaians in the Diaspora who remit funds regularly to support their families and friends in Ghana. Through, the Mfund, Ghanaians living outside can open a special Family Support account by investing regular remittances in the Databank Mfund.



I will like to end by extending my deep appreciation to fellow Directors on the Mfund Board, in whom we have placed much trust, for their guidance and stewardship.

We also thank the Fund Manager & staff of Databank Asset Management Services Limited and the hard-working staff of Databank Client Services Limited, for their commitment and zeal in ensuring that Mfund, once again led the market by giving shareholders a higher rate on their investments.

My special thanks go to all shareholders for entrusting your money to Databank to manage. We also thank you for providing free word-of-mouth advertising about the Fund to your relatives and friends. We hope that our new shareholders will also continue to promote the Fund to the public.

*Wealth (not earned but) won in haste or unjustly or from the production of things for vain or detrimental use (such riches) will dwindle away, but he who gathers little by little will increase (his riches)*

I will end here with a reminder of the admonition in Proverbs 13:11.

Thank you and God bless you!



**Ken Ofori-Atta**  
**Chairman**





# PERFORMANCE SUMMARY AS AT DECEMBER 31, 2006

## Historical Performance 1

All Data as at December 31 2006, Cumulative	MFUND Investments Fund	Savings Rate
Annualized Returns	14.47%	5% <sup>2</sup>

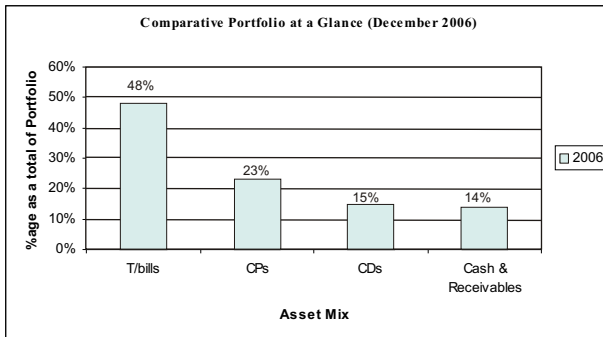
<sup>1</sup> - Return on investment reflects the return of the Fund taking into account cash inflows, cash outflows, reinvestment of interest and changes in the share prices. This percentage is not an indication of the performance of a member's investment in the Fund due to the difference in timing between when a member makes contributions and the reference period of the Fund.

<sup>2</sup> Commercial Bank Average

## Share Price Information

	28/04/04	31/12/04	31/12/05	31/12/06
Share Price (¢)	1,000	1,128	1,280	1,464
Number of Shares ('thousand)	0	14,877	56,959	78,911
MFUND Value (€'million)	0	16,782	72,757	117,648
Number of Shareholders	Nil	2,174	7,654	11,184

## PORTFOLIO AT A GLANCE AS AT DECEMBER 31, 2006



## INVESTMENT REPORT

### Performance Review

The Databank Money Market Fund achieved a yield of 14.47% at the end of December, 2006. The 91-day treasury bills declined by 1.81% from its year open levels of 11.45% to end the year at 9.64%. The 2006 annualized yield of Mfund (14.47%) compares favourably with treasury bill rate of 9.64%, bank savings rates of between 1%-5% and an inflation rate of 10.90%.

### Economic/Market Review

- **Monetary policy to the rescue**

The economy continued in its upsurge in 2006, registering an annual growth of 6.2% as against 5.8% in 2005. Among the key financial milestones registered in 2006, were the reduction in the prime rate by 3% to 12.5%; elimination of the secondary reserve requirements of commercial banks and the seminal decision to re-denominate the Cedi in 2007. Despite intermittent spikes in the price of crude oil on the world market, inflationary pressures remained fairly subdued in 2006, with the Ghanaian economy achieving single digit inflation levels of 9.9% and 9.5% in March and April, respectively. In 2006, the local currency was quite stable against the dollar (year-end depreciation of cedi/dollar: 1.3%), thanks to the favourable developments in the global markets for gold and cocoa, as well as improved remittance inflows into the country.

- **Interest Rates travel southwards**

The sustained stability of the Ghanaian economy in 2006 reflected on the performance of the financial market as the rates offered on the Government of Ghana (GOG) securities took a downward trend during 2006. The 91-Day treasury bill commenced the year at 11.45% but trended down to 9.64% by year end. The 1-year note also declined by 1%, to 15.5% in April and dropped further to 13% in December, following a 3% drop in the prime rate to 12.50%. The year under review also witnessed the listing of the '2-Year' and '3-Year' GOG Notes and Bonds.



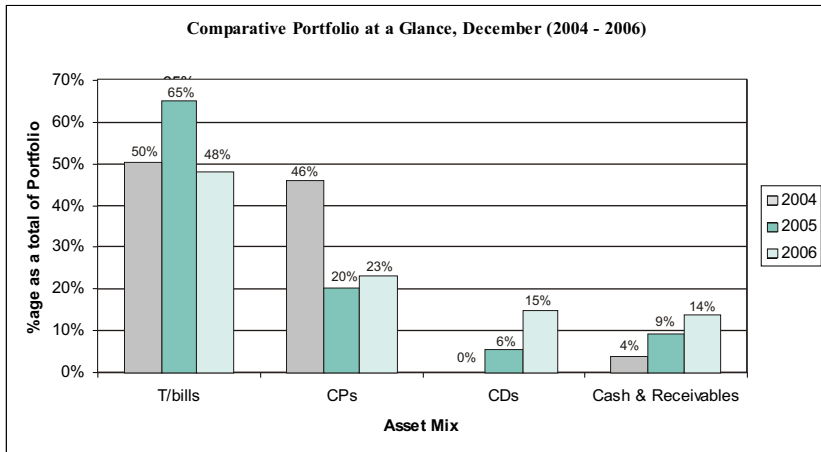
## Portfolio Review and Investment Strategy

- Performance**

It has been a rewarding year for Mfund, as your Fund consistently maintained a monthly average of 4 percentage points above the 91 day Government of Ghana treasury bills yield. The Fund also posted an impressive 9.5 percentage points above the average savings rates of most commercial banks in the country in year 2006. This performance is consistent with our objective of maintaining appreciable yields above comparable money market instruments in Ghana. The convenience of holding Mfund (ease of entry and exit) coupled with favourable returns continues to position your Fund as the No. 1 Money Market Mutual Fund in the country.

- Asset Mix**

We are, however, still faced with the challenge of investing in alternative investment instruments on the Ghanaian money market. We continue to hold treasury bills, commercial papers and certificates of deposit as the primary asset classes of your Fund. At the close of year 2006, the portfolio consisted of 48% treasury bills, with commercial papers and certificates of deposit being 23% and 15% respectively. About 14% was held in cash and interest receivables.



*The chart indicates continued efforts at diversifying from Treasury Bills into higher yielding Commercial Papers and Certificates of Deposit.*



- **Growth**

The number of shareholders in the Fund grew significantly by 42% from 7,654 as at the end of December, 2005 to 11,184 in December 2006. The Fund size subsequently rose by 62% to close the year at ¢117.6billion from ¢72.8billion at the end of December, 2005.

- **Projecting 2007**

The Government has outlined the following as the macroeconomic targets to be met in 2007: Real GDP growth of at least 6.5%; End-period inflation of between 7% - 9%; an average inflation rate of 8.8%; Reserves of at least 3months of import cover; a domestic primary deficit of 0.6% of GDP; and an overall budget deficit of 3.2% of GDP. We also expect an injection of funds into the economy through infrastructure development as well as construction works lined up for CAN 2008. Inflows from the Millennium Challenge Account are also expected to contribute to the targeted growth rate.

The economy is forecast to grow in excess of 6% in 2007 on the back of a good cocoa harvest, high gold prices and a dynamic mining sector. In addition, the 'Ghana @ 50' celebrations, the hosting of CAN 2008 and the 2008 general elections, which will precipitate an accelerated infrastructure development programs is expected to impact positively on economic growth (if well managed on the fiscal side). In 2007, the monetary policy is expected to remain focused primarily on keeping inflationary pressures at bay, and also to avoid excessive growth of the monetary aggregates. Inflationary pressures are expected to remain subdued over the course of the year, however the volatility of crude oil prices on the world market remains the primary threat towards attaining single-digit inflation in 2007. Pricing forecasts for the year remain optimistic, with headline inflation expected to hover within 8% and 11% band over the 12month period.

The stability of the cedi against the dollar is anticipated to be maintained in 2007, as the global economy's confidence in the dollar as a store of value continues to wane. Depreciation of the cedi against the greenback is forecast within the band of 1.5% and 2.1% by year-end.



On the basis of the above, we estimate that, disposable income will increase and inflation will hit single figures if oil prices continue to decline. We anticipate a greater than, a 25% deposit growth rate of your Fund with an end of year yield at, at least 2.5% above the 91day Treasury Bill. We also anticipate an increase in investment options of your Fund in 2007, following the listing of Government of Ghana Bonds on the Ghana Stock Exchange.

Our strategy for 2007, is to maintain your yields at, a minimum of 2.5% above the 91day treasury bill rate. This we intend to achieve by investing in listed bonds of maturity of one year and below and aggressively buy into high yielding commercial papers and also taking advantage of competitive rates on certificates of deposit.

With the above measures, along with prudent and astute investment management strategies, your FUND, MFUND, should remain an excellent investment vehicle in 2007.



Suzy Aku Bedzra  
Fund Manager



## CORPORATE INFORMATION

### **BOARD OF DIRECTORS**

Ken Ofori-Atta (Chairman)  
Keli Gadzekpo  
Stephen Adei  
Dan Seddoh  
Benjamin Gogo

### **REGISTERED OFFICE**

No. 61  
Barnes Road, Adabraka  
Private Mail Bag  
Ministries Post Office  
Accra

### **CUSTODIAN**

Barclays Bank of Ghana Limited  
P.O. Box 2949  
High Street  
Accra

### **AUDITORS**

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

### **INVESTMENT MANAGER**

Databank Asset Management  
Services Limited  
No. 61  
Barnes Road, Adabraka  
Private Mail Bag  
Ministries Post Office, Accra

### **BANKERS**

#### **Barclays Bank of Ghana Limited**

P.O. Box 2949  
High Street  
Accra

#### **SG-SSB Limited**

P.O. BOX 13119  
Ring-Road Central  
Accra

#### **Ecobank Ghana Ltd.**

19 Seventh Avenue, Ridge West  
PMB GPO  
Accra



## REPORT OF THE DIRECTORS

The Directors have pleasure in submitting the financial statements of the Company for the year ended December 31, 2006.

### Statement of Directors' responsibilities

The Directors are responsible for the preparation of financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and of the statement of operations for that period. In preparing those financial statements, the Directors have put suitable accounting policies in place and generally applied them consistently, made judgements and estimates that are reasonable and prudent and followed Ghana Accounting Standards.

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

### Nature of business

The nature of business of the Fund is to invest the monies of its members for their mutual benefit and to hold and arrange for the management of money market securities acquired with such monies. The Fund 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, 2006 are set out below:

	2,006 ¢'000	2,005 ¢'000
Interest Income	16,385,899	8,334,487
Management and Operational Expense	<u>(1,497,521)</u>	<u>(838,397)</u>
Transfer to Accumulated Net Investment Income	<u>14,888,378</u>	<u>7,496,090</u>



**Distribution policy**

The fund passes substantially all of its earnings along to its investors as “distributions” The Fund earns interest from fixed income investments. These amounts are passed along to Fund shareholders as “income dividend distributions” The Fund may realize capital gains whenever it sells securities for a higher price than it paid for them. These amounts may be passed along as “capital gain distributions.” The Investment Manager does not anticipate that there will be significant capital gain distributions, because of the liquid nature of the assets.

BY ORDER OF THE BOARD



Director



Director







**John Kay & Co**

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E-mail: [jkayal@wwwplus.com](mailto:jkayal@wwwplus.com)

## REPORT OF THE AUDITORS TO THE INVESTORS OF DATABANK MONEY MARKET FUND LIMITED

We have audited the financial statements set out on pages 19 to 28. 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 2 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 Money Market Fund Limited at December 31,



2006 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)

*John Kaye*  
Chartered Accountants.

Dated: 10<sup>th</sup> May, 2007



## STATEMENT OF ASSETS & LIABILITIES AS AT DECEMBER 31, 2006

	Note	Market Value 2006 €'000	% Net Assets	Market Value 2005 €'000	% Net Assets
<b>CASH AND SHORT TERM INVESTMENTS</b>					
<b>Cash at Bank</b>					
Cash at Bank	2	14,361,144	12.21	3,252,773	4.47
<b>Short Term Investments</b>					
Treasury Bills	3	56,459,510	47.99	46,937,685	64.51
Commercial Papers	4	27,340,117	23.23	12,675,800	17.42
Certificates of Deposit	5	17,370,000	14.77	6,000,000	8.25
<b>Total Short Term Investments</b>		<b>101,169,627</b>	<b>85.99</b>	<b>65,613,485</b>	<b>90.18</b>
<b>Total Cash &amp; Short Term Investments</b>		<b>115,530,771</b>	<b>98.20</b>	<b>68,866,258</b>	<b>94.65</b>
<b>RECEIVABLES</b>					
Accrued Interest Income	6	5,649,317	4.80	2,234,759	3.07
Amount due from Primary Dealers	7	-	0.00	1,800,895	2.48
Other Receivables	8	176,619	0.15	236,600	0.32
<b>Total Receivables</b>		<b>5,825,936</b>	<b>4.95</b>	<b>4,272,254</b>	<b>5.87</b>
<b>Total Assets</b>		<b>121,356,707</b>	<b>103.15</b>	<b>73,138,512</b>	<b>100.52</b>
<b>LIABILITIES</b>					
Sales Commission		(276,855)	(0.24)	(175,493)	(0.24)
Management Fee		(271,233)	(0.23)	(159,863)	(0.22)
Sundry Creditors	9	(3,097,233)	(2.63)		
Accrual, audit, etc		(63,550)	(0.05)	(46,578)	(0.06)
<b>Total Liabilities</b>		<b>(3,708,871)</b>	<b>(3.15)</b>	<b>(381,934)</b>	<b>(0.52)</b>
<b>TOTAL NET ASSETS</b>		<b>117,647,836</b>	<b>100.00</b>	<b>72,756,578</b>	<b>100.00</b>

The financial statements on pages 19 to 28 were approved by the Board of Directors on May 10, 2007 and signed on its behalf by

  
DIRECTOR

  
DIRECTOR

## INCOME AND DISTRIBUTION ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2006

	Note	2006 (€'000)	2005 (€'000)
<b>Investment Income</b>			
Interest Income	10	16,385,899	8,334,487
<b>Total Income</b>		<b>16,385,899</b>	<b>8,334,487</b>
<b>Expenses</b>			
Investment Management Fees		(929,026)	(469,168)
Other Expenses	11	(568,495)	(369,229)
<b>Total Expenses</b>		<b>(1,497,521)</b>	<b>(838,397)</b>
<b>Transfer to Accumulated Net Investment Income</b>		<b><u>14,888,378</u></b>	<b><u>7,496,090</u></b>

## ACCUMULATED NET INVESTMENT INCOME FOR THE YEAR ENDED DECEMBER 31, 2006

	Note	31/12/2006 (€'000)	31/12/2005 (€'000)
Transfer from Income and Distribution Accounts		14,888,378	7,496,090
Distribution		-	(609,794)
Recommended Non-Cash Dividend	12	(13,399,540)	-
<b>Net Accumulated Income</b>		<b>1,488,838</b>	<b>6,886,296</b>
<b>Beginning of Period</b>		<b><u>7,664,531</u></b>	<b><u>778,235</u></b>
<b>End of period</b>		<b><u>9,153,369</u></b>	<b><u>7,664,531</u></b>



## STATEMENT OF MOVEMENT IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2006

Increase in Net Assets	Note	2006 (€'000)	2005 (€'000)
<b>Operations:</b>			
Net income after distribution		<u>1,488,838</u>	<u>6,886,296</u>
		1,488,838	6,886,296
<b>Capital Transactions:</b>			
Proceeds from share issue		100,402,445	80,958,474
Shares redeemed		<u>(70,399,565)</u>	<u>(31,870,262)</u>
Net Proceeds from Capital Transactions		<b>30,002,880</b>	<b>49,088,212</b>
Recommended Non-Cash Dividend 12		<b>13,399,540</b>	-
<b>Total Increase in Net Assets</b>		<b><u>44,891,258</u></b>	<b><u>55,974,508</u></b>
Beginning of Period		<u>72,756,578</u>	<u>16,782,070</u>
<b>End of Period</b>		<b><u>117,647,836</u></b>	<b><u>72,756,578</u></b>

## STATEMENT OF MOVEMENT IN ISSUED SHARES FOR THE YEAR ENDED DECEMBER 31, 2006

	Note	2006	2005
Number of shares in issue at beginning of period		56,959,053	14,877,351
Net shares issued during the period 13		<u>21,952,194</u>	<u>42,081,702</u>
<b>Shares in Issue at December 31, 2006</b>		<b><u>78,911,247</u></b>	<b><u>56,959,053</u></b>



## NOTES TO FINANCIAL STATEMENTS

### 1. Accounting Policies

The following principal accounting policies have been consistently applied during the year in accounting for items that are considered material in the preparation of the Fund's financial statements.

The financial statements are presented in Ghanaian cedis.

#### *i. Income Recognition*

Interest income is recognized on the accrual basis of accounting. Interest income comprises interest on treasury bills, commercial papers and certificates of deposit. The recognition of interest ceases when the payment of interest or principal is in doubt. Thereafter, interest is included in income only when it is received.

Commissions and fees are credited to income when earned.

#### *ii. Expenses*

Expenses are recognized when incurred, without regard to receipt or payment of cash.

#### *iii. Investments*

Valuation of the fund is determined by the amortized cost method. This involves the valuing of a debt obligation in reference to its cost rather than market value. In this regard, short-term securities having maturity of ninety-one days or less are valued at amortized cost.

#### *iv Foreign Currency*

Transactions in foreign currencies during the period are converted into cedis at rates ruling at the transaction dates. Assets and liabilities



denominated in foreign currencies are translated into cedis at exchange rates ruling at the financial year-end. The gains and losses resulting from exchanges are dealt with in arriving at the period's operating profit.

**v. *Commercial Paper***

Commercial paper is stated in the Statement of Assets and Liabilities at the principal amount and interest less provision for doubtful debts. Provisions against commercial paper are based on an appraisal of the portfolio and are made having regard to specific risks. There is no provision for doubtful debts.

**vi *Certificates of Deposit***

Certificates of Deposit is stated in the Statement of Assets and Liabilities at the principal amount and interest less provision for doubtful debts. Provisions Certificate of Deposit are made having regard to specific risks. There is no provision for doubtful debts.

**2. Cash and Balances with Bank**

Cash and cash equivalents, comprise deposits held at call with banks and cash at bank

Cash at bank and call as at December 31, 2006 was ₵14,361,144,272. This forms 12.21% (2005: 4.47%) of total net assets for the period.

**3. Government Securities**

Treasury bills are stated at maturity on the Statement of Assets and Liabilities. Treasury bills for the period under review totals ₵56,459,510,000 (2005: ₵46,937,685,000) and these form 47.99 % (2005: 64.51%) of total net assets.



<b>Details</b>	<b>2006</b> <b>€'000</b>	<b>2005</b> <b>€'000</b>
1 Year Note	43,487,659	8,583,229
182 Day Treasury Bills	9,978,035	7,125,188
177 Day Treasury Bills	-	500,000
91 Day Treasury Bills	2,319,581	29,517,960
77 Day Discounted Bills	-	31,000
70 Day Discounted Bills	674,235	110,000
63 Day Discounted Bills	-	600,308
56 Day Discounted Bills	-	135,000
49 Day Discounted Bills	-	335,000
	<b><u>56,459,510</u></b>	<b><u>46,937,685</u></b>

#### 4. Commercial Paper

Commercial paper as at December 31, 2006 are as follows:

<b>Details</b>	<b>2006</b> <b>€'000</b>	<b>2005</b> <b>€'000</b>
182 day	27,340,117	12,055,000
90 day	-	-
60 day	-	400,000
30 day	-	220,800
	<b><u>27,340,117</u></b>	<b><u>12,675,800</u></b>

Commercial paper for the period under review forms 23.23% (2005:17.42%) of total net assets.

#### (i) Analysis by Business Segments

<b>Details</b>	<b>2006</b> <b>€'000</b>	<b>2005</b> <b>€'000</b>
Construction	2,400,000	2,400,000
Manufacturing	5,000,000	2,000,000
Commerce and Finance	-	3,000,000
Services	19,940,117	620,800
Miscellaneous	-	4,655,000
	<b><u>27,340,117</u></b>	<b><u>12,675,800</u></b>





## 5. Certificates of Deposit

Certificates of Deposit as at December 31, 2006 are as follows:

Details	2006 ¢'000	2005 ¢'000
182 day	9,370,000	6,000,000
91 day	8,000,000	-
	<u>17,370,000</u>	<u>6,000,000</u>

Certificates of deposit for the period under review forms 14.77 % (2005:8.25%) of total net assets.

### (i) Analysis of Business Segments

Details	2006 ¢'000	2005 ¢'000
Banking Institutions	8,000,000	-
Non-Banking Financial Institutions	9,370,000	6,000,000
	<u>17,370,000</u>	<u>6,000,000</u>

## 6. Accrued Interest Receivable

Interest accrued as at December 31, 2006 forms 4.80 % (2005: 3.07%) of total net assets. Total value was ¢ 5,649,316,764 (2005: ¢2,234,759,000). This consists of interest on commercial paper and treasury bills.

## 7. Due from Primary Dealers

For the period under review, an amount of ¢ Nil (2005: ¢1,800,895,000) which constitutes 0% (2005:2.48%) of total net assets was due from our primary dealer.



## 8. Other Receivables

These are receivables expected from related parties. This forms 0.15 % (2005: 0.33%) of total net assets.

Description	2006 ¢'000	2005 ¢'000
Epack Investment Fund Limited	132,077	60,000
Databank Brokerage Limited	11,800	25,245
Databank Asset Management Services Limited	32,742	176,619
	<b><u>151,355</u></b>	<b><u>236,600</u></b>

9. This represents an amount due to Barclays Bank (Gh) Limited on account of duplication of a fixed deposit which was redeemed.

## 10. Interest Income

Details	2006 ¢'000	2005 ¢'000
Interest on Treasury Bill	9,882,810	4,528,795
Interest on Commercial Paper	6,353,975	3,765,850
Interest on Call Deposit	149,114	39,842
	<b><u>16,385,899</u></b>	<b><u>8,334,487</u></b>

## 11. Operating Expenses

Description	2006 ¢'000	2005 ¢'000
Bank Charges	130,454	127,550
Administrative expenses	185,740	43,324
Directors' emoluments	50,500	34,500
Auditors' remuneration	32,412	36,800
Others	169,389	127,055
	<b><u>568,495</u></b>	<b><u>369,229</u></b>



12. A Non-cash dividend amounting to ¢13,399,540,000 has been recommended by the Directors for the year ended December 31, 2006.

### 13. Capital Transactions

Net shares issued are as follows:

Description	2006 Number of Shares	2005 Number of Shares
New Issues	73,199,978	68,848,933
Redemption	(51,247,784)	(26,767,231)
<b>Net Shares Issued</b>	<b><u>21,952,194</u></b>	<b><u>42,081,702</u></b>

### 14. Transactions through affiliates

Treasury bill representing 47.99% (2005: 64.51%) of total net assets was executed through Databank Brokerage Limited (DBL), a primary distributor. Commercial Paper and Certificates of Deposit transactions representing 23.23% and 14.77% respectively (2005: 17.42% and 8.25%) of total net assets, was conducted through Databank Asset Management Services Limited (DAMSEL).

### 15. Taxation

Mutual funds, under the current legislation are not subject to taxes on interest income nor to any taxes on income distributions.



## 16. Directors' Shareholding

The directors named below held the following number of shares in the Fund as at December 31st, 2006.

Name	Shares
Stephen Adei	257,174
Ken Ofori-Atta	22,392
Keli Gadzekpo	3,144

## 17. Description of the Fund

Databank Money Market Fund started operations on the 16th April 2004 as an authorized mutual fund to provide high current income with the maintenance of liquidity and preservation of capital. The fund's investments include: treasury securities, commercial paper, banker acceptances, certificates of deposits, etc.

All securities purchased by the Fund present minimal credit risk in the opinion of the Manager (Databank Asset Management Services) acting under the supervision of the Directors. In the interest of prudence and efficient management of the Fund, the Manager will maintain prudent levels of liquidity.

The Manager is responsible for the actual management of the Fund's portfolio and constantly reviews the holding of the Fund in the light of research analysis. The Fund pays the Investment Manager monthly management fees as compensation for services to the Fund. The fee is based on the Fund's average



Barclays Securities Services.  
Barclays House  
High Street  
PO Box GP 2949  
Accra, Ghana

18 April 2007

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Fax:+233 (0)21 667681

The Manager  
Databank Money Market Fund Limited  
No. 61 Barnes Road, Adabra, Accra  
P.M.B.Ministries Post Office  
Accra  
Our ref. MFundReport1206



Dear Sir,

**REPORT OF THE CUSTODIAN TO THE INVESTORS OF DATABANK  
MONEY MARKET FUND LIMITED**

We refer to the Unit Trust and Mutual Funds Regulations, 2001 L.I.1695 and attach a statement of holdings of securities in customdy with Barclays Bank of Ghana Limited for the above fund as at 31 December 2006.

**Respective Investment Restrictions imposed on the fund and the responsibility of custodians**

Pages 5 and 6 of the fund's regulations specify the funds investment restrictions. Our responsibility is to express an independent opinion on the statement of holdings based on our audit.

**Opinion**

In our opinion, the statement of holdings is in agreement therewith and give a true and fair view of the state of affairs of the fund as at 31st December 2006 and the manager Databank Asset Management Limited has managed the fund for the year ended 31st December, 2006 in accordance with;

- (a) the limitations imposed on the investment and borrowing powers of the manager; and
- (b) provisions pursuant to the above mentioned regulations.



HEAD OF SECURITIES SERVICES  
BARCLAYS SECURITIES SERVICES GHANA



Classification	CDU	CORPORATE-DEBT UNLISTED			
		Security Code	Name	Nominal (GHC)	Valuation (GHC)
COM IMP	COM IMP COMMERCIAL PAPER DUE 20.02.2007		3,000,000,000.00	3,195,164,700.00	4.26
DATA	DATA CERT. OF INVESTMENT DUE 17/10/2006		2,500,000,000.00	2,609,520,500.00	3.48
MAR	MAR COMMERCIAL PAPER DUE 10/9/2006		828,000,000.00	905,128,779.60	1.21
MAR-02	MAR-02 COMMERCIAL PAPER DUE 19/03/2007		2,500,000,000.00	2,515,822,000.00	3.35
ZEN058_91-6	ZEN058 91 DAY CERTIFICATE OF DEPOSIT DUE 02/02/2007		3,000,000,000.00	3,062,136,900.00	4.08
ZEN059_91-6	ZEN059 91 DAY CERTIFICATE OF DEPOSIT DUE 21/02/2007		2,500,000,000.00	2,532,548,000.00	3.37
ZEN	ZEN CERTIFICATE OF DEPOSIT DUE 19/01/2007		2,500,000,000.00	2,565,650,750.00	3.42
<b>Classification Total</b>				<b>17,385,971,629.60</b>	



Classification Security Code	GDT Name	Government Debt Nominal (GHC)	Tbills Valuation (GHC)	PCT Total
DBL945_1YR-6	DBL945_1 YEAR TREASURY NOTE MAT 15/01/2007	1,632,499,855.00	1,889,282,287.19	2.52
DBL946_1 YR	DBL946_1 YEAR TREASURY NOTE MAT 22/01/2007.	2,113,585,576.00	2,437,358,986.91	3.25
DBL948_1YR-6	DBL948_1 YEAR TREASURY NOTE MAT 05/02/2007	2,000,000,000.00	2,293,758,200.00	3.06
DBL949_1YR-6	DBL949_1 YEAR TREASURY NOTE MAT 12/02/2007	1,500,000,000.00	1,715,587,950.00	2.29
DBL950_1YR-6	DBL950_1 YEAR TREASURY NOTE MAT 19/02/2007	1,000,000,000.00	1,140,571,400.00	1.52
DBL951_1YR-6	DBL951_1YEAR TREASURY NOTE MAT 26/02/2007	725,033,359.00	824,058,197.66	1.10
DBL956_1YR-6	DBL956_1YR-6 1 YEAR TREASURY NOTE MAT 02/04/2007	1,000,000,000.00	1,114,972,500.00	1.49
DBL962_2YR-6	DBL962_2YR-6 2 YEAR TREASURY NOTE MAT 07/05/2007	1,000,000,000.00	1,127,280,100.00	1.50
DBL964_1YR-6	DBL964_1YR-6 1 YEAR TREASURY NOTE MAT 28/05/2007.	1,000,000,000.00	1,091,126,400.00	1.45
DBL965_1YR-6	DBL965_1YR-6 1 YEAR TREASURY NOTE MAT 04/06/2007.	9,789,163,725.00	10,652,035,435.04	14.19
DBL966_1YR-6	DBL966_1YR-6 1 YEAR TREASURY NOTE MAT 11/06/2007.	2,513,932,672.00	2,728,031,245.22	3.63
DBL967_1YR-6	DBL967_1YEAR-06 GOV'T TREASURY NOTE 15.5PCT 18/06/2007	3,425,059,745.00	3,706,545,197.59	4.94
DBL968_1YR-6	DBL968_1YEAR-06 GOV'T TREASURY NOTE 15.5PCT 25/06/2007	2,100,757,944.00	2,267,144,905.67	3.02



DBL969_182-6	DAY GOV'T TREASURY BILL MAT 01/01/2007	1,120,399,848.00	1,118,487,101.38	1.49
DBL974_182-6	DBL974_182-6 182 DAY GOV'T TREASURY BILL MAT 05/02/2007	1,206,774,489.00	1,181,578,123.77	1.57
DBL975_182-6	DBL975_182-6 182 DAY GOV'T TREASURY BILL MAT 12/02/2007	200,901,673.00	195,884,655.97	0.26
DBL980_182-6	DBL980_182-6 182 DAY GOV'T TREASURY BILL MAT 19/03/2007	1,177,186,966.00	1,123,890,179.27	1.50
DBL982_182-6	DBL982_182-6 182 DAY GOV'T TREASURY BILL MAT 02/04/2007	6,505,102,974.00	6,167,963,002.17	8.22
DBL985_91-06	DBL985_91-06 91 DAY GOV'T TREASURY BILL MAT 22/01/2007	1,241,353,559.00	1,208,123,517.31	1.61
DBL987_1YR-6	DBL987_1YEAR-06 GOV'T TREASURY NOTE 15.5PCT MAT 05/11/2007	300,000,000.00	306,770,610.00	0.41
DBL987_91-06	DBL987_91-06 91 DAY GOV'T TREASURY BILL MAT 05/02/2007	1,138,619,060.00	1,090,359,146.59	1.45
DBL988_1YR-6	DBL988_1YEAR-06 GOV'T TREASURY NOTE 15.5PCT MAT 12/11/2007	411,354,574.00	60,041,930.65	0.08
DBL989_1YR-6	DBL989_1YEAR-06 GOV'T TREASURY NOTE 15.5PCT MAT 19/11/2007	1,499,999,900.00	185,624,987.63	0.25
DBL991_1YR-6	DBL991_1YEAR-06 GOV'T TREASURY NOTE 17.5PCT 03/12/2007	5,847,740,041.00	5,909,992,742.38	7.87
DBL992_1YR-6	DBL992_1YEAR-06 GOV'T TREASURY NOTE 15.5PCT 10/12/2007	1,000,000,000.00	1,007,664,800.00	1.34
DBL993_1YR-6	DBL993_1YEAR-06 GOV'T TREASURY NOTE 15.5PCT 17/12/2007	2,110,845,214.00	2,120,732,624.07	2.82
DBL994_1YR-6	DBL994_1YEAR-06 GOV'T TREASURY NOTE 13.00PCT 24 /12/2007	2,517,686,273.00	2,519,484,656.30	3.36





<b>Description</b>	<b>Summary</b>		
CALL DEPOSITS	<b>Nominal</b>	<b>Market Value</b>	<b>PCT of Total</b>
CORP DEBT			
EQUITIES	0.00	0.00	
FIXED DEPOSITS	16,828,000,000.00	17,385,971,629.60	0.00
GLOBAL	0.00	0.00	23.16
GOVT DEBT	500,000,000.00	500,000,000.00	0.00
OTHER	0.00	0.00	0.67
PROPERTY	56,077,997,447.00	57,184,350,882.77	0.00
TOTAL	0.00	0.00	76.17
	0.00	0.00	0.00
<b>Cash Balance at Bank</b>		<b>75,070,322,512.37</b>	<b>0.00</b>
<b>Bank</b>			<b>100.00</b>
Call Account			0.00
Transaction Account		607,508,482.64	
Income Statement			0.00
<b>Grand Cash Bal at Bank Total</b>		<b>607,508,482.64</b>	



## DIRECTORS AND OFFICERS INFORMATION

The business and affairs of the Fund are managed under the direction of the Fund's Board of Directors and the Fund's officers. The tables below list the directors and officers of the Fund and their principal occupations, other directorships held by directors and their affiliation, if any, with Databank Asset Management Services Limited.

### *Board of Directors:*

The Interested Directors of the Fund are:

Name	Address	Position	Time with Fund	Other affiliation	Occupation
Ken Ofori -Atta	P.O Box 3859, Accra	Chairman	32months	<b>Chairman</b> Databank Financial Services Ltd Databank Asset Mgt. Services Ltd Epack Investment Fund Limited Trust Bank Ltd. (Gambia) Combert Impressions Director Enterprise Insurance Co. Ltd	Investme Banker
Keli Gadzekpo	P.O Box M298, Accra	Director	32months	<b>Vice Chairman</b> Databank Financial Services Ltd Databank Asset Mgt. Services Ltd. Director Enterprise Insurance Co. Ltd Epack Investment Fund Limited Multi Media Broadcasting	Investment Banker & Accountant



The Independent Directors of the Fund are:

Name	Address	Position	Time with Fund	Other affiliation	Occupation
Stephen Adei	GIMPA Greenhill Accra	Director	32months	<i>Rector</i> GIMPA <i>Director</i> Kofi Annan Center for Excellence <i>Director &amp; President</i> Chartered Institute of Marketing	Rector
Dan Seddoh	P.O Box GP 50, Accra	Director	32months	<i>General Manager</i> Enterprise Insurance Co. Ltd (Finance)	Chartered Accountant
Benjamin Gogo	P.O. Box A140 La-Accra	Director	32months	<i>Director</i> Aluworks La Community Bank	Consultant

Officers:

Name	Position	Time with Fund	Occupations During the Past 5 Years
Kwesi Amonoo-Neizer.	Chief Investment Officer	32months	Kwesi has been the head of Databank Asset Management since 1996. Prior to this, he was in charge of the research department of Databank Financial Services. Kwesi also has experience in corporate finance. His previous experience includes working with National Grid Plc in the United Kingdom and Volta River Authority in Ghana. Kwesi has several years experience in managing client portfolios.
Oladimeji Adedara	Financial Controller	32months	Responsible for administering the finances of the Fund. A qualified Chartered Accountant responsible for Databank Accounts since 1996. His previous experience includes working with Excel Trust & Finance Limited and MMG Securities Ltd, both in Nigeria.



Name	Position	Time with Fund	Occupations During the Past 5 Years
Suzy Aku Bedzra	Fund Manager	32months	Suzy is the Fund Manager for MFund. In addition, she offers investment advice to clients and prepares period-end investment reports. Prior to joining Databank, she was a consultant with PsyconH.R, a management consulting firm. She also liaises with the Securities and Exchange Commission as the Compliance Officer of the Fund. Suzy holds an MBA (Finance) from the University of Ghana and a qualified Accountant (ACCA).
Benedicta Tandoh	Fund Administrator	18months	Benedicta is responsible for the Administration of the Fund. She also provides investment advice to clients. Benedicta joined Databank, after completing her First Degree in Bachelor of Management Studies (BMS) from the University of Cape Coast. Prior to joining Databank she worked with Standard Chartered Bank.
Frank Quayson	Account Manager	32months	Frank is the Account Manager for Fund. Prior to this, he worked in the settlement section of the Databank Group. He holds a Bsc in Business Administration from the University of Ghana and a part qualified Management Accountant (CIMA).
Edwige Yamoah	Accountant	32months	Edwige is responsible for the accounting function of the fund. She joined Databank after graduating from the Central University College with a First Degree in Business Administration (Banking and Finance). She is a student member of ACCA.
Maamle Totimeh	Senior Analyst	12months	Maamle assists in the management of Mfund. She also prepares investment reports and financial statement to shareholders. She is a product of the University of Ghana with a First Degree in Economics and Geography. Prior to joining Databank Asset Management she worked as a Fixed Income Analyst with Databank Brokerage Limited.



## PROXY FORM

### MFUND Investment Fund Limited

I/We

of.....

being a member/members of Databank Money Market Fund Limited hereby appoint

or failing him the duly appointed chairman of the meeting, as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Fund to be held at 11.30 a.m on Tuesday, July 24, 2007 at the Ghana-India Kofi Annan Center for Excellence in ICT - Accra (*opposite the side entrance of the State House on the GIJ - Parliament Road*) and at any adjournment thereof.

I/We direct that my/our vote(s) be cast on the specified resolution as indicated by an X in the appropriate space.

RESOLUTION	FOR	AGAINST
1. To Approve the Account and the Report of Directors and Auditors		
2. To Re - elect Directors  (a) Dan Seddoh (b) Keli Gadzekpo		
3. Approve Appointment of Auditors		
4. Authorize the Directors to fix remuneration of Auditors		
5. To Approve Directors' Fees		

Signed this ..... day of .....2007

Signature.....





 Databank



