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ANNUAL  
REPORT



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# DATABANK MFUND PLC



Audited Full Year Report  
For the year ended December 31, 2023

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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.



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# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 20th Annual General Meeting of the Shareholders of Databank MFund PLC will be held virtually via Zoom on Tuesday, July 9, 2024 at 9:00 a.m. to transact the following:

## Ordinary Business:

1. To receive and consider the Reports of the Directors, Auditors and the Audited Financial Statements for the year ended December 31, 2023.
2. To ratify the appointment of a Director.
3. Retirement of Directors by rotation.
4. To approve Directors' Fees.
5. To appoint Auditors.
6. To confirm the Auditors' remuneration for the year ended December 31, 2023 and authorise the Directors to fix the remuneration of the Auditors for the year ending December 31, 2024.

## Special Business:

1. To approve a Change in the Custodian of the Fund from GTBank (Ghana) LTD to Stanbic Bank Ghana LTD.

Dated this 10th day of June, 2024.

## BY ORDER OF THE BOARD

**ACCRA NOMINEES LTD.**  
2nd Floor Cedar House  
No 13 Samora Machel Road Asylum Down  
P O Box GP242, Accra, Ghana

Accra Nominees LTD.  
Company Secretary

## REGISTERING FOR AND PARTICIPATING IN THE AGM VIA zoom

### To register for the AGM:

Enter the following link:  
[bit.ly/mfundagm2023](https://bit.ly/mfundagm2023)

*After registering, you will receive a confirmation email containing information about joining the AGM.*

### To participate in the AGM:

- ① **Raise your hand to either second a motion or ask a question.**

On PC:

- Click "Reactions" on the control bar at the bottom of your Zoom screen.
- Click "Raise hand" to raise your hand.

On mobile:

- Tap "Reactions" on the control bar at the bottom of your Zoom screen.
- Tap "Raise hand" to raise your hand.

*You will be unmuted to perform the action for which your hand was raised.*

- ② **Use the polling feature to vote for or against a motion.**

On PC and mobile:

- When it is time to vote, the poll will appear on your screen.
- Tap/click on your preferred option (FOR, AGAINST or ABSTAIN) to cast your vote.

*When voting ends, the results will be shared on your screen.*

A member of the company entitled to attend and vote may appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the company. Completed proxy forms should be deposited at the **Databank Head Office at 61 Barnes Road, Adabraka, Accra**, or sent via email to [clientservices@databankgroup.com](mailto:clientservices@databankgroup.com) not later than two (2) business days before the appointed time of the meeting. Failure to submit the forms before the stated deadline will result in the Proxy not being admitted to, or participating in, the meeting. A Proxy Form is provided in the Annual Report.



## CHAIRMAN'S STATEMENT TO SHAREHOLDERS OF DATABANK MFUND PLC

Dear Shareholders,

On behalf of the Board of Directors and Management, I am happy to welcome you to the 20th Annual General Meeting of Databank MFund PLC (MFund). I deeply appreciate your unwavering support for MFund over the past two decades. To the shareholders who joined us last year, I warmly welcome you to the MFund family. Today, I will provide you with an overview of the global and domestic economic landscapes, recent market developments, and their impact on MFund.

Additionally, I will discuss the performance of your Fund in 2023 and our outlook for 2024.

### Global economic performance

The global economy experienced a marked slowdown, with growth declining from 3.5% in 2022 to 3.2% due to persistent inflation, lingering effects of the COVID-19 pandemic, Russia's invasion of Ukraine and the effects of global monetary tightening. Advanced economies were particularly impacted, with growth rates dipping from 2.6% in 2022 to 1.6% in 2023. Despite a reduction in

global headline inflation from 8.7% to 6.9% aided by lower international commodity prices and strict monetary tightening, core inflation remained stubbornly high due to pressures in the services sector and tight labor markets. Regional disparities were evident, with South Asia showing robust growth, whereas Sub-Saharan Africa faced challenges like high living costs, political instability and high indebtedness.

### Domestic economic performance

Ghana's GDP growth in 2023 was 2.9%, compared to the revised target of 2.3%, driven primarily by robust growth in the services sector and the agriculture sector. The services sector, a key contributor to growth, expanded by 5.5%. The agricultural sector also contributed 4.5%, supported by growth in crops and livestock production, despite a decline in cocoa production. Industrial activity, however remained sluggish, hindering overall growth. This sector recorded a negative growth rate of 1.2% in 2023, with declines in electricity consumption and oil production. Non-oil GDP grew by a healthier 3.3%.

The country's Gross International Reserves declined to USD 5.9 billion (2.7 months of import cover) in December 2023 from USD 6.3 billion (2.7 months of import cover) in December 2022. Ghana's overall fiscal deficit ended the year at 3.3% of GDP, against the target of 4.6% of GDP. The primary balance was a deficit of GHC 2.6 billion (0.4% of GDP) for the period, exceeding the primary deficit target of GHC 4.1 billion (0.5% of GDP).

The Government undertook a Domestic Debt Exchange Programme (DDEP) which was massively subscribed in 2023. The programme successfully exchanged a significant portion of high yielding long dated bonds worth GHC 82.99 billion for lower yielding long dated new ones in the first quarter. The trend continued in the third quarter, as USD-denominated bonds (92% participation, USD 741.34 million) and domestic cocoa bills (97% participation, GHC 7.70 billion) were exchanged for long-dated lower yielding securities.

The DDEP programme has impacted investor sentiment towards Ghanaian government bonds. In this uncertain economic environment, investors flocked to shorter-term instruments like Treasury bills, taking comfort in the assurance that those securities were safe and will not be restructured like their longer dated counterparts. This has resulted in record-high participation in T-bill auctions, while activity in the secondary bond market has dwindled to a trickle (relative to trading sessions pre-DDEP).

### Exchange rate developments

The Ghanaian Cedi experienced a significant depreciation of 20.6% against the US dollar in January 2023 due to seasonal forex demand pressures as most traders were restocking. However, the Cedi exhibited relative stability for the rest of the year, with a total depreciation of 7.2% against the dollar.

The Cedi's stability was aided by improved inflows from the International Money Fund (IMF) supported programme, the domestic gold purchase programme, remittances, FX purchases from mining and oil companies and a tightened monetary policy stance which cut cedi-funded forex demand pressures. These were further supported by inflows from the annual COCOBOD syndicated loan facility in November 2023.

### Consumer inflation

Headline inflation declined sharply during 2023 to 23.2% by December 2023, after peaking at 54.1% same period in 2022, driven by fiscal reforms, tightened monetary policy stance and favorable base effect. Food inflation declined from 59.7% in December 2022 to 28.7% year on year, while non-food items declined from 49.9% to 18.7% over the same period.

### Interest rate

In March 2023, Treasury bill rates fell sharply after the government engaged market players on borrowing costs and fiscal sustainability. Despite a gradual upward trend in rates throughout the year, the 91-day T-bill rate ended December 2023 at



29.4%, down from 35.4% in December 2022. Similarly, the 182-day T-bill rate decreased from 35.9% to 32.0%, and the 364-day T-bill rate fell from 36.1% to 32.5% over the same period. The decline in Treasury bill yields is also attributed to attempts from the government to reduce debt levels. The secondary market remained relatively inactive following the Domestic Debt Exchange Program.

This reduction in interest rates also led to a modest decline in borrowing costs for businesses and individuals. The Ghana Reference Rate, used by banks as a benchmark for lending, dropped to 32.2% in December 2023 from 32.8% a year earlier. This decrease is attributable to the lower Treasury bill rates recorded in 2023.

### **MFund performance**

MFund I recorded a return of -12.7% in 2023 due to unrealized losses stemming from changes in the prices of bonds held by the Fund. On the other hand, MFund II returned 13.4% for the year, as the Fund Managers took advantage of high-yielding, short-term money market securities. Year-on-year, we saw a strong growth in MFund II's AUM, from GHC 10.7 million in December 2022 to GHC 47.3 million at the end of 2023. This growth is on the back of 10,435 new mandates being added to the Fund during the year, as investor confidence grew steadily based on the Fund's ability to pay withdrawals within five days or less.

The Fund's combined Assets under

Management stood at GHC 777.7 million at the end of 2023 with a clientele base of 294,933 shareholders.

### **Outlook for 2024**

According to the IMF, global economic growth is projected to hold steady at 3.2% in 2024 driven by greater-than-expected resilience in the US, several large emerging market and development economies, and fiscal support in China. Global inflation is expected to decline further, but geopolitical tensions and potential supply constraints disruptions, particularly near the Red Sea, could pose significant risks. Global financing conditions have remained tight despite easing inflation due to near-term risks, including potential escalation in the Middle East, which could increase energy prices and force central banks to keep interest rates higher for longer.

Despite improved economic activity due to the recovery of the industrial sector and expected monetary policy rate cuts, Ghana's economy is anticipated to experience a decline in growth in 2024. Growth is expected to remain subdued at 2.8% as the ongoing fiscal consolidation, elevated interest rates, and lingering macroeconomic uncertainties are all projected to dampen private consumption and investment, particularly in non-extractive sectors (those outside of mining and oil production).

The Ghanaian Cedi is expected to remain relatively stable in 2024 due to a confluence of factors. Even though foreign exchange

inflows from the IMF's Extended Credit Facility (IMF-ECF), other development partners and the cocoa syndicated loan are anticipated to shore up our reserve position, given the IMF directive for the Bank of Ghana to maintain a flexible currency regime, the tailwinds to currency depreciation are also daunting. These include the ongoing negotiations with bilateral and commercial creditor bodies, which can delay the IMF disbursement of subsequent tranches. In addition, speculative demand of major currencies juxtaposed with the cedi could potentially elevate the selling pressures on the Cedi.

Treasury bills are set to remain the dominant driver of activity in the Ghana fixed-income market, as the government is anticipated to continue relying on borrowing through domestic money market instruments. Headline inflation is expected to decline by the end of 2024, leading to a potential decrease in interest rates. However, the government's high demand for funds coupled with the new three-tiered CRR reserve ratio increment may slow the pace of yield decline. Given that Ghana does not have access to the international capital market, it could further increase demand for domestic sources of funding. The bond market will likely see a gradual recovery in line with Ghana's overall economy, as the government continues servicing both old and new bonds. However, a full recovery to pre-

debt exchange programme (DDEP) levels may be a distant prospect, with investor preference likely remaining skewed towards the perceived safety of T-bills.

While the long-term prospects of MFund I remain sound, the Fund is committed to improving its liquidity position to honor all its outstanding obligations. We continue to channel all new deposits into MFund II, which will be invested in money market securities to mitigate the impact of volatility in bond prices on client balances.

### Closing remarks

Dear Shareholders, the global and domestic economic landscapes may present some challenges in 2024, but the Fund Manager and Board of Directors are confident in MFund's ability to navigate these conditions. We extend our sincere gratitude to the dedicated Management and Staff of Databank for their continued hard work, expertise, and unrelenting spirit. We also thank you, our shareholders, for your continued trust and support in MFund over the past two decades.

God bless you.



STEPHEN ADEI  
(Chairman)

# PERFORMANCE SUMMARY AS AT DECEMBER 31, 2023

## MFUND I

	Year on Year return	Average Savings Rate
All data as at December 31, 2023	-12.70%	5.65%

Historical returns	Returns on MFund I	Average Benchmark Yield <sup>1</sup>	Average Savings Rate <sup>2</sup>
2004	18.77%	17.29%	8.00%
2005	16.86%	15.45%	5.00%
2006	14.47%	10.24%	5.00%
2007	11.99%	9.91%	5.00%
2008	18.00%	17.92%	6.50%
2009	28.06%	25.39%	10.00%
2010	17.23%	13.95%	8.00%
2011	12.18%	10.69%	8.47%
2012	14.81%	18.63%	8.47%
2013	22.11%	21.94%	12.27%
2014	26.31%	23.97%	10.00%
2015	21.94%	22.90%	10.00%
2016	25.00%	22.16%	6.05%
2017	20.55%	14.11%	7.19%
2018	15.98%	14.96%	10.00%
2019	15.57%	18.00%	7.55%
2020	18.06%	17.12%	7.58%
2021	19.82%	16.46%	7.63%
2022	9.65%	25.58%	7.63%
2023 <sup>3</sup>	-12.70%	31.11%	5.65%

<sup>1</sup>The MFund I benchmark was changed to the 364-day Treasury bill after the Fund became a fixed-income fund in 2018. The Previous benchmark was the 91-day Treasury bill.

<sup>2</sup>Bank of Ghana Statistical Bulletin, December 2023

<sup>3</sup>The return for 2023 was on account of unrealised loss due to changes in the prices of bonds held by the Fund

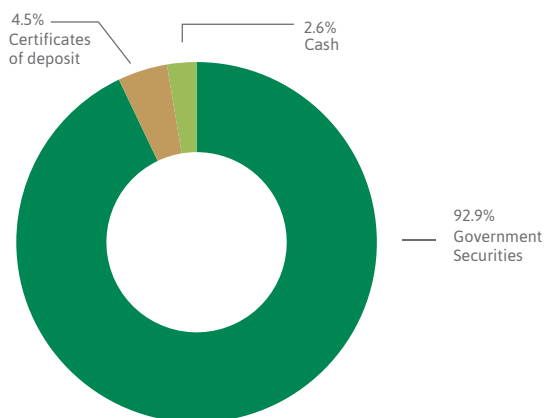
## MFUND II

Historical Returns	Returns on MFund II	Average Benchmark Yield <sup>4</sup>	Average Savings Rate
2022 <sup>5</sup>	0.62%	2.96%	0.64%
2023	13.39%	26.86%	5.65%

<sup>4</sup>The benchmark for MFund II is the 91-day Treasury bill

<sup>5</sup>For December 2022 only

### 2023 Portfolio Mix





# MFund has evolved for you

## Introducing MFUND II



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## DIRECTORS' RESPONSIBILITIES AND APPROVAL

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The Directors are required in terms of the Companies Act, 2019 (Act 992) to maintain adequate accounting records and are responsible for the content and integrity of the Annual Financial Statements and related financial information included in this report. It is their responsibility to ensure that the Annual Financial Statements fairly present the state of affairs of the Fund as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external Auditors are engaged to express an independent opinion on the Annual Financial Statements.

The Annual Financial Statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Fund and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board of Directors sets

standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Fund and all employees are required to maintain the highest ethical standards in ensuring the Fund's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management is identifying, assessing, managing and monitoring all known forms of risk across the Fund. While operating risk cannot be fully eliminated, the Fund endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion that, based on the information and explanations given by Management, the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance

against material misstatement or loss.

The Directors have reviewed the Fund's cash flows forecast for the year to December 31, 2023 and, in light of this review and the current financial position, they are satisfied that the Fund has access to adequate resources to continue in operational existence for the foreseeable future.

The external Auditors are responsible for independently auditing and reporting on

the Fund's Annual Financial Statements. The Annual Financial Statements have been examined by the Fund's external Auditors and their report is presented on pages 14 to 18.

The Annual Report and Financial Statements set out on pages 9 to 35, which have been prepared on the going concern basis, were approved by the Board of Directors on April 26, 2024 and were signed on their behalf by:



**STEPHEN ADEI**  
CHAIRMAN

APRIL 26, 2024



**KOJO ADDAE-MENSAH**  
DIRECTOR

APRIL 26, 2024

# REPORT OF THE DIRECTORS TO THE MEMBERS OF DATABANK MFUND PLC

The Directors have pleasure in presenting their report and the audited Financial Statements of Databank MFund PLC for the year ended December 31, 2023.

## Incorporation

The Fund was incorporated on April 23, 2002 under the then Companies Act, 1963 (Act 179), now Companies Act, 2019 (Act 992). The Fund is domiciled in Ghana where it is licensed by the Securities and Exchange Commission, Ghana as a Mutual Fund. The address of the registered office is set out on page 36.

## Nature of Business

The principal activity of the Fund is to invest the monies of its members for their mutual benefit and to hold and arrange for the management of securities and other assets acquired with such monies in accordance with the provisions of the Companies Act, 2019 (Act 992), Securities Industry Act, 2016 (Act 929), and the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695)

There have been no material changes to the nature of the Fund's business from the prior year.

## Review of Financial Results and Activities

The Annual Report and Financial Statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2019 (Act 992), Securities Industry Act, 2016 (Act 929), and the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695).

The accounting policies have been applied consistently compared to the prior year.

The Fund recorded total distributable shareholders' loss for the year ended December 31, 2023 of **GHC 60,404,544**. This represents an increase of 704% from the prior year's loss of GHC 7,516,799.

The Fund's total income increased by 63% from GHC 169,007,530 in the prior year to **GHC 275,651,243** for the year ended December 31, 2023.

The Fund's cash flows from operating activities decreased by 87% from GHC 183,599,269 in the prior year to GHC 24,055,647 for the year ended December 31, 2023.

## Events After the Reporting Period

Events subsequent to the Statement of Financial Position date are reflected in the Financial Statements only to the extent that they relate to the period under review and the effect is material. There were no subsequent events at the reporting date, December 31, 2023

## Going Concern

The Directors believe that the Fund has adequate financial resources to continue in operation for the foreseeable future and accordingly, the Annual Financial Statements have been prepared on a going concern basis. The Directors have satisfied themselves that the Fund is in a sound financial position



and that revenue from the Assets Under Management would be enough to meet its foreseeable cash requirements. The Directors are not aware of any new material changes that may adversely impact the Fund. The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Fund.

### **Litigation Statement**

The Fund is not currently involved in any claims or lawsuits, which individually or in the aggregate are expected to have a material adverse effect on the business or its assets.

### **Secretary**

The Fund's Secretary is Accra Nominees Limited with business address: 2nd Floor, Cedar House, No. 13 Samora Machel Road, Asylum Down.

### **Statement of Disclosure to the Fund's Auditors**

With respect to each person who is a Director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the Fund's Auditors are unaware; and
- the person has taken all the steps that he/she ought to have taken as a Director to be aware of any relevant audit information and to establish that the Fund's Auditors are aware of that information.

### **Corporate Social Responsibility**

The Fund did not undertake any corporate social responsibility within the financial year.

### **Audit Fees**

The Directors ended the engagement with the previous Auditors and appointed John Kay & Co. as the new statutory Auditors of the Fund, effective as at the 2023 financial year.

Included in the general and administration expenses for the year is the agreed Auditors' remuneration of GHC 60,950 (2022: GHC 127,671) and is inclusive of VAT, NHIL, GETFund and Covid Levy.

### **Capacity of Directors**

The Fund ensures that only fit and proper persons are appointed to the Board after obtaining the necessary approval from the regulator, Securities and Exchange Commission (SEC). Relevant training and capacity building programs, facilitated by an SEC-approved training institution was undertaken during the period.

### **Net Assets Under Management**

The Fund is managed by Databank Asset Management Services LTD (DAMSEL). Net Assets Under Management (AUM) as at December 31, 2023 stood at GHC 777,741,628 representing a 19% decrease compared to prior year of GHC 966,116,270.

### **Acknowledgements**

Thanks and appreciation are extended to all of our Shareholders, Directors and staff for their continued support of the Fund.

**Approval**

The Annual Report and Financial Statements set out on pages 9 to 35, which have been prepared on the going concern basis, were approved by the Board of Directors on April 26, 2024, and were signed on its behalf by:

**STEPHEN ADEI**

CHAIRMAN

APRIL 26, 2024

**KOJO ADDAE-MENSAH**

DIRECTOR

APRIL 26, 2024

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DATABANK MFUND PLC

## Opinion

We have audited the Financial Statements of Databank MFUND PLC ("the Fund"), which comprise the Statement of Financial Position as at December 31, 2023, the Statement of Profit or Loss and other Comprehensive Income for the year ended, Statement of Changes in Equity for the year ended, Statements of Cash Flows for the year ended and notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 19 to 35.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of Databank MFund PLC as at December 31, 2023, the Fund's financial performance and its movement in net assets for the year ended in accordance with International Financial Reporting Standards (IFRS) with the IAS 29 directives issued by the Institute of Chartered Accountants Ghana (ICAG) and in the Securities Industry Act 2016 (929) and the Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695).

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the International Ethics Standards

Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards - IESBA Code)*, together with the ethical requirements that are relevant to our audit of the Financial Statements in Ghana and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the Financial Statements for the year ended December 31, 2023. These matters were addressed in the context of the audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the following as key audit matter.

### Domestic Debt Exchange for Mutual Funds

The Government of Ghana rolled out a Debt Exchange Program for holders of Domestic Notes and Bonds, E.S.L.A. PLC and Daakye Trust PLC Bonds of which the Fund fully participated by exchanging all its existing Government of Ghana Bonds for new bonds with new terms (tenor and interest rates) under the program. The total value of Bonds exchanged under the program amounted to GHC 1,105,186,592.

The impact of the Debt exchange program is significant to the Fund as it affects the

valuation, classification, and financial performance of the Fund's financial assets. We have therefore determined the Debt Exchange Program as a key audit matter.

#### ***How the matter was addressed in our audit***

Our audit procedures included the following.

- **Valuation of Debt Instruments:** We assessed the appropriateness of the valuation methodologies used by management, considering factors such as market conditions, credit risk, and the terms of the exchange agreement.
- **Recognition and Measurement:** We evaluated whether the criteria for recognition of gains or losses from the exchange as per the applicable accounting standards, International Financial Reporting Standards (IFRS) have been appropriately applied. This involved assessing whether the conditions for derecognition of the old debt instruments and recognition of the new ones have been duly met, and whether any modification of terms has occurred.
- **Disclosure Requirements:** We assessed whether disclosures related to the debt exchange transactions are comprehensive and in compliance with relevant accounting standards and regulatory requirements. This includes evaluating the adequacy of disclosures regarding the nature and extent of the exchanges, the impact on the financial position and performance of the mutual fund, and any associated risks.

- **Internal Controls and Documentation:**

We evaluated the effectiveness of internal controls established by management to identify, evaluate, and account for such transactions. This includes assessing the adequacy of controls over the valuation process, authorization and approval procedures, and the documentation of key decisions and assumptions.

We also perform substantive testing to validate the accuracy and completeness of the information provided by Management.

#### **Report on Other Information**

The Directors are responsible for the other information. The other information comprises the Report of the Directors as required by the Companies Act, 2019 (Act 992) and Corporate Information but does not include the Financial Statements and our Auditor's Report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Companies Act 2019, (Act 992) of Ghana, Unit Trust and Mutual Funds Regulations, 2001 (L.I. 1695) and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for overseeing the Fund's financial reporting process.

In preparing the Financial Statements, the Directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error

and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis

of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on other legal and regulatory requirements**

*In compliance with the requirements of part 9 of Schedule 8 of the Unit Trusts and Mutual Funds Regulations, 2001 (L.I. 1695) and Section 137 of the Companies Act, 2019 (Act 992), we confirmed that:*

- The Financial Statements have been properly prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Securities Industry Act, 2016 (Act 929) and Unit Trust and Mutual Funds Regulations, 2001 (L.I 1695).
- The Statement of Financial Position shows a true and fair view as at December 31, 2023.
- In our opinion, proper accounting records have been kept by the fund manager and the accounts are in agreement with the manager's accounting records.
- We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit, and
- The information given in the report of the Fund Manager is consistent with the accounts

The engagement partner on the audit resulting in this independent Auditor's Report is **Gilbert Adjetey Lomofio (ICAG/P/1417)**.



**For and on behalf of**  
**John Kay & Co. (ICAG/F/2024/128)**  
Chartered Accountants  
Accra

**APRIL 29, 2024**

# STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2023

	Notes	2023 GHC	2022 GHC
<b>INVESTMENT INCOME</b>			
Interest Income calculated using the effective interest method	5	123,463,902	264,404,286
		-----	-----
		123,463,902	264,404,286
Loss on Sale of Investments		(4,951,042)	(95,396,756)
Impairment write-back		157,138,383	-
		-----	-----
<b>TOTAL INCOME</b>		<b>275,651,243</b>	<b>169,007,530</b>
		-----	-----
<b>EXPENSES</b>			
Investment Management Fees		(10,814,639)	(17,294,742)
Custodian Fees		(664,178)	(1,369,859)
General and Administrative Expenses	6	(483,817)	(1,826,787)
Impairment Charge	7b	(346,000)	(156,032,941)
		-----	-----
<b>TOTAL EXPENSES</b>		<b>(12,308,634)</b>	<b>(176,524,329)</b>
		-----	-----
<b>Distributed Shareholders' Earnings for the Year</b>		<b>263,342,609</b>	<b>(7,516,799)</b>
		=====	=====
<b>Other Comprehensive Income for the Year</b>			
Changes in Fair Value	8	(323,747,153)	-
		-----	-----
<b>Total Distributable Shareholders' Earnings for the Year</b>		<b>(60,404,544)</b>	<b>(7,516,799)</b>
		=====	=====



# STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023

	Notes	2023 GHC	2022 GHC
<b>ASSETS</b>			
Cash and Cash Equivalents	9	55,139,015	21,788,567
Financial Assets at Amortised Cost	10b	-	946,443,332
Financial Assets at FVOCI	10a	724,403,247	-
Trade and other receivables	11	-	500
<b>TOTAL ASSETS</b>		<b>779,542,262</b>	<b>968,232,399</b>
<b>SHAREHOLDERS' EQUITY</b>			
Shareholders' Principal	13b	132,301,550	260,271,648
Distributable Shareholders' Earnings		969,187,231	705,844,622
Other Distributed Loss		(323,747,153)	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>777,741,628</b>	<b>966,116,270</b>
<b>LIABILITIES</b>			
Trade and Other Payables	14	1,800,634	2,116,129
<b>TOTAL LIABILITIES</b>		<b>1,800,634</b>	<b>2,116,129</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>779,542,262</b>	<b>968,232,399</b>



**STEPHEN ADEI**  
CHAIRMAN



**KOJO ADDAE-MENSAH**  
DIRECTOR

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2023

	Shareholders' Principal GHC	Distributed Shareholders' Earnings GHC	Other Distributable Earnings GHC	Total GHC
<b>2023</b>				
Opening Balance at Jan 1	260,271,648	705,844,622	-	966,116,270
Proceeds from Issue of Shares	112,774,212	-	-	112,774,212
Distributed Shareholders'				
Earnings for the Period	-	263,342,609	-	263,342,609
Other Comprehensive Income	-	-	(323,747,153)	(323,747,153)
Shares Redeemed	(240,744,310)	-	-	(240,744,310)
	-----	-----	-----	-----
<b>Balance as at December 31</b>	132,301,550	969,187,231	(323,747,153)	777,741,628
	-----	-----	-----	-----
<b>2022</b>				
Opening Balance at Jan 1	691,349,529	713,361,421	-	1,404,710,950
Proceeds from Issue of Shares	848,082,060	-	-	848,082,060
Distributed Shareholders'				
Earnings for the Period	-	(7,516,799)	-	(7,516,799)
Other Comprehensive Income	-	-	-	-
Shares Redeemed	(1,279,159,941)	-	-	(1,279,159,941)
	-----	-----	-----	-----
<b>Balance as at December 31</b>	260,271,648	705,844,622	-	966,116,270
	-----	-----	-----	-----

# STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 GHC	2022 GHC
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Distributed Shareholders' Earnings for the Year	263,342,609	(7,516,799)
<b>ADJUSTMENTS FOR:</b>		
Interest income	(86,784,195)	(58,866,594)
Amortisation gain	(346,431)	(1,381,433)
Loss on sale of securities	4,951,042	95,396,756
Impairment	(156,792,383)	156,032,941
	24,370,642	183,664,871
<b>CHANGES IN</b>		
Trade and Other Payables	(315,495)	(65,102)
Interest received	500	(500)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	24,055,647	183,599,269
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Financial Assets at FVOCI	(196,291,247)	(32,430,471)
Proceeds from disposal of Financial Assets at FVOCI	333,556,146	287,130,343
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	137,264,899	254,699,872
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of redeemable shares	112,774,212	848,082,060
Payments on redemption of redeemable shares	(240,744,310)	(1,279,159,941)
<b>NET CASH GENERATED FROM FINANCING ACTIVITIES</b>	(127,970,098)	(431,077,881)

	2023 GHC	2022 GHC
Net Increase/(Decrease) in Cash and Cash Equivalents	33,350,448	7,221,260
Cash and Cash Equivalents at the Beginning of the Period	21,788,567	14,567,307
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>55,139,015</b>	<b>21,788,567</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash at Bank and Call Accounts	20,492,391	13,281,362
Short Term Certificates of Deposit	34,646,624	8,507,205
	<b>55,139,015</b>	<b>21,788,567</b>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 (ABRIDGED VERSION)

## 1. GENERAL INFORMATION

Databank MFund is a public limited liability company incorporated in Ghana. The address of its registered office and principal place of business is 61 Barnes Road, Adabraka, Private Mail Bag, Ministries Post Office, Accra.

### 1.1 Description of the Fund

Databank MFund started operations on April 23, 2002 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 papers, bankers' acceptances, certificates of deposit and similar fixed income securities.

The principal activity of the Fund is to invest the monies of its members for their mutual benefit and to hold and arrange for the management of fixed income securities acquired with such monies.

The investment activities of the Fund are managed by Databank Asset Management Services Limited (the Fund Manager). The Custodian of the Fund is Guaranty Trust Bank (Ghana) Limited.

In the interest of prudence and efficient management of the Fund, the Manager maintains prudent levels of liquidity.

The Manager is responsible for the management of the Fund's portfolio and

constantly reviews the holdings of the Fund in the light of its research analysis and other relevant services. The Fund pays the Manager a management fee of 1.25% per annum for services provided to the Fund. The fee is based on the Fund's daily AUM.

The shares of the Fund are redeemable at the holder's option. The shares are not listed on the Ghana Stock Exchange.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in a manner required by the Companies Act, 2019 (Act 992) and the Securities Industry Act 2016 (Act 929).

### 2.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The Financial Statements are presented in Ghana Cedi (GHC), which is the Fund's functional currency. All amounts have been rounded to the nearest Ghana Cedi, unless otherwise indicated.

The Fund presents its Statement of Financial Position in order of liquidity.

### 2.3 Comparative Information

The comparative information as presented in the Financial Statements were audited by the Fund's previous Auditors, Messrs KPMG.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3.2 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured, as and when the Fund satisfies a performance obligation.

Under IFRS 15, the revenue recognition process involves:

- Identification of the contract with the customer,
- Identification of performance obligation in the contract,
- Determination of the transaction price,
- Allocation of the transaction price to the performance obligation in the contract,
- Recognition of the revenue when (or as) the entity satisfies a performance obligation.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment exclusive of taxes or duty.

#### 3.2.1 Interest Revenue and Expense

Interest revenue and expense are recognized in the Statement of Comprehensive Income for all interest-bearing financial instruments using the effective interest rate method.

#### 3.2.2 Fees and Commissions

Fees and commissions are recognized on an accrual basis. Fees and commission expenses are included in general and administrative expenses.

#### 3.2.3 Net Gains or Loss on Financial Assets and Liabilities at fair value through profit or loss

This item includes changes in the fair value of financial assets and liabilities held for trading or designated upon recognition as at fair value through profit or loss and excludes interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised in the reporting period.

Realised gains and losses on disposals of financial instruments classified as at fair value through profit or loss are calculated using the first-in, first-out (FIFO) method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

#### 3.3 Foreign Currencies

In preparing the Financial Statements of the Fund, transactions in currencies other than the Fund's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

	Notes	2023 GHC	2022 GHC
<b>5. INTEREST INCOME</b>			
Interest on Government Securities		118,309,502	247,492,019
Interest on Corporate Bonds		1,408,717	16,279,026
Interest on Bank Fixed Deposits		3,078,468	39,753
Interest on Call Accounts		667,215	593,488
		-----	-----
		123,463,902	264,404,286
		-----	-----

## 6. GENERAL AND ADMINISTRATIVE EXPENSES

Marketing, Promotion & Advertisement		113,356	1,095,851
Directors' Emoluments		47,324	193,713
Board Expenses		3,000	-
Directors' Liability Insurance		33,000	33,000
Audit Fee		64,173	127,671
Storage & Warehousing Expense		56,077	81,009
Printing & Publications		8,227	39,181
Annual Statutory Fee		1,075	500
Bank Charges		157,585	255,862
		-----	-----
		483,817	1,826,787
		-----	-----

## 7. IMPAIRMENT LOSSES ON FINANCIAL INSTRUMENTS

The impairment shown in the Statement of Comprehensive Income relates to a provision made for impairment in accordance with IFRS and the Fund's Policy on provision.

	Notes	2023 GHC	2022 GHC
Impairment Allowance at January 1		156,032,941	1,105,442
Impairment Allowance at December 31	7b	(346,000)	(157,138,383)
Impairment Write-Back		**(156,032,941)	-
		-----	-----
Impairment Charge		(346,000)	(156,032,941)
		-----	-----

\*\* The accumulated impairment provision at the beginning of the financial year was based on the funds' old bonds and notes. The write back of the accumulated impairment provision resulted from the funds' participation in the Domestic Debt Exchange Program in which the old bonds and notes have been exchanged for new ones with new terms.

**7b. IMPAIRMENT CHARGE**

Stage 1 Impairment	(346,000)	(126,797)
Stage 3 Impairment	-	(157,011,586)
	-----	-----
Impairment Allowance at December 31	(346,000)	(157,138,383)
	-----	-----

The impairment allowance shown in Note 7a represents stock of provision at the end of the year.

**8. CHANGES IN FAIR VALUE**

The valuation of government notes and bonds in the present market, using mark-to-market accounting, has resulted in a fair valuation loss.

	2023 GHC	2022 GHC
Fair Value of Government Notes and Bonds	687,723,540	-
Cost of Government Notes and Bonds	(1,011,470,693)	-
	-----	-----
Change in Fair Value	(323,747,153)	-
	-----	-----

**9. CASH AND CASH EQUIVALENTS**

Cash at Bank	20,492,391	13,281,362
Short Term Certificates of Deposit	34,646,624	8,507,205
	-----	-----
	55,139,015	21,788,567
	-----	-----

**10a. FINANCIAL ASSETS AT FVOCI**

Investment in Government Notes and Bonds	687,723,540	-
Accrued Interest	36,679,707	-
	-----	-----
	724,403,247	-
	-----	-----

**10b. FINANCIAL ASSETS AT AMORTISED COST**

Investment in Government Securities	-	1,040,535,734
Investment in Non-Bank Fixed Deposit	-	4,179,388
	-----	-----
	-	1,044,715,122
Accrued Interest	-	58,866,594
	-----	-----
	-	1,103,581,716
Impairment Allowance	7a -	(157,138,384)
	-----	-----
	-	946,443,332
	-----	-----



**11. PORTFOLIO SUMMARY**

	<b>2023</b>	<b>2022</b>
	<b>GHC</b>	<b>GHC</b>
Government Securities	<b>687,723,540</b>	1,040,535,734
Corporate Bonds	-	4,179,388
Non-Bank Fixed Deposits	-	-
	<b>687,723,540</b>	<b>1,044,715,122</b>

**12. TRADE AND OTHER RECEIVABLES**

	<b>2023</b>	<b>2022</b>
	<b>GHC</b>	<b>GHC</b>
Debtors & Prepayments	-	500

**13. SHAREHOLDERS' EQUITY**

A reconciliation of the number of shares outstanding at the beginning and at the end of each of the reporting period is provided below.

Number of shares issued and redeemed during the year is disclosed below:

**13a. NUMBER OF SHARES IN ISSUE**

	<b>2023</b>	<b>2022</b>
	<b>Number of</b>	<b>Number of</b>
	<b>Shares</b>	<b>Shares</b>
Opening Balance	<b>521,269,247</b>	710,973,944
Issues during the Year	<b>64,227,450</b>	405,191,367
Redemptions during the Year	<b>(118,211,038)</b>	(594,896,064)
<b>Closing Balance</b>	<b>467,285,659</b>	521,269,247

**13b. SHAREHOLDERS' PRINCIPAL**

	<b>2023</b>	<b>2022</b>
	<b>GHC</b>	<b>GHC</b>
New Issues	<b>112,774,212</b>	848,082,060
Redemptions/Reversals	<b>(240,744,310)</b>	(1,279,159,941)
	-----	-----
Net Proceeds from Capital Transactions	<b>(127,970,098)</b>	(431,077,881)
Beginning of Period	<b>260,271,648</b>	691,349,529
	-----	-----
<b>End of Period</b>	<b>132,301,550</b>	260,271,648
	-----	-----

**14. TRADE AND OTHER PAYABLES**

Management Fees	<b>1,151,875</b>	1,262,007
Custody Fees	<b>388,210</b>	673,203
Front Load Commissions	<b>38,338</b>	-
Audit Fees	<b>60,950</b>	97,520
Withholding Tax	<b>38,370</b>	50,990
Accruals and other payables	<b>122,891</b>	32,409
	-----	-----
	<b>1,800,634</b>	2,116,129
	-----	-----

## 15. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICY

The Fund's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement, management and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund is exposed to market risk (which includes interest rate risk and price risk), credit risk and liquidity risk arising from the financial instruments it holds.

### 15.1 Risk Management Structure

The Fund Manager is responsible for identifying and controlling risks. The Board of Directors supervises the Fund Manager and is ultimately responsible for the overall risk management of the Fund.

### 15.2 Risk Measurement and Reporting System

The risks of the Fund are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses that are an estimate of the ultimate actual loss.

Limits reflect the business strategy including the risk that the Fund is willing to accept and the market environment of the Fund. In addition, the Fund monitors and measures the overall risk in relation to the aggregate risk exposure across all risk types and activities.

### 15.6 Credit Risk

#### 14.6.1 Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial

loss for the Fund by failing to discharge an obligation. The Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within financing relationships, derivatives and other transactions. It is the Fund's policy to enter into financial instruments with reputable counterparties.

The Fund Manager's policy is to closely monitor the creditworthiness of the Fund's counterparties (e.g. third-party borrowers, brokers, custodian and banks) by reviewing their credit ratings, Financial Statements and press releases on a regular basis.

The carrying value of interest-bearing investments, money market funds and similar Securities, loan to related party, trade and other receivables and cash and cash equivalents, as disclosed in the statement of financial position represents the maximum credit exposure, hence, no separate disclosure is provided.

#### 14.6.2 Amounts arising from ECL

Impairment of cash and cash equivalents, and investment in fixed deposits and government securities have been measured on a 12-month expected credit loss basis and reflects the maturities of the exposures. The Fund considers that these exposures have low credit risk because they are held with Government of Ghana and reputable regulated banks.

The Fund monitors changes in credit risk on these exposures by tracking published

external credit ratings of the Government of Ghana. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published ratings, the Fund supplements it by reviewing changes in bond yields, where available together with available press and regulatory information about counterparties.

12-month and lifetime probabilities of default are based on historical data supplied by a rating agency for each credit rating. Loss given default parameters generally reflect an assumed recovery rate of 60%. However, if the asset were credit-impaired, then the

estimate of loss would base on a specific assessment of expected cash shortfalls and on the original effective interest rate.

Impairment loss recognised for financial assets at the end of the year was GHC 346,000 (2022: GHC 157,138,384).

### 15.7 Fair Value of Financial Instruments

Fair value of Financial Instruments carried at FVOCI

As detailed in the following table, the Directors consider that the carrying amounts of financial assets and financial liabilities recognized in the Financial Statements approximate their fair values.

	Carrying Amounts 2023 GHC	Fair Value 2023 GHC	Carrying Amounts 2022 GHC	Fair Value 2022 GHC
<b>Financial Assets</b>				
Cash and Cash Equivalents	55,139,015	55,139,015	14,718,821	14,718,821
Fin. Assets at FVOCI	724,403,247	724,403,247	1,103,454,919	1,103,454,919
Trade and Other Receivables	-	-	7,705	7,705
<b>Total Financial Assets</b>	<b>779,542,262</b>	<b>779,542,262</b>	<b>1,118,181,445</b>	<b>1,118,181,445</b>
<b>Financial Liabilities</b>				
Trade and Other Payables	1,800,634	1,800,634	2,094,631	2,094,631

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 GHC	Level 2 GHC	Level 3 GHC
<b>December 31, 2023</b>			
Cash and cash equivalents	-	55,139,015	-
Financial Assets at amortised Cost	-	724,403,247	-

-----	-----	-----
-	779,542,262	-
-----	-----	-----

	Level 1 GHC	Level 2 GHC	Level 3 GHC
<b>December 31, 2022</b>			
Cash and cash equivalents	-	21,788,567	-
Financial Assets at amortised cost	-	919,172,652	-
Trade and other receivables	-	-	-

-----	-----	-----
-	940,961,219	-
-----	-----	-----

## 16. CONTINGENCIES AND COMMITMENTS

### 16.1 Legal Proceedings and Regulations

The Fund operates in the financial services industry and is subject to legal proceedings in the normal course of business. There are no contingencies associated with the Fund's compliance or lack of compliance with regulations.

### 16.2 Capital Commitments

The Fund has no capital commitments at the reporting date. (2022: Nil)

## 17. RELATED PARTY TRANSACTIONS

The following parties are considered related parties of the Fund:

### Fund Manager

Databank Asset Management Services Limited (the Fund Manager) is entitled to

receive a management fee for its respective services. These fees amount to an aggregate of 1.25% per annum calculated on the daily net assets of the Fund. Management fees are payable monthly in arrears. Total management fees for the year amounted to GHC 10,814,639 (2022: GHC 17,294,742).

### Brokers

The transactions of the Fund were made through Databank Brokerage Limited (DBL).

### Transactions with related parties

A number of related party transactions take place with related parties in the normal course of business. These include transactions and balances among related parties. The outstanding balance on such related party transactions is as follows:

### AMOUNTS DUE TO RELATED PARTIES

	2023 GHC	2022 GHC
Databank Asset Management Services Ltd.	1,190,213 .....	1,262,007 .....



**Transactions with Directors and Key Management Personnel**

Directors and key Management personnel refer to those personnel with authority and responsibility for planning, directing and controlling the business activities of the Fund. These personnel are the Executive and non-Executive Directors of the Fund.

During the year, there were no significant related party transactions with companies or customers of the Fund where a Director or any connected person is also a Director or key Management member of the Fund. The Fund did not make any loans to Directors or any key Management member during the period under review.

	2023 GHC	2022 GHC
<b>DIRECTORS' EMOLUMENT</b>		
Directors' Remuneration	47,324	193,713
	:::-----:	:::-----:

**DIRECTORS' SHAREHOLDINGS**

The Directors below held the following number of shares in the Fund as of December 31, 2023.

Name	Shares	% of Fund
Kojo Addae-Mensah	215,611	0.0461
Stephen Adei*	62,380	0.0133
Daniel Seddoh	11,035	0.0024

*\*Shares are jointly held by the Director and Spouse*

## 18. CUSTODIAN

### Guaranty Trust Bank (Ghana) Limited

Guaranty Trust Bank (Ghana) Limited is the custodian of the Fund. The custodian carries out the usual duties regarding custody, cash and security deposits without any restriction. This means that the custodian is, in particular, responsible for the collection of interest and proceeds of matured securities, the exercise of options and, in general, for any other operation concerning the day-to-day administration of the securities and other assets and liabilities of the Fund.

The Custodian is entitled to receive from the Fund fees, payable monthly, a maximum of 0.25% per annum calculated on the daily net assets of the Fund. The total custody fee for the year amounted to **GHC 664,178** (2022: GHC 1,369,859). The custody fee payable as at December 31, 2023 was **GHC 388,210** (2022: GHC 673,203).

## 19. CONTINGENT LIABILITIES

There were no contingent liabilities as at December 31, 2023. (2022: Nil)

## 20. Events After the Reporting Period

Events subsequent to the Statement of Financial Position date are reflected in the Financial Statements only to the extent that they relate to the period under review and the effect is material. There were no subsequent events at the reporting date, December 31, 2023.

## 21. Going Concern

The Directors believe that the Fund has adequate financial resources to continue in operation for the foreseeable future and accordingly the Annual Financial Statements have been prepared on a going concern basis. The Directors have satisfied themselves that the Fund is in a sound financial position and that revenue from the Assets Under Management would be enough to meet its foreseeable cash requirements. The Directors are not aware of any new material changes that may adversely impact the Fund. The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Fund.

**Note:** This is an abridged version of the Notes to the Financial Statements. The full version is available at [www.databankgroup.com](http://www.databankgroup.com).





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## CORPORATE INFORMATION

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### BOARD OF DIRECTORS

Stephen Adei  
Kojo Addae-Mensah  
Daniel Seddoh  
Alexander Williams

Chairman (Non-Executive Director)  
Executive Director  
Non-Executive Director  
Non-Executive Director

### COMPANY SECRETARY

Accra Nominees Limited  
2nd Floor Cedar House  
No. 13 Samora Machel Road  
Asylum Down  
P.O. Box GP 242  
Accra, Ghana

### REGISTERED OFFICE

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

### CUSTODIAN

Guaranty Trust Bank (Ghana) Limited  
25A Castle Road  
Ambassadorial Area, Ridge  
PMB CT 416  
Cantonments  
Accra, Ghana

### FUND MANAGER

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

### AUDITOR

John Kay & Co.  
Farrar Avenue  
Accra, Ghana

### BANKERS

Absa Bank Ghana Limited  
Access Bank (Ghana) PLC  
Consolidated Bank Ghana Limited  
Fidelity Bank Ghana Limited  
GCB Bank PLC  
Guaranty Trust Bank (Ghana) Limited  
Standard Chartered Bank Ghana PLC  
United Bank for Africa (Ghana) Limited  
Zenith Bank (Ghana) Limited



## 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 in addition to their principal occupations, other directorships and their affiliation, if any, with Databank Asset Management Services Limited.

### BOARD OF DIRECTORS

**NAME:**

STEPHEN ADEI

**POSITION:**

Chairman

**ADDRESS:**

P.O. Box LG 1015  
Legon

**OCCUPATION:**

Economist

**OTHER DIRECTORSHIPS:**

A Obenewaa Construction Ltd.  
Accra College of Medicine  
Adansi Rural Bank  
Ako Estate Ltd.  
Challenge Enterprise Ghana Limited  
Databank Balanced Fund PLC  
Ghana Christian High International School  
Medfocus International Ltd.  
The Beige Pension Trust



**NAME:**

KOJO ADDAE-MENSAH

**POSITION:**

Director

**ADDRESS:**

Databank Financial Services  
PMB Ministries, Accra

**OCCUPATION:**

Investment Banker  
Group Chief Executive Officer,  
Databank Group

**OTHER DIRECTORSHIPS:**

Databank Ark Fund PLC  
Databank Asset Management Services Ltd.  
Databank Balanced Fund PLC  
Databank Brokerage Ltd.  
Databank Epack Investment Fund PLC  
Databank Financial Services Ltd.  
The Databank Foundation



**NAME:**

DANIEL SEDDOH

**POSITION:**

Director

**ADDRESS:**

P.O. BOX CT 3817  
Cantonments, Accra

**OCCUPATION:**

Chartered Accountant

**OTHER DIRECTORSHIPS:**

Ghana Deposit Protection  
Corporation  
Kasapreko PLC  
Riscovey Ltd.



**NAME:**

ALEXANDER WILLIAMS

**POSITION:**

Director

**ADDRESS:**

P.O. Box CT 3556  
Cantonments, Accra

**OCCUPATION:**

Lawyer

**OTHER DIRECTORSHIPS:**

Databank Educational Investment  
Fund PLC  
Ghana Investment and Securities  
Institute  
Planwell Insurance Brokers  
Limited



## COMPANY SECRETARY

**NAME:**

ACCRA NOMINEES LIMITED

**POSITION:**

Company Secretary

Accra Nominees Limited is a company incorporated in April 1981. Since incorporation, Accra Nominees Limited has been providing company secretarial services to its clients which include private Ghanaian-owned companies, private multi-national companies, manufacturing companies, non-bank financial institutions as well as public companies listed and not listed on the Ghana Stock Exchange. The Company is managed by Ms. Annie Chinbuah, a Barrister-at-Law of over 27 years' post-call experience.

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## OFFICERS' INFORMATION

**NAME:**

EMMANUEL QUARM

**POSITION:**

Financial Controller



Emmanuel is responsible for administering the finances of the Fund. He is a member of the Association of Chartered Certified Accountants (ACCA). He holds a Masters degree in Business Administration from the Coventry University. He is also responsible for the finances of the Databank Group of companies. Prior to this role, he was the head of mutual fund reporting for Databank Asset Management Services Limited.

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**NAME:**

NII ANYETEI AMPA-SOWA

**POSITION:**

Head of Databank Asset Management Services Ltd.



Nii is the head of Databank Asset Management Services Ltd. (DAMSEL). Prior to assuming this role, Nii oversaw the Fund Managers of DAMSEL as Chief Investment Officer and managed Databank Epack Investment Fund as well as Databank Balanced Fund, which he managed until August 2020. Prior to the roles in DAMSEL, Nii headed the Research department of the Databank Group. Nii has also had brief working stints with the University of Ghana's Economics Department and as an equity analyst in UBA Capital (Europe). He has a degree in Economics (First Class Honors) from the University of Ghana, and an MSc Investments (Merit) degree from the University of Birmingham.

**NAME:**

DEBORAH ARMAH AKOTEY

**POSITION:**

Chief Investment Officer



Deborah is responsible for developing the investment style and strategy, as well as supervising its implementation across the firm's investment solutions. Having worked in Databank for over 18 years in various capacities, she has extensive experience in investment management. Until her appointment to this role, she was the Head of Institutional Business, responsible for managing and supervising a team of Analysts and a Portfolio Manager to grow institutional portfolios by implementing consistent risk-reward strategies and efficient operations management. Prior to that, she was the Fund Manager for the Databank Balanced Fund. She has also worked with the Financial Control team of the Databank Group in various capacities and is currently the Fund Manager for Epack, Ghana's largest equity mutual fund.

Deborah holds an MSc (Accounting & Finance) from Manchester Business School in the UK, and a BSc in Business Administration (Accounting option) from University of Ghana Business School, Legon. She is a Fellow of the Association of Chartered Certified Accountants (ACCA) and a CFA Charterholder.

**NAME:**

DIVINA QUARTEY

**POSITION:**

Fund Manager



Divina is the Fund Manager responsible for the management of Databank MFund as well as Databank EdIFund. Prior to her role as fund manager, she served as a Sales Manager where she handled business development through client prospecting, client relationship management and closing deals for Databank's mutual funds at the retail level. Divina holds an EMBA in Finance from the University of Ghana Business School and a BBA Business Administration degree in Banking and Finance from Methodist University College, Ghana.

**NAME:**

EVELYN OFOSU-DARKO

**POSITION:**

Chief Operations Officer



Evelyn is heads the Operations team of Databank Asset Management Services Limited handling all administrative work related to Portfolio Management. She has over 22 years of experience in various capacities, including fund management, fund administration and general operations of the Asset Management business. Prior to joining Databank, Evelyn worked at Unilever Ghana Limited and Darko Farms. She holds an MSc. in International Marketing Management, University of Surrey, UK and a Bachelor's degree from the University of Ghana Business School.

**NAME:**

MATILDA ESHUN

**POSITION:**

Fund Administrator



Matilda heads the Back Office operations of Databank Asset Management Services Ltd. She is responsible for the administration of the mutual funds. She is a product of the Methodist University College, Ghana and holds a degree in Business Administration. Prior to joining Databank Asset Management Services Ltd, she worked with Databank Financial Services Ltd.

**NAME:**

NELSON WORLANYO AFIANU

**POSITION:**

Finance Officer



Nelson assists in the accounting functions of the Fund. He is a Ghana Stock Exchange Certificate holder. He has been with the Fund for the past 15 years and holds a BSc in Administration (Accounting) from the University of Ghana, Legon.

Guaranty Trust Bank (Ghana) Ltd

CS406022014

25A, Castle Road, Ambassadorial Area, Ridge

P.M.B CT 416, Cantonments, Accra, Ghana

Tel: (+233 302) 61 560, 680 660, 680 746, 616 474, 903 914, 966 755

Toll Free: 0800 124 000

www.gtghana.com



Guaranty Trust Bank (Ghana) Ltd

CS406022014

**22<sup>nd</sup> May 2024**

**Databank MFund Limited**

No. 61 Barnes Road, Adabraka

P.M.B Ministries Post Office

Accra

**Attention: Fund Manager**

Dear Sir,

**REPORT OF THE CUSTODIAN TO THE INVESTORS OF DATABANK MFUND LIMITED**

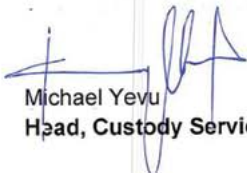
Guaranty Trust Bank (Ghana) Ltd., acting as Custodians for Databank Mfund Limited, write to confirm to investors the statement of holdings as at close of business 31<sup>st</sup> December 2023.

In our independent opinion, the statement of holdings reflects a true and fair view of the affairs of the Fund as at 31<sup>st</sup> December, 2023.

Please find enclosed statement of holdings of securities as at 31<sup>st</sup> December, 2023.

Yours faithfully,

**For: Guaranty Trust Bank (Ghana) Ltd.**

  
Michael Yevu  
Head, Custody Services

  
Solace Fiadjoe  
Head, Financial Institutions Group

**Guaranty Trust Bank (Ghana) Ltd**

CS06022016

25A, Castle Road, Ambassadorial Area, Ridge

P.M.B (T 446), Cantonments, Accra, Ghana

Tel: (+233 302) 61 560, 680 662, 680 746, 676 474, 923 984, 966 755

Toll Free: 0800 124 000

www.gtbg Ghana.com



Guaranty Trust Bank (Ghana) Ltd

CS06022016

**DATABANK MFUND LIMITED****Portfolio Value Report As At 31st December, 2023**

SYMBOL	CUMMULATIVE COST
91-DAY BAYP	4,000,000.00
60D GT DEP	4,300,000.00
91-DAY UB DEP	1,900,000.00
50-DAY SBG	1,900,000.00
60-D ABG DEP	3,400,000.00
4-YR GOG BOND	552,593,296.00

SYMBOL	CUMMULATIVE COST
50-DAY IZ	6,100,000.00
60-DAY SBG	4,000,000.00
60-DAY GT DEP	2,500,000.00
60-DAY UB DEP	4,000,000.00
60-DAY ABG	2,500,000.00
5-YR GOG BOND	458,877,397.00



# PROXY FORM

## DATABANK MFUND PLC

I/We.....

of..... being a member/members

Databank MFund PLC 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 **virtually via Zoom on Tuesday, July 9, 2024 at 9:00 a.m. prompt** and 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.

RESOLUTIONS	FOR	AGAINST	ABSTAIN
<b>Ordinary Business</b>			
1. To adopt the Reports of the Directors, Auditors and the Financial Statements of the Company for the year ended December 31, 2023.			
2. To ratify the appointment of Alexander Williams as a Director of the Fund.			
3. To re-elect the following Directors who are retiring by rotation:			
• Daniel Seddoh			
• Kojo Addae-Mensah			
4. To approve Directors' fees.			
5. To appoint Messrs. John Kay and Co. as Auditors of the Fund to replace Messrs. KPMG.			
6. To confirm the Auditors' remuneration for the year ended December 31, 2023 and to authorise the Directors to fix the Auditors' remuneration for the year ending December 31, 2024.			
<b>Special Business</b>			
1. To approve a Change in the Custodian of the Fund from GTBank (Ghana) LTD to Stanbic Bank Ghana LTD.			

Signed this ..... day of..... 2024

Signature .....



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[illegible]

■ ■ ■ **FOR MORE INFORMATION, CONTACT  
DATABANK AT THE FOLLOWING ADDRESSES:**

**HEAD OFFICE**

Tel: 0302 610610  
Email: [info@databankgroup.com](mailto:info@databankgroup.com)

**CAPE COAST**

Tel: 0577 702016  
Email: [capecoast@databankgroup.com](mailto:capecoast@databankgroup.com)

**HO**

Tel: 0362 000071  
Email: [ho@databankgroup.com](mailto:ho@databankgroup.com)

**KOFORIDUA**

Tel: 0342 031189, 0577 289123  
Email: [koforidua@databankgroup.com](mailto:koforidua@databankgroup.com)

**KUMASI**

Tel: 0322 081483, 080077, 080078  
Email: [kumasi@databankgroup.com](mailto:kumasi@databankgroup.com)

**SUNYANI**

Tel: 0576 001533, 0577 704516  
Email: [sunyani@databankgroup.com](mailto:sunyani@databankgroup.com)

**TAKORADI**

Tel: 0312 023628, 025465  
Email: [takoradi@databankgroup.com](mailto:takoradi@databankgroup.com)

**TAMALE**

Tel: 0577 802665, 0577 802666  
Email: [tamale@databankgroup.com](mailto:tamale@databankgroup.com)

**TARKWA**

Tel: 0577 702010  
Email: [tarkwa@databankgroup.com](mailto:tarkwa@databankgroup.com)

**TEMA**

Tel: 0303 213240, 210050  
Email: [tema@databankgroup.com](mailto:tema@databankgroup.com)

**WA**

Tel: 0571 168365, 0571 168493  
Email: [wa@databankgroup.com](mailto:wa@databankgroup.com)



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Databank is Ghana's leading investment bank and one of the first to emerge from West Africa. Established in 1990, Databank has been instrumental in the development of the Ghanaian capital market and has built a strong reputation for its pioneering works in the industry. Driven by the goal of helping Ghanaians achieve financial independence, Databank is committed to promoting financial literacy and offering a diverse range of investment products and services to suit the investment styles of different investors.



**0577 289133**

[www.databankgroup.com](http://www.databankgroup.com)