

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALUWORKS LIMITED

Report on the financial statements

We have audited the accompanying financial statements of Aluworks Limited, which comprise the statement of financial position as at 31 December 2011, the statement of comprehensive income, the statement of changes in equity and statement of cash flow for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 20 to 52.

Directors' Responsibility for the financial statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of Aluworks Limited at 31 December 2011, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179).

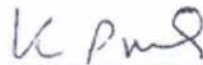
**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ALUWORKS LIMITED (CONT'D)**

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 of the Companies Code, 1963 (Act 179)

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.

In our opinion, proper books of account have been kept, and the statement of financial position, statement of comprehensive income and retained earnings account are in agreement with the books of account.



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**CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P. O. BOX GP 242
ACCRA**

4 April, 2012

ALUWORKS LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Note	2011 GH¢'000	2010 GH¢'000
Assets			
Property, plant and equipment	6	39,854	41,859
Intangible assets	7	-	19
Long term investments	8	144	168
		-----	-----
Total non-current assets		39,998	42,027
Inventories	11	7,085	6,599
Income tax asset	9	856	848
Trade and other receivables	12	5,630	5,270
Cash and cash equivalents	13	500	688
		-----	-----
Total current assets		14,071	13,405
		-----	-----
Total assets		54,069	55,432
		=====	=====
Equity			
Share capital	18	24,731	24,731
Share deals		90	90
Retained earnings – (Deficit)		(20,319)	(16,843)
Revaluation Surplus		19,358	19,383
		-----	-----
Total equity		23,860	27,361
		-----	-----
Non-current liabilities			
Medium-term loans	15	10,254	4,875
Deferred tax liabilities	10	2,283	2,156
		-----	-----
Total non-current liabilities		12,537	7,031
		-----	-----
Current liabilities			
Bank overdraft	14	5,762	6,895
Trade and other payables	20	5,082	2,982
Short-term loan	16	6,129	10,464
Dividend payable	17	699	699
		-----	-----
Total current liabilities		17,672	21,040
		-----	-----
Total liabilities		30,209	28,071
		-----	-----
Total liabilities and equity		54,069	55,432
		=====	=====



DIRECTOR



DIRECTOR

The notes on pages 24 to 52 are an integral part of these financial statements.

ALUWORKS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011

	<i>Note</i>	<i>GH¢'000</i>	<i>GH¢'000</i>
Revenue	21	49,716	25,167
Cost of sales		(45,926)	(26,564)
Gross (loss)/profit		3,790	(1,397)
Other income	22	85	46
General and administrative expenses		(4,877)	(4,180)
Results from operating activities before financing cost		(1,002)	(5,531)
Net finance expense	25	(2,348)	(2,268)
Loss before income taxation	23	(3,350)	(7,799)
Income tax (expense)/relief	9	(127)	449
Loss for the year		(3,477)	(7,350)
		=====	=====
Other comprehensive income			
Revaluation of property, plant and equipment		-	-
Other comprehensive income for the year		-	-
		=====	=====
Total comprehensive (loss)/income for the year		(3,477)	(7,350)
		=====	=====
Basic earnings per share	19	(0.0378)	(0.0976)
Diluted earnings per share	19	(0.0378)	(0.0976)

The notes on pages 24 to 52 are an integral part of these financial statements.

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

2011	Note	Stated Capital GH¢'000	Share Deals GH¢'000	Revaluation Surplus GH¢'000	Retained Earnings GH¢'000	Total Equity GH¢'000
Balance at 1 January 2011	26	24,731	90	19,383	(16,843)	27,361
Loss for the year		-	-	-	(3,477)	(3,477)
Revaluation surplus released on disposal of property, plant and equipment		-	-	(1)	1	-
Impairment of equity investment		-	-	(24)	-	(24)
Balance at 31 December 2011		24,731	90	19,358	(20,319)	23,860
		=====	==	=====	=====	=====
2010	Note	Stated Capital GH¢'000	Share Deals GH¢'000	Revaluation Surplus GH¢'000	Retained Earnings GH¢'000	Total Equity GH¢'000
Balance at 1 January 2010	26	5,002	90	19,447	(9,557)	14,982
Proceeds from Rights Issue		20,150	-	-	-	20,150
Share issue expenses		(421)	-	-	-	(421)
Loss for the year		-	-	-	(7,350)	(7,350)
Revaluation surplus released on disposal of property, plant and equipment		-	-	(64)	64	-
Balance at 31 December 2010		24,731	90	19,383	(16,843)	27,361
		=====	==	=====	=====	=====

The notes on pages 24 to 52 are an integral part of these financial statements.

ALUWORKS LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011	2010
	GH¢'000	GH¢'000
Cash flows from operating activities		
Loss before taxation	(3,350)	(7,799)
<i>Adjustments for:</i>		
Depreciation charges	3,011	2,937
Amortisation of intangible asset	-	19
Exchange loss	1,266	1,296
Interest expense	2,348	2,425
Loss on disposal of property, plant and equipment	1	52
	-----	-----
	3,276	(1,070)
Change in inventories	(486)	294
Change in trade and other receivables	(360)	(2,302)
Change in trade and other payables	2,100	(2,421)
	-----	-----
Cash (utilised for)/generated from operations	4,530	(5,499)
Interest paid	(2,348)	(2,425)
Income taxes paid	(8)	(13)
	-----	-----
Net cash (outflow)/ in flow from operating activities	2,174	(7,937)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,008)	(304)
Proceeds from sale of property, plant and equipment	-	8
	-----	-----
Net cash flow used in investing activities	(1,008)	(296)
Cash flows from financing activities		
Loan proceeds	15,436	3,178
Loan repaid	(15,657)	(18,220)
Net proceeds from issue of shares	-	19,729
	-----	-----
Net cash flow from financing activities	(221)	4,687
	-----	-----
Net (decrease)/increase in cash and cash equivalents	945	(3,546)
	===	=====
Analysis of changes in cash and cash equivalents during the year		
Balance at 1 January	(6,207)	(2,661)
Net cash flow	945	(3,546)
	-----	-----
Balance at 31 December	(5,262)	(6,207)
	=====	=====
Analysis of balances of cash and cash equivalents as shown in the balance sheet		
Cash and bank balances	500	688
Bank overdraft	(5,762)	(6,895)
	-----	-----
	(5,262)	(6,207)
	=====	=====

The notes on pages 24 to 52 are an integral part of these financial statements.