

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF STARWIN PRODUCTS LTD.**

We have audited the accompanying financial statements of Starwin Products Limited, which comprise the statement of financial position at 31 December 2011, statement of comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies as set out on pages 13 to 40.

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 Starwin Products 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) of Ghana.

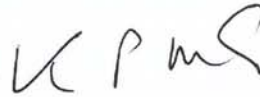
Report on Other Legal and Regulatory Requirements

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

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 are in agreement with the books of account.



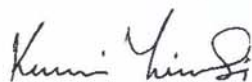
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CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELNKPE
P.O. BOX GP 242
ACCRA

25th April, 2012



**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011**

		2011	2010
Property, plant and equipment	6	1,598,814	1,515,507
Intangible assets	7	23,318	30,527
Long term investments	10	27,863	27,863
		-----	-----
Total non-current assets		1,649,995	1,573,897
Inventories	11	816,108	1,409,024
Incometax asset	8	-	72,927
Trade and other receivables	12	1,235,799	670,493
Cash and cash equivalents	13	28,814	15,909
		-----	-----
Total current assets		2,080,721	2,168,353
		-----	-----
Total assets		3,730,716	3,742,250
		=====	=====
Equity			
Share capital	18	1,982,028	1,982,028
Retained earnings		359,482	(117,745)
		-----	-----
Total equity		2,341,510	1,864,283
		-----	-----
Non-current liabilities			
Medium-term loans	15	-	376,277
Deferred tax liabilities	9	34,102	25,362
		-----	-----
Total non-current liabilities		34,102	401,639
		-----	-----
Current liabilities			
Bank overdraft	14	442,509	551,401
Trade and other payables	20	558,088	291,796
Short-term loan	16	299,983	626,388
Income tax liability	8	47,781	-
Dividend payable	17	6,743	6,743
		-----	-----
Total current liabilities		1,355,104	1,476,328
		-----	-----
Total liabilities		1,389,206	1,877,967
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Total liabilities and equity		3,730,716	3,742,250
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DIRECTOR



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DIRECTOR

The notes on page 17 to 40 are an integral part of these financial statements

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2011**

		2011	2010
Revenue		4,245,918	3,761,572
Cost of sales		(1,766,681)	(1,830,714)
Gross profit		<u>2,479,237</u>	<u>1,930,858</u>
Other Income	21	80,830	98,594
General and administrative expenses		(1,634,404)	(1,468,447)
Results from operating activities		<u>925,663</u>	<u>561,005</u>
Net finance expense	24	(249,013)	(401,630)
Profit before taxation	22	<u>676,650</u>	<u>159,375</u>
Income tax expense	8	(199,423)	(76,299)
Profit for the year		<u>477,227</u>	<u>83,076</u>
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>477,227</u> =====	<u>83,076</u> =====
Basic earnings per share	19	0.0067	0.0012
Diluted earnings per share	19	0.0067	0.0012

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

2011	Stated Capital GH¢	Retained Earnings GH¢	Total Equity GH¢
Balance at 1 January 2011	1,982,028	(117,745)	1,864,283
Profit for year	-	477,227	477,227
	-----	-----	-----
Balance at 31 December 2011	1,982,028	359,482	2,341,510
	=====	=====	=====
2010	Stated Capital GH¢	Retained Earnings GH¢	Total Equity GH¢
Balance at 1 January 2010	1,982,028	(200,821)	1,781,207
Profit for year	-	83,076	83,076
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Balance at 31 December 2010	1,982,028	(117,745)	1,864,283
	=====	=====	=====

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**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2011**

	20 11 GH¢	2010 GH¢
Cash flows from operating activities		
Profit before taxation	676,650	159,375
Adjustments for:		
Depreciation	206,803	193,037
Amortisation of intangible assets	11,659	-
Interest received	-	(1,485)
Interest expense	249,013	403,116
Doubtful debt provision	78,249	64,817
Loss/(Profit) on disposal of property, plant and equipment	17,903	(42,480)
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	1,240,277	776,380
Change in inventories	592,916	(294,606)
Change in trade and other receivables	(643,556)	(170,652)
Change in trade and other payables	266,292	125,725
	-----	-----
Cash generated from operations	1,455,929	436,847
Interest received	-	1,485
Interest paid	(249,013)	(403,116)
Income taxes paid	(69,975)	(22,421)
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Net cash flow from operating activities	1,136,941	12,795
Cash flows from investing activities		
Purchase of property, plant and equipment	(314,812)	(76,382)
Purchase of intangible assets	(4,450)	(30,527)
Proceeds from sale of property, plant and equipment	6,800	51,146
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Net cash flow used in investing activities	(312,462)	(55,763)
Cash flows from financing activities		
Loan Proceeds	140,000	1,100,000
Loan Repaid	(842,682)	(838,218)
	-----	-----
Net cash flow(used)/from financing activities	(702,682)	261,782
	-----	-----
Net increase in cash and cash equivalents	121,797	218,814
	=====	=====
Analysis of changes in cash and cash equivalents during the year		
Balance at 1 January	(535,492)	(754,306)
Net cash flow	121,797	218,814
	-----	-----
Balance at 31 December	(413,695)	(535,492)
	=====	=====
Analysis of balances of cash and cash equivalents as shown in the balance sheet		
Cash and bank balances	28,814	15,909
Bank overdraft	(442,509)	(551,401)
	-----	-----
	(413,695)	(535,492)
	=====	=====

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