

**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 2012, the statements of comprehensive income, changes in equity and of cash flows for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies, as set out on pages 19 to 48.

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 Act 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 control 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 control. 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 2012, 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 Act 1963, (Act 179) of Ghana.



**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 Act 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 and statement of comprehensive income are in agreement with the books of account.

KPMG

Signed By: Nathaniel D. Harley (ICAG/P/1056)

For and on behalf Of:

KPMG: (ICAG/F/0036)

CHARTERED ACCOUNTANTS

13 YIYIWA DRIVE, ABELINKPE

P O BOX GP 242

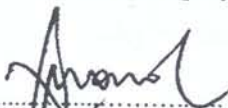
ACCRA

17 May....., 2013

ALUWORKS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

		2012	Restated 2011	Restated 2010
	Note	GH¢'000	GH¢'000	GH¢'000
Assets				
Property, plant and equipment	6	44,820	39,854	41,859
Intangible assets	7	-	-	-
Long term investments	8(a)	144	144	168
Total non-current assets		<u>44,964</u>	<u>39,998</u>	<u>42,027</u>
Inventory	11	9,544	7,085	6,599
Income tax assets	9	800	856	848
Trade and other receivables	12	7,414	5,630	5,270
Short term investments	8(b)	5,000	-	-
Cash and bank balances	13	5,862	500	688
Total current assets		<u>28,620</u>	<u>14,071</u>	<u>13,405</u>
Total assets		<u>73,584</u>	<u>54,069</u>	<u>55,432</u>
Equity				
Share capital	18	24,731	24,731	24,731
Share deals		90	90	90
Retained earnings – (Deficit)		(22,909)	(20,319)	(16,843)
Other reserves		980	-	-
Revaluation surplus		18,442	18,442	18,467
Total equity		<u>21,334</u>	<u>22,944</u>	<u>26,445</u>
Non-current liabilities				
Medium-term loans	15	25,473	10,254	4,875
Deferred tax liabilities	10	3,360	3,199	3,072
Total non-current liabilities		<u>28,833</u>	<u>13,453</u>	<u>7,947</u>
Current liabilities				
Bank overdraft	14	6,676	5,762	6,895
Trade and other payables	20	10,049	5,082	2,982
Short-term loan	16	5,993	6,129	10,464
Dividend payable	17	699	699	699
Total current liabilities		<u>23,417</u>	<u>17,672</u>	<u>21,040</u>
Total liabilities		<u>52,250</u>	<u>30,209</u>	<u>28,987</u>
Total liabilities and equity		<u>73,584</u>	<u>54,069</u>	<u>55,432</u>



 DIRECTOR



 DIRECTOR

The notes on pages 23 to 48 are an integral part of these financial statements. Note 26 explains the restatement.

ALUWORKS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	GH¢'000	GH¢'000
Revenue	21	49,681	49,716
Cost of sales		(42,689)	(45,926)
Gross profit		6,992	3,790
Other income	22	85	85
General and administrative expenses		(7,365)	(4,877)
Results from operating activities before financing cost		(288)	(1,002)
Net finance expense	25	(2,045)	(2,348)
Loss before income taxation	23	(2,333)	(3,350)
Income tax expense	9	(257)	(127)
Loss for the year		(2,590)	(3,477)
Other comprehensive income		-	-
Total comprehensive income for the year		(2,590)	(3,477)
Basic earnings per share	19	(0.0281)	(0.0378)
Diluted earnings per share	19	((0.0212)	(0.0378)

The notes on pages 23 to 48 are an integral part of these financial statements.

ALUWORKS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

2012	Stated Capital GH¢'000	Share Deals GH¢'000	Other Reserves GH¢'000	Revaluation Surplus GH¢'000	Retained Earnings GH¢'000	Total Equity GH¢'000
Balance at 1 January 2012	24,731	90	-	18,442	(20,319)	22,944
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(2,590)	(2,590)
Other comprehensive income (Note 10)	-	-	-	-	-	-
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	24,731	90	-	18,442	(22,909)	20,354
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Transaction with equity holders						
Medium term loan – equity portion (Note 15(iii))	-	-	980	-	-	980
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Total transaction with equity holders	-	-	980	-	-	980
	-----	----	---	-----	-----	-----
Balance at 31 December 2012	24,731	90	980	18,442	(22,909)	21,334
	=====	==	===	=====	=====	=====
2011	Stated Capital GH¢'000	Share Deals GH¢'000	Other Reserves GH¢'000	Revaluation Surplus GH¢'000	Retained Earnings GH¢'000	Total Equity GH¢'000
Balance at 1 January 2011	24,731	90	-	19,383	(16,843)	27,361
Under statement on deferred capital gains tax (Note 10)				(916)	-	(916)
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Balance at 1 January 2011 as restated	24,731	90	-	18,467	(16,843)	26,445
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Total comprehensive income for the year						
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)
Other comprehensive income	-	-	-	-	-	-
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	24,731	90	-	18,442	(20,319)	22,944
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Transaction with equity holders	-	-	-	-	-	-
	-----	----	---	-----	-----	-----
Total transaction with equity holders	-	-	-	-	-	-
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Balance at 31 December 2011	24,731	90	-	18,442	(20,319)	22,944
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The notes on pages 23 to 48 are an integral part of these financial statements.

ALUWORKS LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 GH¢'000	2011 GH¢'000
Cash flows from operating activities		
Loss before taxation	(2,333)	(3,350)
<i>Adjustments for:</i>		
Depreciation charges	3,178	3,011
Exchange loss	2,460	1,266
Interest expense	2,045	2,348
Loss on disposal of property, plant and equipment	2	1
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	5,352	3,276
Change in inventories	(2,459)	(486)
Change in trade and other receivables	(1,784)	(360)
Change in trade and other payables	4,967	2,100
	-----	-----
Cash generated from operations	6,076	4,530
Interest paid	(2,045)	(2,348)
Income taxes paid	(40)	(8)
	-----	-----
Net cash in flow from operating activities	3,991	2,174
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Cash flows from investing activities		
Purchase of property, plant and equipment	(8,210)	(1,008)
Proceeds from sale of property, plant and equipment	64	-
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Net cash flow used in investing activities	(8,146)	(1,008)
Cash flows from financing activities		
Loan proceeds	36,581	15,436
Loan repaid	(22,978)	(15,657)
	-----	-----
Net cash inflow/(outflow) from financing activities	13,603	(221)
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Net increase in cash and cash equivalents	9,448	945
	=====	====
Analysis of changes in cash and cash equivalents during the year		
Balance at 1 January	(5,262)	(6,207)
Net cash flow	9,448	945
	-----	-----
Balance at 31 December	4,186	(5,262)
	=====	=====
Analysis of balances of cash and cash equivalents		
Cash and bank balances	5,862	500
Bank overdraft	(6,676)	(5,762)
Short term investments	5,000	-
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	4,186	(5,262)
	=====	=====

The notes on pages 23 to 48 are an integral part of these financial statements.