

Independent auditors report

We have audited the accompanying financial statements of Camelot Ghana Limited and its subsidiary (the Group), as at 31 December 2012, set out on pages 8 to 41, which have been prepared on the basis of the significant accounting policies on pages 13 to 24 and other explanatory notes on pages 25 to 41.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies Act, 1963 (Act 179). These responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' 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 as to 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 there as on ability 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.

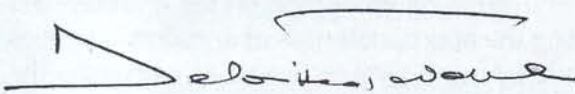
Opinion

In our opinion, the group has kept proper accounting records and the consolidated financial statements are in agreement with the records in all material respects and given in the prescribed manner, information required by the Companies Act, 1963 (Act 179). The financial statements give a true and fair view of the financial position of the company and its subsidiary as at 31 December 2012, and of its financial performance and cashflow for the year then ended and are drawn up in accordance with International Financial Reporting Standards.

Report on other legal requirements

The Ghana Companies Act, 1963 (Act 179) requires that in carrying out our audit work we consider and report on the following matters. We confirm that:

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. in our opinion proper books of accounts have been kept by the company and its subsidiary, so far as appears from our examination of those books; and
- iii. the balance sheet and income statement of the company and its subsidiary are in agreement with the books of accounts.



*Chartered Accountants
Accra, Ghana
Licence No. ICAG/F/026*

*Andrew Opuni-Ampong
Practising Certificate: Licence No. ICAG/P/1132*

2nd April 2013

Consolidated Income Statement

| | Note | Company | | Group | |
|-----------------------------------|------|--------------------|-------------|--------------------|-------------|
| | | 2012 GH¢ | 2011 GH¢ | 2012 GH¢ | 2011 GH¢ |
| Revenue | 5 | 3,648,398 | 3,491,624 | 4,442,634 | 4,073,807 |
| Cost of sales | 6 | (1,995,128) | (1,689,252) | (2,507,170) | (1,846,956) |
| Gross profit | | 1,693,270 | 1,802,372 | 1,935,464 | 2,226,851 |
| Other income | 7.1 | 218 | 5,518 | 1,884 | 5,828 |
| Administrative expenses | 7.2 | (1,209,051) | (1,239,697) | (1,531,807) | (1,643,566) |
| Operating profit | | 484,437 | 568,193 | 405,541 | 589,113 |
| Finance costs | 7.3 | (65,855) | (309,785) | (65,855) | (309,785) |
| Profit before tax | | 418,582 | 258,408 | 339,686 | 279,328 |
| Income tax expense | 8c | (112,322) | (56,938) | (112,322) | (63,215) |
| Profit for the year | | 306,260 | 201,470 | 227,364 | 216,113 |
| Attributable to: | | | | | |
| Equity shareholders of the parent | | 306,260 | 201,470 | 247,088 | 212,451 |
| Minority interests | 18 | - | - | (19,724) | 3,662 |
| | | 306,260 | 201,470 | 227,364 | 216,113 |
| Earnings per share | | | | | |
| Basic earnings per share | 9 | 0.0448 | 0.0295 | 0.0362 | 0.0311 |
| Diluted earnings per share | | 0.0448 | 0.0295 | 0.0362 | 0.0311 |

Consolidated Statement of Changes in Equity

For the year ended 31 December 2012

| Company | Stated capital GH¢ | Income surplus account GH¢ | Other reserve account GH¢ | Total equity GH¢ |
|-----------------------------|-----------------------------------|---|--|---------------------------------|
| Balance at 1 January 2012 | 217,467 | 463,796 | - | 681,263 |
| Credit reserves | | | 628,479 | 628,479 |
| Dividends to equity holders | - | (37,563) | - | (37,563) |
| Profit for the year | | 306,260 | | 306,260 |
| Balance at 31 December 2012 | <u>217,467</u> | <u>732,493</u> | <u>628,479</u> | <u>1,578,439</u> |

| Group | Stated capital GH¢ | Income surplus account GH¢ | Other reserve account GH¢ | Total equity GH¢ |
|-----------------------------------|-----------------------------------|---|--|---------------------------------|
| Balance at 1 January 2012 | 217,467 | 735,799 | - | 953,266 |
| Credit reserves | | | 628,478 | 628,478 |
| Proportion of profit for the year | | 247,088 | | 247,088 |
| Dividends to equity holders | - | (37,563) | | (37,563) |
| Minority share of profit | - | - | - | - |
| Balance at 31 December 2012 | <u>217,467</u> | <u>945,324</u> | <u>628,478</u> | <u>1,791,269</u> |

Consolidated Financial Position

For the year ended 31 December 2012

| Assets | Note | Company | | Group | |
|--|------|------------------|------------------|------------------|------------------|
| | | 2012 GH¢ | 2011 GH¢ | 2012 GH¢ | 2011 GH¢ |
| Non-current assets | | | | | |
| Property, plant & equipment | 10 | 2,302,596 | 2,328,797 | 2,303,906 | 2,328,795 |
| Intangible assets | 11 | 10,915 | 6,003 | 47,475 | 46,007 |
| Investment in subsidiary | 12 | 36,629 | 36,629 | 106,512 | 67,779 |
| Total non-current assets | | 2,350,140 | 2,371,429 | 2,457,893 | 2,442,581 |
| Current assets | | | | | |
| Inventories | 13 | 840,799 | 693,839 | 840,799 | 693,839 |
| Trade and other receivables | 14 | 1,084,349 | 730,982 | 1,424,377 | 1,370,885 |
| Deferred tax | 8b | 15,660 | 15,660 | - | 15,660 |
| Cash and short-term deposits | 15 | 214,854 | 118,052 | 218,598 | 174,620 |
| Total current assets | | 2,155,662 | 1,558,533 | 2,483,774 | 2,255,004 |
| Total assets | | 4,505,802 | 3,929,962 | 4,941,667 | 4,697,585 |
| Equity & liabilities | | | | | |
| Equity attributable to equity holders | | | | | |
| Stated capital | 17a | 217,467 | 217,467 | 217,467 | 217,467 |
| Income surplus | | 732,493 | 463,796 | 945,324 | 735,799 |
| Other reserve | | 628,479 | - | 628,478 | - |
| Shareholders' funds | | 1,578,439 | 681,263 | 1,791,269 | 953,266 |
| Minority interest | 18 | - | - | 87,583 | 107,307 |
| Total equity | | 1,578,439 | 681,263 | 1,878,852 | 1,060,573 |
| Non-current liabilities | | | | | |
| Interest-bearing loans and borrowings | 19b | 366,363 | 497,273 | 366,363 | 497,273 |
| Total non-current liabilities | | 366,363 | 497,273 | 366,363 | 497,273 |
| Current liabilities | | | | | |
| Trade and other payables | 20 | 1,011,377 | 571,848 | 1,138,287 | 927,383 |
| Taxation | 8a | 95,299 | 54,921 | 95,299 | 84,862 |
| Other current financial liabilities | 21 | 1,318,580 | 1,967,059 | 1,318,580 | 1,967,059 |
| Interest-bearing loans and borrowings | 19a | 135,744 | 157,598 | 138,318 | 160,435 |
| Deferred tax | 8b | - | - | 5,968 | - |
| Total current liabilities | | 2,561,000 | 2,751,426 | 2,696,452 | 3,139,739 |
| Total liabilities | | 2,927,363 | 3,248,699 | 3,062,815 | 3,637,012 |
| Total equity and liabilities | | 4,505,802 | 3,929,962 | 4,941,667 | 4,697,585 |

Director

Director

The notes on pages 12 to 41 form an integral part of these accounts

Consolidated Statement Cash Flows

For the year ended 31 December 2012

| | Company | | Group | |
|--|------------------|------------------|------------------|------------------|
| | 2012 GH¢ | 2011 GH¢ | 2012 GH¢ | 2011 GH¢ |
| Operating activities | | | | |
| Operating profit before tax | 418,582 | 258,408 | 339,686 | 279,328 |
| Adjustment to reconcile profit before tax to net cash flows Non-cash: | | | | |
| Depreciation and impairment of property, plant and equipment | 256,001 | 183,777 | 256,001 | 183,778 |
| Amortisation and impairment of intangible assets | 1,577 | 929 | 1,578 | 929 |
| Interest paid | 65,855 | 42,035 | 65,855 | 42,035 |
| (Profit)/loss on disposal of assets | 74,128 | 19,486 | 74,128 | 19,486 |
| Working capital adjustments: | | | | |
| (Increase)/decrease in inventories | (146,960) | (191,760) | (146,960) | (26,880) |
| (Increase)/decrease in trade and other receivables | (353,367) | (135,293) | (53,492) | (183,600) |
| Increase/(decrease) in trade and other payables | 439,529 | 28,794 | 210,904 | 269,610 |
| Income tax paid | (71,944) | (29,418) | (71,944) | (34,655) |
| Tax adjustments - offsetting of liabilities | - | - | (7,913) | (1,776) |
| Net cash flows from operating activities | 683,401 | 176,958 | 667,843 | 548,255 |
| Investing activities | | | | |
| Purchase of property, plant and equipment | (308,098) | (663,484) | (309,410) | (663,484) |
| Purchase of intangible assets | (6,489) | (1,520) | (6,489) | (2,242) |
| Proceeds from sale of property, plant & equipment | 4,170 | 13,550 | 4,170 | 13,550 |
| Investments | - | - | (38,733) | (2,842) |
| Capital work in progress | - | 14,744 | - | 14,744 |
| Net cash used in investing activities | (310,417) | (636,710) | (350,462) | (640,274) |
| Financing activities | | | | |
| Dividends paid to equity holders | (37,563) | (34,147) | (37,563) | (34,147) |
| Other financial liabilities | (20,000) | 332,005 | (20,001) | - |
| Interest paid | (65,855) | (42,035) | (65,855) | (42,035) |
| Interest-bearing loans and borrowings | (152,764) | 239,609 | (149,984) | 220,820 |
| Minority | - | - | - | (1,322) |
| Other reserves | - | - | - | (6,966) |
| Net cash used in financing activities | (276,182) | 495,432 | (273,403) | 136,350 |
| Net increase in cash and cash equivalents | 96,802 | 35,680 | 43,978 | 44,331 |
| Cash and cash equivalents at 1 January | 118,052 | 82,372 | 174,620 | 130,289 |
| Cash and cash equivalents at 31 December | 214,854 | 118,052 | 218,598 | 174,620 |
| Analysis of changes in cash & cash equivalents | | | | |
| Cash & short term deposits | 214,854 | 118,052 | 218,598 | 174,620 |