

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

We have audited the financial statements of Starwin Products Limited, which comprise the statement of financial position at 31 December 2012, 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 43.

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 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 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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Signed by: Nathaniel D. Harlley
(ICAG/P/1056)

For and on behalf of:

KPMG: (ICAG/F/0036)

CHARTERED ACCOUNTANTS

13 YIYIWA DRIVE, ABELENKPE

PO BOX GP 242

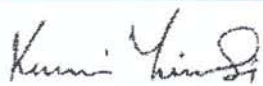
ACCRA

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10 April 2013
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STARWIN PRODUCTS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

	Note	2012 GH¢	2011 GH¢
Assets			
Property, plant and equipment	6	1,507,667	1,598,814
Long term investments	7	14,731	23,318
Deferred tax assets	10	27,912	27,863
Total non - current assets		1,550,310	1,649,995
Inventories	11	1,710,724	816,108
Trade and other receivables	12	1,128,802	1,235,799
Cash and cash equivalents	13	59,689	28,814
Total current assets		2,899,215	2,080,721
Total assets		4,449,525	3,730,716
Equity			
Share capital	18	1,982,028	1,982,028
Retained earnings		550,911	359,482
Total equity		2,532,939	2,341,510
Non - current liabilities			
Deferred tax liabilities	9	45,674	34,102
Total non - current liabilities		45,674	34,102
Current liabilities			
Bank overdraft	14	900,957	442,509
Trade and other payables	20	947,580	558,088
Short-term loan	16	-	299,983
Income tax liability	8	228	47,781
Dividend payable	17	22,147	6,743
Total current liabilities		1,870,912	1,355,104
Total liabilities		1,916,586	1,389,206
Total liabilities and equity		4,449,525	3,730,716



DIRECTOR



DIRECTOR

The notes on pages 16 to 42 are an integral part of these financial statements.

STARWIN PRODUCTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2012

	Note	2012 GH¢	2011 GH¢
Revenue		4,808,858	4,245,918
Cost of sales		(2,232,806)	(1,766,681)
Gross profit		2,576,052	2,479,237
Other income	21	2,524	80,830
General and administrative expenses		(1,963,731)	(1,634,404)
Results from operating activities		614,845	925,663
Net finance expense	24	(159,076)	(249,013)
Profit/(Loss) before income taxation	22	455,769	676,650
Income tax expense	8	(156,499)	(199,423)
Profit/(Loss) for the year		299,270	477,227
Other comprehensive income		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		299,270	477,227
Basic earnings per share	19	0.0042	0.0067
Diluted earnings per share	19	0.0042	0.0067

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STARWIN PRODUCTS LIMITED

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

2012	Stated Capital GH¢	Retained Earnings GH¢	Total Equity GH¢
Balance at 1 January 2012	1,982,028	359,482	2,341,510
Total comprehensive income for the year			
Profit for the year	-	299,270	299,270
Other comprehensive income	-	-	-
Total comprehensive income for the year	1,982,028	658,752	2,640,780
Transaction with equity holders			
Dividend Declared	-	(107,841)	(107,841)
Total transactions with equity holders	-	(107,841)	(107,841)
Balance at 31 December 2012	1,982,028	550,911	2,532,939

2011	Stated Capital GH¢	Retained Earnings GH¢	Total Equity GH¢
Balance at 1 January 2011	1,982,028	(117,745)	1,864,283
Total comprehensive income for the year			
Profit for the year	-	477,227	477,227
Other comprehensive income	-	-	-
Total comprehensive income for the year	1,982,028	359,482	2,341,510
Transaction with equity holders			
Dividend Declared	-	-	-
Total transactions with equity holders	-	-	-
Balance at 31 December 2011	1,982,028	359,482	2,341,510

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STARWIN PRODUCTS LIMITED

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 GH¢	2011 GH¢
Cash flows from operating activities		
Profit before taxation	455,769	676,650
Adjustments for:		
Depreciation	202,491	206,803
Amortization of intangible assets	13,195	11,659
Interest received	(24)	-
Interest expense	159,076	249,013
Doubtful debt provision	102,486	78,249
(Profit) / Loss on disposal of property, plant and equipment	(2,500)	17,903
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	930,493	1,240,277
Change in inventories	(945,994)	592,916
Change in trade and other receivables	81,308	(643,556)
Change in trade and other payables	364,072	266,292
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Cash generated from operations	429,879	1,455,929
Interest received	24	-
Interest paid	(159,076)	(249,013)
Income taxes paid	(192,480)	(69,975)
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Net cash flow from operating activities	78,347	1,136,941
Cash flows from investing activities		
Purchase of property, plant and equipment	(111,343)	(314,812)
Purchase of intangible assets	(4,608)	(4,450)
Proceeds from sale of property, plant and equipment	2,500	6,800
Increase in investment	(49)	-
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Net cash flow used in investing activities	(113,500)	(312,462)
Cash flows from financing activities		
Loan Proceeds	-	140,000
Loan Repaid	(299,983)	(842,682)
Dividend paid	(92,437)	-
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Net cash flow from financing activities	(392,420)	(702,682)
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Net (decrease) / increase in cash and cash equivalents	(427,573)	121,797
	=====	=====
Analysis of changes in cash and cash equivalents during the year		
Balance at 1 January	(413,695)	(535,492)
Net cash flow	(427,573)	121,797
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Balance at 31 December	(841,268)	(413,695)
	=====	=====
Analysis of balances of cash and cash equivalents		
Cash and bank balances	59,689	28,814
Bank overdraft	(900,957)	(442,509)
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Balance at 31 December	(841,268)	(413,695)
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