

ALUWORKS LIMITED
INCOME STATEMENT
FOR THE PERIOD ENDED 30TH JUNE 2009

	Note	2009 GH¢000	2008 GH¢000
REVENUE	2	21,325	32,078
Operating costs		(19,113)	(29,457)
		-----	-----
GROSS PROFIT		2,212	2,621
Other Income	3	(68)	77
General and administrative expenses		(6,728)	(2,025)
		-----	-----
Operating loss before finance cost		(4,584)	673
Net Finance Expense	6	(1,229)	(1,062)
		-----	-----
PROFIT(LOSS) BEFORE TAXATION		(5,813)	(389)
Income Tax Expense		-	-
		-----	-----
Loss for the period		(5,813)	(389)
		-----	-----
Basic earnings per share		(0.1395)	(0.0093)
Diluted earnings per share		(0.1395)	(0.0093)

STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE PERIOD ENDED 30TH JUNE 2009

	2009 GH¢000	2008 GH¢000
Loss for the year	(5,813)	(389)
	-----	-----
Total recognised income and expense for the year	(5,813)	(389)
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ALUWORKS LIMITED

BALANCE SHEET AS AT 30TH JUNE 2009

Assets	Note	2009 GH¢000	2008 GH¢000
Property, Plant and Equipment	9	45,921	21,048
Intangible Assets	11	26	-
Long term Investments	12	28	28
		-----	-----
Total non-current assets		45,975	21,076
		-----	-----
Inventories	13	6,466	10,357
Trade and other receivables	14	7,494	11,848
Cash and cash equivalents	15	1,055	1,850
Income Tax Assets	7	808	789
		-----	-----
Total current assets		15,823	24,844
		-----	-----
Total assets		61,798	45,920
		-----	-----
EQUITY			
Stated Capital	20	5,002	5,002
Share deals Accounts	21	90	90
Revaluation Surplus		18,777	-
Retained Earnings(Deficit)		(7,365)	1,113
		-----	-----
Total Equity		16,504	6,205
		-----	-----
Non-current liabilities			
Medium Term Loan	18	24,509	26,533
Deferred tax liabilities	8	1,032	735
		-----	-----
Total non-current liabilities		25,541	27,268
		-----	-----
Current Liabilities			
Bank overdraft	16	10,492	6,690
Trade & other payables	19	8,562	5,058
Dividend payable	22	699	699
		-----	-----
Total current liabilities		19,753	12,447
		-----	-----
Total liabilities		45,294	39,715
		-----	-----
TOTAL EQUITY & LIABILITIES		61,798	45,920
		-----	-----

CAPITAL AND RESERVES

Reconciliation of movement in capital and reserves

2009

	Share capital GH¢000	Share deals GH¢000	Retained earnings GH¢000	Revaluation reserve GH¢000	TOTAL GH¢000
Balance at 1 January 2009	5,002	90	(1,552)	18,777	22,317
Dividends declared			-		-
Total recognised income and expense			(5,813)		(5,813)
			-		-
Balance as at 30TH JUNE 2009	<u>5,002</u>	<u>90</u>	<u>(7,365)</u>	<u>18,777</u>	<u>16,504</u>

2008

	GH¢000	GH¢000	GH¢000	GH¢000	GH¢000
(Restated) balance AT 30TH JUNE 2008	<u>5,002</u>	<u>90</u>	<u>1,113</u>		<u>6,205</u>

ALUWORKS LIMITED
CASHFLOW STATEMENT
FOR THE PERIOD ENDED 30TH JUNE 2009

	2009	2008
	GH¢' 000	GH¢' 000
Cash flows from operating activities		
Loss before taxation	(5,813)	(389)
Adjustments for:		
Depreciation	1,290	268
Amortisation of Intangible asset	12	-
Interest expense	1,229	1,062
Exchange loss	5,235	498
Profit/(loss) on disposal	103	(8)
	-----	-----
	2,056	1,431
Changes in inventories	3,891	(266)
Changes in trade and other receivables	4,354	69
Changes in trade and other payables	3,504	657
	-----	-----
Cash generated from operations	13,805	1,891
Interest paid	(1,229)	(1,062)
Income taxes paid	-	(111)
	-----	-----
Net cash from operating activities	12,576	718
Cash from investing activities		
Property, plant and equipment purchased	(2,170)	(985)
Proceeds from sale of fixed assets	18	14
Interest received	-	-
	-----	-----
Net cash used in investing activities	(2,152)	(971)
Cash flow from financing activities		
Loan received/(paid) net	(10,046)	(5,452)
Dividend paid	-	-
	-----	-----
Net cash used in financing activities	(10,046)	(5,450)
	-----	-----
Net Increase/(Decrease) in cash and cash equivalents	378	(5,703)
	-----	-----
Analysis of changes in cash and cash equivalents during the period		
Balance at 1 January	(9,815)	863
Net cash flow	378	(5,703)
	-----	-----
Balance at 30th JUNE 2009	(9,437)	(4,840)
	-----	-----
Analysis of the balances of cash and cash equivalents as shown in the balance sheet		
Cash and bank balances	1,055	1,850
Bank overdraft	(10,492)	(6,690)
	-----	-----
	(9,437)	(4,840)
	-----	-----

ALUWORKS LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2009

2. REVENUE	MONTH OF JUNE		YEAR TO DATE	
	2009 GH¢000	2008 GH¢000	2009 GH¢000	2008 GH¢000
LOCAL SALES	1,983	3,385	15,928	21,851
FOREIGN SALES	1432	2,172	7,707	12,695
	-----	-----	-----	-----
	3,415	5,557	23,635	34,546
Less Rebates	-	-	(4)	(9)
	-----	-----	-----	-----
	3,415	5,557	23,631	34,537
Less Value Added Tax	(259)	(441)	(2,306)	(2,459)
	-----	-----	-----	-----
Net sales value	3,156	5,116	21,325	32,078
	-----	-----	-----	-----

3 OTHER INCOME	2009 GH¢000	2008 GH¢000	2009 GH¢000	2008 GH¢000
Roofing Fixings and Dross	19	11	30	32
Sale of Scrap	-	-	5	-
Sundries	-	0	-	37
Profi/Loss on disposal of (PPE)	(103)	-	(103)	8
	-----	-----	-----	-----
	(84)	11	(68)	77
	=====	=====	=====	=====

4. TRADING PROFIT/(LOSS)

is stated after charging:

4. Trading Profit /(Loss) is stated after charging

4. Trading Profit /(Loss) is stated after charging	JUNE		YEAR TO DATE	
	2009 GH¢' 000	2008 GH¢' 000	2009 GH¢' 000	2008 GH¢' 000
Personnel costs (note 5)	312	333	1,879	2,039
Auditors remuneration	2	2	15	12
Depreciation	244	50	1,290	268
Amortised Intangible assets	2	0	12	-
Directors emoluments	2	3	18	18
Exchange loss	432	334	5,235	498
Net finance cost (note 6)	35	305	1,229	1,062
	=====	=====	=====	=====

5. PERSONNEL COSTS	JUNE		YEAR TO DATE	
	2009 GH¢' 000	2,008 GH¢' 000	2,009 GH¢' 000	2008 GH¢' 000
Wages and salaries	244	281	1,526	1,702
Social Security Contribution	27	28	172	189
Provident Fund	23	24	141	148
Provision for end of service benefit	12	-	27	-
Long service award	6	-	13	-
	-----	-----	-----	-----
	312	333	1,879	2,039
	=====	=====	=====	=====

6. NET FINANCE EXPENSE	2009	2008
Interest on loans and overdraft	1,229	1,062
Interest earned on Current Accounts	-	-
	-----	-----
	1,229	1,062
	=====	=====

7. INCOME TAX

	Balance at 1/1/09 GH¢' 000	Payments for period GH¢' 000	Charge for period GH¢' 000	Balance at 30/06/09 GH¢' 000
Taxation payable				
Up to 2004	(719)	-	-	(719)
2005	26	-	-	26
2006	336	-	-	336
2007	(270)	-	-	(270)
2008	(137)	-	-	(137)
Capital Gains Tax	7	-	-	7
National Reconstruction Levy	(51)	-	-	(51)
	-----	-----	-----	-----
	(808)	-	-	(808)
	-----	-----	-----	-----

(ii) The income tax expense charge in the profit and loss accounts comprises:

	2,009 GH¢000	2,008 GH¢000
Tax Charge	-	7
Deferred Tax (Note 6)	-	(691)
	-----	-----
	-	(684)
	-----	-----

8. DEFERRED TAX

	2,009 GH¢000	2,008 GH¢000
Balance at 1st January	1,032	735
Charge/Release to Profit & Loss Accounts	-	297
	-----	-----
	1,032	1,032
	=====	=====

9a. PROPERTY, PLANT AND EQUIPMENT - (2009)

	Leasehold Land and Buildings GH¢' 000	Plant and Machinery GH¢' 000	Equipment GH¢' 000	Motor Vehicles GH¢' 000	Capital Work in Progress GH¢' 000	Total GH¢' 000
Gross Value						
At 1/1/09	11,067	19,339	2,216	1,163	20,013	53,798
Additions					2,170	2,170
Disposals		-	(93)	(91)		(184)
Transfer	1,162	12,680			(13,842)	-
	-----	-----	-----	-----	-----	-----
At 30/06/09	12,229	32,019	2,123	1,072	8,341	55,784
	=====	=====	=====	=====	=====	=====
Comprising						
Cost of asset revalued	1,904	8,744	1,003	491		12,142
Surplus on revaluation-1999	453	1,060	57	33		1,603
Surplus on revaluation-2008	8,710	9,492	985	578	-	19,765
	-----	-----	-----	-----	-----	-----
	11,067	19,296	2,045	1,102	-	33,510
At Cost	1,162	12,723	171	61	8,341	22,458
	-----	-----	-----	-----	-----	-----
	12,229	32,019	2,216	1,163	8,341	55,968
	=====	=====	=====	=====	=====	=====
Accumulated depreciation						
At 1/1/09	792	6,501	1,030	497	-	8,820
Charge for the period	169	989	114	18	-	1,290
Release on disposal	-		(27)	(36)	-	(63)
	-----	-----	-----	-----	-----	-----
At 30/06/09	961	7,490	1,117	479	-	10,047
	=====	=====	=====	=====	=====	=====
Net Book Value						
At 30/06/09	11,268	24,529	1,099	684	8,341	45,921
	=====	=====	=====	=====	=====	=====
At 31/06/08	1,607	4,089	133	54	15,068	20,951
	=====	=====	=====	=====	=====	=====

Leasehold Land and Buildings, Plant, Machinery, Equipment and Vehicles were revalued by Valuation and Investments Associates (Professional Valuers, Estate Agents and Property Consultants) on 30th October 2008 on the basis of their open market values. These figures were incorporated in the financial statements during the year ended 31st December 2008.

a. Depreciation has been charged in the financial statements as follows:

	2009	2008
	GH¢000	GH¢000
Cost of Sales	1,117	222
General , administrative and Selling expenses	173	46
	-----	-----
	1,290	268
	=====	=====

10. Disposal of Property , plant and equipments

	GH¢"000'	GH¢"000'
Cost	184	34
Accumulated Depreciation	(63)	(28)
	-----	-----
Net Book Value	121	6
Sales Proceeds	(18)	(14)
	-----	-----
Profit/(Loss) on Disposal	(103)	8
	=====	=====

11. Intangible Asset

This relate to Sun System Accounting Software Package installed during the year at a cost of GH¢57,180. Intangible assets acquired are stated at cost less accumulated amortisation and impairment loss. Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefit embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. The software is amortized over 3 years.

	2,009	2,008
	GH¢"000'	GH¢"000'
Balance at 1st January	38	
Acquisition	-	-
	-----	-----
Balance at 30th June	38	
	-----	-----

Amortisation

Balance at 1st January		
Amortisation for the year	12	-
	-----	-----
Balance at 30th June	12	-
	-----	-----

Carrying amount

30th June	26	-
	-----	-----

12. INVESTMENTS

This relates to the cost of 2,400,000 ordinary shares in Pioneer Kitchenware Limited. The market value of these investments at 30-06-09 was GH¢ 168,000(2008 GH¢168,000)

13. INVENTORIES

	GH¢' 000	GH¢' 000
Raw materials	824	4,092
Work in Progress	1,907	1,643
Finished Goods	1,175	1,762
Consumables	2,560	2,860
	-----	-----
	6,466	10,357
	=====	=====

14. TRADE AND OTHER RECEIVABLES

Trade receivables due from customers	2,145	10,874
Other receivables	5,184	742
Staff Debtors	28	50
Prepayments	137	182
	-----	-----
	7,494	11,848
	=====	=====

15. CASH AND CASH EQUIVALENTS

	2009 GH¢000	2008 GH¢000
Bank Balances	680	1,390
Cash Balances	375	460
	-----	-----
TOTAL	1,055	1,850
	=====	=====

Cash and cash equivalents comprise cash and cheques on hand and bank balances as at the end of the year.

16. BANK OVERDRAFT

	2009 GH¢000	2008 GH¢000
Ecobank Ghana Ltd	9,226	8,500
SG-SSB Bank Ltd	1,266	938
Barclays Bank Gh Ltd	-	3,124
	-----	-----
	10,492	12,562
	=====	=====

9

17. Banking Facilities

Bank facilities available to the company were as follows:

Facility Type	Amount	Collateral Security
Overdraft	GH¢1.5 ml	This is an overdraft facility from SG-SSB Bank for working capital. Interest rate is at Base rate plus 2%p.a. This is secured by fixed and floating assets of the company. The facility is renewable annually at 31st March

	\$ 5 million	This is Ecobank facility to finance raw material imports, spares, and payment of other operational bills. Interest rate is at six month labor plus a spread of 1.5% payable monthly in arrears. This is secured by Fixed and floating assets of the company. The facility expires on 30th March 2009
Short term loan	\$4.2 million	This is a facility from Barclays bank to finance the cold mill. Interest is at 11%. This is secured by fixed and floating assets of the company. The repayment period has been scheduled from January 2009 to 31 December 2011 on equal quarterly installment.
Stand by letter of credit	\$8.2million	This is Ecobank facility of Documentary Line of Credit(Revolving) to back issuance of a standby letter of credit in favour of overseas suppliers of raw materials. Interest rate is at six month labor plus spread of 1.5%p.a payable monthly in arrears. This is secured by the assignment of exports and pari pasu fixed and floating charge over the company assets. The facility is renewable annually at 31st March

18. MEDIUM TERM LOANS

	Ecobank USD GH¢000	Barclays USD GH¢000	SG-SSB USD GH¢000	TOTAL 31-06-09 GH¢000	TOTAL 31-06-08 GH¢000
Balance at 1/1/09	5,337	5,217	9,742	20,296	20,280
Draw down during the year	11,370	-		11,370	14,244
	-----	-----	-----	-----	-----
	16,707	5,217	9,742	31,666	34,524
Repayments during the year	(8,338)	(992)	(1,107)	(10,437)	(8,489)
	-----	-----	-----	-----	-----
	8,369	4,225	8,635	21,229	26,035
Exchange loss	704	897	1,679	3,280	498
	-----	-----	-----	-----	-----
Balance at 30th June 2009	9,073	5,122	10,314	24,509	26,533
	-----	-----	-----	-----	-----

Analysed as follows:

Current portion	9,073	1,358	1,225	11,656	12,712
Medium term portion	0	3,764	9,089	12,853	13,821
	-----	-----	-----	-----	-----
	9,073	5,122	10,314	24,509	26,533
	-----	-----	-----	-----	-----

Note

The exchange loss of GH¢5,154,000 in the cash flow statement include losses on Valco debt and Ecobank dollar current accounts overdraft which amount to GH¢1,874,000.

19. CREDITORS

	2,009 GH¢000	2,008 GH¢000
Trade and other payables	6,588	2,483
Sundry Creditors	1,604	2,542
Accruals and Deferred Income	370	33
	-----	-----
	8,562	5,058
	=====	=====

20. STATED CAPITAL

	No of Shares		Proceeds	
	2009	2008	2009 GH¢000	2,008 GH¢000
Authorised				
Ordinary shares of no par value	----- 50,000 =====	----- 50,000 =====		
Issued				
For cash	7,049	7,049	765	765
Transfer from Capital Surplus	34,629	34,629	4,237	4,237
	----- 41,678 =====	----- 41,678 =====	----- 5,002 =====	----- 5,002 =====

The holders of the ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the company. There is no call or instalment unpaid on any shares.

21. SHARE DEALS ACCOUNTS

	2,009 GH¢000	2,008 GH¢000
Balance at 1st January	90	90
Proceeds from sale of treasury shares	-	-
	-----	-----
Balance at 30TH June	90 =====	90 =====

There was no movement on the share deals accounts during the year.

22. DIVIDEND PAYABLE

Balance at 1st January	699	699
Proposed for the year	-	-
	-----	-----
	-	-
Less; payments for the year	-	-
	-----	-----
Balance at 30th June	699 =====	699 =====

23. EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the net loss attributable to equity holders of the company by the weighted average number of shares in issue, excluding treasury shares, during the year.

	2,009 GH¢000	2,008 GH¢000
Loss attributable to equity holders of the Company	#REF!	-
	=====	=====
Weighted average number of ordinary shares in issue	#####	41,678,000
	=====	=====
Basic earnings per share(expressed in GH¢ per share)	#REF!	-
	=====	=====

Diluted

Diluted earning per share is calculated by adjusting the weighted average number of ordinary shares, to assume of all dilutive potential ordinary shares. At 30th June 2009 and 2008 the company had no dilutive potential ordinary shares.

The loss attributed to ordinary shareholders is GH¢5,957,000 2009 and GH¢389,000 2008