



*Annual Report 2000*

**ALUWORKS LTD.**

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# **ALUWORKS LTD.**

**ANNUAL REPORT  
2000**

## ANNUAL REPORT AND FINANCIAL STATEMENTS

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fourteenth Annual General Meeting of Aluworks Limited will be held at the Golden Tulip Hotel Accra on Thursday 14th June 2001 at 10:00am.

## AGENDA

1. To receive and adopt the Accounts of the Company for the period ended 31st December 2000, together with the reports of the Directors and Auditors thereon.
2. To declare a dividend for the year ended 31st December 2000.
3. To re-elect Directors.
4. To approve the remuneration of non executive Directors.
5. To authorise the Directors to fix the remuneration of the Auditors.
6. To consider and, if thought fit, to pass the following as special resolutions:
  - a. "That the Directors be authorised to transfer c35.53 billion from the company's Capital Surplus Account into the Stated Capital Account for the purpose of issuing bonus shares".
  - b. "That bonus shares be issued to all of the Company's shareholders, at the rate of two (2) new shares to one (1) existing share.

Dated this 19th Day of April 2001

By Order of the Board



A. POKU-ACHEAMPONG  
Secretary

## NOTE

A member of the company entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of him/her. A proxy need not be a member of the company. A form of proxy is attached and for it to be valid for the purpose of the meeting it must be completed and deposited at the office of the Registrars, National Trust Holding Company Limited, Martco House, No.D542/4, Okai Mensah Link, Adabraka, Accra, P. O. Box 9563, Airport, Accra not less than 48 hours before the appointed time of the meeting.



## BOARD OF DIRECTORS, OFFICIALS AND REGISTERED OFFICE

### BOARD OF DIRECTORS

William Ekroo Inkumsah (Chairman)  
John Percival Awuku Nyako (Managing)  
Eddie Safo Kwakye  
Kofi Ansah  
Kwadwo Kwarteng  
Benjamin Akuete Gogo  
John Henry Newman  
Samuel Kingsley Kwofie  
Emmanuel Asiedu Gyamfi (Appointed 22/6/00)  
Ernest Amartey-Vondee (Resigned 22/6/00)

### SECRETARY

Alex Poku-Acheampong  
Aluworks Limited  
P. O. Box 914  
Tema

### REGISTRARS AND REGISTERED OFFICE

National Trust Holding Company Limited  
Martco House, No. D542/4  
Okai Mensah Link, Adabraka  
P. O. Box 9563  
Airport, Accra

### PRINCIPAL PLACE OF BUSINESS

Plot No. 63/1, Heavy Industrial Area, Tema  
P. O. Box 914  
Tema

### AUDITORS

**KPMG**  
Chartered Accountants  
2nd Floor, Mobil House  
Liberia Road  
P. O. Box 242  
Accra

### BANKERS

Barclays Bank of Ghana Limited  
CAL Merchant Bank Limited  
Ecobank Ghana Limited  
Ghana Commercial Bank Limited  
SSB Bank Limited



*Directors and other officials  
of the Company at the 13th A.G.M*



*A section of the Shareholders  
at the 13th A.G.M*



*Staff of the  
Technical Department at work*



*Cold Mill,  
a key Machine in the Plant*



*Aluminium Coils one of the  
Company's products*



## CHAIRMAN'S STATEMENT

It is with great pleasure that I present to you the Annual Report and Financial Statements of your Company Aluworks Limited for the year 2000.

## ECONOMIC ENVIRONMENT

The year 2000 was a very difficult year for business in Ghana, particularly industries.

The projected year end inflation rate of 12.5% could not be attained. Actual inflation of 40.5% was recorded at the end of December 2000.

Inflation was driven mainly by the following factors:

- i) free fall of the cedi against the major international currencies  
(The cedi depreciated by about 50% against the dollar)
- ii) high interest rate of about 50% and
- iii) increases in fuel price.

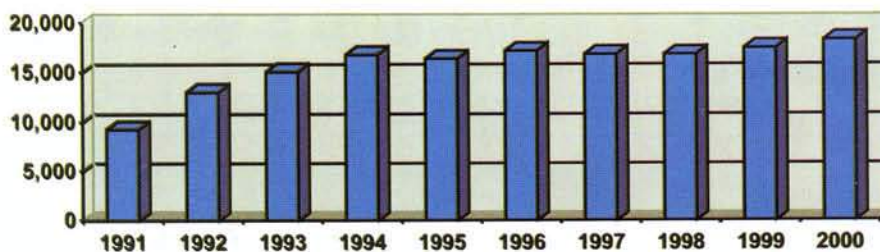
An increase in the Value Added Tax by 2.5% to 12.5% also led to increases in the prices of goods. The local market was sluggish due mainly to the greatly reduced purchasing power of income earners.

In spite of these difficulties Aluworks Limited came out with an excellent performance. This excellent performance was due to increased sales volume and value and exports of about 32% of the year's output. The export volume resulted in the good margins and exchange gains.

## OPERATIONS

In the year 2000 Aluworks produced 18,257 metric tons compared with 17,455 in 1999. This was about 91% of the factory capacity of 20,000 metric tons.

**PRODUCTION in metric tons**

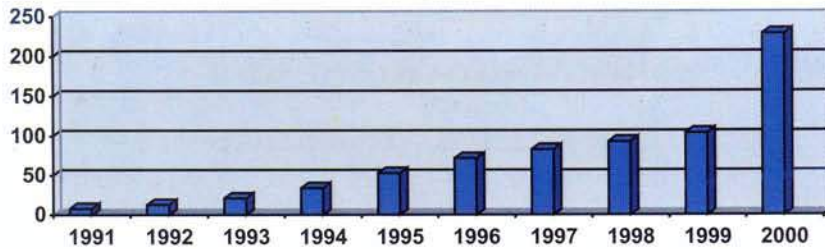


**SALES**

During the year under review your Company made record sales of 18,217 metric tons. The net turnover was ₺229 billion compared with ₺104.1 billion in 1999.

Out of this 5,884 metric tons were exported, i.e. 32% of total sales. The export revenue amounted to US\$14 million compared with the value of US\$10.3 million realized from exports of 5,570 metric tons in 1999.

**NET SALES in billion cedis**



On the Local market an amount of ₺156.5 billion was realized from the sale of 12,333 metric tons of various products.

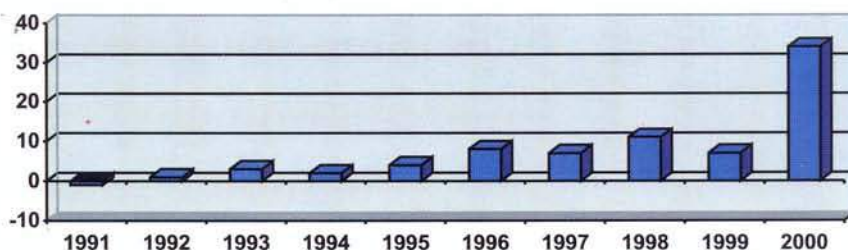
**FINANCIAL RESULTS**

The financial results indicate that the year 2000 was indeed an excellent year for your Company. The net turnover of ₺229 billion yielded an operating profit of ₺46.3 billion (a growth of 308% over the 1999 figure of ₺11.3 billion). The net profit of ₺34.1 billion was 401% higher than the 1999 figure of ₺6.8 billion after providing for corporate tax of ₺12.3 billion.

Earnings per share moved up to ₺2,467 (₺490 in 1999) thus posting a growth of 404%. The main contributors to the good profits made during the year were the following:

- (i) Increased sales volume and value.
- (ii) Good margins on export tonnage.
- (iii) A stable world price for primary aluminium.
- (iv) Improved investment income derived mainly from exchange gains on foreign exchange holdings.

**PROFIT AFTER TAX in billion cedis**





## **DIVIDENDS**

The Directors recommend a dividend of ¢800 per share comprising an interim of ¢300 (paid in January 2001) and final dividend of ¢500 to be paid in July. The 100% dividend growth is proposed in line with the good profits made this year. The total dividends for year 2000 was ¢11.1 billion, (¢5.5 billion in 1999).

## **CAPITAL INVESTMENTS**

As indicated to shareholders at last year's A.G.M. the expansion programme to increase the Plant's capacity is far advanced. The civil works have been completed and the major machinery will be supplied in October or November 2001. It is expected that by the first quarter of 2002 the third Casting Line would have been installed and commissioned to bring the total capacity of the Plant to 30,000 metric tons per year from the present 20,000 metric tons per year. The additional output will be mainly for the export market. A key machine, the Cold Mill was revamped in the first quarter of the year 2001. The expansion programme is being financed by a loan of US\$4 million from a local bank and the Company's internally generated funds.

## **HUMAN RESOURCE**

Training programmes for employees were intensified during the year. Your company continued the process to install a quality assurance system and to work towards International Standard Organisation (ISO 9002) certification. This target would be achieved in the course of the year 2001.

## **BOARD**

The composition of the Board has remained the same since the last Annual General Meeting. The Board met regularly during the year and Board Committees such as the Audit Sub Committee and Remuneration Committee have been performing their roles to help strengthen good corporate governance in your Company.

In accordance with the regulations of the Company Messrs. William Ekroo Inkumsah, Kofi Ansah and Kwadwo Kwarteng would be retiring by rotation and being eligible have offered themselves for re-election.

## **CORPORATE CITIZEN**

Your company played its role as a good corporate citizen during the year. The production processes were strictly in line with environmental standards set by the Environmental Protection Agency. Donations were made to educational institutions including the Kwame Nkrumah University of Science and Technology, the University of Ghana Medical School, and many other worthy causes during the year.

## **PERFORMANCE ON THE STOCK MARKET**

Aluworks share price started the year at ¢2,489 and ended at ¢4,350 - a 74% increase. This was a much better performance than the previous year 1999. In terms of the volume of shares traded at the Ghana Stock Exchange in 2000, Aluworks placed third in the trading results i.e. 4,410,700 shares of the Aluworks equity were traded in. This represents 14.3% of total trading on the market. In terms of value, your Company placed second in the trading results. Aluworks shares worth about ¢12.0 billion were traded in during the year, i.e. 23.7% of total trade on the stock market. The Aluworks share was the star performer in the first quarter of this year 2001 ending the period at ¢7,000.00 per share.

## **BONUS SHARES**

The Board is recommending that a capitalisation issue be done by transferring an amount of ¢35.53 billion from the capital surplus account to the stated capital account for the purpose of issuing bonus shares to shareholders. The Board further proposes that bonus shares be issued at the rate of two new shares to one existing share.

This exercise has two objectives among others; (i) to reward shareholders and (ii) to increase the issued shares of your Company and its market capitalisation. It will also lead to increased market trading of the shares and improve liquidity of the shares. The Board would like to urge shareholders to support this proposal and pass the required special resolutions for the exercise to be carried through.

## **PROJECTIONS FOR THE FUTURE**

There are clear signs that the year 2001 would be a difficult one. The ailing Ghanaian economy is not expected to show a sudden recovery. Output in the first quarter was affected by planned rehabilitation of major machinery. The Board and the Management team will work diligently to ensure that set targets are achieved and that good results are obtained for the year.

## **CONCLUSION**

On behalf of the Board I wish to express my gratitude to all our shareholders, customers, and suppliers for their support and cooperation which have resulted in the excellent results for the year.

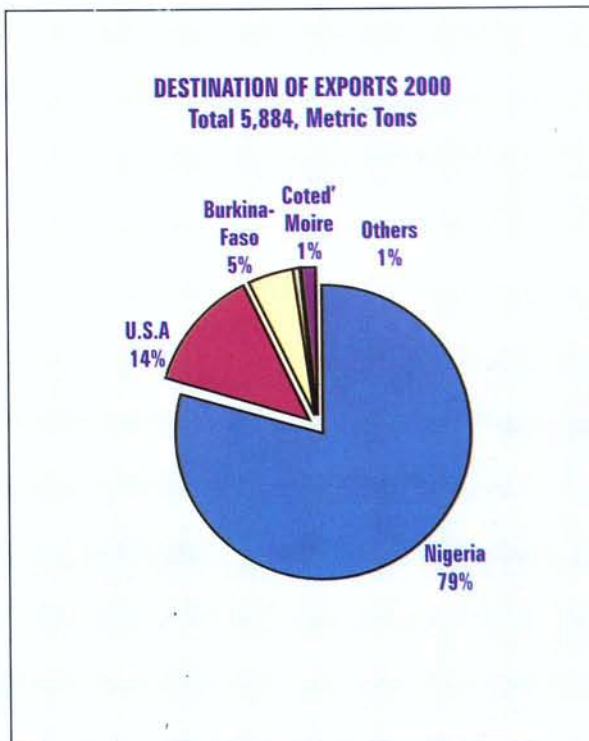
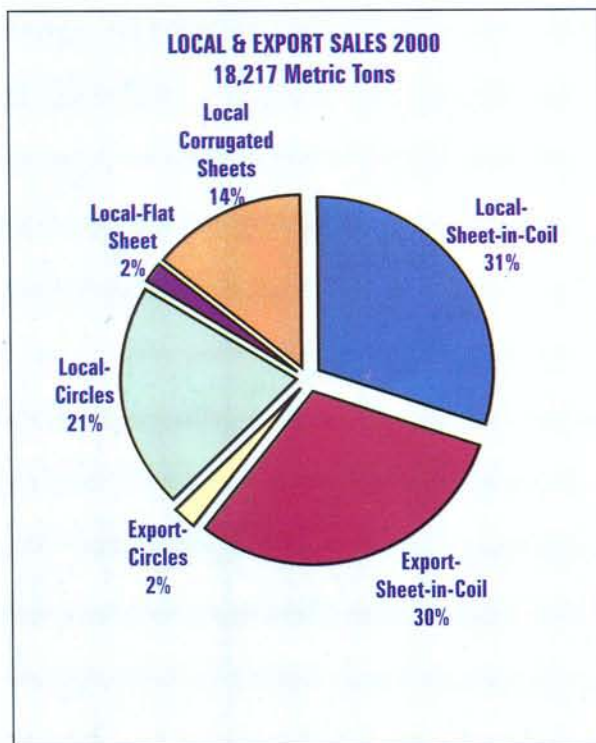
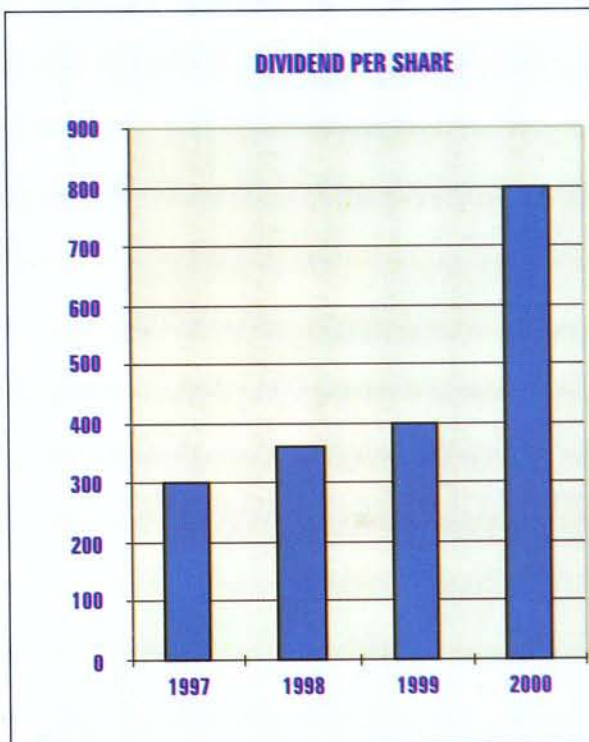
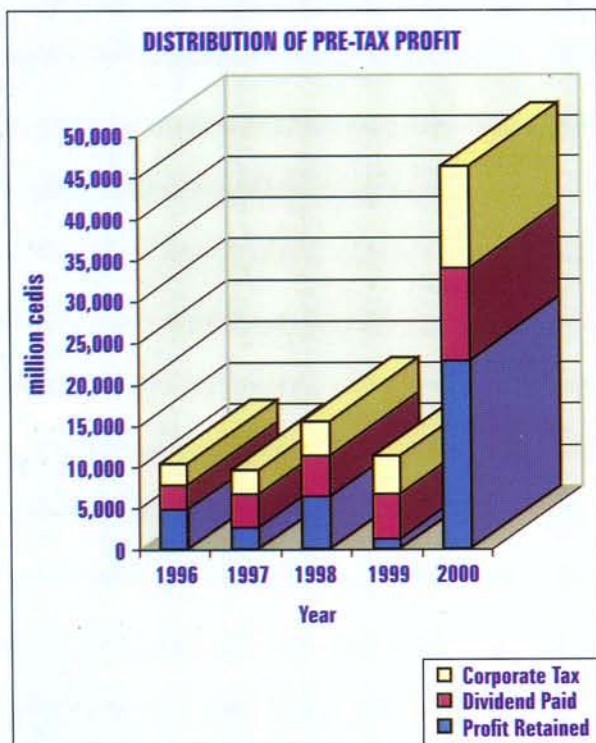
I also want to thank sincerely my colleagues on the Board, Management and Staff for the good work done during the year. I trust that you will all continue to work diligently this year to enable us maintain the standards we have set ourselves.



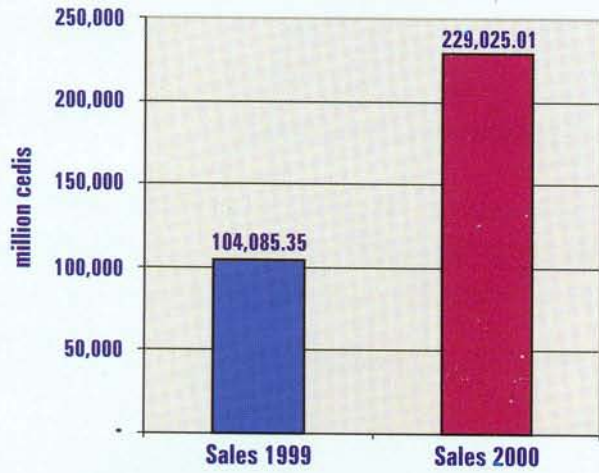
**FINANCIAL HIGHLIGHTS - FIVE YEAR PERFORMANCE 1996 - 2000**

YEAR	1996	1997	1998	1999	Reporting Year 2000	CHANGE
Turnover (cedi million)	71,588	83,145	92,891	104,087	229,025	120%
Profit before interest and tax (cedi million)	11,821	11,204	16,918	11,937	46,460	289%
Interest income (cedi million)	319	145	157	276	11	-96%
Interest expense (cedi million)	(1,620)	(1,611)	(1,329)	(856)	0	-100%
Profit before tax (cedi million)	10,520	9,738	15,745	11,357	46,471	309%
Taxation (cedi million)	(2,569)	(3,060)	(4,324)	(4,555)	(12,328)	171%
Profit after tax (cedi million)	7,951	6,678	11,422	6,802	34,143	402%
Earnings per share (cedi)	618	501	822	490	2,458	402%
Dividend per share (cedi)	250	300	360	400	800	100%
Shareholders equity (cedi million)	40,469	43,922	51,210	52,384	91,785	75%
Net Assets per share (cedi)	3,147	3,296	3,686	3,771	6,607	75%
New issue of Shares (thousands)		10,174	468	566	(0)	0
Number of shares (thousands)	12,859	13,327	13,893	13,893	13,893	0%
Fixed assets (cedi million)	30,993	33,040	32,090	31,081	45,247	46%
<b>PERFORMANCE RATIOS</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	
Gross margin/Turnover	22.53%	18.88%	23.71%	16.18%	23.16%	
Net Margin/Turnover	14.69%	11.71%	16.95%	10.91%	20.29%	
Return on Equity	19.65%	15.20%	22.30%	12.98%	37.20%	
Current Ratio	1.63	1.01	0.98	1.06	1.69	
<b>VALUE ADDED STATEMENT</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	
<b>OUR EARNINGS:-In thousand cedis</b>						
Sales of Goods	75,341,614	87,881,025	98,112,440	111,847,570	247,779,634	
Other Income	213,204	487,781	761,732	2,635,290	6,366,733	
Interest Income	318,771	145,066	156,620	275,823	10,989	
<b>LESS:</b>						
Bought in Materials/Services	(52,612,354)	(64,395,111)	(66,830,657)	(81,109,854)	(167,617,534)	
<b>VALUE ADDED USED AS FOLLOWS:-</b>	<b>23,261,235</b>	<b>24,118,760</b>	<b>32,200,135</b>	<b>33,648,828</b>	<b>86,539,822</b>	
Employees	4,143,504	4,742,300	6,351,110	9,958,345	14,529,556	
Govt. Taxes & Duties	6,322,361	7,796,509	9,545,547	12,315,861	31,082,971	
Interest paid	1,619,987	1,611,007	1,328,665	855,925	0	
Shareholders	3,214,695	3,997,618	5,001,411	5,529,953	11,114,110	
<b>RETAINED EARNINGS</b>						
Depreciation	3,224,410	3,290,804	3,553,045	3,717,131	6,784,408	
Profit Retained	4,736,278	2,680,522	6,420,357	1,271,614	23,028,777	
<b>TOTAL</b>	<b>23,261,235</b>	<b>24,118,760</b>	<b>32,200,135</b>	<b>33,648,828</b>	<b>86,539,822</b>	

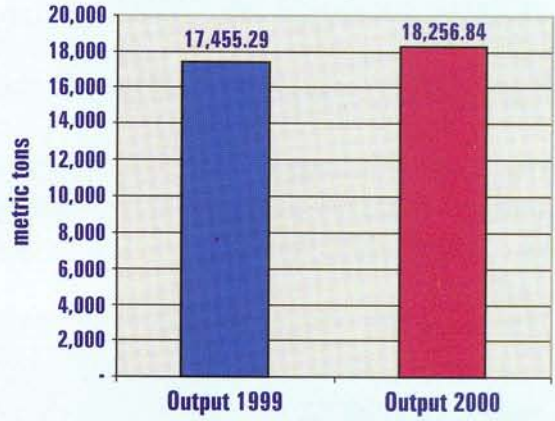




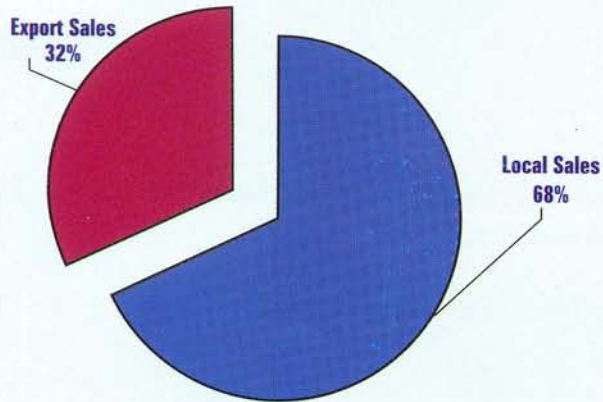
**SALES TURNOVER-UP BY 120%**



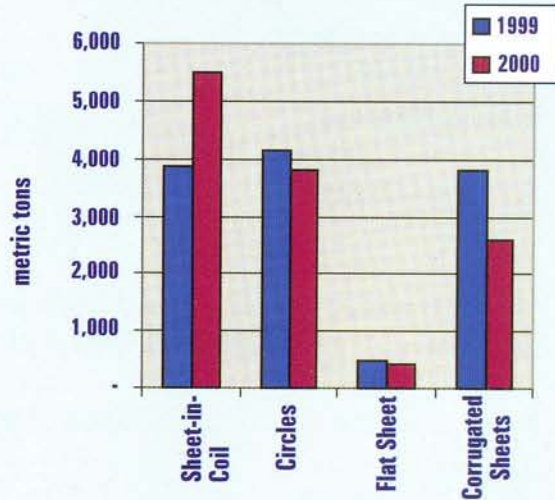
**PRODUCTION - Up by 5%  
Capacity Utilisation 91%**



**LOCAL & EXPORT SALES 2000**  
Total Volume 18,217 tons  
Export Revenue US\$14 million  
Local Sales Cedis 156 billion



**LOCAL SALES PERFORMANCE BY PRODUCT**



## REPORT OF THE DIRECTORS TO THE MEMBERS OF ALUWORKS LIMITED

The Directors present their report and the financial statements of the company for the year ended 31st December 2000.

### FINANCIAL STATEMENTS AND DIVIDEND

The results for the year are as set out in the attached financial statements.

The Directors recommend the payment of a dividend of ¢800 per share amounting to ¢11,114,110,000 comprising an interim and final dividend of ¢300 and ¢500 respectively, for the year under consideration.

The Directors consider the state of the company's affairs to be satisfactory.

### NATURE OF BUSINESS

There was no change in the nature of business of the company during the year.

### BOARD COMMITTEES AUDIT COMMITTEE MEMBERS

Kofi Ansah - Chairman

Kwadwo Kwarteng

E. Safo-Kwakye

E. Asiedu Gyamfi

This committee made up of non executive Directors reviews the adequacy of systems of internal controls and compliance with material policies and Laws.

It reports to the Board on all issues of significant financial transactions.



**REMUNERATION COMMITTEE MEMBERS**

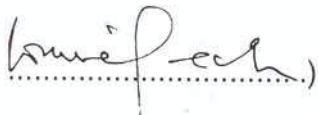
W. E. Inkumsah - Chairman

B. A. Gogo

Kofi Ansah

S. K. Kwofie

This Committee is made up of non executive Directors. Among other things the Committee's job is to establish a formal and transparent procedure for developing a policy on executive remuneration.



W. E. INKUMSAH )

) DIRECTORS



J. P. A. NYAKO )

Tema

19/4/2001

## REPORT OF THE AUDITORS TO THE MEMBERS OF ALUWORKS LIMITED

We have audited the financial statements on pages 15 to 23, which have been prepared in accordance with International Accounting Standards. We have obtained all the information and explanations we required.

### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an independent opinion on these financial statements based on our audit.

### BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing. These standards require that we plan and perform our audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

An audit also includes assessing the accounting principles used and significant estimates made by the Directors as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### OPINION

In our opinion proper books have been kept and the financial statements which are in agreement therewith, comply with the Companies Code, 1963 and give a true and fair view of the financial position of the company at 31st December 2000 and of the results of its operations and cash flows for the year then ended.

*U P M C*

Chartered Accountants  
2nd Floor, Mobil House  
Liberia Road  
P. O. Box 242  
Accra

19th April 2001

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 2000**

	Note	2000 c'000	1999 c'000
<b>GROSS SALES</b>		247,779,634	111,847,570
Value Added Tax		(18,754,629)	(7,760,836)
<b>NET SALES</b>		229,025,005	104,086,734
Cost of Sales		(175,971,620)	(87,246,060)
<b>GROSS PROFIT</b>		53,053,385	16,840,674
General, Administrative and Selling Expenses		(12,959,878)	(7,539,270)
<b>TRADING PROFIT</b>	2	40,093,507	9,301,404
Sundry Income	3	6,366,733	2,635,290
<b>PROFIT BEFORE INTEREST AND TAXATION</b>		46,460,240	11,936,694
Net Interest Income/(Expense)		10,989	(580,102)
<b>PROFIT BEFORE TAXATION</b>		46,471,229	11,356,592
Taxation	4	(11,876,680)	(4,555,025)
<b>PROFIT AFTER TAXATION</b> transferred to Income Surplus Account		<u>34,594,549</u>	<u>6,801,567</u>

**INCOME SURPLUS ACCOUNT  
FOR THE YEAR ENDED 31ST DECEMBER 2000**

	Note	2000 c'000	1999 c'000
Balance at 1st January 2000		17,830,329	16,558,715
Prior Year Adjustment	14	(3,131,369)	-
		<u>14,698,960</u>	<u>16,558,715</u>
Profit for the year		34,594,549	6,801,567
		<u>49,293,509</u>	<u>23,360,282</u>
Proposed Dividend: c800 (1999: c400) per share		(11,114,110)	(5,529,953)
Balance at 31st December 2000		<u>38,179,399</u>	<u>17,830,329</u>



## BALANCE SHEET AT 31ST DECEMBER 2000

	Note		2000 c'000	1999 c'000
<b>FIXED ASSETS</b>	5		45,246,775	31,080,589
<b>INVESTMENTS</b>	6		276,000	276,000
<b>CURRENT ASSETS</b>				
Stocks	7	23,367,634	19,655,147	
Debtors	8	30,222,266	12,283,218	
Short Term Investments		4,852,150	3,061,169	
Cash and Bank balances		22,163,156	9,283,933	
		80,605,206	44,283,437	
<b>CURRENT LIABILITIES</b>				
Bank Overdraft and Loans	9	1,314,604	1,933,325	
Creditors	10	13,977,436	15,681,036	
Taxation	4	7,894,618	105,789	
Dividends		11,114,810	5,535,553	
		34,301,468	23,255,703	
<b>NET CURRENT ASSETS</b>			46,303,738	21,027,764
<b>LONG TERM LIABILITIES</b>			91,826,513	52,384,353
Deferred Taxation	4		(2,720,904)	-
<b>NET ASSETS</b>			89,105,609	52,384,353
<b>FINANCED BY:</b>				
<b>STATED CAPITAL</b>	11		14,490,610	14,490,610
<b>SHARE DEALS ACCOUNT</b>	12		902,143	690,651
<b>CAPITAL SURPLUS</b>	13		35,533,457	19,372,763
<b>INCOME SURPLUS</b>			38,179,399	17,830,329
			89,105,609	52,384,353

  
.....  
W E INKUMSAH

  
.....  
J P A NYAKO

The Directors approved the financial statements on 19th April 2001.

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST DECEMBER 2000**

	<b>2000</b>	<b>1999</b>
	<b>€'000</b>	<b>€'000</b>
<b>Operating Profit</b> (before investment returns and servicing of finance)	46,373,840	11,871,894
Depreciation charges	6,784,408	3,717,131
Increase in stocks	(3,712,487)	(353,730)
Increase in debtors	(17,939,048)	(819,424)
(Decrease)/Increase in creditors	(1,703,600)	2,438,766
Profit on sale of fixed assets	(10,266)	(13,332)
Fixed Assets written-off	-	1,342
	(16,580,993)	4,970,753
	29,792,847	16,842,647
<b>Investment returns and servicing of finance</b>		
Interest paid	(573,226)	(855,925)
Interest received	584,215	275,823
Dividends paid	(5,534,853)	(4,995,749)
Dividends received	86,400	64,800
	(5,437,464)	(5,511,051)
<b>Tax paid</b>	(4,498,316)	(3,386,629)
<b>Investing activities</b>		
Fixed assets purchased	(4,807,844)	(2,730,591)
Proceeds from sale of fixed assets	28,210	34,972
	(4,779,634)	(2,695,619)
<b>Financing activities</b>		
Loans repayment	-	(1,667,102)
Sale/(Purchase of own shares)	211,492	(96,992)
	211,492	(1,764,094)
<b>Increase in cash and cash equivalents</b>	15,288,925	3,485,254
<b>Analysis of changes in cash and cash equivalents during the year</b>		
Balance at 1st January	10,411,777	6,926,523
Net cash inflow	15,288,925	3,485,254
	25,700,702	10,411,777
<b>Analysis of the balances of cash and cash equivalents as shown in the balance sheet</b>		
Cash and bank balances	22,163,156	9,283,933
Short term investments	4,852,150	3,061,169
Bank overdraft and Loans	(1,314,604)	(1,933,325)
	25,700,702	10,411,777

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2000

### 1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the company's financial statements

#### a. Basis of Accounting

These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain leasehold land and buildings, plant, machinery and office equipment.

#### b. Depreciation

Depreciation is provided for on a straight-line basis at rates calculated to write off the gross value of each asset over its estimated useful life. The annual rates generally in use are as follows:

Leasehold Land and Buildings	- Over period of lease
Plant, Machinery and Equipment	- 8%- 20%
Motor Vehicles	- 20%

#### c. Stocks

Stocks are valued at the lower of cost and net realisable value. Cost represents the landed cost of raw materials and consumables plus a percentage of direct labour costs and overheads for work-in-progress and finished goods.

#### d. Gross Sales

Gross sales represent the value of goods invoiced to customers during the period and include value added tax.

#### e. Debtors

Debtors are stated after providing for specific debts considered to be doubtful.

#### f. Foreign Currencies

Transactions denominated in foreign currencies are translated into cedis and recorded at the rates of exchange ruling at the dates of the transactions. Balances denominated in foreign currencies are translated into cedis at exchange rates ruling on the balance sheet date.

#### g. Deferred Taxation

Provision is made for deferred tax by reason of timing differences between capital allowances granted and depreciation charges based on the original cost of fixed assets.

#### h. Post Balance Sheet Events

Events subsequent to the balance sheet date are reflected only to the extent that they relate directly to the financial statements and the effect is material.



**2. TRADING PROFIT**

is stated after charging:

	2000 c'000	1999 c'000
Auditors' Fees	45,000	30,000
Depreciation	6,784,408	3,717,131
Directors' Remuneration	285,291	201,389
Donations	76,797	86,477
	<u>                    </u>	<u>                    </u>

**3. SUNDRY INCOME**

Roofing Fixings and Dross	165,277	172,334
Sale of Scrap	5,124	45,045
Sundries	164,292	80,613
Dividend Income	86,400	64,800
Profit on disposal of fixed assets	10,266	13,332
Exchange Gain	5,935,374	2,259,166
	<u>                    </u>	<u>                    </u>
	<u>6,366,733</u>	<u>2,635,290</u>

**4. TAXATION**

	Balance At 1/1/00 c'000	Payments c'000	Charge to P & La/c c'000	Balance at 31/12/00 c'000
<b>Income Tax</b>				
1998 - 1999	105,789	(144,044)	330,436	292,181
2000	-	(4,354,272)	11,956,709	7,602,437
	<u>105,789</u>	<u>(4,498,316)</u>	<u>12,287,145</u>	<u>7,894,618</u>
<b>Deferred Tax</b>	3,131,369	-	(410,465)	2,720,904
	<u>3,237,158</u>	<u>(4,498,316)</u>	<u>11,876,680</u>	<u>10,615,522</u>

The income tax liabilities are subject to agreement with the Internal Revenue Service.

**5. FIXED ASSETS**

	Leasehold Land and Buildings c'000	Plant and Machinery c'000	Equipment c'000	Motor Vehicles c'000	Capital Work in Progress c'000	Total c'000
Gross Value						
At 1/1/00	9,594,291	35,959,935	3,860,958	2,361,483	1,925,913	53,702,580
Additions	32,621	28,215	644,877	677,164	3,424,967	4,807,844
Disposals	-	-	(2,137)	(90,352)	-	(92,489)
Transfers	14,628	-	-	362,000	(376,628)	-
Surplus on Revaluation	4,527,306	10,597,993	566,632	468,763	-	16,160,694
At 31/12/00	<u>14,168,846</u>	<u>46,586,143</u>	<u>5,070,330</u>	<u>3,779,058</u>	<u>4,974,252</u>	<u>74,578,629</u>

**5. FIXED ASSETS (cont'd)**

	Leasehold Land and Buildings c'000	Plant and Machinery c'000	Equipment c'000	Motor Vehicles c'000	Capital Work in Progress c'000	Total c'000
<b>Comprising</b>						
Cost of Assets						
Revalued Surplus on Revaluation	7,088,001	29,837,177	1,066,378	1,172,921	-	39,164,477
At Revaluation	4,527,306	10,597,993	566,632	468,763	-	16,160,694
At Cost	11,615,307	40,435,170	1,633,010	1,641,684	-	55,325,171
At 31/12/00	2,553,539	6,150,973	3,437,320	2,137,374	4,974,252	19,253,458
At 31/12/00	14,168,846	46,586,143	5,070,330	3,779,058	4,974,252	74,578,629
<b>Accumulated Depreciation</b>						
At 1/1/00	1,362,314	17,330,839	2,465,119	1,463,719	-	22,621,991
Charge for the year	513,573	4,598,850	884,809	787,176	-	6,784,408
Released on disposals	-	-	(2,137)	(72,408)	-	(74,545)
At 31/12/00	1,875,887	21,929,689	3,347,791	2,178,487	-	29,331,854
<b>Net Book Value</b>						
At 31/12/00	12,292,959	24,656,454	1,722,539	1,600,571	4,974,252	45,246,775
At 31/12/99	8,231,977	18,629,096	1,395,839	897,764	1,925,913	31,080,589

Leasehold Land and Buildings, Plant, Machinery, Equipment and Vehicles were revalued on 9th July 1999 by Valuation and Investments Associates (Professional Valuers, Estate Agents and Property Consultants) on the basis of their open market values. These figures were incorporated in the financial statements during the year ended 31st December 2000.

**Depreciation has been charged in the financial statements as follows:**

	2000 c'000	1999 c'000
Cost of Sales	5,350,015	2,723,813
General, Administrative and Selling Expenses	1,434,393	993,318
	6,784,408	3,717,131

**Disposal of Fixed Assets**

Cost	92,489	230,300
Accumulated Depreciation	(74,545)	(208,660)
Net Book Value	17,944	21,640
Sales Proceeds	28,210	34,972
Profit on disposal of Fixed Assets	10,266	13,332

**6. INVESTMENTS**

This relates to the cost of 2,400,000 ordinary shares in Pioneer Aluminium Factory Limited.



**7. STOCKS**

	<b>2000</b> <b>€'000</b>	<b>1999</b> <b>€'000</b>
Raw Materials	1,017,348	3,305,650
Work in Progress	1,471,276	3,471,716
Finished Goods	12,929,448	6,765,426
Consumables	7,949,562	6,112,355
	<b>23,367,634</b>	<b>19,655,147</b>

**8. DEBTORS**

Trade Debtors	16,157,841	8,737,767
Margins on Letters of Credit	10,867,554	1,386,449
Sundry Debtors	402,300	200,280
Staff Debtors	2,195,524	1,873,162
Prepayments and Accrued Income	599,047	85,560
	<b>30,222,266</b>	<b>12,283,218</b>

The maximum amount due from officers of the company during the period was €2,196 million (1999: €1,889 million).

The company had an overdraft facility of €6 billion at the end of the year for which the bank held a legal mortgage over the factory land and buildings. In addition a US\$4 million expansion loan has been negotiated with the company's bankers, SSB Bank Limited on condition that its exports are routed through the bank. The first draw down is due to take place in October 2001, when interest will start to accrue.

**10. CREDITORS**

	<b>2000</b> <b>€'000</b>	<b>1999</b> <b>€'000</b>
Trade Creditors	11,078,153	13,418,821
Sundry Creditors	2,075,350	1,963,146
Accruals and Deferred Income	823,933	299,069
	<b>13,977,436</b>	<b>15,681,036</b>

**11. STATED CAPITAL**

	<b>No. of Shares</b>		<b>Proceeds</b>	
	<b>2000</b> <b>'000</b>	<b>1999</b> <b>'000</b>	<b>2000</b> <b>€'000</b>	<b>1999</b> <b>€'000</b>
<b>Authorised</b>				
Ordinary shares of no par value	50,000	50,000		
<b>Issued</b>				
For Cash	7,049	7,102	7,649,482	7,649,482
Transfer from Capital Surplus	6,844	6,844	6,841,128	6,841,128
Less: Shares repurchased	-	(53)	-	-
	<b>13,893</b>	<b>13,893</b>	<b>14,490,610</b>	<b>14,490,610</b>

*There is no share in treasury and no call or instalment unpaid on any share.*



**12. SHARE DEALS ACCOUNT**

	<b>2000</b> <b>€'000</b>	<b>1999</b> <b>€'000</b>
Balance at 1st January 2000	690,651	787,643
Purchase of own shares	(6,253)	(97,264)
Sale of own Shares	<u>217,745</u>	<u>272</u>
	<u>211,492</u>	<u>(96,992)</u>
Balance at 31st December 2000	<u><u>902,143</u></u>	<u><u>690,651</u></u>

The movement on the share deals account is the net result of sums that were expended and received by the company on the purchase and sale of its shares.

**13. CAPITAL SURPLUS**

	<b>2000</b> <b>€'000</b>	<b>1999</b> <b>€'000</b>
Balance at 1st January	19,372,763	19,372,763
Revaluation Surplus	16,160,694	-
Balance at 31st December	<u><u>35,533,457</u></u>	<u><u>19,372,763</u></u>

**14. PRIOR YEAR ADJUSTMENT**

This represents the effect of the change in accounting policy during the year in relation to deferred taxation. Previously, no provision was made for deferred taxation by reason of capital allowances exceeding the corresponding depreciation charges.

**15. ANALYSIS OF SHAREHOLDING**

<b>CLASS OF EQUITY</b>	<b>NO. OF SHAREHOLDERS WITHIN RANGE</b>	<b>TOTAL HOLDING</b>	<b>% HOLDING</b>
1 - 1,000	749	214,182	1.54
1001 - 5,000	160	394,850	2.84
5001 - 10,000	31	240,170	1.73
Over 10,000	68	13,043,435	93.89
	<u>1,008</u>	<u>13,892,637</u>	<u>100.00</u>

**16. DIRECTORS' SHAREHOLDINGS**

The Directors named below held the following number of shares in the company as at 31st December 2000.

NAME OF DIRECTOR	NO. OF SHARES
1. John Percival Awuku Nyako	43,750
2. Benjamin Akuete Gogo	24,000
3. Eddie Safo Kwakye	22,500
4. Kwakwo Kwarteng	19,900
5. William Ekroo Inkumsah	10,653
6. Kofi Ansah	5,000
	125,803

**17. TWENTY LARGEST SHAREHOLDERS AS AT 31ST DECEMBER 2000**

SHAREHOLDER	NO. OF SHARES	% HOLDING
1. Social Security and National Ins. Trust	3,458,766	24.89
2. SSB Bank Limited	1,800,909	12.96
3. Ghana Cocoa Board	1,565,561	11.26
4. Strategic African Securities Limited	1,530,459	11.02
5. BBG Nom/Chase Manhattan	1,101,600	7.93
6. Domod Company Limited	468,900	3.37
7. Household and Aluminium Factory Limited	222,479	1.60
8. KEL Investment Limited	217,640	1.57
9. Gideon Amenuvor	215,066	1.55
10. Elizabeth Arthur	200,000	1.44
11. Tema Oil Refinery	150,000	1.08
12. Ghana Commercial Bank Limited	150,000	1.08
13. National Investment Bank Limited	147,360	1.06
14. NTHC Limited	131,674	0.95
15. Gold Coast Securities Limited	118,986	0.86
16. SAS Nominees 3	91,110	0.66
17. Prof. Worsonu Lade	75,002	0.54
18. HFC Unit Trust	74,074	0.53
19. Ghana Aluminium Products Limited	63,842	0.46
20. Ghana Union Assurance Company Limited	61,873	0.45
	11,845,301	85.26
<b>Total Shareholding</b>	13,892,637	100.00

**NOTES**

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**FORM OF PROXY**

I/We

.....  
(Block Capitals Please)

Of.....

..... being member/members of Aluworks Ltd., hereby appoint

\*.....  
(insert full name)

Of.....

(or failing him the duly appointed Chairman of the meeting) as my/our proxy to vote for me/us at the Annual General Meeting to be held at the Golden Tulip Hotel, Accra on Thursday 14th June 2001 at 10:00 a.m and at every adjournment thereof.

Please indicate with an X in the spaces below how you wish your votes to be cast.

RESOLUTION	FOR	AGAINST
1. To receive the accounts		
2. To declare the final dividend as recommended		
3. To re-elect William Ekroo Inkumsah as a Director		
4. To re-elect Kofi Ansah as a Director		
5. To re-elect Kwadwo Kwarteng as a Director		
6. To approve the remuneration of non-executive Directors		
7. To authorise the Directors to fix the Auditors fees		
8. To transfer 435.5 billion from the Capital Surplus Account to the Stated Capital Account		
9. To issue bonus shares to shareholders at the rate of two new shares to one existing share.		

Signed this ..... day of .....2001

Shareholder's Signature .....

**THIS PROXY FORM SHOULD NOT BE SENT TO THE REGISTRAR IF THE MEMBER WILL BE ATTENDING THE MEETING**

**NOTES:**

1. A member (Shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote by proxy. The above proxy form has been prepared to enable you exercise your vote if you cannot personally attend.
2. Provision has been made on the form for the Chairman of the Meeting to act as your proxy but, if you wish, you may insert in the blank space marked \* the name of any person whether a Member of the company or not who will attend the meeting and vote on your behalf instead of the Chairman of the Meeting.
3. In the case of joint holders, each holder should sign.
4. If executed by a corporation, the proxy form should bear its common seal or be signed on its behalf by a Director.
5. Please sign the above proxy form and post it so as to reach the address shown overleaf not later than 48 hours.
6. The proxy must produce the Admission Card sent with the notice of the meeting to obtain entrance to the meeting.

SECOND FOLD HERE

THE REGISTRAR  
C/O NTHC COMPANY LTD.  
MARTICO HOUSE  
OKAI MENSAN LINK  
ADARRAKA  
P. O. BOX 9563  
AIRPORT - ACCRA

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Corrugated  
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P. O. BOX 914, Tema, Ghana.

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E-mail: [aluworks@aluworks.com](mailto:aluworks@aluworks.com)

# ALUMINIUM FROM GHANA