



Annual Report 2001

ALUWORKS LTD.



ALUWORKS LTD.

ANNUAL REPORT 2001

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 15th Annual General Meeting of Aluworks Limited will be held at Golden Tulip Hotel, Accra on Thursday 9th May, 2002 at 10.00 a.m.

AGENDA

1. To receive and adopt the Accounts of the Company for the period ended 31st December, 2001, together with the reports of the Directors and Auditors thereon.
2. To declare a dividend for the year ended 31st December, 2002
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 a Special Resolution.

"That the authorised shares of the Company be increased from fifty million (50,000,000) shares to one hundred million (100,000,000) shares"

Dated this 28th day of March, 2002

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, NTHC, Martco House, Hse, 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)
Kofi Ansah
Kwadwo Kwarteng
Benjamin Akuete Gogo
Samuel Kingsley Kwofie
Emmanuel Kwame Sarpong (Appointed 1/11/01)
James Akpo (Appointed 1/2/02)
Emmanuel Asiedu-Gyamfi (Resigned 11/1/02)
John Henry Newman (Resigned 31/10/01)
Eddie Safo Kwakye (Resigned 31/8/01)

SECRETARY

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

REGISTRARS AND REGISTERED OFFICE

NTHC 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
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
SSB Bank Limited

PHOTOS OF 14TH A.G.M. HELD ON 14TH JUNE 2001



The Board of Directors and Secretary



Shareholders listening to the Chairman's speech



Staff of NTHC (Registrars) registering shareholders before the meeting



The Chairman Mr. W. E. Inkumsah being interviewed by TV3 after the meeting

CHAIRMAN'S STATEMENT



Mr. W. E. Inkumsah , The Board Chairman

The year 2001 was another very successful year for Aluworks Ltd. It is therefore with great satisfaction that I present to you the Annual Report and Financial Statements of your Company for 2001.

ECONOMIC ENVIRONMENT

The national economy stabilized during the year under review due to the bold and conscious efforts by the new Government to arrest the Nation's economic decline. The macroeconomic policies adopted by the Government yielded good results and helped business in general.

Inflation dropped from 40.5% in 2000 to 21.3% at the end of the year. The cedi depreciated by about 5% as against the almost 50% depreciation in 2000. Interest rates moved down from 50% where they were hovering to about 35% at the end of the year, and are still going down further. This could be attributed to the fall in the treasury bill rate from about 45% in December 2000 to 28.2% at the end of the year.

In the midst of these positive economic developments your Company was able to operate successfully and improve considerably upon the previous year's financial results.

OPERATIONS

The Company produced 17,420 metric tons in the year 2001 relative to the 18,257 metric tons produced the previous year. This was about 85% of the installed capacity of 20,000 metric tons and represents a 4% drop in the 2000 production figure.

SALES

During the year under review Aluworks made total sales of 16,281 metric tons. Out of this 6,310 metric tons were exported. The export figure exceeds the previous year's figure of 5,884 by 7%. Export was 39% (32% in 2000) of the total volume of sales. Export revenue increased by 8% in 2001 to US\$15.17 million as against US\$14 million realized in 2000.

The local market performance however fell by 19% to 9,971 metric tons. This was due partly to the difficulties local fabricators had in selling their products and Management's policy to take full advantage of the good margins on the export market. Net sales for the year were ₱287 billion.

FINANCIAL RESULTS

Notwithstanding the slight drop in the volume sold, the financial results for 2001 turned out to be much better than that of the previous year.

The turnover of ₱287 billion shows a growth in value by 25% over the previous year's figure of ₱229 billion.

Operating profit of ₱57.5 billion was 24% higher than that of year 2000 which was ₱46.4 billion. The net profit of ₱38.5 billion also shows a growth of 11% over the previous year's figure of ₱34.5 billion after providing for corporate tax of ₱18.9 billion.

Earnings per share was ₱925 (₱2,490 in year 2000). If year 2000 figures are adjusted for dilution, earnings per share would amount to ₱830. Thus the year under review registered a growth of 11% over year 2000.

The 11% increase in net profit was made on the back of:

- a. Good margins on export tonnage.
- b. A stable world price for aluminium.
- c. A stable local currency, reduction in inflation and interest rates.

DIVIDENDS

The Directors recommend a dividend of ¢500 per share made up of an interim dividend of ¢200 (paid in January 2002) and a final dividend of ¢300 to be paid in June 2002. Again if the figures are adjusted for dilution, (i.e. if the bonus shares of 27.7 million shares are taken into account) there is a dividend growth of 87%. The total dividend for the year 2001 was ¢20.8 billion (¢11.1 billion in 2002).

CAPITAL INVESTMENTS/EXPANSION PROJECT

There has been significant progress on the expansion project in the past year. Work is on schedule for the expansion of facilities to add 10,000 metric tons to the factory capacity. The main equipment, the third Caster, Melting and Holding Furnaces have been installed. The new Casting Line will be fully operational by June 2002.

As indicated last year, the project is being financed by a foreign loan of US\$4 million. The first half yearly instalment of the loan will be due for repayment in June 2002.

INTERNATIONAL ORGANISATION FOR STANDARDISATION (ISO) CERTIFICATION

Aluworks Limited your company is reaping the benefits from years of continuous staff training and installation of a Quality Assurance System. After a final audit by International Assessors in June 2001, Aluworks qualified for the ISO 9002 Quality Assurance Certification. Your Company is therefore now ISO Certified.

HUMAN RESOURCE

There was industrial harmony in the plant and labour issues were discussed and resolved amicably between Management and employees.

Staff attended relevant courses and had training both locally and overseas during the year.

BOARD OF DIRECTORS

The Board played its supervisory management role effectively during the year. It met regularly and discharged its duties efficiently for good corporate governance.

Two Committees of the Board namely the Audit Committee and the Remuneration Committee duly performed their functions during the year.

Audit Committee - The Committee made up of Non Executive Directors studied the Company's Accounts and Financial Statements thoroughly before Board meetings, and briefed the board on all significant financial transactions of the Company.

Remuneration Committee - The Committee assisted the Management to restructure the Management team among other things.

Since the last A.G.M. three Directors have resigned from the Board. They are Messrs E. Safo Kwakye, a representative of SSB Bank Ltd., J. H. Newman, former Chief Executive of Cocobod, and E. Asiedu Gyamfi, former Head of Investments Department of SSNIT who resigned on 11/1/02.

The Board is extremely grateful to these gentlemen for the invaluable service rendered to the Company and wish them well in their future endeavours.

Messrs E. Kwame Sarpong, Chief Executive of Ghana Cocoa Board and James Akpo, Chief Executive of Strategic African Securities Limited were appointed to the Board on 1/11/01 and 1/2/02 respectively.

In accordance with the regulations of the Company Messrs Kwame Sarpong and James Akpo will be retiring by rotation and being eligible, have offered themselves for re-election.

PERFORMANCE ON THE STOCK EXCHANGE

Once again your Company's share was a star performer on the Ghana Stock Exchange in 2001. The share price which started the year at ¢4,350 shot up to ¢12,100 at the end of June when the bonus share issue was approved by shareholders. Thus the Company's market capitalization rose from ¢60 billion in January to ¢168 billion at the end of June. There was very active trading in Aluworks shares throughout the whole year.

The issue of 27.78 million bonus shares in July brought the total issued shares to 41.67 million. After the dilution, the share price settled at ¢4,300 and the market capitalization at ¢179 billion as at December 2001, an increase of 197%.

AUTHORISED SHARES

The Company's authorised shares is 50,000,000 and it has issued shares of 41,677,911. The Board is proposing that a special resolution be passed to increase the authorised shares to 100,000,000 to take care of any need to issue more shares which may arise in future.

GOOD CORPORATE CITIZEN

Aluworks proved itself as a good corporate citizen during the year. The environmental standards set by the Environmental Protection Agency were complied with in the Company's operations. The Factories, Offices and Shops Act 1970, (Act 380) provisions were also adhered to by the Company in the course of its business.

Donations were made to educational institutions including the Universities, and also to hospitals and the Tema Regional Police to improve security in the municipality among others.

PROJECTIONS FOR THE FUTURE

The first half year has turned out to be very challenging for your Company due mainly to the power problems in the country and the shut down of one potline by Valco which has led to reduction in the supply of metal to Aluworks.

The Board and Management have put in place sound arrangements to import metal and keep the operations of the Company going.

The third Caster as already indicated, would be commissioned in a couple of months to increase the company's capacity to 30,000 metric tons. The challenge of marketing the additional 10,000 metric tons will be tackled to ensure that the set targets are achieved and good results returned for shareholders.

CONCLUSION

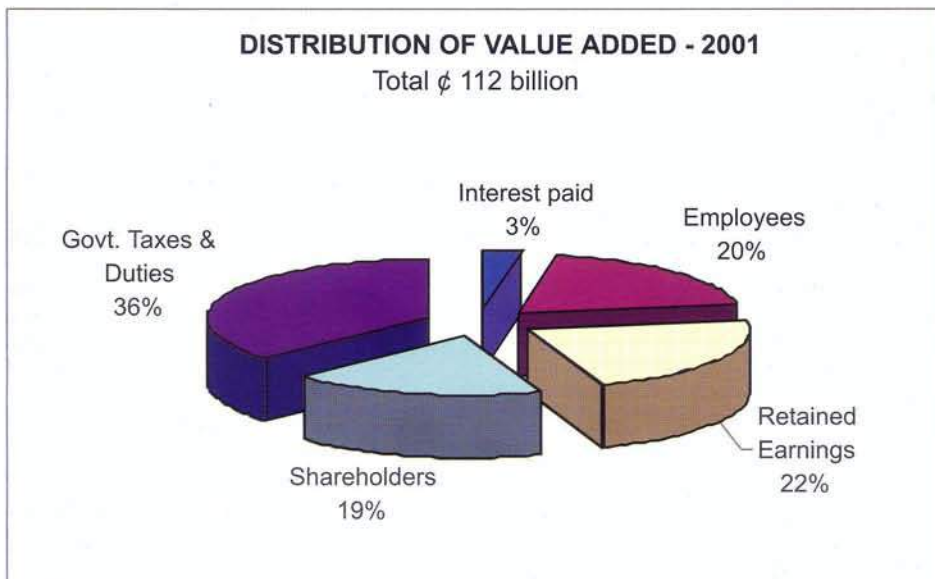
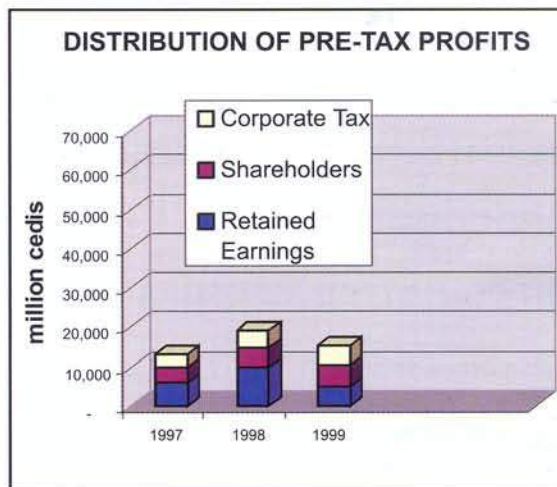
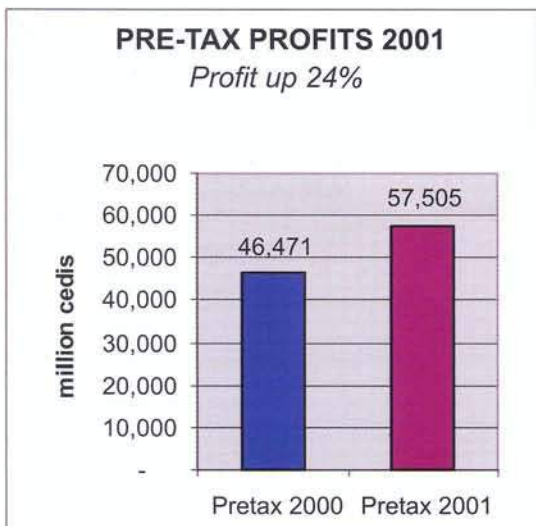
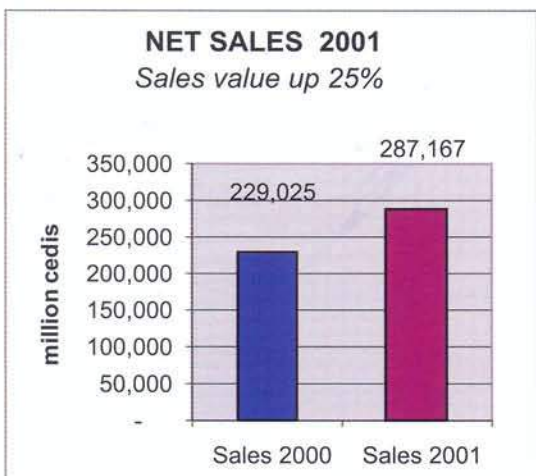
I wish on behalf of the Board to thank all shareholders, customers and suppliers for the good work done during the year.

I am also grateful to my colleagues on the Board, Management and Staff for their diligence and dedication to duty. I cherish the hope that they will all continue to work hard this year to enable our Company achieve greater success in the years ahead.

Aluworks
Annual Report 2001

FINANCIAL HIGHLIGHTS - FIVE YEAR PERFORMANCE 1997 - 2001

	YEAR	1997	1998	1999	2000	Reporting Year	
						2001	CHANGE
Turnover (cedi million)		83,145	92,891	104,087	229,025	287,167	25%
Profit before interest and tax. (cedi million)		11,204	16,918	11,937	46,460	58,571	26%
Interest income (cedi million)		145	157	276	584	2,018	245%
Interest expense (cedi million)		-1,611	-1,329	-856	-573	-3,083	438%
Profit before tax.(cedi million)		9,738	15,745	11,357	46,471	57,505	24%
Taxation (cedi million)		-3,060	-4,324	-4,555	-11,877	-18,938	59%
Profit after tax. (cedi million)		6,678	11,422	6,802	34,595	38,567	11%
Earnings per share (cedi)		501	822	490	2,490	925	-63%
						Earnings Growth - adjusted for issue of 27.78 million bonus shares 11%	
Dividend per share (cedi)		300	360	400	800	500	-38%
						Dividend Growth - adjusted for issue of 27.78 million bonus shares 87%	
Shareholders equity(cedi million)		43,922	51,210	52,384	100,220	127,675	27%
Net Assets per share (cedi)		3,296	3,686	3,771	7,214	3,063	-57%
New issue of Shares (thousands)		468	566	-0	0	27,785	
Number of shares (thousands)		13,327	13,893	13,893	13,893	41,678	200%
Fixed assets (cedi million)		33,040	32,090	31,081	45,247	60,447	34%
PERFORMANCE RATIOS		1997	1998	1999	2000	2001	
Gross margin/Turnover		18.88%	23.71%	16.18%	23.16%	25.61%	
Net Margin/Turnover		8.03%	12.30%	6.53%	15.11%	13.43%	
Return on Equity		15.20%	22.30%	12.98%	34.52%	30.21%	
Current Ratio		1.01	0.98	1.06	2.56	2.41	
VALUE ADDED STATEMENT		1997	1998	1999	2000	2001	
OUR EARNINGS:- in thousand cedis							
Sale Of Goods		87,881,025	98,112,440	111,847,570	247,779,634	309,885,423	
Other Income		487,781	761,732	2,635,290	6,366,733	3,896,912	
Interest Income		145,066	156,620	275,823	584,215	2,017,717	
LESS:							
Bought in Materials/Services		-64,395,111	-66,830,657	-81,109,854	-167,617,534	-203,378,778	
VALUE ADDED		24,118,760	32,200,135	33,648,828	87,113,048	112,421,274	
USED AS FOLLOWS:-							
Employees		4,742,300	6,351,110	9,958,345	14,529,556	21,970,558	
Govt. Taxes & Duties		7,796,509	9,545,547	12,315,861	30,631,309	41,656,169	
Interest paid		1,611,007	1,328,665	855,925	573,226	3,083,404	
Shareholders		3,997,618	5,001,411	5,529,953	11,114,110	20,838,956	
RETAINED EARNINGS							
Depreciation		3,290,804	3,553,045	3,717,131	6,784,408	7,143,722	
Profit Retained		2,680,522	6,420,357	1,271,614	23,480,439	17,728,465	
TOTAL		24,118,760	32,200,135	33,648,828	87,113,048	112,421,274	



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 2001.

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 ¢500 per share amounting to ¢20,838,955,500 comprising an interim and final dividend of ¢200 and ¢300 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. Kwame Sarpong

James Akpo

The Committee made up of Non-Executive Directors reviews the adequacy of systems of internal controls and compliance with material policies and laws.

REMUNERATION COMMITTEE MEMBERS

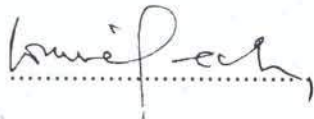
W.E. Inkumsah - Chairman

B. A. Gogo

Kofi Ansah

S. K. Kwofie

The Committee's job among others is to establish a formal and transparent procedure for developing a policy on executive remuneration.



W. E. INKUMSAH)
) DIRECTORS
)



J. P. A. NYAKO)

TEMA,

3rd April, 2002.

REPORT OF THE AUDITORS TO THE MEMBERS OF ALUWORKS LIMITED

We have audited the financial statements on pages 15 to 24, 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 2001 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**

3rd April, 2002

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2001**

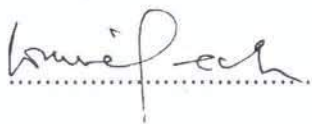
	Note	2001 ¢'000	2000 ¢'000
GROSS SALES		309,885,423	247,779,634
Value Added Tax		(22,718,133)	(18,754,629)
NET SALES		287,167,290	229,025,005
Cost of Sales		(213,636,717)	(175,971,620)
GROSS PROFIT		73,530,573	53,053,385
General, Administrative and Selling Expenses		(18,856,341)	(12,959,878)
TRADING PROFIT	2	54,674,232	40,093,507
Sundry Income	3	3,896,912	6,366,733
PROFIT BEFORE INTEREST AND TAXATION		58,571,144	46,460,240
Net Interest (Expense)/Income		(1,065,687)	10,989
PROFIT BEFORE TAXATION		57,505,457	46,471,229
Taxation	4	(18,938,036)	(11,876,680)
PROFIT AFTER TAXATION		38,567,421	34,594,549
Transferred to Income Surplus Account		=====	=====

**INCOME SURPLUS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2001**

	Note	2001 ¢'000	2000 ¢'000
Balance at 1st January 2001		38,179,399	17,830,329
Prior Year Adjustment	14	-	(3,131,369)
Profit for the year		38,179,399	14,698,960
		38,567,421	34,594,549
Proposed Dividend: ¢500 (2000: ¢800) per share		76,746,820	49,293,509
		(20,838,956)	(11,114,110)
Balance at 31st December 2001		55,907,864	38,179,399
		=====	=====

BALANCE SHEET AT 31ST DECEMBER 2001

	Note	2001 ¢'000	2000 ¢'000
FIXED ASSETS	5	60,446,645	45,246,775
INVESTMENTS	6	276,000	276,000
CURRENT ASSETS			
Stocks	7	48,373,477	23,367,634
Debtors	8	44,902,941	30,222,266
Short Term Investments		22,208,181	4,852,150
Cash and Bank balances		13,420,439	22,163,156
		128,905,038	80,605,206
CURRENT LIABILITIES			
Bank Overdraft and Loans	9	7,835,120	1,314,604
Creditors	10	18,951,763	13,977,436
Taxation	4	8,221,231	7,894,618
		35,008,114	23,186,658
NET CURRENT ASSETS		93,896,924	57,418,548
		154,619,569	102,941,323
LONG TERM LIABILITIES			
Deferred Taxation	4	6,361,604	2,720,904
Loans		20,583,020	-
		(26,944,624)	(2,720,904)
NET ASSETS		127,674,945	100,220,419
FINANCED BY:			
STATED CAPITAL	11	50,024,067	14,490,610
SHARE DEALS ACCOUNT	12	903,358	902,143
CAPITAL SURPLUS	13	-	35,533,457
INCOME SURPLUS		55,907,864	38,179,399
DIVIDENDS DECLARED		20,839,656	11,114,810
		127,674,945	100,220,419



W. E. INKUMSAH



J. P. A. NYAKO

The Directors approved the financial statements on 3rd April, 2002

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2001

	2001 €'000	2000 €'000
Operating Profit (<i>before investment returns and servicing of finance</i>)	58,455,944	46,373,840
Depreciation charges	7,143,722	6,784,408
Increase in stocks	(25,005,843)	(3,712,487)
Increase in debtors	(14,680,675)	(17,939,048)
(Decrease)/Increase in creditors	4,974,327	(1,703,600)
Profit on sale of fixed assets	(65,791)	(10,266)
	-----	-----
	(27,634,260)	(16,580,993)
	-----	-----
	30,821,684	29,792,847
Investment returns and servicing of finance		
Interest paid	(3,083,404)	(573,226)
Interest received	2,017,717	584,215
Dividends paid	(11,114,110)	(5,534,853)
Dividends received	115,200	86,400
	-----	-----
	(12,064,597)	(5,437,464)
Tax paid	(14,970,723)	(4,498,316)
Investing activities		
Fixed assets purchased	(22,349,465)	(4,807,844)
Proceeds from sale of fixed assets	71,664	28,210
	-----	-----
	(22,277,801)	(4,779,634)
Financing activities		
Proceeds from the issue of shares	-	-
Loans received	25,728,775	-
Sale/(Purchase of own shares)	1,215	211,492
	-----	-----
	25,729,990	211,492
	-----	-----
Increase in cash and cash equivalents	7,238,553	15,288,925
	=====	=====
Analysis of changes in cash and cash equivalents during the year		
Balance at 1st January	25,700,702	10,411,777
Net cash inflow	7,238,553	15,288,925
	-----	-----
Balance at 31st December	32,939,255	25,700,702
	=====	=====
Analysis of the balances of cash and cash equivalents as shown in the balance sheet		
Cash and bank balances	13,420,439	22,163,156
Short term investments	22,208,181	4,852,150
Bank overdraft and Loans	(2,689,365)	(1,314,604)
	-----	-----
	32,939,255	25,700,702
	=====	=====

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2001**

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**

Deferred tax is provided for using the liability method on temporary differences between the carrying amounts of assets and liabilities. A deferred tax asset is recognised to the extent that it is probable to crystallise.

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.

i. **Dividends**

Dividends are recognised as a liability in the period in which they are declared.

2. **TRADING PROFIT**

is stated after charging:

	2001 ¢'000	2000 ¢'000
Auditors' Fees	60,000	45,000
Depreciation	7,143,722	6,784,408
Directors' Remuneration	383,000	285,291
Donations	245,332	76,797
	=====	=====

3. **SUNDRY INCOME**

Roofing Fixings and Dross	128,971	165,277
Sale of Scrap	9,610	5,124
Sundries	91,123	164,292
Dividend Income	115,200	86,400
Profit on disposal of fixed assets	65,792	10,266
Exchange Gain	3,486,216	5,935,374
	-----	-----
	3,896,912	6,366,733
	=====	=====

4. **TAXATION**

	Balance at 1/1/01 ¢'000	Payments ¢'000	Charge to P & L a/c ¢'000	Balance at 31/12/01 ¢'000
Income Tax				
1998 - 2000	7,894,618	(7,945,469)	-	(50,851)
2001	-	(6,506,082)	13,857,692	7,351,610
National Reconstruction Levy	-	(519,172)	1,439,644	920,472
	-----	-----	-----	-----
	7,894,618	(14,970,723)	15,297,336	8,221,231
Deferred Tax	2,720,904	-	3,640,700	6,361,604
	-----	-----	-----	-----
	10,615,522	(14,970,723)	18,938,036	14,582,835
	=====	=====	=====	=====

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

5. **FIXED ASSETS**

	Leasehold Land and Buildings €'000	Plant and Machinery €'000	Equipment €'000	Motor Vehicles €'000	Capital Work in Progress €'000	Total €'000
Gross Value						
At 1/1/01	14,168,846	46,586,143	5,070,330	3,779,058	4,974,252	74,578,629
Additions	1,315	1,633,011	1,678,380	1,281,158	17,755,601	22,349,465
Disposals	-	-	(34,923)	(288,241)	-	(323,164)
Transfers	7,142,463	-	-	-	(7,142,463)	-
At 31/12/01	21,312,624	48,219,154	6,713,787	4,771,975	15,587,390	96,604,930
Comprising						
Cost of assets revalued	7,088,001	29,837,177	1,066,378	919,890	-	38,911,446
Surplus on revaluation	4,527,306	10,597,993	566,632	433,553	-	16,160,694
At revaluation	11,615,307	40,435,170	1,633,010	1,353,443	-	55,036,930
At cost	9,697,317	7,783,984	5,080,777	3,418,532	15,587,390	41,568,000
	21,312,624	48,219,154	6,713,787	4,771,975	15,587,390	96,604,930
Accumulated Depreciation						
At 1/1/01	1,875,887	21,929,689	3,347,791	2,178,487	-	29,331,854
Charge for the year	701,526	4,722,197	904,995	815,004	-	7,143,722
Released on disposals	-	-	(34,583)	(282,708)	-	(317,291)
At 31/12/01	2,577,413	26,651,886	4,218,203	2,710,783	-	36,158,285
Net Book Value						
At 31/12/01	18,735,211	21,567,268	2,495,584	2,061,192	15,587,390	60,446,645
At 31/12/00	12,292,959	24,656,454	1,722,539	1,600,571	4,974,252	45,246,775

Leasehold Land and Buildings, Plant, Machinery, Equipment and Vehicles were revalued by Valuation and Investments Associates (Professional Valuers, Estate Agents and Property Consultants) on 9th July 1999 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:

	2001 €'000	2000 €'000
Cost of Sales	5,490,958	5,350,015
General, Administrative and Selling Expenses	1,652,764	1,434,393
	7,143,722	6,784,408

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

	2001 €'000	2000 €'000
Disposal of Fixed Assets		
Cost	323,164	92,489
Accumulated Depreciation	(317,291)	(74,545)
Net Book Value	5,873	17,944
Sales Proceeds	71,664	28,210
Profit on disposal of Fixed Assets	<u>65,791</u>	<u>10,266</u>

6. **INVESTMENTS**

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

7. **STOCKS**

	2001 €'000	2000 €'000
Raw Materials	4,037,879	1,017,348
Work in Progress	5,186,100	1,471,276
Finished Goods	26,756,698	12,929,448
Consumables	12,392,800	7,949,562
	<u>48,373,477</u>	<u>23,367,634</u>

8. **DEBTORS**

Trade Debtors	21,968,525	16,157,841
Margins on Letters of Credit	17,134,122	10,867,554
Sundry Debtors	2,701,152	402,300
Staff Debtors	2,772,978	2,195,524
Prepayments and Accrued Income	326,164	599,047
	<u>44,902,941</u>	<u>30,222,266</u>

The maximum amount due from officers of the company during the period was €2.7 billion (2000: €2.2 billion).

9. **BANK OVERDRAFT AND LOANS**

Provided below are the company's banking facilities at the end of the year.

Bank	Facility Type	Amount	Interest Rate %	Collateral Security
SSB Bank	Overdraft	€12 billion	41	Fixed and floating assets of the company
SSB Bank	Loan	US\$4 million	Libor + 3½	Fixed and floating assets of the company
Barclays Bank	Overdraft	€3 billion	43	Ghana Gov't Treasury Bills

10. **CREDITORS**

	2001 €'000	2000 €'000
Trade Creditors	16,349,034	11,078,153
Sundry Creditors	1,182,312	2,075,350
Accruals and Deferred Income	1,420,417	823,933
	18,951,763	13,977,436
	18,951,763	13,977,436

11. **STATED CAPITAL**

	No. of Shares		Proceeds	
	2001 '000	2000 '000	2001 €'000	2000 €'000
Authorised				
Ordinary shares of no par value	50,000	50,000		
	50,000	50,000		
Issued				
For Cash	7,049	7,049	7,649,482	7,649,482
Transfer from Capital Surplus	34,629	6,844	42,374,585	6,841,128
	41,678	13,893	50,024,067	14,490,610
	41,678	13,893	50,024,067	14,490,610

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

12. **SHARE DEALS ACCOUNT**

	2001 €'000	2000 €'000
Balance at 1st January 2001	902,143	690,651
Purchase of own shares	-	(6,253)
Sale of own Shares	1,215	217,745
	1,215	211,492
	903,358	902,143
Balance at 31st December 2001	903,358	902,143

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

	2001 ¢'000	2000 ¢'000
Balance at 1st January	35,533,457	19,372,763
Revaluation Surplus	-	16,160,694
	-----	-----
Transfer to Stated Capital	35,533,457 (35,533,457)	35,533,457 -
	-----	-----
Balance at 31st December	-	35,533,457
	=====	=====

14. PRIOR YEAR ADJUSTMENT

This represents the effect of the change in accounting policy in the previous year in relation to deferred taxation.

15. ANALYSIS OF SHAREHOLDING

CLASS OF EQUITY	NO. OF SHAREHOLDERS WITHIN RANGE	TOTAL HOLDING	% HOLDING
1 - 1,000	785	241,527	0.58
1001 - 5,000	315	787,907	1.89
5001 - 10,000	68	480,990	1.15
Over 10,000	145	40,167,487	96.38
	-----	-----	
	1,313	41,677,911	100.00
	=====	=====	=====

16. DIRECTORS' SHAREHOLDINGS

The Directors named below held the following number of shares in the company at 31st December 2001

NAME OF DIRECTOR	NO. OF SHARES
1. John Percival Awuku Nyako	131,250
2. Samuel Kingsley Kwofie	120,000
3. Kwadwo Kwarteng	90,000
4. Benjamin Akuete Gogo	72,000
5. Eddie Safo Kwakye	67,500
6. William Ekroo Inkumsah	34,959
7. Kofi Ansah	15,000

	<u>530,709</u>

17. TWENTY LARGEST SHAREHOLDERS

SHAREHOLDER	NO. OF SHARES	% HOLDING
1. Social Security and National Ins. Trust	10,376,298	24.90
2. Strategic African Securities	5,454,830	13.09
3. SSB Bank	5,402,727	12.96
4. Ghana Cocoa Board	4,696,683	11.27
5. Domod Company Limited	1,406,700	3.38
6. Gideon Amenuvor	665,178	1.60
7. KEL Investments Limited	652,920	1.57
8. Household and Aluminium Factory Limited	645,637	1.55
9. NTHC/Gh. Cocoa, Coffee, Sheanut Farmers Assoc	625,000	1.50
10. Elm Capital Ghana Limited	609,958	1.46
11. Mrs Elizabeth Arthur	600,000	1.44
12. Tema Oil Refinery	450,000	1.08
13. Ghana Commercial Bank Limited	450,000	1.08
14. National Investment Bank	442,080	1.06
15. NTHC Limited	399,985	0.96
16. Mr Edward C. Aryee	360,000	0.86
17. Gold Coast Securities Limited	356,458	0.86
18. SAS Nominees 3	277,419.	0.67
19. SAS Capital Limited	271,659	0.65
20. Prof Lade Wosornu	240,006	0.58
	-----	-----
	<u>34,383,438</u>	<u>82.50</u>
Total Shareholding	<u><u>41,677,911</u></u>	<u><u>100.00</u></u>

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 9th May 2002 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 E.K. Sarpong as a Director		
4. To re-elect James Akpo as a Director		
5. To approve the remuneration of non-executive Directors		
6. To authorise the Directors to fix the Auditors fees		
7. To increase the Company's Authorised Shares from 50 million to 100 million.		

Signed this day of2002

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

**THE REGISTRAR
C/O NTHC LTD.
MARTCO HOUSE
OKAI MENSAN LINK
ADABRAKA
P. O. BOX 9563
AIRPORT-ACCRA**

THIRD FOLD HERE

FIRST FOLD HERE

ALUWORKS LTD.

Manufacturers of

Corrugated
Roofing Sheets

Sheet
In Coils

Circles

Flat
Sheets

Coiled
Strips

Aluminium
Louvre Blades

ALUWORKS LTD.

P. O. BOX 914, Tema, Ghana.

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ALUMINIUM FROM GHANA