ALUWORKS LIMITED

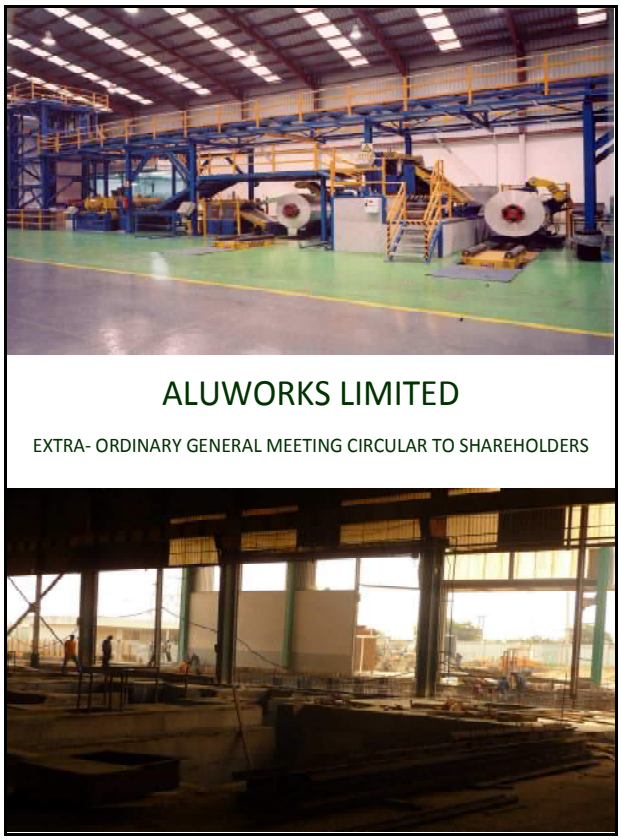
SYSTEM CERTIFICATION
ISO 9001:2008
SGS

ANNUAL REPORT 2009

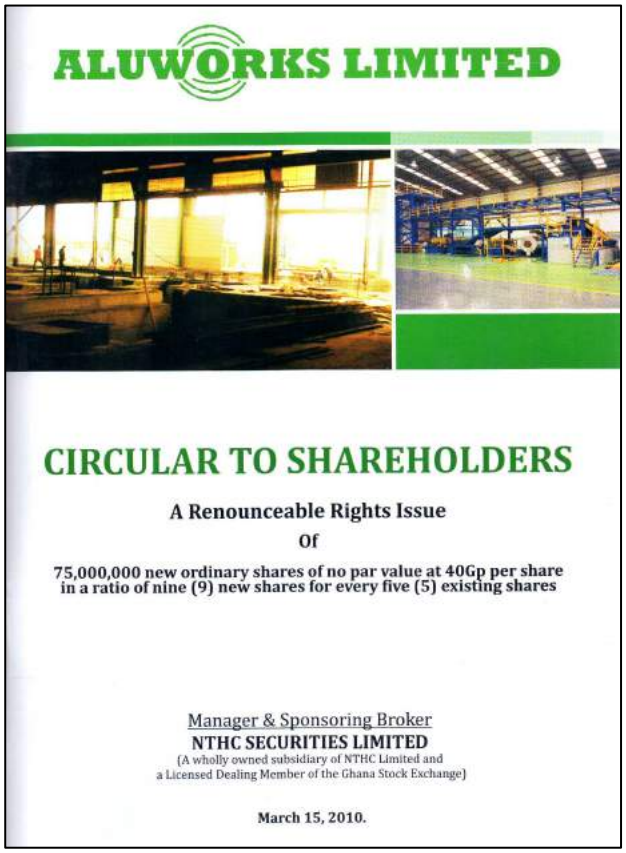
Annual Report

2009

ALUWORKS LTD.



Front cover of the EGM Circular to shareholders seeking two resolutions:
a special resolution to increase authorised shares from 50million to 100 million; and a resolution to authorise a rights issue of up to 58 million ordinary shares.



Front Cover of the Circular to Shareholders and non-shareholders asking for participation in a renounceable rights issue of 75million new ordinary shares of no par value.

ALUWORKS LIMITED

CONTENTS.

ALUWORKS LIMITED

NOTICE OF MEETING

NOTICE is hereby given that the 23rd Annual General Meeting of the Shareholders of Aluworks Limited will be held at the Fiesta Royale Hotel, Dzowurlu Accra (next to the Nestlé Head Office building) on Thursday August 5, 2010 at 10 O'clock in the forenoon to transact the following:

AGENDA

ORDINARY BUSINESS

1. To receive and consider the Reports of the Directors, Auditors and the Audited Financial Statements for the year ended December 31, 2009.

2. To re-elect Directors.

3. To fix the remuneration of the Directors.

4. To authorise the Directors to fix the remuneration of the Auditors for the ensuing year.

SPECIAL BUSINESS

1. To approve the conversion into equity of a loan amount of US$10.0 million (Ten Million United States Dollars) granted the company by the Ghana Cocoa Board.

2. To authorise the Directors to raise an additional amount of US$10.0 million (Ten Million United States Dollars) by a private placement to finance an expansion and to issue sufficient shares as required out of the outstanding and unissued shares of the company to cover the private placement.

Dated this 24th day of June, 2010

By Order Of the Board

ACCRA NOMINEES LIMITED
COMPANY SECRETARIES

Note:

A member of the company entitled to attend and vote may appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the company. Completed proxy forms should be deposited at the offices of the Registrars NTHC, Martco House No 542/4 Okai Mensah Link, Adabraka, P. O. Box KIA 9563, Airport Accra not less than 48 hours before the appointed time of the meeting. Failure to submit the forms before the **48 hour deadline** will result in the Proxy not being admitted to, or participating in, the meeting. A Form of Proxy is provided in the Annual Report.

ALUWORKS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS	William Ekroo Inkumsah *(Chairman)* Ernest Kwasi Okoh (*Managing)* Kwadwo Kwarteng Benjamin Akuete Gogo Togbe Afede XIV Napoleon Kpoh Anthony Fofie
SECRETARY	Accra Nominees *(Appointed: 14 May 2008)* 13 Samora Machel Road Asylum Down P. O. Box GP 242 Accra Ghana
REGISTRARS	NTHC Limited Martco House, No. D542/4 Okai Mensah Link, Adabraka P. O. Box KIA 9563 Airport, Accra
PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE	Plot No. 63/1, Heavy Industrial Area P. O. Box 914 Tema
AUDITORS	KPMG Chartered Accountants 13 Yiyiwa Drive P. O. Box 242 Accra
BANKERS	Barclays Bank of Ghana Limited Ecobank Ghana Limited SG - SSB Limited

ALUWORKS LIMITED

CHAIRMAN'S STATEMENT FOR 2009 AGM

Dear Shareholders, ladies and gentlemen, it gives me great pleasure to welcome you to the 23rd Annual General Meeting of the company and to present to you the Annual and Financial Statements of our company for the Financial Year ended 31st December 2009.

You will recall that at last year's meeting I said in my prospects for 2009 that the credit crunch and the recession were having a very hard effect on 2009. I also mentioned that our working capital issues had not been resolved as the rights issue proposed to remedy the situation was unlikely to be carried out in 2009 as planned. These indeed turned out to be the case. Sourcing of aluminium ingots was difficult, sales were very slow, financial costs remained high, culminating in the results we are presenting today.

But every cloud has a silver lining. When we come to look at the results, you will note that despite the poor results, the structure of the company's operational accounts is once again sound. Our gross profit is back to the levels of previous years before we ran into trouble emanating from the VALCO hiccups, the credit crunch and the recession. Unfortunately we did not generate enough volume for this good performance to yield enough to overcome the effects of the high interest cost and exchange losses.

Going forward therefore what we have to do is to ensure that we can generate good volumes. That is the focus, on both the local and the export fronts.

ECONOMIC ENVIRONMENT

The global recession continued to persist throughout 2009. Demand for aluminium remained weak, although there were signs of some recovery in the car industry. China appeared to be recovering ahead of everyone but the weakness of demand in the world economy did little to reduce the glut in aluminium stocks. This is why Chinese exports to West Africa have been rising during the last year to the detriment of local industry, more so because these exports have been supported by high export rebates and subsidies.

2009 was the first year of the Governments "Better Ghana" agenda, and generally Ghana's economic growth remained good, despite a high overall budget deficit of 11.5% of GDP at the end of 2008.

The economy was buffeted by the pass through effect of the global economic crisis, which caused increased inflation, peaking at 20.6% in June 2009, and a corresponding increase in the prime rate, which was raised by the Bank of Ghana to 18.5% in February 2009, and stayed at that level for most of the year. Real GDP growth slowed to 4.7% in 2009 as compared to the 5.9% target and the 7.2% achieved in 2008. Inflation rate finished at 17.5%, the 91day treasury bill rates remained at a high rate of 25% and more throughout the year, nevertheless the cedi weakened against major foreign currencies for much of the year and stabilised against the US Dollar towards the end of the year.

Interest rates remained very high, closing the year around 27% and therefore the cost of money for business was increasingly prohibitive. For companies like Aluworks which depend on the commercial banking industry for short term finance, the economic factors precipitated into high financing costs and exchange losses on normal business transactions during the year.

REVIEW OF 2009

OPERATIONS

Production for the year was the lowest in so many years. At 6,915 mt, this represented a shortfall of 49% against the 13,666 mt. produced in 2008. This reduced level of production was due to challenges the company faced in the import regime of primary aluminium ingots, as a result of the company's weak working capital position for much of the year.

SALES

Our company sold **7,711 mt**. of products in the year under review as against 14,136 mt. sold in 2008. The lower figure was due to the soft demand on both the local and export fronts.

Net Turnover for the year was **GH¢34.27** million as against GH¢57.13 million achieved in 2008, the decrease being principally due to the volume shortfall in sales.

EXPORTS

The global recession put paid to exports in 2009, and export activity declined accordingly during the year under review. Exports were a total of 2,265 mt**.** of products and earning US$6.8 million in the process. Total exports and earnings in 2008 were 6,431mt. and US$23.47 million respectively.

FINANCIAL RESULTS

With regret I have to advise that the company again made a loss after tax in 2009.

I refer you to the comparative numbers in the statement of comprehensive income on page 15 of your booklets. I have mentioned the huge decrease in sales volume from 14,136 mt. to only 7711 mt. in 2009. Despite this deep shortfall, there is a very informative phenomenon to note, that has been obscured by the IFRS reporting system.

Results from operating activities before financing cost is shown for 2009 as a loss of GH¢3,293. However that is after charging exchange loss of GH¢5,210, without which the underlying profit from the real operations would have been actually positive at GH¢1,917. This compares with the position in 2008 where underlying profit from real operations would be a positive GH¢1,488 before charging exchange loss of GH¢2,797. In other words despite the shortfall in volume operational profit increased by 28.8% before exchange loss, interest and tax. Fundamentally the structure of the accounts was good except that volume was severely lacking.

After charging exchange loss of GH¢ 5,210 in 2009 (2008 = GH¢2,797); Interest Charges of Gh¢2,609 in 2009 (2008 = GH¢2,333); and tax of GH¢2,103 in 2009 (2008 = tax credit of GH¢684) the company made a loss of GH¢8,005 in 2009 (2008 loss = GH¢2,958).

DIVIDEND

It is regretted that again the Directors are unable to recommend the payment of a dividend whilst there remains a deficit balance on the retained earnings account.

PERFORMANCE ON THE STOCK EXCHANGE

There was movement involving 5,692 shares during the year but this had the effect of a net reduction in the company's share price from GH¢0.61 at the beginning of the year to GH¢0.44 at year end, a decline of 27.8%.

HUMAN RESOURCE

There continued to be a peaceful industrial atmosphere in the company during the year. Various training programs were carried out for staff at all levels both in-house and externally. The aim of the training was to improve or at least maintain the skills and competencies of employees.

ISO CERTIFICATION

The company maintained its good image both on the international and local markets as a producer of high quality products. The company underwent the necessary processes for upgrade of our quality status and qualified to the status of ISO 9001: 2008 towards the end of the year. Quality management remains a main plank in our strategy to be the supplier of choice, and quality is our unique selling proposition.

BOARD OF DIRECTORS

There has been no change in the composition of the board since the last Annual general Meeting. In accordance with the regulations of the company and the Companies Code 1963, Act 179, Mr. William Inkumsah and Mr. Kwadwo Kwarteng will be retiring by rotation and being eligible have offered themselves for re-election.

NON-EXECUTIVE DIRECTORS FEES

The Board has decided that there should be no increase in Directors fees in the year 2010 due to the financial difficulties the company is facing. This is the fourth consecutive year in which the fees of the non-executive directors have not been raised.

CORPORATE CITIZEN

Due to the difficult financial challenges that faced the company throughout the year, no donations were made. As the company's finances improve we shall resume the fulfilment of our social responsibilities to communities in which we operate and other deserving institutions.

The environmental standards of the Environmental Protection Agency and the provisions of Factories, Offices and Shops Act 1970, Act 328 were complied with.

THE RIGHTS ISSUE.

The rights issue that you as shareholders authorised the company to undertake was to raise thirty million Ghana Cedis (GH¢ 30million) mainly for capital expenditure for the second cold mill and for use as working capital. The issue process commenced on the 15th of March and closed on 30th April 2010 after having been extended for two weeks to allow shareholders more time including the end of the month to participate. In the event the issue was 67% successful. The appropriate reports to the authorities have been made and trading commenced in the new shares as of the 26th of May 2010.

We have before you this morning two special resolutions that we wish you to vote on. The first is a procedural one that we need your final authority on for record purposes. As you know under the rights issue process Cocobod was magnanimous enough to advance a loan to be converted into shares during the exercise. This has now been done. The facility needs to be formally ratified in a resolution of the Annual General Meeting to authorise the transfer of the loan into equity. The resolution will be put to you during the meeting.

A second resolution will also be put to you for your assent. As you have been told the rights issue was 67% successful. We did not receive enough funds for both working capital and for capital expenditure. Hence we are in discussions with venture capitalists to raise a further ten million dollars to finance the expansion. While talks are far advanced we would like to have your authorisation to proceed. This is by way of a special resolution that will be put to you later on during this meeting to authorise the company to issue sufficient shares as required out of the outstanding and unissued shares for a private placement amounting at time of issue to the required amount of ten million dollars.

We are certain that you will support the two resolutions that are necessary to enable the company forge ahead as we are sure that the current situation will be reversed once the world recession is over. At that time we should not be found wanting of sufficient capacity to meet the demand that will ensue, especially after the boom in the Western Region following the recent oil and gas finds.

PROJECTIONS FOR THE FUTURE

ECONOMIC PREVIEW OF 2010.

The global economy continues to be under severe strain especially in Europe where the collapse of the Greek economy and similar threats to other European countries has shown a structural weakness in the Euro zone. Recovery from the recession is therefore fragile, with several countries looking to cut back on Government spending. The current rebound is driven mainly by China and other emerging Asian economies but weakness in demand in other parts of the world does not provide a complementary support for further growth. The Ghana economy had achieved some level of stability at the end of 2009. The 2010 budget was aimed at growing the economy through job creation intended to improve the quality of life of the citizenry. A real GDP growth of 6.5% was set as the objective, with inflation slightly above 10%. However current adjustments to energy tariffs threaten the economy's ability to recover as predicted, as these have far reaching effects on all parts of the economy, especially manufacturing. It is hoped that some degree of support for local industries will be deemed as necessary by Government to nurture and grow industries such as ours which are in dire need of help in combating unfair competition from the Far East.

The problem of local industries collapsing as a result of unfair competition from cheaper and sometimes inferior imported products should be taken seriously by Government.

We can only develop and grow our economy when our manufacturing industries are supported by structures and programmes that sustain their growth.

Value addition to the many resources of our country in areas such as forestry, agriculture, mining and natural heritage should be an important development strategy. The private sector, though recognised as the engine of growth, is however not given the necessary and adequate support to survive and grow.

The government must take action now to revive our dying industries.

CAPITAL PROJECTS

Challenges with the completion of the second cold mill project continue due to financing. The company is in discussion with several venture capitalists in a bid to secure new funding for this crucial project.

BUSINESS PROSPECTS FOR 2010

Business has been slow in the first half of 2010 while results of the rights issue were awaited. The Rights Issue was the main strategy for raising the company's working capital to the level required to be able to reach good volumes. The rights issue was 67% successful. Although the result will alleviate some of the working capital needs, the company will have to seek supplementary funding from prospective venture capitalists to finance the acquisition of the second cold mill. Several other strategies including influencing Government to restructure duty tariffs to ensure a more even playing field with respect to duties on imports of raw materials as opposed to intermediate and finished goods, are being vigorously pursued. As a result of some of these initiatives, we expect sales volumes to grow in the second half of the year.

Despite the disappointing results for the last year, the board continues to have faith in the company. Costs have been firmly kept under control, and strategies are in place for increasing volumes. It is expected that with the world recession easing at this time, demand for aluminium products will be restored and lead to strong business with Aluworks once again leading the effort to service the West African coastal countries.

CONCLUSION

On behalf of the Board of Directors, I would like to express my sincere gratitude to shareholders, customers, suppliers and other stakeholders for keeping faith with us during these difficult times. I also wish to express my sincere gratitude to Management and staff at all levels for their support and hard work.

ALUWORKS LIMITED

FIVE YEAR FINANCIAL HIGHLIGHTS

	Year	2005	2006	2007	2008	Reporting Year 2009	Change %
Turnover	(Gh¢'000)	47 772.70	49 246.30	52 018.00	57 127.00	**34 271.00**	**-40**
Gross Profit	(Gh¢'000)	6 088.00	5 374.00	3 072.00	4 393.00	**5 365.00**	**22**
Exchange Losses	(Gh¢'000)	208.00	150.00	-527.00	-2 797.00	**-5 210.00**	**-86**
Profit/(Loss) before interest and tax	(Gh¢'000)	3 560.10	2 342.50	-1 072.00	-1 309.00	**-3 293.00**	**-152**
Interest Income	(Gh¢'000)	2.20	6.20	1.00	-	**-**	**-**
Interest Expense	(Gh¢'000)	-730.00	-479.30	-1 380.00	-2 333.00	**-2 609.00**	**-12**
Exceptional Item	(Gh¢'000)	-	-	-1 811.00	-	**-**	**-**
Profit/(Loss) before tax	(Gh¢'000)	2 832.30	1 869.40	-4 263.00	-3 642.00	**-5 902.00**	**-38**
Taxation	(Gh¢'000)	-574.30	-229.40	-187.00	684.00	**-2 103.00**	**133**
Profit/(Loss) after tax	(Gh¢'000)	2 258.00	1 640.00	-4 450.00	-2 958.00	**-8 005.00**	**-171**
Earnings per share	(Gp)	0.0542	0.0393	(0.1068)	(0.0710)	**(0.1921)**	**-171**
Dividend per share	(Gp)	0.0500	0.0550	0.0000	0.0000	**0.0000**	
Shareholders' equity	(Gh¢'000)	11 645.80	10 995.60	6 498.00	22 987.00	**14 982.00**	**-35**
Net Assets per share	(Gp)	0.2794	0.2638	0.1559	0.5515	**0.3595**	**-35**
Number of shares	('000's)	41 678	41 678	41 678	41 678	**41 678**	**0**
Fixed assets	(Gh¢'000)	6 339.30	8 005.30	19 102.00	44 978.00	**44 552.00**	**-0.9**

PERFORMANCE RATIOS	2005	2006	2007	2008	**2009**
Gross Margin/Turnover	12.74%	10.91%	5.91%	7.69%	**15.65%**
Net Margin/Turnover	4.73%	3.33%	-8.46%	-5.16%	**-23.30%**
Return on Equity	19.39%	14.91%	-66.80%	-12.87%	**-53.43%**
Current Ratio	1.38	1.34	0.99	0.72	**0.43**

Corporate Governance

ALUWORKS Limited is run by the Board of Directors headed by the Chairman. The Board which may consist of not less than (5) five is currently made up of seven (7) members of whom six (6) are Non Executive Directors.

The Board is responsible for setting the company's strategic direction, for leading and controlling the company and for monitoring the activities of the executive management. The Board is also responsible for presenting a balanced and understandable assessment of the company's progress and prospects.

CORPORATE GOVERNANCE & BOARD PRACTICE

The Company is autonomous in all aspects of its operations and there has been no external pressure. Management members are at liberty to take decisions that will benefit the company and do not entertain any external influence in the course of doing their work.
The Board of Directors is principally appointed by the various Institutional shareholders and this is done once every year by rotation. Members with over 10% shares are eligible to appoint representative persons on to the Board, with the rest appointed by shareholders at general meeting.

The Board of Directors meets at least six times in a year and emergency meetings are also held as and when the need arises to consider urgent matters requiring specific decisions and approvals. Various committees have also been set up to deal with varied matters that arise during intervening periods when Board meetings are not scheduled. These committees comprise of the following:

Audit Sub Committee

The Audit Sub Committee is appointed by and reports to the Board. It comprises three (3) Non-Executive Directors – Mr. Kwadwo Kwarteng, who is the Chairman, Togbe Afede XIV, and Mr. Anthony Fofie. The Managing Director and the Audit Manager are ordinarily in attendance at its meetings. The committee meets regularly to discharge its responsibilities which are as follows;

- To safeguard the company's assets
- To maintain adequate accounting records and
- To develop and maintain effective systems of internal control.

The committee among other things reviews Management accounts and audited financial statements.

Remuneration Sub Committee

The Remuneration Sub Committee is appointed by the Board. It comprises four (4) Non Executive Directors. The Chairman of the committee is the Board Chairman, Mr William Inkumsah, and the other members are: Togbe Afede XIV, Mr. B A Gogo, and Mr. Napoleon Kpoh.

The duty of the Remuneration Sub Committee is to advise the Board and Management on wage opener negotiations (salary review) and conditions of service for all levels of employees.

REPORT OF THE DIRECTORS

TO THE MEMBERS OF ALUWORKS LIMITED

The directors present their report and audited financial statements of the company for the year ended 31 December 2009.

DIRECTORS' RESPONSIBILITY STATEMENT

The company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position at 31 December 2009, statement of comprehensive income 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 and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Code, 1963 (Act 179).

The directors' responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

FINANCIAL STATEMENTS AND DIVIDEND

The results are summarised as follows:

	GH¢'000
Loss for the year ended 31 December 2009 after taxation is	(8,005)
to which is added a deficit balance on retained earnings account brought forward of	(1,552)

Leaving the income surplus account balance in deficit of	(9,557)
	====

The directors can not recommend the payment of dividend whilst there remains a deficit balance on the retained earnings account.

The directors consider the state of affairs of the company to be satisfactory.

NATURE OF BUSINESS

The company is engaged in continuous casting and cold rolling of aluminium products. There was no change in the nature of business of the company during the year.

REPORT OF THE DIRECTORS (CONT'D)

TO THE MEMBERS OF ALUWORKS LIMITED

APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the company as indicated above were approved by the board of directors on 1 June 2010 ..... and are signed on their behalf by:

....

DIRECTOR **DIRECTOR**

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALUWORKS LIMITED

We have audited the accompanying financial statements of Aluworks Limited, which comprise the statement of financial position as at 31 December 2009, the 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 and other explanatory notes, as set out on pages 7 to 37.

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). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Aluworks Limited at 31 December 2009, 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).

KPMG

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ALUWORKS LIMITED (CONT'D)

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 of the Companies Code, 1963 (Act 179)

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 account are in agreement with the books of account.

.....

CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P.O. BOX GP 242
ACCRA

....., **2010**

ALUWORKS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2009

	Note	2009 GH¢'000	Restated 2008 GH¢'000
Assets			
Property, plant and equipment	6	44,552	44,978
Intangible assets	7	19	38
Long term investments	8	168	168
Total non-current assets		44,739	45,184
Inventories	11	6,893	14,785
Income tax asset	9	835	808
Trade and other receivables	12	2,968	9,278
Cash and cash equivalents	13	4,125	893
Total current assets		14,821	25,764
Total assets		59,560	70,948
Equity			
Share capital	18	5,002	5,002
Share deals		90	90
Retained earnings – (Deficit)		(9,557)	(1,552)
Non distributable Surplus		19,447	19,447
Total equity		14,982	22,987
Non-current liabilities			
Medium-term loans	15	7,609	11,921
Deferred tax liabilities	10	2,605	502
Total non-current liabilities		10,214	12,423
Current liabilities			
Bank overdraft	14	6,786	10,708
Trade and other payables	21	5,403	15,756
Short-term loan	16	21,476	8,375
Dividend Payable	17	699	699
Total current liabilities		34,364	35,538
Total liabilities		44,578	47,961
Total liabilities and equity		59,560	70,948

DIRECTOR **DIRECTOR**

The notes on pages 11 to 37 are an integral part of these financial statements.

ALUWORKS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 GH¢'000	2008 GH¢'000
Revenue	22	34,271	57,127
Cost of sales		(28,906)	(52,734)
Gross profit		5,365	4,393
Other income	23	69	82
General and administrative expenses		(8,727)	(5,784)
Results from operating activities before financing cost		(3,293)	(1,309)
Net finance expense	26	(2,609)	(2,333)
Loss before income taxation	24	(5,902)	(3,642)
Income tax expense	9	(2,103)	684
Loss for the year		(8,005)	(2,958)
Other comprehensive income			
Revaluation of property, plant and equipment		-	19,765
Other comprehensive income for the year		-	19,765
Total comprehensive (loss)/income for the year		(8,005)	16,807
Basic earnings per share	20	(0.1921)	(0.0710)
Diluted earnings per share	20	(0.1921)	(0.0710)

The notes on pages 20 to 46 are an integral part of these financial statements.

ALUWORKS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009

2009	Note	Stated Capital	Share Deals	Non Distributable Surplus	Retained Earnings	Total Equity
		GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January 2009	27	5,002	90	19,447	(1,552)	22,987
Loss for the year		-	-	-	(8,005)	(8,005)
		---	---	---	---	---
Balance at 31 December 2009		5,002	90	19,447	(9,557)	14,982
		====	==	=====	====	====

2008	Stated Capital	Share Deals	Non Distributable Surplus	Retained Earnings	Total Equity
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January 2008	5,002	90	-	1,406	6,498
Loss for the year	-	-	-	(2,958)	(2,958)
Movement during year (Note 20)	-	-	19,477	-	19,477
	---	---	---	---	---
Balance at 31 December 2008 (Restated)	5,002	90	19,447	(1,552)	22,987
	====	==	=====	====	=====

The notes on pages 20 to 46 are an integral part of these financial statements.

ALUWORKS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2009

	2009	2008
	GH¢'000	GH¢'000
Cash flows from operating activities		
Loss before taxation	(5,902)	(3,642)
Adjustments for:		
Depreciation charges	2,751	595
Amortisation of intangible asset	19	19
Exchange loss	3,430	4,929
Interest expense	2,609	2,333
Loss/(Profit) on disposal of property, plant and equipment	93	(19)
	---	---
	3,000	4,215
Change in inventories	7,892	1,640
Change in trade and other receivables	6,310	(787)
Change in trade and other payables	(10,353)	11,954
	---	---
Cash generated from operations	6,849	17,022
Interest received	-	-
Interest paid	(2,609)	(2,333)
Income taxes paid	(27)	(137)
	---	---
Net cash flow from operating activities	4,213	14,552
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,458)	(6,729)
Purchase of intangible asset	-	(57)
Proceeds from sale of property, plant and equipment	40	
	---	---
Net cash flow used in investing activities	(2,418)	(6,744)
Cash flows from financing activities		
Dividend paid	-	-
Loan Proceeds	25,876	26,419
Loan Repaid	(20,517)	(35,778)
	---	---
Net cash flow from financing activities	5,359	(9,359)
	---	---
Net increase/(decrease) in cash and cash equivalents	7,154	(1,551)
	=====	=====
Analysis of changes in cash and cash equivalents during the year		
Balance at 1 January	(9,815)	(8,264)
Net cash flow	7,154	(1,551)
	---	---
Balance at 31 December	(2,661)	(9,815)
	====	=====
Analysis of balances of cash and cash equivalents as shown in the balance sheet		
Cash and bank balances	4,125	893
Bank overdraft	(6,786)	(10,708)
	---	---
	(2,661)	(9,815)
	=====	=====

The notes on pages 20 to 46 are an integral part of these financial statements.

1. REPORTING ENTITY

Aluworks Limited is a company registered and domiciled in Ghana. The address of the company's registered office can be found on page 2 of the annual report. The company is authorised to carry on the business of continuous casting and cold rolling of aluminium products.

2. BASIS OF PREPARATION

a. Statement of compliance

The financial statements of Aluworks Limited have been prepared in accordance with International Financial Reporting Standards (IFRSs).

b. Basis of measurement

They are prepared on the historical cost basis except for property, plant and machinery at revalued amounts and financial instruments and other assets that are stated at fair values.

c. Functional and presentational currency

The financial statements are presented in Ghana cedis (GH¢) which is the company's functional currency.

d. Use of estimates and judgement

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in notes 4 and 27.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the company.

a. Financial Instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investment in shares and treasury bills, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instrument not at fair value through profit and loss, any directly attributable transaction cost. Subsequent to initial recognition non-derivative financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses, if any.

Non-derivative financial instruments are categorised as follows:

- Loans and receivables – these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are measured at amortised cost using the effective interest rate method, less any impairment losses.

- Financial liabilities measured at amortised cost - this relates to all other liabilities that are not designated at fair value through profit or loss.

- Available-for-sale financial assets - The company's investments in shares are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

(ii) Off setting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

(iii) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(iv) Stated capital (Share capital)

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Repurchase of stated capital (treasury shares)

When stated capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, is net of any tax effects, and is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on transaction is transferred to/from retained earnings.

(b) **Leases**

(i) Classification

Leases that the company assumes substantially all the risks and rewards of ownership of the underlying asset are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and present value of the minimum lease payments. Subsequent to initial recognition, the leased asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are classified as operating leases.

(ii) Lease Payments

Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Minimum lease payments made under finance leases are apportioned between the finance expense and as reduction of the outstanding lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(c) **Property, plant and Equipment**

(i) Recognition and measurement

Property, plant and equipments are carried at fair value less subsequent depreciation. The fair values are determined every three (3) years by external, independent, professional valuers. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The revaluation increase arising on the revaluation of property, plant and equipments are credited to the revaluation surplus in shareholders' equity.

Decreases that offset previous increases of the same asset are charged against the non-distributable reserve. All other decreases are charged to the statement of comprehensive income.

If property becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value at the date of transfer is recognised in equity as a revaluation of property. If a fair value gain reverses a previous impairment loss, the gain is recognised in the statement of comprehensive income. On disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components).

(ii) Subsequent costs

The cost of replacing part of an item of property, plant or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in income statement as incurred.

(iii) Depreciation

Depreciation is recognised in the statement of comprehensive income statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Plant, machinery and equipment	-	5 - 12.5 years
Motor vehicles	-	5 years
Leasehold land and buildings	-	over period of lease

Depreciation methods, useful lives and residual values are reassessed at each reporting date. Gains and losses on disposal of property, plant and equipment are included in the income statement.

(d) **Intangible Assets**

Software

Software acquired by the company is stated at cost less accumulated amortisation and accumulated impairment losses. Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is three years.

(e) **Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Trade and Other Receivables

Trade receivables are stated at amortised costs, less impairment losses. Specific allowances for doubtful debts are made for receivables of which recovery is doubtful.

Other receivables are stated at their cost less impairment losses.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and bank balances and these are carried at amortised cost in the statement of financial position.

(h) Employee Benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay future amounts. Obligations for contributions to defined contribution schemes are recognised as an expense in the statement of comprehensive income when they are due.

(i) Revenue

Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, taxes and volume rebates. Revenue is recognised when the significant risks and rewards of the ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement in the goods, and the amount of revenue can be measured reliably.

Sale of services

Revenue from services rendered is recognised in the income statement when the service is performed.

(j) Finance Income and Expense

Finance income comprises interest income on funds invested (including available-for-sale financial assets) and dividend income. Interest income is recognised in the statement of comprehensive income using the effective interest method. Dividend income is recognised in the statement of comprehensive income on the date that the company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.
Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in the statement of comprehensive income using the effective interest method.

(k) Impairment

(i) *Financial assets*

A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.
Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in the statement of comprehensive income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(ii) Non-financial assets

The carrying amounts of the company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

(l) Income Tax

Income tax expense comprises current and deferred tax. The company provides for income taxes at the current tax rates on the taxable profits of the company.

Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(m) Dividend

Dividend payable is recognised as a liability in the period in which they are declared.

(n) Post Balance Sheet Events

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Segment reporting

A segment is a distinguishable component of the company that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

(p) Earnings per Share

The company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(q) New standard and interpretation adopted

- Revised IAS 1 Presentation of Financial Statements requires an entity to present both a statement of comprehensive income and a statement of changes in equity as part of a complete set of financial statements. An entity presents either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement) or an income statement and a separate statement of comprehensive income. The company has adopted the single statement of comprehensive income and a statement of changes in equity.

- IFRS 8 Operating Segments introduces the "management approach" to segment reporting. IFRS 8 the disclosure of segment information based on the internal reports regularly reviewed by the company's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them.

(r) Comparatives

Where necessary the comparative information has been changed to agree to the current year presentation.

(s) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2009, and have not been applied in preparing these financial statements.

i. IFRS 3 - Business Combinations for financial statements annual periods commencing on or after 1 July 2009. This new standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with some contingent payments subsequently re-measured at fair value through income. Goodwill may be calculated based on the parent's share of net assets or it may include goodwill related to the minority interest. All transaction costs will be expensed. This standard is not expected to have any impact on the company's financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

ii. IAS 27 amendment - Consolidated and Separate Financial Statements for financial statements annual periods commencing on or after 1 July 2009. This requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. They will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in profit or loss. It is not expected to have any impact on the financial statements.

iii. IAS 39 amendment - Eligible hedged items for financial statements annual periods commencing on or after 1 July 2009. The amendment makes two significant changes.

It prohibits designating inflation as a hedgeable component of a fixed rate debt. It also prohibits including time value in the one-sided hedged risk when designating options as hedges. This change will have no impact on the company's financial statements.

iv. IFRS 5 amendment - Improvements to IFRSs 2008 - IFRS 5 Non-current Assets Held for Sale and Discontinued Operations for financial statements annual periods commencing on or after 1 July 2009. This change will have no impact on the company's financial statements;

v. IFRIC 17 - Distributions of Non-cash Assets to Owners for financial statements annual periods commencing on or after 1 July 2009. This applies to the accounting for distributions of non-cash assets (commonly referred to as dividends in specie) to the owners of the entity. The interpretation clarifies that: a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity; an entity should measure the dividend payable at the fair value of the net assets to be distributed; and an entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss. Management will have to assess impact of changes on the company's financial statements in 2010.

vi. Various - Improvements to IFRSs (SA GAAP) 2009: IFRS 2 Share-based Payment; IAS 38 Intangible Assets - Additional consequential amendments arising from revised IFRS 3; IFRIC 9 Reassessment of Embedded Derivatives; IFRIC 16 Hedges of a Net Investment in a Foreign Operation for financial statements annual periods commencing on or after 1 July 2009. Management will have to assess impact of changes on the company's financial statements in 2010.

vii. Various - Improvements to IFRSs (SA GAAP) 2009 (excluding IFRS 2) Share-based Payment; IAS 38 Intangible Assets - Additional consequential amendments arising from revised IFRS 3; IFRIC 9 Reassessment of Embedded Derivatives; IFRIC 16 Hedges of a Net Investment in a Foreign Operation) for financial statements annual periods commencing on or after 1 January 2010. These changes will have no impact on the company's financial statements. Management will have to assess impact of changes on the company's financial statements in 2010.

viii. IFRS 2 amendment - Group Cash-settled Share-based Payment Transactions (withdrawal of IFRIC 8 and IFRIC 11) for financial statements annual periods commencing on or after 1 January 2010. The amendment clarifies the accounting for group cash-settled share-based payment transactions. The entity receiving the goods or services shall measure the share-based payment transaction as equity-settled only when the awards granted are its own equity instruments, or the entity has no obligation to settle the share-based payment transaction. The entity settling a share-based payment transaction when another entity in the group receives the goods or services recognises the transaction as equity-settled only if it is settled in its own equity instruments. In all other cases, the transaction is accounted for as cash-settled. This change will have no impact on the company's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

ix. IAS 32 amendment - IAS 32 Financial Instruments: Presentation - Classification of Rights Issues for financial statements annual periods commencing on or after 1 February 2010. The amendment clarifies the accounting treatment when rights issues are denominated in a currency other than the functional currency of the issuer. The amendment states that if such rights are issued pro rata to an entity's existing shareholders for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated.

x. IAS 24 amendment - Related Party Disclosures Revised 2009 - for financial statements beginning on or after 1 January 2011.

xi. IFRS 9 – Financial Instruments – for financial statements beginning on or after 1 January 2013. The amendments clarify that if a financial asset is reclassified out of the 'at fair value through profit or loss' category, it must be assessed for embedded derivatives at the date of reclassification. In addition, a contract that includes an embedded derivative that cannot be separately measured, it is prohibited from being reclassified out of the 'at fair value through profit or loss' category. This change will have no impact on the company's financial statements.

4. DETERMINATION OF FAIR VALUES

A number of the company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities.

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the current market rate of instruments with similar credit risk profile and maturity at the reporting date. Receivables due within 6-month period are not discounted as the carrying values of approximate their fair values.

(ii) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. Instruments with maturity period of 6 months are not discounted as their carrying values approximate their fair values.

(iii) Investments in equity

The fair value of available-for-sale financial assets is determined by reference to their quoted bid price at the reporting date.

5. SEGMENT REPORTING

A segment is a distinguishable component of the company that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments

The company operates in only one economic environment – Ghana and does not consider that reporting by business segment will lead to a clearer understanding of the financial statements.

6. 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	-	-	5	-	2,453	2,458
Transfers	1,162	12,679	-	-	(13,841)	-
Disposal	-	-	(93)	(122)	-	(215)
At 31/12/09	12,229	32,018	2,128	1,041	8,625	56,041
Comprising						
Cost of assets revalued	1,904	8,744	1,003	491	-	12,142
Surplus on revaluation -1999	453	1,060	57	33	-	,603
Surplus on revaluation -2008	8,710	9,492	985	517		19,704
At revaluation	11,067	19,296	2,045	1,041	-	33,449
At cost	1,162	12,722	83	-	8,625	22,592
	12,229	32,018	2,128	1,041	8,625	56,041
Accumulated Depreciation						
At 1/1/09	792	6,501	1,030	497	-	8,820
Charge for the year	346	2,254	104	47	-	2,751
Released on disposal	-	-	(26)	(56)	-	(82)
At 31/12/09	1,138	8,755	1,108	488	-	11,489
Carrying Amount						
At 31/12/09	11,091	23,263	1,020	553	8,625	44,552
At 31/12/08	10,275	12,838	1,186	666	20,013	44,978

2008	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 1/1/08	2,363	9,804	1,062	579	13,559	27,367
Additions	43	171	61	6,454	6,729	
Revaluation surplus	8,710	9,492	985	578	-	19,765
Disposal	(6)	-	(2)	(55)	(63)	
At 31/12/08	11,067	19,339	2,216	1,163	20,013	53,798

6. PROPERTY, PLANT AND EQUIPMENT (CONTD)

Comprising						
Cost of assets 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
	---	---	---	---	---	---
At revaluation	11,067	19,296	2,045	1,102	-	33,510
At cost	43	171	61	20,013		20,288
	---	---	---	---	---	---
	11,067	19,339	2,216	1,163	20,013	53,798
	=====	=====	====	====	=====	=====

2008	**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**
Accumulated Depreciation						
At 1/1/08	724	6,081	952	508	-	8,265
Charge for the year	69	420	78	28	-	595
Released on disposal	(1)	-	-	(39)	(40)	
	---	---	---	---	---	---
At 31/12/08	792	6,501	1,030	497	-	8,820
	===	====	====	===	===	====
Carrying Amount						
At 31/12/08	10,275	12,838	1,186	666	20,013	44,978
	=====	====	====	===	=====	=====
At 31/12/07	1,639	3,723	110	71	13,559	19,102
	====	====	===	===	=====	=====

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 and again on 30 October 2008. These figures were incorporated in the financial statements during the year ended 31 December 2007 and 2008 respectively.

Included in capital work in progress is an amount of GH¢1,848,210 and GH¢265,620 which relates to exchange losses and interest on borrowings.

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

	2009 GH¢'000	**2008 GH¢'000**
Cost of sales	2,419	501
General, administrative and selling expenses	332	94
	---	---
	2,751	595
	====	===

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Profit on disposal of property, plant and equipment

	2009	2008
	GH¢'000	GH¢'000
Cost	215	63
Accumulated Depreciation	(82)	(40)
	---	---
Net Book Value	133	23
Sale proceeds	(40)	(42)
	---	---
Loss/(Profit) on disposal	93	(19)
	===	====

7. INTANGIBLE ASSETS

Balance at 1 January	57	-
Acquisition	-	57
	---	---
Balance at 31 December	57	57
	==	==
Amortisation		
Balance at 1 January	19	-
Amortisation for the year	19	19
	---	---
Balance at 31 December	38	19
	==	==
Carrying amount		
At 31 December	19	38
	==	==

This relates to the cost of purchased software.

8 LONG TERM INVESTMENT

This relates to the fair value of 2,400,000 ordinary shares in Pioneer Kitchenware Limited. The market value of this investment at the balance sheet date was GH¢168,000 (2008: GH¢168,000).

9. TAXATION

	GH¢'000	GH¢'000
(i) **Income tax expense**		
Current tax expense 11(ii)	-	7
Deferred tax expense /(relief)(Note 10)	2,103	(691)
	---	---
	2,103	(684)
	====	===

Deferred tax expense relates to the origination and reversals of temporary differences.

9. TAXATION (CONT'D)

(ii) Taxation payable

	Balance at 1/1/09 GH¢'000	Payments during the year GH¢'000	Charged to P/L account GH¢'000	Balance at 31/12/09 GH¢'000
Income Tax				
Up to 2004	(719)	-	-	(719)
2005	26	-	-	26
2006	336	-	-	336
2007	(270)	-	-	(270)
2008	(137)	-	-	
2009		(27)	-	(27)
Capital Gains Tax	7	-	-	7
National Reconstruction Levy	(51)	-	-	(51)
	(808)	(27)	-	(835)

Income tax liabilities are subject to the agreement of the tax authorities.

National Reconstruction Levy: This relates to a levy imposed on companies by the Government on profits before tax between 2001 and 2005. This levy has been abolished.

(iii) Reconciliation of effective tax rate

	2009 GH¢'000	2008 GH¢'000
Loss before taxation	(5,902)	(3,642)
Income tax using the domestic tax rate (25%)	(1,476)	(911)
Non-deductible expenses	1,292	784
Income not taxable	-	(5)
Tax on permanent difference	184	132
Capital gains tax	-	7
Deferred tax	2,103	(691)
Current tax charge	2,103	(684)
Effective tax rate	35.6%	18.8%

10. DEFERRED TAXATION

	2009	2008
	GH¢'000	GH¢'000
Balance at 1 January (Restated) - (Note 26)	502	735
Charged/(Relief) to income statement	2,103	(691)
Charge to revaluation surplus (Note 280	-	458
	---	---
Balance at 31 December	2,605	502
	====	===

(i) Recognised deferred tax assets and liabilities.

Deferred tax liabilities are attributable to the following:

			2009			2008
	Assets	Liabilities	Net	Assets	Liabilities	Net
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Property, plant and equipment	-	2,525	2,525	-	543	543
Capital gains tax	-	458	458	-	458	458
Others	(378)	-	(378)	(499)	-	(499)
	---	---	---	---	---	---
Net tax liabilities	(378)	2,983	2,605	(499)	1,001	502
	===	====	====	===	====	===

11. INVENTORIES

	2009	2008
	GH¢'000	GH¢'000
Raw materials	1,033	6,584
Work-in-progress	3,580	3,247
Finished goods	226	2,914
Consumables	2,054	2,040
	---	---
	6,893	14,785
	====	=====

12. TRADE AND OTHER RECEIVABLES

	2009	2008
	GH¢'000	GH¢'000
Trade receivables due from customers	854	4,011
Other receivables	2,044	5,211
Staff debtors	27	26
Prepayments	43	30
	---	---
	2,968	9,278
	====	====

13. CASH AND CASH EQUIVALENTS

	2009 GH¢'000	2008 GH¢'000
Bank balances	4,116	834
Cash balances	9	59
	---	---
	4,125	893
	====	===

14. BANK OVERDRAFT

	2009 GH¢'000	2008 GH¢'000
Ecobank Ghana Limited	6,048	9,570
SG-SSB Bank Limited	738	1,138
	---	---
	6,786	10,708
	====	=====

(i) The company has an overdraft facility not exceeding US$5.0 million with Ecobank Ghana Limited to finance purchase of stocks, raw materials, spares and other operational bill and standby letters not exceeding US$8.2 million to back the issuance of letters of credits in favour of the company's overseas suppliers and sight and deferred up to a maximum of 180 days. The facilities are secured by legal mortgage over the company's office/factory premises situated at Tema and pari passu fixed and floating charges with SG-SSB over the company's assets including hypothecation over stocks**.** The facility expires on 31 March 2010 Interest rate is at 6 months LIBOR with a spread of 1.5% per annum payable monthly in arrears.

(ii) The company has an overdraft facility not exceeding GH¢1.5 million with SG-SSB Bank Limited to finance working capital. The company's floating and fixed assets shared pari passu with Ecobank Ghana Limited and Barclays Bank of Ghana Limited have been pledged as security for the facility**.** The facility expires on 30 April 2010 Interest rate is at 27.7% per annum and is subject to change at the discretion of the bank.

15 MEDIUM TERM LOANS

	Ecobank Ghana GH¢'000	Barclays Ghana GH¢'000	SG SSB Ghana GH¢'000	2009 Total GH¢'000	2008 Total GH¢'000
Balance 1 January 2009	5,337	5,217	9,742	20,296	24,726
Drawdown during the year	11,380	-	-	11,380	26,419
	---	---	---	---	---
	16,717	5,217	9,742	31,676	51,145
Repayments during the year	(17,685)	(1,505)	(1,327)	(20,517)	(35,778)
	---	---	---	---	---
	(968)	3,712	8,415	11,159	15,367
Exchange Loss	968	881	1,636	3,485	4,929
	---	---	---	---	---
Balance at 31 December 2009	-	4,593	10,051	14,644	20,296
	===	====	=====	=====	=====

15 MEDIUM TERM LOANS (CONTD)

Analysed as follows:

Current Portion	-	2,551	4,484	7,035	8,375
Medium Term Loan	-	2,042	5,567	7,609	11,921
	---	---	---	---	---
	-	4,593	10,051	4,644	20,296
	===	====	=====	=====	=====

This represents US$ 20 million disbursed out of a total loan facility of US$ 22 million to refinance letters of credit for acquisition and installation of coil coating plant, to build new factory premises and to finance the importation of metal. These facilities are a five-to-six year term loan from SG-SSB Limited and Barclays Bank Ghana Limited with an interest rate of six months LIBOR plus 3.5% per annum with eighteen months' moratorium. The loans are payable by 2013. The facilities are secured by registered debenture (fixed and floating) over the assets of the company.

16. SHORT-TERM LOAN

	2009	2008
	GH¢'000	GH¢'000
Balance at 1 January	-	-
Draw down during year	14,496	
	---	---
	14,496	-
Exchange difference	(55)	-
	---	---
Balance at 31 December	14,441	-
Current portion of Medium Term Loan (Note 20)	7,035	8,375
	---	---
	21,476	8,375
	=====	====

During the year Ghana Cocoa Board (COCOBOD) granted a facility of US$ 10 million to Aluworks mainly for repayment of Ecobank revolving credit line and the importation of Ingots at an interest rate of 7.5%. The facility was guaranteed by a consortium of Insurance companies lead by NSIA Ghana Insurance Company. There is however, no formal agreement that specify's repayment terms and due dates. The amount is to be converted to equity shares during the rights issues carried out in 2010.

17. DIVIDEND PAYABLE

	2009	2008
	GH¢'000	GH¢'000
Balance at 1 January and 31 December	699	699
	===	===

18. STATED CAPITAL

(a) ***Ordinary shares***

	No. of Shares 2009 '000	Proceeds 2009 GH¢	No. of Shares 2008 '000	Proceeds 2008 GH¢
Authorised				
Ordinary Shares of no par value	50,000		50,000	
	=====		=====	
Issued and fully paid				
For cash	7,049	765	7,049	765
Transfer from capital surplus	34,629	4,237	34,629	4,237
	---	---	---	---
	41,678	5,002	41,678	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.

19. EARNINGS PER SHARE

Basic

Basic earning 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.

	2009 GH¢'000	2008 GH¢'000
Loss attributable to equity holders of the Company	(8,007)	(2,958)
	====	====
Weighted average number of ordinary shares in issue	41,677,911	41,677,911
	========	========
Basic earnings per share (expressed in GH¢ per share)	(0.1921)	(0.0710)
	=====	======

Diluted

Diluted earning per share is calculated by adjusting the weighted average number of ordinary shares, to assume of all potential dilutive ordinary shares. At 31 December 2009 and 2008, the company had no potential dilutive ordinary shares.

20. NON-DISTRIBUTABLE SURPLUS

Movement for the year were as follows:

	2009 GH¢'000	2008 GH¢'000
Surplus on Revaluation of Property & Equipment	-	19,765
Deferred tax liability on revaluation surplus of property, plant and equipment	-	(988)
Overstatement corrected	-	670
	---	---
Balance at 31 December	-	19,447
	====	=====

This represents the surplus arising from the professional valuation of the company's property, plant and machinery.

21. TRADE AND OTHER PAYABLES

	2009 GH¢	2008 GH¢
Trade payables	4,940	14,723
Non-trade payables and accrued expenses	135	1,020
Accrued Charges	330	13
	---	---
	5,405	15,756
	====	====

22. REVENUE

	2009 GH¢	2008 GH¢
Local sales	28,633	38,933
Export sales	9,390	24,073
	---	---
	38,023	63,006
Less: Value Added Tax	(3,744)	(5,840)
Rebate	(8)	(39)
	---	---
Net sales value	34,271	57,127
	=====	=====

23. OTHER INCOME

	2009 GH¢'000	2008 GH¢'000
Profit on disposal of property plant and equipment	-	19
Roofing fixings and dross	67	61
Sundries	2	2
	---	---
	69	82
	==	==

24. LOSS BEFORE TAX IS STATED AFTER CHARGING:

	2009 GH¢'000	2008 GH¢'000
Personnel cost (note 25)	3,479	3,953
Auditors remuneration	25	22
Depreciation	2,751	595
Directors emoluments	114	157
Donation	1	-
Net finance cost (note 25)	2,609	2,333
Exchange loss	5,210	2,813
	====	====

25. PERSONNEL COSTS

	2009 GH¢'000	2008 GH¢'000
Wages and salaries	3,160	3,550
Social security contributions	199	254
Provident fund	120	149
	---	---
	3,479	3,953
	====	====

The average number of persons employed by the company during the year was 238 (2008: 253)

26. NET FINANCE EXPENSE

	2009 GH¢'000	2008 GH¢'000
Interest income	-	-
Interest expense	(2,609)	(2,333)
	---	---
	(2,609)	(2,333)
	=====	=====

27. RESTATEMENT ADJUSTMENT

(i) Deferred capital gains tax on revaluation surplus

During 2008 the company revalued its property, plant and equipment which were incorporated in the financial statement and recognised deferred capital gains tax on the resulting revaluation surplus that was charged to capital surplus and deferred tax liability.

However, the deferred capital gains should have been limited only to revaluation surplus on property, as the other class of assets will not attract capital gain tax on realisation of the revalued amounts. This resulted in overstatement of deferred capital gains tax liability by GH¢530,000 and understatement of capital surplus balance by GH¢530,000. The correction of the error has been effected retrospective, and the comparative statements for 2008 have been restated.

(ii) Fair value of long term investment

In the 2008 financial statements the company's equity investment in Pioneer Kitchenware Limited was not fair valued and the resulting increase in market value incorporated in the financial statement.

This resulted in understatement of fair value of the long term investment by GH¢140,000. The correction of the understatement has been effected retrospective, and the comparative statements for 2008 have been restated.

The effect of the error on 2008 is as stated below:

27. RESTATEMENT ADJUSTMENT (CONTD)

2008

	GH¢'000
Capital surplus	18,777
Over statement corrected	670

Balance as restated	19,447

2008

	GH¢'000
Deferred tax computed	988
Over statement corrected	530

Balance as restated	458
	===

2008

	GH¢'000
Long term investment	28
Under statement corrected	140

Balance as restated	168
	===

Opening non distributable surplus for 2009 have been increased by GH¢670,000 and long term investment increased by GH¢140,000 and deferred tax liability reduced by GH¢530,000 which are the amounts of the errors relating to 2008.

These adjustments had no impact on the balance sheet as at 1 January 2008 and therefore a statement of financial position at 1 January 2008 has not been represented.

28. FINANCIAL RISK MANAGEMENT

(i) Overview

The company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risks

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Board's Audit Sub Committee is responsible for monitoring compliance with the company's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the company.

28. FINANCIAL RISK MANAGEMENT

The Audit Sub Committee gain assurance in relation to the effectiveness of internal control and risk management from: summary information in relation to the management of identified risks; detailed review of the effectiveness of management of selected key risks; results of management's self assessment process over internal control; and the independent work of the Global Audit and Risk function, which ensures that the Audit Sub Committee and management understand the company's key risks and risk management capability; sets standards on governance and compliance; and provides assurance over the quality of the company's internal control and management of key risks.

The company also has in place an internal audit department, which monitors compliance with internal procedures and processes and also assesses the effectiveness of internal controls.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

(ii) **Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivable from customers.

Trade and other receivables

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit control committee has established a credit policy under which a new customer is analysed individually for credit worthiness before the company's standard payment terms and conditions are offered. The company generally trades with pre-defined and selected customers. Credit exposure on trade receivable is covered by guarantee from well established banks.

Allowances for impairment

The company establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss allowance established for homogeneous assets in respect of losses that have been incurred but have not yet been identified. The collective loss allowance is determined based on historical data of payment for similar financial assets.

Exposure to credit risks

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2009	**2008**
	GH¢'000	**GH¢'000**
Trade and other receivables	2,968	9,278
Cash and cash equivalents	4,125	893
	---	---
	7,093	10,171
	====	=====

28. FINANCIAL RISK MANAGEMENT – (CONT'D)

The maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	2009 GH¢'000	2008 GH¢'000
Foreign companies	-	124
Local Institutions	1,055	3,887
	1,055	4,011

Impairment losses

The aging of trade receivables at the reporting date was:

	2009		2008	
	Gross GH¢	Impairment GH¢	Gross GH¢	Impairment GH¢
Current(less than 30 days)	330	-	1,135	-
Due but not impaired (30-180 days)	322	-	2,840	-
Impaired (more than 180 days)	404	201	36	-
	1,055	201	4,011	-

The movement in the allowance in respect of trade receivables during the year was as follows:

	2009 GH¢'000	2008 GH¢'000
Balance at 1 January	-	-
Impairment loss recognised	201	-
Balance at 31 December	201	-

Based on historical default rates, the company believes that no impairment is necessary in respect of trade receivables past due up to 180 days. However, impairment loss has been recognised for specific customers whose debts are considered impaired.

No impairment loss was recognised for financial assets other than trade receivables.

(iii) **Liquidity risk**

Liquidity risk is the risk that the company either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access them only at excessive cost. The company's approach to managing liquidity is to ensure that it will maintain adequate liquidity to meet its liabilities when due.

28. FINANCIAL RISK MANAGEMENT – (CONT'D)

The following are contractual maturities of financial liabilities:

31 December 2009

	Amount GH¢'000	6mths or less GH¢'000	6-12 mths GH¢'000	1-3 years GH¢'000
Non-derivative financial liability				
Trade and other payables	5,403	5,403	-	-
Bank overdraft	6,786	6,786	-	-
Short term loan	21,476	-	21,476	-
Medium term loan	7,609	-	-	7,609
Balance at 31 December 2009	41,274	12,189	21,476	7,609

31 December 2008

	Amount GH¢'000	6mths or less GH¢'000	6-12 mths GH¢'000	1-3 years GH¢'000
Non-derivative financial liability				
Trade and other payables	15,756	15,756	-	-
Bank overdraft	10,708	10,708	-	-
Short term loan	8,375	-	8,375	-
Medium term loan	11,921	-	-	11,921
Balance at 31 December 2008	46,760	26,464	8,375	11,921

(iv) **Market risks**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The company is exposed to currency risk on purchases and borrowings that are denominated in currencies other than the functional currency. The currencies in which these transactions primarily are denominated are Euro, Great British Pounds and US Dollars.

Currency Risk

The company's exposure to foreign currency risk was as follows based on notional amounts.

	31 December 2009		***31 December 2008***	
	EURO	**USD**	**EURO**	**USD**
Bank balances		2,791,122	7,360	6,290
Bank overdraft	-	(4,903,208)	-	(6,615,133)
Trade and other receivables	57,275	54,883	-	1,833,006
Trade and other payables	(19,746)	(306,273)	-	(11,192,696)
Loan Payable	-	(20,140,643)	-	(16,500,879)
Gross exposure	37,529	(22,504,120)	7,360	(34,773,103)

28. FINANCIAL RISK MANAGEMENT – (CONT'D)

The following significant exchange rates applied during the year:

	Average Rate		Reporting Date	
	2009	**2008**	**2009**	**2008**
Cedis				
Euro 1	1.8016	1.3363	2.0831	1.5200
USD 1	1.3305	0.9553	1.4441	1.2170
GBP 1	2.0185	1.9135	2.2380	1.7990

Sensitivity analysis on currency risks

The following table shows the effect of a strengthening or weakening of GH¢ against all other currencies on the company's income statement. This sensitivity analysis indicates the potential impact on the income statement based upon the foreign currency exposures recorded at December 31. (See "currency risk" above) and it does not represent actual or future gains or losses. The sensitivity analysis is based on the percentage difference between the highest daily exchange rate and the average exchange rate per currency recorded in the course of the respective financial year.

A strengthening/ weakening of the GH¢, by the rates shown in the table, against the following currencies at 31 December have increased/decreased equity and income statement by the amounts shown below:

This analysis assumes that all other variables, in particular interest rates, remain constant.

As of 31 December	**2009**			**2008**		
In GH¢	% Change	Income statement impact: Strengthening	Income statement impact: Weakening	% Change	Income statement impact: Strengthening	Income statement impact: Weakening
		GH¢	**GH¢**		**GH¢**	**GH¢**
€	±12%	13,424	(13,424)	±12%	1,342	(1,342)
US$	±13%	(2,667,694)	2,667,694	±13%	(5,501,453)	5,501,453

Interest rate risk

Profile

At the reporting date the interest rate profile of the company's interest-bearing financial instruments was:

Carrying amounts

	2009	**2008**
	GH¢'000	**GH¢'000**
Variable rate instrument		
Financial liabilities	35,871	31,004
	=====	=====

28. FINANCIAL RISK MANAGEMENT – (CONT'D)

Fair value sensitivity analysis for fixed rate instrument

The company did not have fixed rate instrument at 31 December 2009 and also at 31 December 2008.

Cash flow sensitivity analysis for variable rate instrument

A change of 300 basis points in interest rate at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis for 2008 is performed on the basis that interest rate changed by 300 basis point.

Variable rate instrument	**300bp**	**100bp**
Effect in cedis		
31 December 2009		
Variable rate instrument	717	(717)
31 December 2008		
Variable rate instrument	791	(791)
	===	===

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

(i) Loans and receivables

	31 December 2009		**31 December 2008**	
	Carrying Amount GH¢'000	**Fair Value GH¢'000**	**Carrying Amount GH¢'000**	**Fair Value GH¢'000**
Trade and other receivables	2,968	2,968	9,278	9,278
Cash and cash equivalents	4,125	4,125	893	893
	---	---	---	---
	7,093	7,093	10,171	10,171
	====	====	=====	=====

(ii) **Other financial liabilities**

	31 December 2009		**31 December 2008**	
	Carrying Amount GH¢'000	**Fair Value GH¢'000**	**Carrying Amount GH¢'000**	**Fair Value GH¢'000**
Trade and other payables	5,403	5,403	15,756	15,756
Bank overdraft	6,786	6,786	10,708	10,708
Short term loan	21,476	21,476	8,375	8,375
Medium term loan	7,609	7,609	11,921	11,921
	---	---	---	---
	41,274	41,274	46,760	46,760
	=====	=====	=====	=====

29. CAPITAL COMMITMENTS

Commitment for capital expenditure not provided for at the balance sheet date amounted GH¢nil. (2008: GH¢7,764,484).

30. CONTINGENT LIABILITIES

At the year end there was a legal suit pending against the company, instituted by eleven former employees, alleging wrongful dismissal. Should judgment go in favour of the plaintiffs, likely claims against the company have been estimated at GH¢30,000. (2008:GH¢30,000).

31. EMPLOYEE BENEFITS

Defined Contribution Plans

(i) *Social Security*

Under a National Deferred Benefit Pension Scheme, the company contributes 12.5% of employees' basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. The company's obligation is limited to the relevant contributions, which were settled on due dates. The pension liabilities and obligations, however, rest with SSNIT.

(ii) Provident Fund

The company has a provident fund scheme for staff under which the company contributes 5% of staff basic salary. The obligation under the plan is limited to the relevant contribution and these are settled on due dates to the fund manager.

32. SHAREHOLDING INFORMATION

(i) Directors' Shareholding

The Directors named below held the following number of shares in the company as at 31 December 2009:

Ordinary Shares

	2009	%
Gogo Benjamin Akuete	105,000	0.250
Kwarteng Kwadwo	48,581	0.120
Inkumsah William Ekroo	22,882	0.050
Ernest Kwasi Okoh	3,000	0.007
	---	---
	179,463	0.427
	======	====

(ii) Number of Shares in Issue

Earnings and dividend per share are based on 41,677,911 (2008: 41,677,911) ordinary shares in issue during the year.

32. SHAREHOLDING INFORMATION (CONTD)

(iii) Number of Shareholders

The company had 41,677,911 ordinary shareholders at 31 December 2009 distributed as follows:

Holding	No. of Holders	Total Holding	% Holding
1 - 1,000	2,223	570,493	1.37
1,001 - 5,000	464	1,143,570	2.74
5,001 - 10,000	101	760,155	1.82
10,001 and over	193	39,203,693	94.07
	---	---	---
	2,981	41,677,911	100.00
	====	========	=====

(iv) List of twenty largest shareholders as at 31 December 2009

	Name of Shareholder	No. of Shares	% of Issued Capital
1.	Social Security & National Insurance Trust	10,376,298	24.90
2.	Ghana Cocoa Board	4,696,683	11.27
3.	Strategic Initiatives Limited	4,170,540	10.01
4.	BBGN/SSB London Investec Africa Fund	1,902,149	4.60
5	BBGN/SSB Eaton Vance Tax MEM Fund	1,810,900	4.34
6	Galetere International Master Fund LP	1,576,742	4.34
7	BBGN/SSB London LDN Inv Asset Mgt.	1,355,827	3.70
8.	Qualitec Industries Limited	750,688	1.80
9	Arthur, Elizabeth	550,000	1.32
10	BBGN/SSB Eaton Vance Structured EM Fund	457,409	1.01
11	Ghana Commercial Bank	450,000	1.08
12	Tema Oil Refinery	450,000	1.08
13	BBGN/Epack Investment Fund Limited	442,098	1.06
14	National Investment Bank	442,080	1.06
15	NTHC Limited	431,857	1.04
16	Aryee Clifford Edward	427,830	1.02
17	BBNN/SSB London Investec Prem Fund	317,774	0.76
18	Wosornu Lade Prof.	300,506	0.72
19	SAS/Amenuvor Gideon Mr.	290,029	0.69
20	BBGN/Citibank Wilmington MMI Fund	232,000	0.55
		---	---
		31,431,410	76.35
		========	====

ALUWORKS LIMITED

PROXY FORM FOR USE AT THE ANNUAL GENERAL MEETING TO BE HELD AT THE FIESTA ROYALE HOTEL, DZOWURLU (NEXT TO THE NESTLÉ HEAD OFFICE BUILDING) ON THURSDAY AUGUST 5, 2010 AT 10 O'CLOCK IN THE FORENOON

I/We being member(s) of **ALUWORKS LIMITED** hereby appoint or failing him/her the Chairman as my/our Proxy to vote for me/us, and on my/our behalf at the Annual General Meeting of the company to be held on the **5th day of August, 2010** and at any and every adjournment thereof.

This form to be used:-

1.	*in favour of against	the Resolution to adopt the Reports of the Directors, Auditors and the Financial Statements of the Company for the year ended December 31, 2009.
2.	*in favour of against	the Resolution to re-elect Mr. William Ekroo Inkumsah as a Director of the company.
3.	*in favour of against	the Resolution to re-elect Mr. Kwadwo Kwarteng as a Director of the company.
4.	*in favour of against	the Resolution to fix the remuneration of the Directors.
5.	*in favour of against	the Resolution to authorise the Directors to fix the remuneration of the Auditors for the ensuing year.

Special Business

1.	*in favour of against	the Resolution to approve the conversion into equity of a loan amount of US$10.0 million (Ten Million United States Dollars) granted the company by the Ghana Cocoa Board.
2.	*in favour of against	the Resolution to authorize the Directors to raise an additional amount of US$10.0 million (Ten Million United States Dollars) by a private placement to finance expansion and to issue sufficient shares as required out of the outstanding and unissued shares of the company to cover the private placement.

On any other business transacted at the meeting and unless otherwise instructed in paragraphs 1 to 5 under Ordinary Business AND 1 and 2 under Special Business above, the resolutions to which reference is made in those paragraphs, the proxy will vote as he/she thinks fit.

* **Strike out whichever is not desired**

_____

Signature of Shareholder

Signed this ……. day of …….. 2010.

THIS PROXY FORM SHOULD NOT BE COMPLETED AND SENT TO THE REGISTERED OFFICE IF THE MEMBER WILL BE ATTENDING THE MEETING.

1. A member (Shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by proxy. The 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 so wish, you may insert in the blank space 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.

3. In case of joint holders, each joint holder must sign.

4. If executed by a Corporation, the Proxy Form must 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 4.00 p.m. on Tuesday August 3, 2010.

6. The Proxy must produce the Admission Card with the Notice of the Meeting to obtain entrance to the meeting.

Aluworks Limited

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