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PRESS RELEASE

PR. No 361/2019

ALUWORKS LIMITED (ALW)
ANNUAL GENERAL MEETING

ALW announces for the information of the general investing public that, the Company's 32nd Annual General Meeting will be held at the **Rotary Club House Conference Centre in Tema Community 5 (near Chopsticks Restaurant)** on **Thursday, November 7, 2019** at **10 am**.

Issued at Accra, this 17th
day of October, 2019.

- E N D –

Distribution:
1. All LDMs
2. General Public
3. Company Secretary, ALW
4. UMB Registrars, (Registrars for ALW shares)
5. Custodians
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ALUWORKS LIMITED

ANNUAL REPORT

AND

FINANCIAL STATEMENTS

31ST DECEMBER 2018

ALUWORKS LIMITED

CONTENTS.

ALUWORKS LIMITED

NOTICE OF MEETING

NOTICE is hereby given that the 32nd Annual General Meeting of the Shareholders of Aluworks Limited will be held at the Rotary Club House Conference Centre in Tema Community 5 (near Chopsticks Restaurant) on **Thursday November 7, 2019** at 10 O'clock in the forenoon to transact the following ordinary business:

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, 2018.
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.

Dated this 8th day of October, 2019

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 Universal Merchant Bank Limited, 123 Kwame Nkrumah Avenue, Sethi Plaza, Adabraka, Accra, P. O. Box GP401, 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	Professor Lade Wosornu - *Ag. Chairman* Togbe Afede XIV Kingsley Ofosu Obeng Agnivesh Agarwal Alhassan Mutaka Alolo Ernest Kwasi Okoh - *Managing* Professor Yaw Adu Gyamfi Kofi Duodu Fynn Seth Adjei - *Resigned 31st Aug 2019*
SECRETARY	Accra Nominees Limited 13 Samora Machel Road Asylum Down P. O. Box GP 242 Accra
REGISTRARS	Universal Merchant Bank Limited, 123 Kwame Nkrumah Avenue Sethi Plaza Adabraka, Accra
SOLICITORS	E. K. Jones Mensah & Associates Alpha Law Chambers Community 1 P. O. Box 1382 Tema.
PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE	Plot No. 63/1, Heavy Industrial Area P. O. Box CO 914 Tema
AUDITORS	KPMG Chartered Accountants 13 Yiyiwa Drive P. O. Box 242 Accra
BANKERS	Ecobank Ghana Limited Societé Generale Limited

PROFILES OF BOARD OF DIRECTORS

Professor Lade Wosornu

Member – Ghanaian

Togbe Afede XIV

Member – Ghanaian

Prof Yaw Adu-Gyamfi

Member Ghanaian

Mr. Agnivesh Agarwal

Member – Indian

Mr. Kingsley Okoe Ofosu Obeng

Member – Ghanaian

Dr. Mutaka Alolo

Member – Ghanaian

Mr. Kofi Duodu Fynn

Member - Ghanaian

Mr. Kwasi Okoh

Member - Ghanaian

PROFILES OF BOARD OF DIRECTORS

Professor Lade Wosornu

Elected Fellow of the Ghana Academy of Arts and Science Professor Wosornu also has MD (Glasgow); FRCS (Edin); FRCS (Eng); FGCS; and MB (Hons). He is an alumnus of PRESEC, St. Augustine's and Glasgow University. He won, among other prizes, the gold medal as the year's most distinguished graduate. After working in Glasgow, London and the Ghana Medical School, he moved to Universities in Zambia and Dammam, Saudi Arabia, as professor in Surgery.

Years later, his professional focus became Accreditation and Quality Management in Higher Education. He retired in 2014. Representing minority shareholders on the Board, Prof Wosornu brings loyalty to and passion for ALUWORKS. He is one the first shareholder since 1985. His investment mantra is I*n God and ALUWORKS we trust*. He expects the good times of ALUWORKS shall return, with the work place supportive, customer satisfaction high, and dividend payments adequate. Ladé Wosornu is a Poet, being the author of *Desert Rivers, The Master Brewer, Journey Without End,* etc. From 2006 to date, he writes weekly columns (Saturdays) in The Ghanaian Times on *Health & Wellness Issues*. He is a member Boards of Directors, Agave Rural Bank, Dabala; Chairman, Board of Governors, DASTECH, Dabala; Chairman of Council, Charis College of Health Sciences, Sogakope, the Volta Region

Togbe Afede XIV

He is the Agbogbomefia of Asogli State, President of the National House of Chiefs, and a member of the Council of State. He is an investment banker and the founder and CEO of SAS Finance Group. He holds an MBA (Finance) Degree from the Yale School of Management, USA. He is Chairman of National Investment Bank Ltd, Accra Hearts of Oak SC Ltd and Africa World Airlines Ltd. He also serves on the boards of Pioneer Kitchenware Ltd, Sunon-Asogli Power (Ghana) Ltd, the World Trade Centre Accra and Ensign College of Public Health, amongst others.

Prof Yaw Adu-Gyamfi

He Graduated from the University of Ghana Medical School, now School of Medicine and Dentistry, in 1969, with Bachelor of Medicine and Surgery degrees. He studied for his post graduate fellowship in Anaesthesia and Critical Care at Kings College Hospital and Medical School, Demark Hill, London, and obtained his postgraduate fellowship in Anaesthesiology (FFARCS/FRCA) in February, 1974. He holds a Fellowship of the West African College of Surgeons (FWACS) and is a foundation Fellow of the Ghana College of Physicians and Surgeons (FGCP&S).

He is former head of Department Anaesthesiology and Critical Care, University of Ghana Medical School. He taught at the College of Medicine and Medical Sciences, King Faisal University, Dammam, Saudi Arabia. He is currently a Part-time Consultant and Professor in Anaesthesiology and Critical Care at his Alma Mater and the Chairman of the National Health Insurance Authority. Dr Adu-Gyamfi joined the Board in January 2018.

Mr Agnivesh Agarwal

Mr. Agarwal holds a Bachelor Degree in Commerce from University of Mumbai. He has a rich knowledge of business operations and extensive experience in efficiently managing large projects, business restructuring and strategies. He is Non-Executive Chairman of Hindustan Zinc Limited, world's second largest zinc producer and is widely recognised for his role in shaping the zinc mining sector in India. He has been instrumental in establishing Hindustan Zinc as one of the leading and most admired zinc-lead-silver producer in the world having taken on the challenge of transforming traditional mining practices in India, with strong focus on safety, technology, innovation, process reengineering and expansion of scale with strong emphasis on quality management and benchmarking with international standards.

He was a Whole-Time Director for Madras Aluminium Company Ltd. between 1995 and 2013; a Non-Executive Director of Sterlite Energy Ltd. since 2009; Director of Tengpani Tea Company Ltd.; Twin Star International Ltd.; Sterlite Infrastructure Private Limited; Sterlite Infrastructure Holdinsa Pvt Ltd; Sterlite Iron & Steel Co. Ltd; Primex Healthcare & Research Pvt. Ltd; and has been the Chairman & Managing Director for Fujairah Gold whom since its inception in 2009 he represents on the Aluworks Limited Board.

Mr Kingsley Okoe Ofosu Obeng

He is a Chartered Certified Accountant with a wide range of experience across diverse industrial business sectors. Since 2007 he has been an Investment Analyst at Social Security and National Insurance Trust (SSNIT) which he joined in September 1998 as a Compliance Officer. Mr Obeng is a product of the University of Ghana where he majored in Statistics. He represents SSNIT on the Aluworks Board.

Dr. Mutaka Alolo

He is a renowned and well-respected professional. He is the founder of the Institute of Energy and Climate Change Policy Initiative (IECP); a think-thank that, inter-alia, provides opportunities for the youth to shape energy-managing partner of IGroup Ghana, which comprises iRisk Management Limited (an insurance brokerage) and iTechnologies as its subsidiaries. In addition to these, Dr. Alolo provides advisory services, engaging in critical discourses on investments, energy and climate change, at the international level. Dr. Alolo was also a lecturer on securities and portfolio investment analysis at the University of Professional Studies, Accra.

He is currently a Technical Economic Advisor at the Presidency, Vice Presidents Secretariat. He holds a PhD in Finance and MSc in Financial Management both from University of Hull and Bachelor’s degree in Information Studies from the University of Ghana. Dr Mutaka Alolo represents SSNIT on the Aluworks Board which he joined on 24th May 2017.

Mr. Kofi Duodu Fynn

Mr. Kofi Duodu Fynn is a Co-Founder and Chief Executive of Petra Trust Company Limited, a premier trust company in Ghana. He is an asset management executive with excellent understanding of investment organisations, their structures, processes, operations and the regulatory environments in which they operate. He was trained in the Harvard Business School, the Massachusetts Institute of Technology and begun his higher education in Achimota School. He gained his experience working with several Financial, Asset and Portfolio Management companies is the US. He is an astute investor, having built experience managing assets in both the global and African context. He has advised clients who have included central banks, regulatory agencies, pension funds and international agencies in several different countries. He joined the Aluworks Board in March 2018 as a representative of SSNIT.

Mr. Kwasi Okoh

He was appointed Managing Director in November 2008. He is a Chartered Accountant, with an MBA from the University of Strathclyde in Glasgow Scotland. He has held many company directorships both in Ghana and abroad and currently serves on the Boards of MS Research International Limited, Expandable Polystyrene Products and Trading Ltd., WT-2 Company Limited

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 was as at Balance Sheet date made up of nine (9) members of whom eight (8) were 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. Seth Adjei, who was the Chairman (and will now be replaced), Togbe Afede XIV, and Mr. Kingsley Obeng. 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,
- To develop and maintain effective systems of internal control, and
- To monitor compliance with risk management policies and procedures.

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 three (3) Non Executive Directors. The Chairman of the committee is Professor Lade Wosornu, and the other members are: Dr. Mutaka Alolo, and Professor Yaw Adu-Gyamfi.

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.

CHAIRMAN'S STATEMENT

Ladies and gentlemen,

I welcome you all to our thirty second Annual General Meeting.

I am sure you must be wondering why I am on my feet instead of the regular Chairman. You will have noted from your copy of the AGM booklet posted on the internet as usual and from the physical booklets handed to you today that against the name of Mr. Eng. Seth Adjei there is the phrase "resigned on 31st August 2019".

Mr. Seth Adjei served the company for five years as a Member and Chairman of the Board of Directors. He led the company through a very difficult period which included a strong effort to introduce and install a strategic investor into the business to help us with expertise, know-how, and technical guidance to place us in a position for a profitable future. Unfortunately his hard work has been dashed by unfortunate circumstances which proved too much for him to countenance and he therefore requested to step down. The Board has accepted his resignation with regret. The Board will miss his strength of mind and his determination to make the case for the company against all odds. He tried very hard. But he has now decided that he has spent enough of his energies and must pass on the baton. The Board is very grateful to him. We wish you all to join us, the Board and Management to wish him well into the future and ask for God's Blessings on all of his future endeavours. For the time being I am standing in as the acting Chairman until a suitable adjustment is made by the Board in due course.

So now it is my duty to welcome you all to this AGM and to present to you the annual report of our company for the year 2018.

As is usual we will discuss the situation in 2018, our performance, and what has happened to date in 2019 in the face of the challenges we continue to face. Needless to say it has proven a very difficult period which started with a lot of promise and optimism.

<u>Political and Economic Environment</u>

The New Patriotic Party (NPP) Government is slightly past the midway of its first term. Despite an acrimonious party political landscape, with tensions between the National Patriotic Party (NPP) and the largest opposition party the National Democratic Congress (NDC), political stability has remained assured and is expected to endure.

At the outset, the NPP Government aimed to couple the expansion of the resources sector with an aggressive industrial policy, an overhaul of the agricultural sector, and improved access to financial services to ensure greater economic diversification and value addition. While it has enjoyed some success, the programmes have been hampered by structural weaknesses and regional imbalances within the country. Good potential continues to exist for this industrialization push and with the moves to strengthen the banking sector, should eventually yield enhanced non-oil economic growth.

Unfortunately credit continues to remain relatively scarce. Free cash flow has dried up somewhat as a result and the general levels of business are low in all sectors of the economy. Therefore there has been rather slow progress on job creation.

A Special Public Prosecutor was appointed early in 2018 with the remit of reducing graft; nevertheless corruption in the public sector has remained endemic and is a cause for concern.

Rising Oil and Gas production continues to be a strong factor that will support real GDP growth going forward provided the prices of fossil fuels do not collapse again.

Interest rates have remained high despite Bank of Ghana reducing its policy rate from 20% at the beginning of 2018, and 17% during much of 2018, to 16% at the beginning of 2019. The commercial banks however still charge averagely about 23% to 26% per annum, keeping credit expensive.

Inflation generally trended downwards in 2018 and dropped into single digits. It had dropped to 9.8% by September 2018, down from 11.8% in December 2017.The outlook is for a maintenance of this level given a weakening currency and strong growth in private consumption.

The year 2018 saw heightened exchange rate pressures mainly due to the impact of increasing US treasury rates. The US Fed fund rate increased from 1.50% in January 2018 to 2.25% in September 2018, and in the process, attracted funds from other markets including Ghana. This effectively reduced the supply of forex to Ghana and resulted in repatriation of forex out of the economy, leading to exchange rate pressures. Hence the Ghana Cedi remained prone to periods of volatility, given the ongoing domestic weakness of a high dependence on commodity prices. It recorded a higher depreciation of 7.6% in the year to September 2018 compared to a 4% depreciation over the same period in 2017. The cedi averaged GH₵ 4.59 to the dollar during 2018, is currently around GH₵ 5.30 to the dollar and is expected to steadily weaken to GH₵ 6.50 to the dollar by 2023.

In summary, given that a significant amount of growth for 2019 is expected to come from the nonoil sector, Government has to make good its promise of massive infrastructural investments. Moreover, it will require a significant improvement in credit conditions (in order to ramp up liquidity in the economy) to boost consumption and investments, thus to create further jobs.

Operations

During 2018 the poor supply of raw material by VALCO continued to our detriment. In the year we received a total of 2,586 tonnes for the whole year from VALCO (33% of the planned supply). Luckily, in addition, our prospective investor Caitlyn Limited sold an additional 1,003 tonnes to us on preferential terms, whilst we purchased some 150 tonnes off the local secondary market.

This shortfall created a supply gap and led to our market being seriously infested with increased imports of cheap aluminium and also Aluzinc, such that we lost a good number of our customers whom we had disappointed during the period of low raw material supplies by VALCO.

During the year we produced 3,841 tonnes (53 % of planned production) compared to 5,825 tonnes (i.e. a 34% drop) in 2017. We sold 3,794 tonnes in the year (budget 7,200 tonnes) compared with 5,780 tonnes (i.e. a 34% drop) in the previous year.

It was struggle to hold our prices against those of the cheap imported supply, and therefore the lower volume achieved, meant in turn a lower turnover for the year. In 2018 turnover reduced compared with 2017 by 26%. In 2018 sales amounted to GH₵62.5 million compared with GH₵ 84.5 million in 2017. In the end we were overwhelmed in our struggle to maintain prices. In 2017 we managed to make a gross margin of 2% but recorded a negative 9% in 2018 despite all our efforts.

This does not augur well for the future of the company and therefore we have been working hard with the Ghana International Trade Commission to expedite the imposition of countervailing measures on the unfairly priced aluminium from the China. Until that is resolved which will allow us make good margins again the Company will continue to suffer low margins.

Due to the low sales and poor margins, the company made a loss at operational level. After charging interest costs of GH₵16.6 million (i.e. 27% of turnover) and exchange losses on our foreign exchange denominated accounts of GH₵2 million (i.e. 3% of turnover), a net loss of GH₵ 33.1 million was recorded for the year end compared with the loss in 2017 of GH₵ 23.9 million.

As a result your Directors are unable to recommend a dividend for the year as the retained earnings account continues to be in deficit.

Outlook for 2019 and beyond

As you were informed at the last Annual General Meeting, we received a formal request in August 2018 from our proposed strategic Investor Caitlyn Limited to purchase as many of our shares to a level that would make them majority shareholders thus to clear the way for their new investment.

The offer was accepted by your board and work begun to close the process.
Caitlyn Limited had asked for an assurance from the current majority shareholder (SSNIT) that they would not disinvest from Aluworks Limited with the arrival of Caitlyn Limited as the new majority shareholder. We were quite clear that it would be a long drawn out process, in view of which in February 2018 the company had approached SSNIT for interim financing to tide the company over until the new investors could complete their investment process.

Discussions around this went on for the whole year, and were concluded on 31st December 2018. The agreement involved (i) SSNIT paying off a majority of the Aluworks Debt to VALCO so that during 2019 and after VALCO would give Aluworks full supply of raw materials; (ii) SSNIT would give Aluworks an investment in working capital to ensure the new supply of raw material could be efficiently worked; (iii) SSNIT would restructure to much more beneficial terms, the balance of the debt owed them by Aluworks for the second Cold Mill, after the initial payment by Caitlyn for Aluworks shares had been used to reduce the existing level.

All of this was buttressed by the sale of Aluworks Land to SSNIT (ostensibly as collateral).

The outstanding matter for the Caitlyn process was that of the request by Caitlyn Limited for the SSNIT assurance. After much deliberation, the SSNIT board finally agreed to the proposal on the 18th of April 2019, signalling the commencement of the final stages of the process.
Unfortunately on the 8th of May 2019, the SSNIT Board rescinded its decision to allow Caitlyn to purchase the required share preferring to hold 52% of the shares themselves.
After that occurrence the project has completely stalled and is on hold.

The Board is still hopeful that between SSNIT and Caitlyn Limited some compromise can be reached and we are working towards getting the two parties to meet and work things out. So at this stage we cannot say for sure how the project will be concluded, save to say that we are doing our utmost to make it happen as we sincerely need to have the strategic investors on board if we are to have a bright future.

Conclusion
The Board has a job to do. The first is to try to salvage the Caitlyn deal which we hope we will be able to do. If not then we will need to seek for a new investor altogether that will be ready and able to accede to such preconditions as laid out from this current process. This will be our priority as we certainly need new investment especially to be able to expand our product range to remain relevant on the Ghana and West African market.

I have to thank my colleague Directors on the Board and management for withstanding great difficulties and of course the staff for being unswerving despite the odds. In particular I have to again thank Mr. Seth Adjei for his service to the company over the last five years, and to wish him well.

Finally I thank you our shareholders to your patience, and forbearance, and support. We pray that we are able to overcome these challenges as soon as we can and embark on a new journey to restore and to grow this company once again.

Thank you

Professor Lade Wosornu
Interim Chairman

QUALITY ASSURANCE POLICY

Aluworks Limited’s quality policy is to achieve sustained, profitable growth by providing good quality aluminium cold rolled products which consistently satisfy the needs and expectations of its customers.

This level of quality is achieved through adoption of systems of procedures that reflect the competence of the Company to existing customers, potential customers, all relevant authorities and assure full conformance to specifications and approved standards.

Achievement of this policy involves all staff, who are individually responsible for the quality of their work, resulting in a continually improving working environment for all, and in particular to conformance in all aspects to ISO 9001 requirements.

This policy is provided and explained to each employee by the Managing Director and the Management Representative.

To achieve and maintain the required level of assurance the Managing Director retains responsibility for the Quality System with routine operation controlled by the Management Representative.

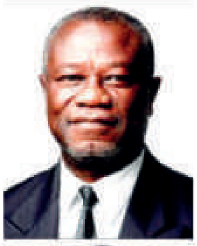
The objectives of the Quality Assurance System are:

a. To endeavour, at all times, to maximize customer satisfaction with the products of Aluworks Limited, including as customer service, technical support whenever necessary, continual assessment and evaluation of customer’s needs.
b. To achieve and maintain a level of quality which enhances the Company's reputation with customers. The Aluworks Technology, AA and STM standards will be used as a guide in production and testing activities.
c. To maintain an effective Quality Assurance System complying with International Standard ISO 9001 (Quality Systems).
d. Employees will be trained and involved in continual improvement of the quality Management System, in a bid to attain total customer satisfaction.
e. To ensure compliance with relevant statutory and safety requirements.

The company‘s has continued to maintain its high level of quality processing and production through the utilisation of continuous improvement techniques. As a result and after thorough testing the company’s quality rating has on been upgraded to the more onerous ISO 9001-2015 (accredited by UKAS and examined by SGS).

The Aluworks Executive Management Committee

All Ghanaian



E. Kwasi Okoh
Managing Director

Ruthven David Adzogble
Chief Operating Officer

Richard Kwame Dzontoh
Chief Finance Officer

Samuel Asiedu Asare
General Manager
Sales and Marketing

Wallace Dankwah
Senior Manager
Personnel and Administration

Chris Opare – Larbi
General Sales Manager

Paul Adafia
General Technical and Production Manager

ALUWORKS LIMITED

FIVE YEAR FINANCIAL HIGHLIGHTS

						Reporting Year	
Year		2014	2015	2016	2017	2018	Change
RESULTS							%
Turnover	(Gh¢'000)	76,845	78,665	69,470	84,470	**62,495**	**(26.0)**
Gross Profit	**(Gh¢'000)**	11,510	9,438	8,253	1,631	**(5,780)**	**(454.4)**
General & Admin Expenses	(Gh¢'000)	(6,980)	(7,140)	(9,875)	(6,770)	**(8,839)**	**(30.6)**
Profit bef Interest. Tax & Exch Loss	**(Gh¢'000)**	4,666	2,524	(1,622)	5,139	**(14,619)**	**384.5**
Interest Expense	(Gh¢'000)	(3,339)	(14,082)	(16,367)	(17,146)	**(16,587)**	**3.3**
Profit bef Tax and Exchange Loss	**(Gh¢'000)**	1,327	(11,558)	(17,989)	(22,285)	**(31,206)**	**(40.0)**
Exchange Losses	(Gh¢'000)	(6,309)	(2,673)	(1,599)	(1,592)	**(1,956)**	**(22.9)**
Profit/(Loss) before tax	**(Gh¢'000)**	(4,982)	(14,231)	(19,314)	(23,877)	**(33,162)**	**(38.9)**
Taxation	(Gh¢'000)	582	(579)	46,897			
Profit/(Loss) after tax	**(Gh¢'000)**	(4,400)	(14,810)	27,583	(23,877)	**(33,162)**	**38.9**
PERFORMANCE RATIOS		2014	2015	2016	2017	**2018**	
Gross Margin/Turnover		15.0%	12.0%	11.9%	1.9%	**-9.2%**	
PBIT&Exch Loss/Turnover		6.1%	3.2%	-2.3%	6.1%	**-23.4%**	
PBT&Exch Loss/Turnover		1.7%	-14.7%	-25.9%	-26.4%	**-49.9%**	
Net Margin/Turnover		-5.7%	-18.8%	39.7%	-28.3%	**-53.1%**	
Return on Equity		-7.1%	-31.3%	36.5%	-46.1%	**-53.6%**	
Current Ratio		0.62	0.45	0.44	0.39	**0.22**	
BALANCE SHEET RATIOS		2014	2015	2016	2017	**2018**	
Basic Earnings per share	(GH ¢)	(0.0186)	(0.0626)	(0.0816)	(0.1009)	**(0.1401)**	**38.9**
Dividend per share	(GH ¢)	0.0000	0.0000	0.0000	0.0000	**0.0000**	**-**
Shareholders' equity	(Gh ¢'000)	62,191	47,357	75,639	51,762	**61,875**	**19.5**
Net Assets per share	(GH ¢)	0.2628	0.2001	0.3196	0.2187	**0.2614**	**19.5**
Number of shares	('000's)	236,687	236,687	236,687	236,687	**236,687**	**0.0**
Fixed assets	(Gh ¢'000)	120,470	113,254	177,778	174,040	**213,350**	**22.6**

REPORT OF THE DIRECTORS
TO THE MEMBERS OF ALUWORKS LIMITED

The Directors present their report and the financial statements of Aluworks Limited ("the Company") for the year ended 31 December 2018.

DIRECTORS' RESPONSIBILITY STATEMENT

The Company's Directors are responsible for the preparation of financial statements that give a true and fair view of the Company, comprising the statement of financial position at 31 December 2018, statements of profit or loss and other comprehensive income, of changes in equity and 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 and in the manner required by the Companies Act, 1963 (Act 179). In addition, the directors are responsible for the preparation of the directors' report.

The Directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the Company's ability to continue as a going concern (refer to going concern consideration below).

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Five year financial highlights

Company	**2018 GHS'000**	**2017 GHS'000**	**2016 GHS'000**	**2015 GHS'000**	**2014 GHS'000**
Revenue	62,495	84,470	69,470	78,665	76,845
(Loss) before tax	(33,162)	(23,877)	(19,314)	(14,231)	(4,982)
(Loss) after tax	(33,162)	(23,877)	(19,314)	(14,810)	(4,400)
Basic and diluted earnings per share (GHS per share)	(0.1401) (0.1174)	(0.1009) (0.0846)	(0.0816) (0.0684)	(0.0626) (0.0524)	(0.0186) (0.0156)

FINANCIAL STATEMENTS AND DIVIDEND

The results for the year are summarised as follows:	**2018 GHS'000**	**2017 GHS'000**
Loss for the year after taxation	(33,162)	(23,877)
Adjustment on initial application of IFRS 9	(543)	-
Remeasurement of defined benefit liability	55	-
which when added to the brought forward balance on retained earnings account of	(86,128)	(62,251)
leaves a balance to be carried forward on the retained earnings account of	(119,778)	(86,128)

The Directors consider the state of affairs of the Company to be satisfactory. The directors do not recommend the payment of dividend for the year ended 31 December 2018 (2017: Nil).

GOING CONCERN and subsequent events

The Company incurred a net loss for the year ended 31 December 2018 of GHS 33,162,000 (2017: GHS 23,877,000) and as of that date its current liabilities exceeded its current assets by GHS 60,293,000 (2017: GHS 32,978,000). The Company continues to incur losses on its operations.

The directors assess that the immediate concern is to clear the VALCO debt and restore business volumes:

The directors of the Company had an arrangement with the Social Security and National Insurance Trust (SSNIT) to pay its debt with VALCO at the end of 2018. This was to foster the uninterrupted supply of raw materials to increase volume of production especially in 2019. This is believed to increase production volumes and sales for the year 2019.

The company continues to experience the negative effect of the high interest charges on SSNIT loan which has significantly contributed to the company's losses over the years. The Company is in discussions with SSNIT to restructure the loan and provide the Company with a revised repayment plan.

The Company has over the last six years been in negotiation with another shareholder Caitlyn Limited who wished to make the necessary financial intervention in exchange for an issue of new share. All arrangements for completion of this project are in place. The investor/shareholder has decided to seek control over the company by attaining 50%+ shareholding through purchasing sufficient new shares to achieve the objective. The investor (Caitlyn) will provide leadership in technology, processes and introduce new products. The process of takeover is at its final stage following the completion of due diligence exercise in June 2019. The financial intervention by Caitlyn is dependent on SSNIT retaining an interest in the Company.

The Directors acknowledges that the Company's ability to continue to continue as a going concern is dependent on the successful restructuring of the SSNIT loan and the financial intervention by Caitlyn. This condition give rise to a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and, therefore that it may be unable to realise its assets at their recognised values and discharge its liabilities in the normal course of business.

Accordingly, the financial statements are prepared on the basis of accounting policies applicable to going concern. This basis presumes that cash flows arising from the normal course of business will be available to finance future operations of the Company and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

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.

Holding company

Refer to the appendix for information on the Company's shareholders.

Objectives of the Company

The purpose of the Company is to manufacture and market quality aluminium products to its customers responsibly, and profitably and in an innovative way.

Related party transactions

Information regarding directors' interests in ordinary shares of the Company and remuneration is disclosed in the notes to the financial statements. No director has any other interest in any shares or loan stock of the Company. Other than service contracts, no director had a material interest in any contract to which the Company was a party during the year.

Audit Committee

The Audit Committee has responsibility delegated from the board of directors for making recommendations on the appointment, reappointment, removal and remuneration of the external auditor. KPMG has been the auditor of Aluworks Limited for 12 years. KPMG does not provide non-audit services to the Company. The principal responsibilities of the Committee include reviewing financial reports, internal audit reports, management letters and other information it requests to be tabled.

Board of Directors

Profile

Non-executive	**Qualification**	**Outside board and management position**
Seth Adjei	Fellow, Ghana Institution of Engineers	Council Member, Energy Foundation; Director, City Parks Limited
Togbe Afede XIV	Bsc., MBA Finance	CEO, SAS Finance Group; Chairman, Board of National Investment Bank, Accra Hearts of Oak; Board Member, Pioneer Kitchenware Limited, Sunon-Asogli Power (Ghana) Ltd, World Trade Centre (Accra), Principal Founder, Africa World Airlines.
Professor Lade Wosornu	MD,FRCSEdin,FRCSEng, FGCPS,MB (Hons), Bsc.	Columnist, Ghanaian Times
Kingsley Ofosu Obeng	Bsc., FCCA	Investment Analyst, SSNIT
Agnivesh Agarwal	Bsc in Commerce	Non-Executive Chairman, Hindustan Zinc Ltd; Managing Director, Fujairah Gold
Dr. Alhassan Mutaka Alolo	PhD	Managing Partner at iGroup, Inc
Professor Yaw Adu-Gyamfi	MD, FFARCS, FRCA, FWACS, FGCP&S	Consultant and Professor of Anaesthesiology and Critical Care
Kofi Duodu Fynn	MD, MBA	Managing Director of Petra Trust Company Ltd.

Executive	**Qualification**	**Outside board and management position**
Ernest Kwasi Okoh	Bsc., MBA, ICA (Ghana)	Board Member, MS Research International,Expandable Polystyrene products and Trading Ltd, WT-2 Company Ltd;

Biographical information of directors

Age category	Number of directors
Up to – 40 years	**1**
41 – 60 years	**4**
Above 60 years	**4**

Role of the Board

The directors are responsible for the long term success of the Company, determine the strategic direction of the Company and review operating, financial and risk performance. There is a formal schedule of matters reserved for the board of directors, including approval of the Company's annual business plan, strategy, acquisitions, disposals and capital expenditure projects above certain thresholds, all guarantees, treasury policies, the financial statements, the Company's dividend policy, transactions involving the issue or purchase of Company shares, borrowing powers, appointments to the Board, alterations to the memorandum and articles of association, legal actions brought by or against the Company, and the scope of delegations to Board committees, subsidiary boards and the management committee.

Internal control systems

The directors have overall responsibility for the Company's internal control systems and annually review their effectiveness, including a review of financial, operational, compliance and risk management controls. The implementation and maintenance of the risk management and internal control systems are the responsibility of the executive directors and other senior management. The systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against material misstatement or loss. The directors have reviewed the effectiveness of the internal control systems, including controls related to financial, operational and reputational risks identified by the Company as at the reporting date and no significant failings or weaknesses were identified during this review.

Directors' performance evaluation

There is currently no yearly evaluation process for Board Members, However, members of the board undergo series of training programmes upon appointment. Overall, it was noted that the board of directors and its committees were operating in an effective manner and performing satisfactorily, with no major issues identified.

Professional development and training

On appointment to the Board, directors are provided with a full, formal and tailored programme of induction, to familiarise them with the Company's business, the risks and strategic challenges it faces, and the economic, competitive, legal and regulatory environment in which the Company operates. A programme of strategic and other reviews, together with the other training provided as and when required, ensures that directors continually update their skills, their knowledge and familiarity with the Company's businesses, and their awareness of sector, risk, regulatory, legal, financial and other developments to enable them to fulfil effectively their role on the Board and committees of the Board.

Conflicts of interest

The Company has established appropriate conflicts authorisation procedures, whereby actual or potential conflicts are regularly reviewed and authorisations sought as appropriate. During the year, no such conflicts arose and no such authorisations were sought.

Board balance and independence

The composition of the board of directors and its Committees is regularly reviewed to ensure that the balance and mix of skills, independence, knowledge and experience is maintained. The Board considers that the Chairman is independent on appointment and all non-Executive Directors are independent as it pertains to the management of the Company. The continuing independent and objective judgement of the non-Executive Directors has been confirmed by the Board of Directors.

The code of ethics is available for all board members and staff of the Company upon employment. All board members are required to comply with the requirements of the provision under the Companies Act, Act 179. There are no exceptions to the adherence of the requirement of the code.

Directors Remuneration

Directors' remunerations are determined upon appointment. There are no variations to the remuneration given to directors. No additional allowances except sitting allowances are paid to members of the board during meetings.

APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the Company as identified above were approved by the Board of Directors on

13 September 2019, and signed on their behalf by:

DIRECTOR

DIRECTOR

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ALUWORKS LIMITED

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Aluworks Limited ("the Company"), which comprise the statement of financial position as at 31 December 2018, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements which include a summary of significant accounting policies and other explanatory information as set out on pages 31 to 71.

We do not express an opinion on the financial statements of the Company. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

The Company has been reporting losses for the past five years from its operations. Note 30 to the financial statements indicates that the Company incurred a net loss for the year ended 31 December 2018 of GHS 33,162,000 and as of that date its current liabilities exceeded its current assets by GHS 60,293,000.

As indicated in Note 30, the Company is in discussions with the majority shareholder, Social Security and National Insurance Trust (SSNIT) to restructure the loan (both principal and interest portion) and provide the Company with a revised loan repayment plan. The purpose of this is to reduce the high interest burden which has contributed to the Company's losses over the years.

In addition, the Company has over the last six years been in negotiations with another shareholder, Caitlyn Limited (Caitlyn), to make financial intervention in exchange for an issue of new shares to seek control over the Company by obtaining a 50%+ shareholding. The Company is in discussions with SSNIT and Caitlyn over the modalities of the takeover in line with regulations governing takeovers in Ghana.

These conditions indicate material uncertainties which cast significant doubt on the entity's ability to continue as a going concern.

Management has not provided documentation or evidence to support the progress of the restructuring arrangement with SSNIT as well as the takeover discussions with SSNIT and Caitlyn. Consequently we are unable to confirm or dispel whether the use of the going concern assumption in the preparation of the financial statements is appropriate.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revaluation of Property Plant and Equipment *(GHS* 213,229,881 **)**	
The key audit matter	*How the matter was addressed in our audit*
The Company revalued its property, plant and equipment during the year. The valuation involves judgments and complex computations. The presentation of a strong asset base to attract potential investors may be the driving focus of the Company thereby influencing the valuation results. In addition, there is the risk that the useful economic lives assigned to the revalued assets are inappropriate.	Our principal audit procedures included the following: • Evaluated the design and testing the Company's controls over property, plant and equipment including controls over acquisition and disposal of property, plant and equipment and reconciliations between financial information in accounting system and the general ledger • Challenged the key assumptions applied by management to value property, plant and equipment by comparing parameters to verifiable market data as well as our understanding of the industry. • Re-computed the surplus on revaluation to assess compliance with International Financial Reporting Standards. We also tested the accuracy of the underlying data used for the valuation of assets • Evaluated the appropriateness of useful lives of assets by considering our knowledge of the business and practice in the industry. We also tested whether approved asset life changes were appropriately applied prospectively • Physically verified assets of the company including new assets purchased during the year. Assets verified were tested for indicators of impairment. Tested management's assessment of impairment during the year and checked for reasonableness of the assessment • Re-computed depreciation charge for the year over the useful lives for each category of assets • Assessed the adequacy of the Company's disclosures of property, plant and equipment policy, the degree of estimation involved in arriving at the useful life of the assets, and other related disclosures.

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

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* section of our report:

- we have not obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit; and
- we cannot opine on whether proper books of account have been kept, and whether the statements of financial position and comprehensive income are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditor's report is **Frederick Nyan Dennis (ICAG/P/1426)**

Kpmg

....

For and on behalf of:
KPMG: (ICAG/F/2019/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

13 September, 2019.

ALUWORKS LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

		2018 GHS'000	2017 GHS'000
ASSETS			
Property, plant and equipment	7	213,230	173,920
Investment securities	8	120	120
Non-current assets		213,350	174,040
Inventories	11	13,149	16,580
Current tax asset	9(ii)	1,401	1,343
Trade and other receivables	12	1,973	2,314
Cash and cash equivalents	13.a	260	861
Current assets		16,783	21,098
Total assets		230,133	195,138
EQUITY AND LIABILITIES			
Stated capital	17	31,650	31,650
Retained earnings		(119,778)	(86,128)
Other reserves		980	980
Revaluation surplus		160,833	105,260
Total equity		73,685	51,762
Medium-term loans	15	51,774	52,121
Employee benefits	16	4,524	2,295
Deferred tax liabilities	10	23,074	34,884
Total non-current liabilities		79,372	89,300
Bank overdrafts	14	1,892	5,374
Trade and other payables	19 a	22,887	31,476
Advance payment - Land	19 b	20,658	-
Short-term loans	15b	31,639	17,226
Current liabilities		77,076	54,076
Total liabilities		156,448	143,376
Total equity and liabilities		230,133	195,138

These financial statements were approved by the Board of Directors on 13 September 2019 and signed on its behalf by:

....

DIRECTOR **DIRECTOR**

The notes on pages 31 to 71 are an integral part of the financial statements.

ALUWORKS LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 GHS'000	2017 GHS'000
Revenue	20	62,495	84,470
Cost of sales		(68,275)	(82,839)
Gross profit		(5,780)	1,631
Other income	21	157	199
General and administrative expenses		(10,609)	(8,551)
Impairment charge of trade receivables		(343)	(10)
Results from operating activities before financing cost		**(16,575)**	**(6,731)**
Net finance cost	24	(16,587)	(17,146)
Loss before income tax		(33,162)	(23,877)
Income tax expense	9 (i)	-	-
Loss for the year		(33,162)	(23,877)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Revaluation of property, plant and equipment		43,763	-
Income tax on revaluation surplus		-	-
Remeasurement of defined benefit liabilities		55	-
Income tax		11,810	-
Other comprehensive income net of tax		55,628	-
Total comprehensive income for the year		22,466	(23,877)
Basic earnings per share (Ghana Cedis)	18	(0.1401)	(0.1009)
Diluted earnings per share (Ghana Cedis)	18	(0.1174)	(0.0846)

The notes on pages 31 to 71 are an integral part of the financial statements.

ALUWORKS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Stated Capital GHS'000	Share Deals GHS'000	Other Reserves GHS'000	Revaluation Surplus GHS'000	Retained Earnings GHS'000	Total Equity GHS'000
Balance at 1 January 2018	31,650	-	980	105,260	(86,128)	51,762
Adjustment on initial application of IFRS 9	-	-	-	-	(543)	(543)
Restated balance at 1 January 2018	31,650	-	980	105,260	(86,671)	51,219
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(33,162)	(33,162)
Surplus on revaluation, net of taxes	-	-	-	55,573	-	55,573
Remeasurement of defined benefit liability	-	-	-	-	55	55
	-	-	-	55,573	(33,107)	22,466
Balance at 31 December 2018	31,650	-	980	160,833	(119,778)	73,685
Balance at 1 January 2017	31,650	90	980	105,170	(62,251)	75,639
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(23,877)	(23,877)
Treasury stock matured	-	(90)	-	90	-	-
Balance at 31 December 2017	31,650	-	980	105,260	(86,128)	51,762

The notes on pages 31 to 71 are an integral part of the financial statements.

ALUWORKS LIMITED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 GHS'000	2017 GHS'000
Cash flows from operating activities			
Loss after tax		(33,162)	(23,877)
Adjustments for:			
Depreciation charges	7a	5,484	4,469
Profit on sale of property, plant and equipment	7b	(9)	-
Interest expense		16,587	17,146
Exchange loss		-	1,592
Tax expense	9	-	-
End of service benefit expense	16	1,550	1,703
Long service award expense		678	733
Impairment allowance		343	10
		(8,529)	1,776
Changes in:			
Trade and other receivables***	12	(195)	(165)
Inventories	11	3,431	2,410
Trade and other payables	19 a	(8,589)	6,112
Advance payment – Land	19 b	20,658	-
Cash from operating activities		**6,776**	**10,133**
End of service benefit paid	16	(292)	-
Long service benefit paid		-	(141)
Interest paid		(16,587)	(17,146)
Income tax paid	9	(58)	(90)
Net cash used in operating activities		**(10,161)**	**(7,244)**
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(1,032)	(731)
Proceeds from sale of property, plant and equipment	7b	9	-
Net cash used in investing activities		**(1,023)**	**(731)**
Cash flows from financing activities			
Loan proceeds	15	42,273	40,963
Loan repaid	15	(28,208)	(31,467)
Net cash from financing activities		**14,065**	**9,496**
Net increase in cash and cash equivalents		2,881	1,521
Analysis of changes in cash and cash equivalents during the year			
Cash and cash equivalents at 1 January		(4,513)	(6,145)
Net increase in cash and cash equivalents		2,881	1,521
Effect of exchange difference on cash and cash equivalents		-	111
Cash and cash equivalents at 31 December	**13**	**(1,632)**	**(4,513)**

** Changes in Trade and Other Receivables excludes impairment amount of GHS 343,000

The notes on pages 31 to 71 are an integral part of the financial statements..

ALUWORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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 4 of the annual report. The Company is authorised to carry on the business of continuous casting and cold rolling of aluminium products.

For Companies Act, 1963 (Act 179) reporting purposes, the balance sheet is represented by the statement of financial position and the profit and loss account by part of the statement of profit or loss and other comprehensive income, in these financial statements.
The Company is listed on the Ghana Stock Exchange.

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) and in the manner required by the Companies Act, 1963 (Act 179).

b Basis of measurement

They are prepared on the historical cost basis except for property, plant and equipment which are recognised at revalued amounts and trade and other receivables that are stated at fair values.

c Functional and presentation currency

The financial statements are presented in Ghana cedis (GHS) which is the Company's functional currency. All financial information presented in Ghana cedi has been rounded to the nearest thousand, unless otherwise indicated.

d Use of estimates and judgements

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. 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.

3 SIGNIFICANT ACCOUNTING POLICIES

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 25. 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) Recognition and Initial Measurement derecognition

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.
A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL (Fair Value Through Profit or Loss), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets - Policy applicable from 1 January 2018
On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI (Fair Value Through Other Comprehensive Income) - debt investment; FVOCI- equity investment; or FVTPL.
Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

  it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Instruments- Cont'd

ii. Classification and subsequent measurement- Cont'd

Financial assets - Business model assessment:
at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

" how the performance of the portfolio is evaluated and reported to the Company's management;

" the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

" how managers of the business are compensated- e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

" the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.
Financial assets -Assessment whether contractual cash flows are solely payments of principal and interest:
For the purposes of this assessment. 'principal' is defined as the fair -value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time -value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.
In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument.
This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual paramount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination} is treated as consistent with this criterion if the fair -value of the prepayment feature is insignificant at initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES- CONT'D

(a) Financial Instruments- Cont'd

ii. Classification and subsequent measurement- Cont'd

Financial assets - Subsequent measurement and gains and losses:
Financial assets at amortized cost
The Company subsequently measured its financial assets (loans and receivables) at amortised cost using the effective interest method.. The amortised cost is reduced by impairment losses.
Financial assets - Subsequent measurement and gains and losses: Policy applicable before 1 January 2018

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost. The Company's financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Impairment

(i) Financial assets- Assets carried at amortised costs

i. **Non-derivative financial assets**

Policy applicable from 1 January 2018

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for amounts due from related parties which are measured at 12-month ECLs.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
  the disappearance of an active market for a security because of financial difficulties presentation allowance for ECL in the statement of financial position.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Impairment-Cont'd

(i) Financial assets- Assets carried at amortised costs

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.
Write-off
The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.
Financial assets not classified as at fair value through profit or loss were assessed at each reporting date to determine whether there was objective evidence of impairment.

Objective evidence that financial assets were impaired included default or delinquency by a debtor and observable data indicating that there was measurable decrease in expected cash flows from a group of financial assets.

The Company considered impairment for these assets at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends.

An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Company considered that there was no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Impairment-Cont'd

(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. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rates that reflect current market assessments of the time value of money and risks specific to the asset.

A previously recognised impairment loss is reversed where there has been a change in circumstances or in the basis of estimation used to determine the recoverable value, but only to the extent that the asset's net carrying amount does not exceed the carrying amount of the asset that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

(c) Assets classified as available-for-sale (AFS)

The Company assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired at each reporting date. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment resulting in the recognition of an impairment loss. In general, the Company considers a decline of 20% to be significant and a period of nine months to be prolonged. However, in specific circumstances a smaller decline or a shorter period may be appropriate.

(d) 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.

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Leases

(ii) Lease payments

Payments made under operating leases are charged to the profit or loss 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.

(e) Property, Plant and Equipment

(i) Recognition and measurement

Property, plant and equipment are measured 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 equipment are credited to other comprehensive income and accumulated in the revaluation surplus in shareholders' equity.

Decreases that offset previous increases of the same asset are charged against the revaluation surplus. All other decreases are charged to profit or loss.

If property becomes an investment property because its use has changed, the property is reclassified appropriately and any difference arising between the carrying amount and the fair value at the date of transfer is recognised as follows:
Any gain arising on this remeasurement is recognized in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognized in other comprehensive income and presented in revaluation surplus. Any loss is recognised in profit or loss. However, to the extent that an amount is included in revaluation surplus for that property, the decrease is recognised in Other Comprehensive Income (OCI) and reduces the revaluation surplus in equity. On disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings.

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).

3 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Property, Plant and Equipment- Cont'd

- *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 profit or loss as incurred.

(iii) Depreciation is recognised in profit or loss 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 profit or loss.

(e) Intangible Assets

Software

Software acquired by the Company is measured at cost less accumulated amortisation and any 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 profit or loss 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 for the current and comparative periods is three years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

(f) **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)

(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 profit or loss when they are due.

Short-term Employment benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liabilities of the Company arising from defined benefit obligations and related current service costs are determined on an actuarial basis using the projected unit credit method. The Company uses this method to determine the present value of defined benefit obligations, related current service costs and, where applicable, past service costs. Actuarial gains and losses, which arise mainly from changes in actuarial assumptions and differences between actuarial assumptions and what actually occurred, are charged to profit or loss.

Other long-term benefit

The Company's obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their services in the current and prior periods. That benefit is discounted to determine its present value. The discount rate is the rate on long dated Government of Ghana bonds. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognised in profit or loss.

(i) Revenue

Revenue recognition under IFRS 15 (applicable from 1 January 2018)

The Company has initially applied IFRS 15 from 1 January 2018. Information about the Company's accounting policies relating to contracts with customers is provided below. Under IFRS 15, revenue is recognised when the customer obtains control of the service over time.
Revenue is measured at the fair value of the consideration received or receivable, net of sales taxes, discounts, and other similar deductions

3 Significant Accounting Policies (CONT'D)

(i) Revenue- Cont'd

Revenue recognition under IAS 18 (applicable before 1 January 2018)

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.

<u>Rendering of services</u>
Other income from services rendered such as fixing of roofing for customers is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on survey of work performed.

(j) Finance Income and Expense

Finance income comprises interest income on funds invested and dividend income. Interest income is recognised in profit or loss using the effective interest method. Dividend income is recognised in profit or loss on the date that the company's right to receive payment is established.
Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in profit or loss using the effective interest method.

(l) Taxation

Tax expense comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

(a) Current tax

Current tax comprises the expected tax payable or receivable on taxable incomes or losses for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

(b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss.
Deferred tax is measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at 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.

3 Significant Accounting Policies (CONT'D)

(l) Taxation- Cont'd

(b) Deferred tax

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or the tax assets and liabilities will be realised simultaneously.

(m) Foreign currency translation

Transactions denominated in foreign currency are translated into the functional currency using exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in profit or loss. Non-monetary assets and liabilities are translated at historical exchange rates if held at historical cost, or at exchange rates ruling at the date that fair value was determined if held at fair value, with the resulting exchange gain or loss generally recognised in profit or loss.
Foreign currency differences arising on retranslation are generally recognized in profit or loss.

(n) Dividend

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

(o) Post Balance Sheet Events

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

(p) 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.

(q) 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 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.

3 Significant Accounting Policies (CONT'D)

(r) New Standards and Interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2018, and have not been applied in preparing these financial statements. These include the following Standards and Interpretations that may have an impact on future financial statements:

Standard/Interpretation		**Effective date**
Amendments to IFRS 9	Prepayment Features with Negative Compensation	Annual periods beginning on or after 1 January 2019
IFRIC 23	Uncertainty over Income Tax Treatments	Annual periods beginning on or after 1 January 2019
IFRS 16	*Leases*	Annual periods beginning on or after 1 January 2019

Prepayment Features with Negative Compensation (Amendments to IFRS 9)

The amendments clarify that financial assets containing prepayment features with negative compensation can now be measured at amortised cost or at fair value through other comprehensive income (FVOCI) if they meet the other relevant requirements of IFRS 9.
The amendments apply for annual periods beginning on or after 1 January 2019 with retrospective application, early adoption is permitted.
The Company is assessing the potential impact on the financial statements resulting from the application of Amendments to IFRS 9.

IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities. Specifically, IFRIC 23 provides clarity on how to incorporate this uncertainty into the measurement of tax as reported in the financial statements.
IFRIC 23 does not introduce any new disclosures but reinforces the need to comply with existing disclosure requirements about:

" Judgments made;
" Assumptions and other estimates used; and
" The potential impact of uncertainties that are not reflected.

IFRIC 23 applies for annual periods beginning on or after 1 January 2019. Earlier adoption is permitted.
The Company is assessing the potential impact on the financial statements resulting from the application of IFRIC 23.

IFRS 16 *Leases*

IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, ie the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17 Leases, and related Interpretations. IFRS 16 has one model for lessees which will result in almost all leases being included on the Statement of Financial position. No significant changes have been included for lessors.

The standard is effective for annual periods beginning on or after 1 January 2019, with early adoption permitted only if the entity also adopts IFRS 15. The transitional requirements are different for lessees and lessors. The Company is assessing the potential impact on the financial statements resulting from the application of IFRS 16.

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 their carrying values approximate their fair values.

(ii) Cash and cash equivalents

The fair value of cash and cash equivalent approximate their carrying 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.

The Company measures fair values using the following fair value hierarchy, which reflects the significance of inputs used in making the measurements.

(iv) Trade and other payables

The fair value of trade and other payables 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. Payables due within 6-month period are not discounted as their carrying values approximate their fair values.

4 DETERMINATION OF FAIR VALUES- CONT'D

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

5 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The Company has initially applied IFRS 15 (see A) and IFRS 9 (see B) from 1 January 2018. A number of new standards are also effective from 1 January 2018 but they do not have material effect on the Company's financial statements.

Due to the transition methods chosen by the Company in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards.

The effect of initially applying these standards is mainly attributed to an increase in impairment losses recognised on financial assets.

- **IFRS 15: Revenue from Contracts with Customers**

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control, at a point in time or over time, requires judgement. The standard contains a single model that applies to contracts with customers and two approaches to recognising revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized.

The five step criteria are:

- Identification of contracts with customers
- Determination of Performance Obligations
- Determination of the contract price
- Allocation of the contract Price
- Recognition of revenue

5. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

- **IFRS 15 Revenue from Contracts with Customers**

The Company has adopted IFRS 15 using the cumulative effect method (without practical expedients) with the effect of initially applying this standard recognised at the date of initial application (i.e.1 January 2018).
Accordingly, the information presented for 2018 has not been restated, i.e. it is presented, as previously reported, under IAS 18, IAS 11 and related interpretations. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information.

Management of the Company has assessed its revenue recognition as required by the new standard. The assessment was performed by subjecting the terms of its contract with customers against each of the criteria stated.
Management concluded that the revenue recognition; timing and value; for the Company was not affected by the requirements of the new standard.

As a result of management's assessment, there was no material impact of the transition to IFRS 15 on the Company's statement of financial position as at 31 December 2018, statement of comprehensive income and statement of cash flows for the year ended 31 December 2018.

- **IFRS 9 Financial Instruments**

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items.

This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.
As a result of the adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statement of comprehensive income. Previously, the Company's approach was to include the impairment of trade receivables in general and administrative expenses. Consequently, the Company reclassified impairment reversals amounting to GHS 10,000 recognised under IAS 39, from "other expenses" to "impairment charge on trade receivables" in the statement of comprehensive income for the year ended 31 December 2017.

Additionally, the Company has adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to disclosures about 2018 but have not been generally applied to comparative information.

The following table summarises the impact of transition to IFRS 9 on the opening balance of retained earnings.

	Impact of adopting IFRS 9 on opening retained earnings GHS'000
Recognition of expected credit losses under IFRS 9	
Trade receivables	543
Impact at 1 January 2018	543

5 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES-(CONT'D)

- **IFRS 9 Financial Instruments-Cont'd**

i) Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities.
The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 January 2018.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirement.

	Original classification under IAS 39	New classification IFRS 9	Original carrying amount under IAS 39 GHS'000	New carrying amount GHS'000
Financial assets				
Cash and cash equivalents	Loans and receivables	Amortised cost	861	861
Trade receivables and other receivables	Loans and receivables	Amortised cost	2,065	1,522
Financial liabilities				
Trade and Other payables	Other Financial liabilities	Other Financial liabilities	31,047	31,047
Due to related parties		-	-	-
Bank Overdrafts	Loans and receivables	Financial Liabilities	5,374	5,374
Loans	Financial liabilities	Financial liabilities	69,347	69,347

a) Trade and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortised cost. An increase of GHS543,605 in allowance for impairment over these receivables was recognised in opening retained earnings at 1 January 2018 on transition to IFRS 9.

5 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES-(CONT'D)

- **IFRS 9 Financial Instruments-Cont'd**

The following table reconciles the carrying amounts of the financial assets under IAS39 to the carrying amount under IFRS 9 on transition to IFRS 9 on 1 January 2018.

	IAS 39 carrying amount at 31 December 2017 GHS'000	Remeasurement GHS'000	IFRS 9 carrying amount at 1 January 2018 GHS'000
Financial assets			
Amortised cost			
Trade and other receivables:			
Brought forward Loans and receivables:	2,065		
Remeasurement:		(543)	
Carried forward: Amortised Cost			1,522

ii. Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost. Under IFRS 9, credit losses are recognised earlier than under IAS 39. For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company has determined that the application of IFRS 9's impairment requirements at 1 January 2018 results in an additional allowance for impairment as follows:

	GHS'000
Loss allowance at 31 December 2017 under IAS 39	2,992
Additional impairment recognised at 1 January 2018 on:	
Trade and other receivables as at 31 December 2017	543
Loss allowance at 1 January 2018 under IFRS 9	3,535

iii. Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below.

The Company has used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognised in retained earnings as at 1 January 2018. Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9, but rather those of IAS 39.

The determination of the business model within which a financial asset is held have been made on the basis of the facts and circumstances that existed at the date of initial application. The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

6 Segment reporting

Operating segments reflect the Company's management structure and the way financial information is regularly reviewed by the Managing Director. Operating segments are reported in a manner consistent with internal reporting provided to the Managing Director.

The Company operates as a single business unit that manufactures aluminium coils, circles, corrugated sheets and flat sheets.

Revenue by products

	2018 GHS'000	2017 GHS'000
Sheet in Coil (Plain)	5,945	4,984
Sheet in Coil (Colour)	14,513	18,995
Circles	23,201	42,534
Corrugated Sheets (Plain)	8,748	8,031
Corrugated Sheets (Colour)	5,978	5,940
Flat Sheets (Plain)	3,638	3,470
Flat sheets (Colour)	620	599
	62,643	84,553

Geographical Location
Aluworks Limited sells its products in Ghana and other markets in West Africa

	2018 GHS'000	2017 GHS'000
In Ghana	48,235	62,432
Outside Ghana	14,408	22,121
	62,643	84,553

Major Customer

There was no revenue for transactions with a single external customer amounting to 10% of the Company's total revenue during the year (2017: NIL)

7 PROPERTY, PLANT AND EQUIPMENT

2018	Leasehold Land and Buildings GHS'000	Plant and Machinery GHS'000	Motor Vehicles GHS'000	Equipment GHS'000	Capital Work in Progress GHS'000	Total GHS'000
Cost						
At 1 January 2018	106,975	79,450	1,213	3,871	-	191,509
Additions	-	76	-	100	856	1,032
Revaluation surplus	23,054	18,557	285	1867	-	43,763
Disposals	-	-	(18)	(259)	-	(277)
Revaluation Adjustment	(1,530)	(11,089)	(497)	(251)	-	(13,367)
At 31 December 2018	128,499	86,994	983	5,328	856	222,660
Comprising						
Cost of assets revalued	3,067	22,692	372	1,280	-	27,411
Surplus/(deficit) on revaluation to 2017	100,169	1,688	(529)	1,074	-	102,402
Surplus on revaluations to 2018	23,054	18,557	285	1,867	-	43,763
At revaluation	126,290	42,937	128	4,221	-	173,576
At cost	2,209	44,057	855	1,107	856	49,084
	128,499	86,994	983	5,328	856	222,660
Accumulated Depreciation						
At 1 January 2018	1,814	12,956	550	2,269	-	17,589
Charge for the period	635	4,213	122	514	-	5,484
Released on disposal	-	-	(18)	(259)	-	(277)
Revaluation adjustment	(1,530)	(11,088)	(497)	(251)	-	(13,366)
At 31 December 2018	919	6,081	157	2,273	-	9,430
Carrying Amounts						
At 31 December 2018	127,580	80,913	826	3,055	856	213,230

There are no restrictions to title on any of the Company's property, plant and equipment and there are no charges on any of these assets. However, we refer to note 19 (b) which states that part payment has been made by SSNIT towards the purchase of 15.9 acres of unused land classified under land and buildings.

7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

2017	Leasehold Land and Buildings GHS'000	Plant and Machinery GHS'000	Motor Vehicles GHS'000	Equipment GHS'000	Capital Work in Progress GHS'000	Total GHS'000
Cost						
At 1 January 2017	106,975	79,062	1,213	3,528	-	190,778
Additions	-	388	-	343	-	731
At 31 December 2017	106,975	79,450	1,213	3,871	-	191,509
Accumulated Depreciation						
At 1 January 2017	1,210	9,491	444	1,975	-	13,120
Charge for the period	604	3,465	106	294	-	4,469
At 31 December 2017	1,814	12,956	550	2,269	-	17,589
Carrying Amounts						
At 31 December 2017	105,161	66,494	663	1,602	-	173,920

7 Property, PLANT and equipment (CONT'D)

(a) Depreciation and amortisation has been charged in the financial statements as follows:

	2018 GHS'000	2017 GHS'000
Cost of sales	4,977	4,020
General, administrative and selling expenses	507	449
	5,484	4,469

(b) Disposal of property, plant and equipment

	2018 GHS'000	2017 GHS'000
Cost	277	-
Accumulated depreciation	(277)	-
Net book value	-	-
Proceeds of sales	(9)	-
Profit on disposal of PPE	(9)	-

8 LONG TERM INVESTMENT

This relates to the cost of 2,400,000 ordinary shares in Pioneer Kitchenware Limited. The market value of this investment at the reporting date was GHS120,000 (2017: GHS120,000).

9 TAXATION

(i) Income tax (credit)/expense

	2018 GHS	2017 GHS
Current tax	-	-
Deferred tax	-	-
	-	-

Deferred tax release relates to changes in recognised deductible temporary differences

(ii) Current tax asset

	Balance at 1/1/18 GHS'000	Payments GHS'000	Charge for the period GHS'000	Balance at 31/12/18 GHS'000
2017	(1,343)	(58)	-	(1,401)
	-	-	-	-
2018	(1,343)	(58)	-	(1,401)

The above tax position is subject to agreement with the tax authorities.

9 TAXATION (cont'd)

Deferred tax release relates to changes in recognised deductible temporary differences

(iii) **Current tax asset**

	Balance at 1/1/18 GHS'000	Payments GHS'000	Charge for the period GHS'000	Balance at 31/12/18 GHS'000
2017	(1,343)	(58)	-	(1,401)
2018	-	-	-	-
	(1,343)	(58)	-	(1,401)

The above tax position is subject to agreement with the tax authorities.

(iv) **Reconciliation of effective tax rate**

	2018 GHS'000	2017 GHS'000
Loss before tax	(33,162)	(23,877)
Tax using the domestic corporation tax rate	(8,291)	(6,173)
Non-deductible expenses	(4,720)	(5,509)
Tax losses	5,914	3,780
Current year losses for which no deferred tax asset is recognised	7,097	7,902
Tax exempt income	-	-

10 Deferred Taxation

	2018 GHS'000	2017 GHS'000
Balance at 1 January	34,884	34,884
Deferred tax credit/(charge) for the year	-	-
Other comprehensive income	(11,810)	-
Balance at 31 December	23,074	34,884

(i) **Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	2018			2017		
	Assets GHS'000	Liabilities GHS'000	Net GHS'000	Assets GHS'000	Liabilities GHS'000	Net GHS'000
Property, plant and equipment	-	-	-	-	3,197	3,197
Capital gains tax	-	11,050	11,050	-	22,860	22,860
Others	-	12,024	12,024	-	8,827	8,827
	-	-	-	-	-	-
	-	23,074	23,074	-	34,884	34,884

(ii) **Recognised deferred tax assets and liabilities**

Deferred tax asset of GHS 15,752 has not been recognised in because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

11 Inventories

	2018 GHS'000	2017 GHS'000
Raw materials	601	1,197
Work-in-progress	360	1,848
Finished goods	1,250	2,181
Consumables	10,938	11,354
	13,149	16,580

12 TRADE AND OTHER RECEIVABLES

	2018 GHS'000	2017 GHS'000
Trade receivables due from customers	555	1,369
Other receivables	1,151	692
Staff debtors	26	25
Prepayments	241	228
	1,973	2,314

Included in other receivables are advance payments of GH¢ 268,736 (2017: GH¢581,951) made to suppliers in relation to inventory.

13 CASH AND CASH EQUIVALENT

		2018 GHS'000	2017 GHS'000
Cash and Bank balance	13.a	260	861
Bank Overdraft	14	(1,892)	(5,374)
Cash and cash equivalents in statement of cash flows		(1,632)	(4,513)

13.a CASH AND BANK BALANCES

	2018 GHS'000	2017 GHS'000
Cash at bank	258	858
Cash on hand	2	3
Cash and cash equivalents in statement of cash flows	260	861

14 BANK OVERDRAFTS

	2018 GHS'000	2017 GHS'000
Ecobank Ghana Limited	-	3,339
Societe Generale Ghana Limited	1,892	2,035
	1,892	5,374

14 BANK OVERDRAFTS (CONT'D)

(i) The Company had an overdraft facility not exceeding GH¢2.5 million with Ecobank Ghana Limited (EGH) to finance the purchase of stocks, raw materials, spares and other operational expenses. The interest rate is EGH cedi base rate plus a spread of 2% per annum payable monthly in arrears. The facility expired on 30 September 2018. A new facility was offered which will run to 31 December 2019. The new facility is not to exceed GH¢2.5 million. The facility was secured by assignment of export proceeds, parri passu fixed and floating charges with Societe Generale Ghana (SG Ghana) Limited over the Company's assets including hypothecation over the Company's inventory, legal mortgage over Company's office/factory premises situated at Tema Heavy Industrial Area, cash management agreement. The Company is also to channel a minimum of GHS 200,000 in weekly local sales through its EGH Account.

(ii) The Company had an overdraft facility not exceeding GH¢2.1 million with Societe Generale Ghana Limited to finance working capital. The Company's floating and fixed assets shared pari passu with Ecobank Ghana Limited have been pledged as security for the facility**.** The facility expired on 31 January 2019. Interest rate is 28%.

15 MEDIUM TERM LOANS

	SSNIT GHS'000	Ecobank Revolving GHS'000	Ecobank Short-term GHS'000	2018 Total GHS'000	2017 Total GHS'000
Balance 1 January	65,348	4,000	-	69,348	59,851
Drawdown during the year	-	26,125	2,500	28,625	27,300
Interest Capitalised	13,648	-	-	13,648	13,663
	78,996	30,125	2,500	111,621	100,814
Repayments during the year	-	(26,125)	(2,083)	(28,208)	(31,467)
Balance at 31 December	78,996	4,000	417	83,413	69,347
Analysed as follows:					
Current portion	27,222	4,000	417	31,639	17,226
Medium term loan Non-current	51,774	-	-	51,774	52,121
	78,996	4,000	417	83,413	69,347

(i) Social Security and National Insurance Trust

The Company obtained a facility of US$10 million (GH¢18,276,000) from Social Security and National Insurance Trust (SSNIT) in 2012 to fund the acquisition of the second cold rolling mill under the terms of a six-year convertible bond with two years moratorium. The interest rate on the convertible bond is 2 years note plus 3%. In line with IFRS 9, the facility qualified for a financial instrument and as such, an amount of GH¢ 980,000 was recognised in the statement of changes in equity on initial recognition. An amount of GH¢ 78,995,000 was recognised as the carrying amount of the loan in the statement of financial position. Interest capitalised on the facility in 2018 was GH¢ 13,647,000.

(ii) Ecobank Revolving Line of Credit

The Company has an revolving line of credit facility of GH¢4 million with Ecobank Ghana Limited (EGH) to back the issuance of standby letters of credit on behalf of Aluworks in favour of its overseas suppliers of raw material. The facility is also to back the issuance of sight and deferred (up to a maximum of 120 days) L/Cs on behalf of Aluworks in favour of excess suppliers for raw material supply, to back the discount of export receivables of up to 60 days. The loan is to be drawn as short terms loan of up to 60 days to finance purchase of raw materials from VALCO and 60 days to finance purchase of spare parts from both local and foreign supplies. The facility is secured by assignment of export proceeds, parri passu fixed and floating charges with Societe Generale Ghana (SG-Ghana) Limited over the Company's assets including hypothecation over Company's inventory, legal mortgage over Company's office/factory premises situated at Tema Heavy Industrial Area. The Company is also to channel a minimum of GHS 200,000 in weekly local sales through its EGH Account. Interest rate is EGH cedi base rate plus a spread of 8% for both facilities per annum payable monthly in arrears and expired on 26 January 2019.

(iii) Ecobank Short term loan

The Company obtained a short term loan facility of GH¢2.5 million from Ecobank Ghana Limited in 2018 to repay part of outstanding overdraft amount over a 12 month period. The interest rate on the loan is EGH Cedi Base Rate plus a spread of 2% per annum payable monthly in arrears. The duration of the loan was for 12 month after the date of re-booking and expired on 28 February 2019.

15b. SHORT-TERM LOAN

	2018	**2017**
	GHS'000	**GHS'000**
Current portion of Loan (Note 14)	31,639	17,226

16 EMPLOYEE BENEFITS

(i) Long Service Award

Long Service Award is an unfunded scheme to reward staff for their continuous and dedicated service to the Company. Staff who serve for ten (10) years and above are rewarded with bundles of Aluminium roofing sheets. The awards vary depending on the number of years served by employees who meet the criteria.

Years of Service	Long Service Award
10	One (1) packet of non-coloured Aluworks roofing sheets
15	Two (2) packets of non-coloured Aluworks roofing sheets
20	Three (3) packets of non-coloured Aluworks roofing sheets
25	Four (4) packets of non-coloured Aluworks roofing sheets
30	Four (5) packets of non-coloured Aluworks roofing sheets
35	Six (6) packets of non-coloured Aluworks roofing sheets

ii) End of Service Benefit

It is a defined benefit scheme to provide employees with a lump sum on retirement, resignation or death having served the Company for a minimum of ten (10) years. End of Service Benefit is a funded scheme. The plan asset of the scheme is managed by CalAsset Management. The table below shows the benefit entitlements.

Criteria	Benefit Entitlement
Retirement after 10 years	5% of the employee's final 5 years average salary multiplied by the number of years served.
Resignation/Death after 10 years	2.5% of the employee's final 5 years average basic salary multiplied by the number of years served.

	2018	**2017**
	GHS'000	**GHS'000**
Long service award	1,270	592
Net end of service benefit obligation	3,254	1,703
	4,524	2,295

a.Movement in present value of the long service award obligation

	2018	**2017**
	GHS'000	**GHS'000**
Long service award obligation at 1 January	592	-
Benefits paid during the year	-	(141)
Current service costs	75	733
Interest cost	112	-
Acturial gain/loss	491	-
Long service award obligation at 31 December	1,270	592

16 EMPLOYEE BENEFITS (CONT'D)

Movement in net defined benefit obligation

	Defined benefit obligation		Planned asset		Net defined benefit obligation	
	2018 GHS'000	**2017GHS'000**	**2018 GHS'000**	**2017GHS'000**	**2018 GHS'000**	**2017 GHS'000**
Balance at 1 January	2,040	-	(337)	-	1,703	-
Included in profit or loss						
Current service cost	453	2,040	-	-	453	2,040
Net interest cost	1,533	-	-	-	1,533	-
	1,986	2,040	-	-	1,986	2,040
	-	-	-	-	-	-
Included in Other Comprehensive Income						
Actuarial loss (gain) arising from:						
Financial assumptions	(4)	-	-	-	(4)	-
Demographic assumptions	-	-	-	-	-	-
Other sources	(432)	-	-	-	(432)	-
	(436)	-	-	-	(436)	-
Other						
Contributions paid by the employer	-	(337)	-	-	-	(337)
Benefit paid	(292)	-	292	-	-	-
	(292)	(337)	292	-	-	(337)
Balance at 31 December	3,298	1,703	(45)	-	3,253	1,703

Represented by:

	2018 GHS'000	**2017 GHS'000**
Defined benefit obligation	3,298	2,040
Defined benefit asset	(45)	(337)
	3,253	1,703

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date.

	2018	**2017**
Discount rate	17%	18%
Salary inflation	14%	15%
Nominal Inflation	3%	3%
Net effective inflation rate	3%	3%

16 EMPLOYEE BENEFITS (CONT'D)

Withdrawal rates

Retirement age- It has been assumed that all staff members retire at age 60. No allowance has been made for early retirement either due to ill health or at the option of the member.

	2018
Less than 30	0.02
Age 30 to 39	0.02
Age 40 to 49	0.01
Age 50 to 59	0.01
60 and greater	-

Sensitivity analysis

Reasonable possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant would have affected the defined benefit obligation by the amount shown below:

	2018		2017	
	Increase	Decrease	Increase	Decrease
	GHS'000	GHS'000	GHS'000	GHS'000
Discount rate (1%)	3,186	3,423	3,233	3,475
Withdrawal rate (1+10%)	3,296	-	3,345	-
Salary rate (1%)	3,426	-	3478	-
Mortality (1%)	3241	-	3289	-

17 STATED CAPITAL

Ordinary shares

	No. of Shares 2018	Proceeds 2018 GHS'000	No. of Shares 2017	Proceeds 2017 GHS'000
Authorised				
Ordinary shares of no par value	1,000,000		1,000,000	
Issued and fully paid				
For cash	202,058	27,413	202,058	27,413
Transfer from revaluation surplus	34,629	4,237	34,629	4,237
	236,687	31,650	236,687	31,650

The holders of the ordinary shares are entitled to receive dividend which is 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.

18 EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted-average number of ordinary shares in issue.

	2018 GHS'000	2017 GHS'000
Loss attributable to equity holders of the Company	(33,162)	(23,877)

	2018	2017
Number of ordinary Shares in issue	236,687,001	236,687,001
Basic earnings per share (expressed in GHS per share)	(0.1401)	(0.1009)

Diluted

The calculation of diluted earnings per share has been calculated based on the loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding after the adjustment for the effects of all dilutive potential ordinary shares.

	2018 GHS'000	2017 GHS'000
Loss attributable to equity holders of the Company	(33,162)	(23,877)
Number of ordinary Shares in issue	282,377,001	282,377,001
Diluted earnings per share (expressed in GHS per share)	(0.1174)	(0.0846)

19(a) TRADE AND OTHER PAYABLES

	2018 GHS'000	2017 GHS'000
Trade payables	16,063	28,695
Sundry payables	6,824	2,781
	22,887	31,476

19(b) ADVANCE PAYMENT

	2018 GHS'000	2017 GHS'000
Advance payment – Land	20,658	-

The Company entered into an agreement for the sale of 15.9 acres of unused land at a value of US$5,843,037.57 to Social Security and National Insurance Trust (SSNIT). SSNIT has made an advance payment of GHS 20,657,190 (equivalent of US$4,284,479.63) and the balance to be paid in 2019. The Company is yet to transfer legal title of ownership to SSNIT.

20 REVENUE

	2018 GHS'000	2017 GHS'000
Local sales	55,375	72,880
Export sales	14,408	22,121
	69,783	95,001
Less: Value Added Tax	(7,140)	(10,448)
Rebate	(148)	(83)
Net sales value	62,495	84,470

21 Other income

	2018 GHS'000	2017 GHS'000
Scrap sales	13	22
Rent receivable	6	26
Sundry income	115	145
(Gain)/Loss on export freight	14	6
Asset disposal	9	-
	157	199

Sundries include income from sale of scrap, rent receivable and gain/loss on export freight.

22 LOSS BEFORE TAX IS STATED AFTER CHARGING:

	2018 GHS'000	2017 GHS'000
Personnel cost (note 23)	12,894	11,547
Auditors remuneration	75	70
Depreciation	4,893	4,467
Directors emoluments	66	55
Net finance cost (note 24)	16,587	17,146
Exchange loss	1,956	1,592

23 Personnel costs

	2018 GHS'000	2017 GHS'000
Wages and salaries	9,836	8,358
Social security contributions	474	424
Provident fund	274	245
End of service benefits	2,310	2,520
	12,894	11,547

The average number of persons employed by the Company during the year was 262. (2017: 265)

24 Net financE COST

	2018 GHS'000	2017 GHS'000
Interest income	-	-
Interest expense	16,587	17,146
	16,587	17,146

25 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 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.

The Audit Committee gains 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; and results of management's self-assessment process over internal control, which ensures that the Audit 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.

25 Financial risk management (CONT'D)

(i) **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:

	2018	**2017**
	GHS'000	**GHS'000**
Trade receivables	555	1,369
Other receivables	1,151	692
Staff debtors	26	25
Cash and cash equivalent	260	861
	1,992	2,947

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

25 Financial risk management (CONT'D)

(i) **Credit risk- Cont'd**

Impairment
An analysis of the credit quality of trade receivables that were neither past due nor impaired and the ageing of trade receivables that were past due but not impaired as at 31 December 2018 and 31 December 2017 (under IAS 39) is as follows:

	2018		2017	
	Gross GHS'000	Impairment GHS'000	Gross GHS'000	Impairment GHS'000
Current(less than 30 days)	539	55	918	-
Due but not impaired (30-90 days)	141	70	97	-
Impaired (more than 90 days)	3,357	3,357	3,346	(2,992)
	4,037	3,482	4,361	(2,992)

The Company uses an allowance matrix to measure the ECLs of trade receivables from customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the age of the receivables. Loss rates are based on historical roll rates over the past three years.
The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from customers as at 31 December 2018.

	Weighted average loss rate GHS'000	Gross carrying amount GHS'000	Loss allowance GHS'000
Current(less than 30 days)	10%	539	56
Due but not impaired (30-60 days)	38%	115	43
Due but not impaired (60-90 days)	100%	26	26
Impaired (more than 90 days)	100%	3,357	3,357
	-	4,037	3,482

25 Financial risk management (CONT'D)

(i) Credit risk- Cont'd

Movements in the allowance for impairment in respect of trade receivables and contract assets
The movement in the allowance for impairment in respect of trade receivables during the year was as follows:
Comparative amounts for 2017 represent the allowance account for impairment losses under IAS 39.

	2018 GHS'000	2017 GHS'000
Balance at 1 January	2,992	2,586
Adjustment on initial application of IFRS 9	543	-
Impairment (reversal)/ charge	(53)	406
Balance at 31 December	3,482	2,992

Cash and cash equivalents

None of these balances were impaired at the year end and at 31 December 2018

Investment securities

The Company's investments comprise investment in equity securities. None of these investments were impaired at the year end and at 31 December 2018.

(ii) 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.
The following are contractual maturities of financial liabilities:

	Contractual cash flows			
31 December 2018	**Carrying amount GHS'000**	**6mths or less GHS'000**	**6-12mths GHS'000**	**1-3 years GHS'000**
Non-derivative financial liability				
Trade and other payables	22,887	22,887	-	-
Bank overdrafts	1,892	1,892	-	-
Short term loans	31,639	31,639	-	-
Medium term loans	51,774	51,774	-	-
Balance at 31 December 2018	108,192	108,192	-	-
31 December 2017				
Non-derivative financial liability				
Trade and other payables	31,476	31,476	-	-
Bank overdrafts	5,374	5,374	-	-
Short term loans	17,226	17,226	-	-
Medium term loans	52,121	52,121	-	-
Balance at 31 December 2017	106,197	106,197	-	-

25 Financial risk management (CONT'D)

(iii) 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.

Currency risk

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 currency in which these transactions primarily are denominated is the US Dollar (US$). The Company's exposure to foreign currency risk was as follows based on notional amounts.

Amounts are stated in GHS

2018	**USD**
Trade and other receivables	642,847
Cash and cash equivalents	140,829
Trade and other payables	-
Net exposure	783,676
2017	**USD**
Trade and other receivables	608,652
Cash and cash equivalents	191,406
Trade and other payables	-
Net exposure	800,058

The following significant exchange rates were applied during the period:

	Average Rate		Reporting Rate	
	2018 GHS	**2017 GHS**	**2018 GHS**	**2017 GHS**
US$	4.6146	4.3283	4.8600	4.4400
EUR	5.4377	4.9243	5.5573	5.3120
Rand	0.3517	0.3282	0.3375	0.3618

Sensitivity analysis on currency risks

The following table shows the effect of a strengthening or weakening of GHS against all other currencies on the Company's profit or loss and equity. This sensitivity analysis indicates the potential impact on the profit or loss and equity 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.

25 FINANCIAL INSTRUMENTS- FAIR VALUES AND RISK MANAGEMENT (CONT'D)

iii Market risks (Cont'd)

A strengthening/ weakening of the GHS, by the rates shown in the table, against the following currencies at 31 December have increased/decreased equity and profit or loss by the amounts shown below:
This analysis assumes that all other variables, in particular interest rates, remain constant.

At 31 December	**2018**			**2017**		
In GHS	% Change	Profit or loss/Equity impact – increase/(decrease): Strengthening	Profit or loss/Equity impact – increase/(decrease): Weakening	% Change	Profit or loss/Equity impact – increase/(decrease): Strengthening	Profit or loss/Equity impact – increase/(decrease): Weakening
		GHS	GHS		GHS	GHS
US$	±5.3%	(3,254)	3,254	±0.2%	(6,255)	6,255
€	±2.2%	-	-	±0.4%	-	-
Rand	±4%	-	-	±0.0%	-	-

Interest rate risk Profile
At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:
Financial liabilities

A change of 300 basis points in interest rate at the reporting date would have increased (decreased) profit or loss or equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis for 2018 is performed on the basis that interest rate changed by 300 basis points.

Variable rate instrument

	300bp Increase GHS'000
31 December 2018	
Variable rate instrument	(4,313)
31 December 2017	
Variable rate instrument	(4,458)

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) Amortised cost/ Loans and receivables	31 December 2018 Carrying Amount GHS'000	Level 2 Fair Value GHS'000	31 December 2017 Carrying Amount GHS'000	Level 2 Fair Value GHS'000
Trade and other receivables	1,732	1,732	2,065	2,065
Cash and cash equivalents	260	260	862	862
	1,992	1,992	2,927	2,927

(ii) Fair Value Through Other Comprehensive Income/ Available-for-sale	31 December 2018 Amount GHS'000	Value GHS'000	31 December 2017 Amount GHS'000	Value GHS'000
Investment securities	120	120	120	120
	120	120	120	120

(iii) Other financial liabilities	31 December 2018 Carrying Amount GHS'000	Level 2 Fair Value GHS'000	31 December 2017 Carrying Amount GHS'000	Level 2 Fair Value GHS'000
Trade and other payables	22,887	22,887	31,476	31,476
Bank overdrafts	1,892	1,892	5,374	5,374
Short term loans	25,074	25,074	4,000	4,000
Medium term loans	78,995	78,995	65,348	65,348
	128,848	128,848	106,198	106,198

(iv) **Fair Value Hierarchy**

Fair value hierarchy- Financial instruments measured at fair value

IFRS 7 requires certain fair value disclosures for each class of financial instruments. It requires an entity to classify fair value measurement into fair value hierarchy with the following levels by reference to the observability and significance of the input used in making the measurement.

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, The Ghana Stock Exchange)

(iv) **Fair Value Hierarchy (cont'd)**

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

As at the year ended 31 December 2018, the Company did not have any level 2 and 3 financial assets and/or liabilities.

26 RELATED PARTY DISCLOSURES

The Company's related party is Pioneer Kitchenware Limited (PKL) on which Togbe Afede XIV a board member of Aluworks, is also the Board Chairman of the Company. Pioneer Kitchenware Limited purchases significant quantities of finished products from Aluworks as inputs for its own production processes. Items are purchased at arms-length (market prices).

Another related party is SSNIT who is the principal shareholder of Aluworks. SSNIT has contracted the Modula Group to construct houses under the SSNIT affordable housing projects. The roofing sheets being used for the construction are supplied by Aluworks. Although the invoices raised for the roofing sheets are in the name of Modula Group, SSNIT directly makes payments to Aluworks for the invoices raised. Items are purchased at arms-length (market prices).

(i) **Transactions**
The following transactions were carried out with related parties:

	2018 GHS'000	**2017 GHS'000**
Purchases by Pioneer Kitchenware	95	67
Purchases by Modula Group (SSNIT affordable housing project)	31	612

(ii) **Outstanding balances arising from related party transactions:**

	2018 GHS'000	**2017 GHS'000**
Trade Receivables: Pioneer Kitchenware	382	153
Modula Group (SSNIT affordable housing project)	-	-
Loan : Social Security and National Insurance Trust (SSNIT)	78,996	65,348

26 RELATED PARTY DISCLOSURES (CONT'D)

(iii) **Key management compensation**

	2018 GHS'000	2017 GHS'000
Salaries and other short-term benefits	66	55

(iv) **Loans and advances to related parties**

	2018 GHS'000	2017 GHS'000
Loan advances to senior management and staff	26	25

27 CAPITAL MANAGEMENT

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividend to ordinary shareholders. The Company monitors capital using a ratio of "adjusted net debt" to "adjusted equity". For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve.

The Company's policy is to keep the ratio below 2. The Company's adjusted net debt to equity ratio at 31 December 2018 was as follows:

The Company's capital position is as shown below:

	2018 GHS'000	2017 GHS'000
Total liabilities	156,448	143,376
Less: Cash and cash equivalents	(260)	(861)
Net debt	156,188	142,515
Total equity	73,685	51,762
Net debt to equity ratio	2.1197	2.7533

28 CAPITAL COMMITMENTS

The Company had no commitments for capital expenditure at the reporting date (2017: Nil).

29 CONTINGENT LIABILITIES

The Company had no contingent liabilities at the reporting date (2017: Nil).

30 GOING CONCERN AND SUBSEQUENT EVENTS

The Company incurred a net loss for the year ended 31 December 2018 of GHS 33,162,000 (2017: GHS 23,877,000) and as of that date its current liabilities exceeded its current assets by GHS 60,293,000 (2017: GHS 32,978,000). The Company continues to incur losses on its operations.

The directors assess that the immediate concern is to clear the VALCO debt and restore business volumes:

The directors of the Company had an arrangement with the Social Security and National Insurance Trust (SSNIT) to pay its debt with VALCO at the end of 2018. This was to foster the uninterrupted supply of raw materials to increase volume of production especially in 2019. This is believed to increase production volumes and sales for the year 2019.

The company continues to experience the negative effect of the high interest charges on SSNIT loan which has significantly contributed to the company's losses over the years. The Company is in discussions with SSNIT to restructure the loan and provide the Company with a revised repayment plan.

The Company has over the last six years been in negotiation with another shareholder Caitlyn Limited who wished to make the necessary financial intervention in exchange for an issue of new share. All arrangements for completion of this project are in place. The investor/shareholder has decided to seek control over the company by attaining 50%+ shareholding through purchasing sufficient new shares to achieve the objective. The investor (Caitlyn) will provide leadership in technology, processes and introduce new products. The process of takeover is at its final stage following the completion of due diligence exercise in June 2019. The financial intervention by Caitlyn is dependent on SSNIT retaining an interest in the Company.

The Directors acknowledge that the Company's ability to continue to continue as a going concern is dependent on the successful restructuring of the SSNIT loan and the financial intervention by Caitlyn. These condition give rise to a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern and, therefore that it may be unable to realise its assets at their recognised values and discharge its liabilities in the normal course of business.

Accordingly, the financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that cash flows arising from the normal course of business will be available to finance future operations of the Company and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

ALUWORKS LIMITED
SHAREHOLDING INFORMATION

(i) **Number of Shares in Issue**
Earnings and dividend per share are based on 236,687,001 (2017:236,687,001) ordinary shares in issue at the end of the year.

(ii) **Number of Shareholders**
The Company had 3,008 ordinary shareholders at 31 December 2018 (2017: 3,029) distributed as follows:

Holding	**No. of Holders**	**Total Holding**	**% Holding**
1 - 1,000	2,173	549,738	0.23
1,001 - 5,000	483	1,185,370	0.50
5,001 - 10,000	155	1,164,932	0.49
10,001 and over	197	233,786,961	98.77
	3,008	236,687,001	100

(iii) **List of twenty largest shareholders as at 31 December 201**8

	Name of Shareholder	**No. of Shares**	**% of Issued Capital**
1.	Social Security & National Insurance Trust	148,219,086	62.6224
2.	Caitlyn Limited	49,413,652	20.8772
3.	Professor Wosornu Lade	8,524,375	3.6015
4.	SCBN/SSB Eaton Vance Tax-Managed Emerg Mkts	5,176,100	2.1869
5.	Strategic Initiatives Limited	4,170,540	1.7620
6.	Mr. Ken Kobina Dela Alor	2,435,439	1.0290
7.	Colin M. Waugh	1,464,668	0.6188
8.	Mrs. Elizabeth Arthur	820,000	0.3464
9.	Qualitec Industries Limited	750,688	0.3172
10.	Prof Yaw Adu-Gyamfi'	652,019	0.2755
11.	Ghana Commercial Bank Limited	450,000	0.1901
12.	Tema Oil Refinery Limited	450,000	0.1901
13.	National Investment Bank Limited	442,080	0.1868
14.	NTHC Limited	431,857	0.1825
15.	Dr. Clifford Edward Aryee	427,830	0.1808
16.	SAS / Professor Lade Wosornu	334,628	0.1414
17.	Dr. Larbi Emmauel Bekoe	323,726	0.1368
18.	Anim Jehoram Tei	315,580	0.1333
19.	Lifespring Capital	300,000	0.1267
20.	SAS / Mr. Gideon Amenuvor	290,029	0.1225
	Reported totals	225,392,297	95.2280
	Not reported	11,294,704	4.7720
	Grand totals	236,687,001	100.00
	Company capital	236,687,001	

ALUWORKS LIMITED
SHAREHOLDING INFORMATION (CONT'D)

(iv) **Directors' Shareholding**

The Directors named below held the following number of shares in the Company as at 31 December 2018:

Ordinary Shares

	2018	%
Seth Adjei	-	-
Togbe Afede XIV	-	-
E. Kwasi Okoh	100,000	0.0422
Professor Lade Wosornu	8,859,003	3.7429
Agnivesh Agarwal	-	-
Kingsley Ofosu Obeng	-	-
Dr. Alhassan Mutaka Alol	-	-
Prof. Yaw Adu-Gyamfi	693,071	0.2928
Kofi Duodu Fynn	-	-
	9,652,074	4.0780

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ALUWORKS LIMITED

PROXY FORM FOR USE AT THE 32nd ANNUAL GENERAL MEETING TO BE HELD AT THE ROTARY CLUB HOUSE CONFERENCE CENTRE IN TEMA COMMUNITY 5 (NEAR CHOPSTICKS RESTAURANT) ON THURSDAY NOVEMBER 7, 2019 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 **7th day of November, 2019** and at any and every adjournment thereof.

This form to be used:-

Ordinary Business

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, 2018.
2.	*in favour of against	the Resolution to re-elect Prof. Lade Wosornu as a Director of the company.
3.	*in favour of against	the Resolution to re-elect Mr. Kingsley Okoe Ofosu Obeng as a Director of the company.
4.	*in favour of against	the Resolution to authorise the Directors to fix the remuneration of the Auditors for the ensuing year.

On any other business transacted at the meeting and unless otherwise instructed in paragraphs 1 to 4 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**

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Signature of Shareholder

Signed this .... day of .... 2019.

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 November 5, 2019.

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