ALUWORKS LIMITED

ANNUAL
REPORT AND
FINANCIAL
STATEMENTS

31[ST] DECEMBER 2016

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NOTICE OF MEETING

NOTICE is hereby given that the 30th Annual General Meeting of the Shareholders of Aluworks Limited will be held at the Fiesta Royale Hotel, Dzowurlu, Accra (next to the Nestlé Head Office building) on Thursday September 14, 2017 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, 2016.
2. To ratify the appointment of a Director.
3. To re-elect Directors.
4. To fix the remuneration of the Directors.
5. To authorise the Directors to fix the remuneration of the Auditors for the ensuing year.

Special Business

1. To approve a transfer of the amount of GH¢90,000.00 in the Share Deals Account to the Stated Capital Account.

Dated this 16th day of June, 2017

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 offi ces 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.

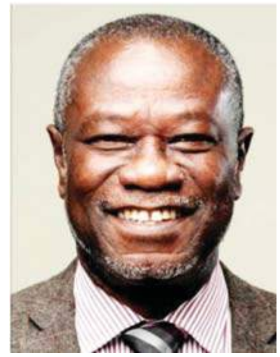
CORPORATE INFORMATION

BOARD OF DIRECTORS	Seth Adjei - *Chairman* Togbe Afede XIV Anthony Ebow Spio Professor Lade Wosornu Kingsley Ofosu Obeng Joseph Simple To-ir Siilo Agnivesh Agarwal Ernest Kwasi Okoh - *Managing* Alhassan Mutaka Alolo - *appointed 24/5/17* Victor Djangmah - *resigned 24/5/17*
SECRETARY	Accra Nominees Limited 13 Samora Machel Road Asylum Down P. O. Box GP 242 Accra
REGISTRARS	Universal MerchantBank 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

BOARD OF DIRECTORS

CHAIRMAN	NON EXECUTIVE	EXECUTIVE
Mr. Seth Adjei Ghanaian	Togbe Afede XIV Ghanaian	E. Kwasi Okoh Ghanaian





NON EXECUTIVE	NON EXECUTIVE	NON EXECUTIVE
Mr. A. Ebow Spio Ghanaian	Prof. Lade Wosornu Ghanaian	Mr. A. Agarwal Indian



NON EXECUTIVE	NON EXECUTIVE	NON EXECUTIVE	NON EXECUTIVE
Mr. Kingsley Obeng Ghanaian	Mr. Simple Siilo Ghanaian	Alhassan M. Alolo Ghanaian appointed 25/05/17	Mr. V. Djangmah Ghanaian resigned 24/05/17




PROFILES OF BOARD OF DIRECTORS

Mr. Seth. A. Adjei was Managing Director of Volta Aluminium Company (VALCO) from July 2005 until he retired in December 2008. He had worked with VALCO from July 1969, as an Electrical Engineer, as Production Department Manager, and also as Acting Director of Human Resources and Personnel Administration. He is a Fellow of the Ghana Institution of Engineers, and serves as a Council Member of the Energy Foundation. He has held several Directorships in the past, and is currently a Director of City Car Parks Limited.

Togbe Afede XIV 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, World Trade Centre Accra and Ensign College of Public Health, amongst others.

Mr. Kwasi Okoh 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.

Mr Ebow Spio is a seasoned marketing expert and currently teaches the subject as Head of Business Administration at Ashesi University. He holds a Masters degree in International Marketing from Strathclyde University in Scotland. Ebow has been extensively trained in Marketing in various places all over the world and has useful practical experience including working with Unilever for 16 years principally in Ghana and in Nigeria.

Professor Ladé Wosornu**:** Recently elected Fellow of the Ghana Academy of Arts and Science 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 of the Board of Directors, Agave Rural Bank, Dabala; Chairman, Board of Governors, DASTECH, Dabala; Chairman of Council, Charis College of Health Sciences, Sogakope, the Volta Region.

Mr Kingsley Okoe Ofosu Obeng 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.

Mr Agnivesh Agarwal 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. 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 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 Holdings SA Pvt Ltd; Sterlite Iron & Steel Co. Ltd; Primex Healthcare & Research Pvt. Ltd; and has been the Chairman & Managing Director for Fujairah Gold whom he represents on the Aluworks Limited Board.

Mr. Joseph To-ir Simple Siilo is a Notary Public and a Legal Advocate. Having been called to the Ghana Bar in 1991, he holds LL.B(Hons), BL, LLM, EMBA, and DIP (Drafting commercial Agreements). He has since 1996 been a Legal Manager at Social Security and National Insurance Trust (SSNIT), where he advises on Investment, Labour, Operational and Human Resource management issues. Prior to joining SSNIT he had worked as a Legal Officer with the Commission for Human Rights and Administrative Justice (CHRAJ) having worked in the Legal field with Gbewaa Chambers and with the Legal Aid Board. He has been Company Secretary of a number of companies in Ghana since 1997 and remains Company Secretary of Ghana Hostels Limited a job which he took up in 1999. Mr Siilo represents SSNIT on the Aluworks Board.

Dr. Mutaka Alolo 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-related policy and climate change issues in Africa through cutting-edge research and advocacy. Dr. Alolo has co-founded a number of business ventures. He is presently a 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. Victor Djangmah is an engineer by Profession and currently is the Managing Director of Fanel Limited, a firm of Electrical Engineers and Contractors. He joined the Board in February 2011. He holds a B.Sc. in Electrical Engineering from the Kwame Nkrumah University of Science and Technology (KNUST). He worked with the Electricity Company of Ghana (ECG) after KNUST from 1973 to 1980 before entering the Construction Industry. Mr. V. Djangmah was one of the representatives of Social Security and National Insurance Trust on the Board of Aluworks Limited until 24th May 2017.

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 is the Chairman, 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: Ebo Spio, and Joseph Siilo.

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.

Ladies and Gentlemen,

Another year has come around. It has however been one of challenges as we battled to secure the future of your company. Your Board of Directors has always re-iterated the underlying strength and resilience of the company and has continued to strive hard to achieve a turnaround on that basis.

One year later, the three fundamental issues that have plagued the company and its prosperity into the future continue to remain unresolved although being tantalisingly close to resolution.

Firstly we had hoped that the new Ghana International Trade Commission would have been actively working by the end of 2016. However due to the elections at the end of the year, that wish has been slowed down considerably, by the need to set up the Board of the Commission. We are pushing hard for Government to do the needful so that the countervailing measures we require against the unfair trade practices that have de-stabilised our markets can be speedily put in place. We are hopeful that this will be resolved in the next few months. This is necessary to restore our volume throughput and our market share.

Secondly, we have continued to contend with the high level of interest charges (GHS 16.4 million in 2016; GHS 14.1 million in 2015) that have robbed us of profitability because we have still not been able to conclude an arrangement to enable us retire the loan we took from SSNIT for the second cold mill, which, by the way, has been working perfectly.

Linked with these is our third imperative which has been to seek strategic investment financing aimed at restructuring our debt portfolio and to provide us with much needed working capital to propel the company back to the heights that it reached some few years ago, through re-investment in capacity, in new ways of working, and in new product choices relevant for the Ghanaian and West African market. You will recall that at last year's AGM, one such strategic investor put forward certain proposals. It has been a long year of discussions towards settling this matter to our mutual benefit. I am pleased to say that we are close at this time to finalising the necessary arrangements. It has taken a long time but there shall be closure soon. I have to add also that we have had interactions with several other prospective investors towards the same ends and continue to do so, intending that we finalise on what is most beneficial to the company in the end, in terms of growth and profitability. It has taken a long time but there shall be closure soon. Good things come to those who wait; it requires patience and diligence since the race is not for the swift.

Economic Matters.

During 2016, despite a lofty forecast, growth of the domestic economy declined to 3.6% from 3.9% in 2015.Tight monetary stance, high inflation following upward utility price adjustments, lower oil production than planned, continued power outages and low commodity prices on the global front underpinned the slow growth. Interest rates based on the Bank of Ghana's policy rate of 25%, remained high and were of concern to industry. This was driven by Governments domestic borrowing which tended to crowd out lending to local industry.

Towards the end of the year the economy begun to improve. Inflationary pressures seemed to ease to 15.4% by year end compared with a level of 19.2% in the early part of the year. 91 day treasury bill rates dropped to 16.7% compared to 23.1% at mid year. Unfortunately the cedi depreciated throughout the year but more heavily in the last quarter to end the year at 5.3% depreciation compared to 15% in 2015. This presented a very difficult working environment for industry in 2016.

In 2017, growth prospects for the economy have been positive especially since the elections in December won by the New Patriotic Party (NPP). They have been well known for being business –friendly, and this therefore signalled a more optimistic outlook. In response there has been a slow down in the cedi depreciation and a reduction in the Bank of Ghana Policy rate from 25% for most of 2016 to 22.5% in June 2017. It is hoped that the Commercial Banks and other lending institutions will follow suit in due course thus reducing the cost of doing business in Ghana. Currently growth prospects are positive for the domestic economy, buoyed by improving oil and gas production from new oil fields. While there are risks from a revert to high inflation, a revert to high depreciation of the cedi against the dollar and uncertainties in commodity markets, the Government forecasts an overall real GDP (including oil) growth of 6.3% in 2017. Inflation is targeted at 11.2% and the budget deficit to 6.5% of GDP. All these point to reducing financing costs and hopefully increased access to financing by industry during 2017.

Operations.

During 2016 the company succeeded in convincing VALCO to relieve the downward pressure on the company's performance by an increase in the supply of raw material to the company. For the last quarter supply increased from an average of 350 tonnes a month to 650 tonnes a month. Unfortunately this remedy came too late to have a salutary effect on volumes in 2016.

In 2016, 5,327 tonnes of product were produced compared with 6,149 tonnes in 2015. In addition the volume performance was adversely affected by the very low prices on the market from imported material from the Far East in general, but more specifically from China based on the unfair export rebates granted by the Chinese government. As a result 5,065 tonnes were sold in 2016 compared with 6,171 tonnes in 2015, a drop of nearly 18%.

Turnover, as a result, dropped by 12% from GHS 78.7million in 2015 to GHS69.5 million in 2016. This was also partly because the company was unable to recover a large portion of cost increases during the year in price in the face of the dampening price levels imposed by competitive products imported from China.

This situation led to a slight reduction of our gross margins in 2016 to 11.9% compared with 12% in 2015, both of which were below our nominal 16% levels. The aggregates derived both in 2015 and in 2016 were insufficient to cover administrative, selling and general expenses, despite strenuous cost control, plus financing costs. Financing costs in 2016 increased to GHS 18.0 million from GHS16.8 million in 2015 mainly due to heavy interest expenses on our second cold mill loan from SSNIT.
In the event, the company again made a loss before taxation of GHS 19.3 million compared to GHS 14.2 million in 2015.

As we continue to have a deficit on our income surplus account, the Directors are unable to declare a dividend for the year ended 2016.

GOING FORWARD.

Ladies and Gentlemen, as I said the start of this presentation, there is every chance that our search for a strategic investor will be concluded during this year 2017.

This should result in a restructuring of our debt portfolio considerably reducing and possibly removing altogether the heavy interest burden we have carried on our books since 2013. Although the cedi is expected to depreciate the level of depreciation is nowhere like as in previous years. Our expectation is that these alone will lead to an immediate profit result on our books.

When the countervailing measures we seek from the Ghana International Trade Commission come on stream, hopefully before year end but more likely early in the new year 2018, our profitability can only increase. Therefore the outlook is very positive going forward. It has taken a long time but there shall be closure to our protracted difficulties towards a rosy future sooner than later.

CONCLUSION

Ladies and Gentlemen there is light at the end of the tunnel. Therefore we make this presentation with confidence.

I have to thank my colleagues on the Board of Directors who have worked hard during all sorts of negotiations with prospective investors. The Management and Staff have been steadfast in the face of all the difficulties, knowing that patience is a virtue. Their commitment and resolution to succeed has been without doubt for which I thank them on behalf of the Board. Finally I thank all of you our dear shareholders for the strong support you have given this company over the years. We shall all be rewarded in good time, God willing.

Thank You

Seth Adjei
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.

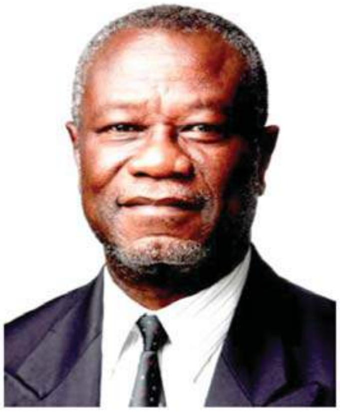
The objectives of the Quality Assurance System are:

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 quality rating ISO 9001-2008 (accredited by UKAS and examined by SGS) was last renewed on 24th April 2017. The company is currently preparing for and is progressing to the newer and more onerous ISO 9001-2015 accreditation during 2017.

The Aluworks Executive Management Committee. *All Ghanaian*

MANAGING DIRECTOR
E.Kwasi Okoh

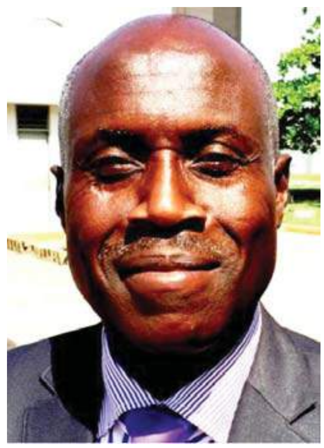


CHIEF OPORATING OFFICER
R. David Adzogble

FINANCE MANAGER
Richard Dzontoh

GENERAL MANAGER
(SALES & MARKETING DIRECTOR)
Samuel Asiedu Asare

SENIOR MANAGER
(Personnel & Administration)
Wallace Dankwah



SALES & MARKETING MANAGER (North)
Chris Opare-Larbi

SENIOR PRODUCTION MANAGER
Paul Adafia

SALES & MARKETING MANAGER SOUTH
Kpame Karbo

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FIVE YEAR FINANCIAL HIGHLIGHTS

	Year	2012	2013	2014	2015	Reporting Year 2016	Change %
RESULTS							
Turnover	(Ghc·ooo)	49 681.00	58 026.00	76 845.00	78 665.00	69 470.00	(11.7)
Gross Profit	(Ghe·ooo)	6 992.00	9 652.00	11510.00	9 438.00	8 253.00	(12.6)
General & Admin Expenses	(Ghc·ooo)	(3 730.00)	(4 747.00)	(6 980.00)	(7140.00)	(9 875.00)	(38.3)
Profit bef Interest. Tax & Exch Loss	(Ghe·ooo)	3 347.00	5158.00	4 666.00	2 524.00	(1348.00)	(153.4)
Interest Expense	(Ghc·ooo)	(2 045.00)	(2 038.00)	(3 339.00)	(14 082.00)	(16 367.00)	(16.2)
Profit bef Tax and Exchange Loss	(Ghe·ooo)	1302.00	3120.00	1 327.00	(11558.00)	(17 715.00)	53.3
Exchange Losses	(Ghc·ooo)	(3 635.00)	(3186.00)	(6 309.00)	(2 673.00)	(1599.00)	40.2
Profit/(Loss) before tax	(Ghe·ooo)	(2 333.00)	(66.00)	(4 982.00)	(14 231.00)	(19 314.00)	(35.7)
Taxation	(Ghc·ooo)	(257.00)	(1 451.00)	582.00	(579.00)	(3 625.00)	(526.1)
Profit/(Loss) after tax	(Ghe·ooo)	(2 590.00)	(1517.00)	(4 400.00)	(14 810.00)	(22 939.00)	(54.9)

PERFORMANCE RATIOS	2012	2013	2014	2015	2016
Gross Margin/Turnover	14.07%	16.63%	14.98%	12.00%	11.88%
PBIT&Exch Loss/Turnover	6.74%	8.89%	6.07%	3.21%	·1.94%
PBT&Exch Loss/Turnover	2.62%	5.38%	1.73%	-14.69%	·25.50%
Net Margin/Turnover	-5.21%	-2.61%	-5.73%	-18.83%	-33.02%
Return on Equity	-12.14%	-2.28%	-7.07%	-31.27%	·24.18%
Current Ratio	1.22	0.94	0.62	0.45	0.44

BALANCE SHEET RATIOS		2012	2013	2014	2015	2016	
Basic Earnings per share	(GHC)	(0.0281)	(0.0064)	(0.0186)	(0.0626)	(0.0626)	0.0
Dividend per share	(GHC)	0.0000	0.0000	0.0000	0.0000	0.0000	
Shareholders• equity	(Ghc·ooo)	21334	66 591	62191	47 357	94874	100.3
Net Assets per share	(GHC)	0.2318	0.2813	0.2628	0.2001	0.4008	100.3
Number of shares	cooo•sJ	92 052	236 687	236 687	236 687	236 687	0.0
Fixed assets	(Ghc·ooo)	44820	107 456	120 470	113 254	177 778	57.0

REPORT OF THE DIRECTORS
TO THE MEMBERS OF ALUWORKS LIMITED

Directors' responsibility statement

The Directors are responsible for the preparation of financial statements that give a true and fair view of Aluworks Limited, comprising the statement of financial position as at 31 December 2016, and the statements of comprehensive income, changes in equity and 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 Report of the Directors.

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 ability of the company to continue as a going concern. Refer to the 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	2016 GH¢'000	2015 GH¢'000	2014 GH¢'000	2013 GH¢'000	2012 GH¢'000
Revenue	69,470	78,665	76,845	58,026	49,681
(Loss) before tax	(19,314)	(14,231)	(4,982)	(66)	(2,333)
(Loss) after tax	(19,314)	(14,810)	(4,400)	(1,517)	(2,590)
Basic and diluted earnings	(0.0816)	(0,0626)	(0.0186)	(0.0064)	(0.0281)
per share (GHS per share)	(0.0684)	(0.0524)	(0.0156)	(0.0062)	(0.0212)

Financial statements and dividend

The financial results for the year ended 31 December 2016 are reflected in the accompanying financial statements, highlights of which are below:

	GH¢
Loss for the year after taxation	(19,314)
which when added to the brought forward balance on retained earnings account of	(43,636)
Including a write back of dividend payable from 2015	699
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leaves a balance to be carried forward on the retained earnings account of	(62,251)
	======

The Directors do not recommend the payment of dividend. The Directors consider the state of the company's affairs to be satisfactory.

GOING CONCERN AND SUBSEQUENT EVENTS

The Company incurred a net loss for the year ended 31 December 2016 of GH¢ 19,314,000 (2015: GH¢14,810,000) and as of that date its current liabilities exceeded its current assets by GH¢ 29,182,000 (2015: GH¢ 27,751,000. The Company has continued to incur losses.

The directors are engaging with strategic investors to help turn the fortunes of the Company around. In April 2017 a fair share price was agreed. The Board is confident that in the next few months the required processes will be completed.

The effect of the above is a large injection of capital to settle the SSNIT Loan, limit commercial bank finance and provide much needed working capital. In addition this is from a strategic investor in the aluminium business. Aluworks is currently working with the investor to revamp the Company's capital investment plans designed to put the Company in the forefront of the industry in terms of offering and increased quality.

The investments and expertise of this strategic investor are expected to ensure a change of the Company to one that is profit making. In pursuance of this transaction the company has completed a professional revaluation of its assets and equipment. If the transaction is unsuccessful, there exists a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and, therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations 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.

Auditor

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 10 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, Sunon-Asogli Power (Ghana) Ltd, World Trade Centre (Accra), Principal Founder, Africa World Airlines.
Victor Djangmah	BSc. In Electrical Engineering	Managing Director, Fanel Limited
Anthony Ebow Spio	MSc. In International Marketing	Head of Business Administration Department, Ashesi University
Professor Lade Wosornu	MD, FRCSEdin, FRCSEng, FGCPS, MB (Hons), BSc.	Columnist, Ghanaian Times
Kingsley Ofosu Obeng	BSc., ACCA	Investment Analyst, SSNIT
Joseph Simple To-ir-Siilo		Legal Manager, SSNIT
Agnivesh Agarwal	BSc in Commerce	Non-Executive Chairman, Hindustan Zinc Ltd; Managing Director, Fujairah Gold

Executive	Qualification	Outside board and management position
E. Kwasi Okoh	BSc., MBA, CA(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	-
41 - 60 years	4
Above 60 years	5

Role of the Board
The directors are responsible for the long term success of the company, determine the strategic direction of the company and reviews 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 reviews 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.

CoDfllcts of lDterest

The Company bas established appropriate conflicts authoris.ation procedures whereby actual or potential conflicts are regulari)' reviewed and authorisations sought as appropriate.. During he year, no suck conflicts arose arul no such authorisations v.rtre sought.

Board balante and independence

The compositio11 of the board of directors and its Committees is regularly reviewed to ensutc that the balanoo and mix of skillst independence, knowledge a.tJd experience is mainmimed. The Board considers that the Chairman is independent on appointment an.d an non-Executive Uirecto:rs are independent as it perllilts to tlte man ment of the <:ompany. The continuing imiepende tt and o jootive judgement of the no rExecutive Director; bas been oonfirmed by the Board of Di tou.

The code or ethies is available for all board members and staff of the Company upon employme11t An boW"d members are required to t<Jmply with the requirements of the provision under the Companies Act, Act 179. There are no exceptions to the adherence of the requirement of the eode.

Director's Remuneration

Director's remunerations aro determined up<ln .appoillmtent. There are no variations to the remuneration given to direttors. No additional aUnwances except sitting allowance-s are paid to members of the bo :d duriog meetings.

APPROVAL OF FINANCIAL STATEMENTS

The financial statements of Aluw{)rks Limited as indicated above were approved by the board oJ directors on '...... 1:0....., 2017 lUid are 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

Opinion

We have audited the financial statements of Aluworks Limited ("the Company"), which comprise the statement of financial position at 31 December 2016, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 28 to 57.

In our opinion, these financial statements give a true and fair view of the financial position of Aluworks Limited at 31 December 2016, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 1963 (Act 179).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants (IESBA Code)*, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 31 of the financial statements, which indicates that the Company incurred a net loss of GH¢19,314,000 during the year ended 31 December 2016 and, as of that date, the Company's current liabilities exceeded its total assets by GH¢29,182,000. As stated in Note 31, these events or conditions, along with other matters as set forth in Note 31, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

Property, Plant and Equipment (GH¢ 177,658,000)
Refer to Note 6 to the financial statements

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. We used KPMG valuation specialists to test these assumptions • 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 • Tested the controls over annual assessment of useful lives of property,plant and equipment • 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.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report and the Directors' Report as required by the Companies Act, 1963 (Act 179) but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion, proper books of account have been kept, and the statements of financial position and profit or loss and other 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 Dennis (ICAG/P/1426)

KPMG
....

For and on behalf of:
KPMG: (ICAG/F/2017/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

8 June
......................................, 2017

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STATEMENT OF I'INANCJAL POSITION AT JIDE.Cr!M UER2016

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Total Uali:IIJi.tie		l 05-,:SJ.O	89,215
Total liabilities and equity		200,404	136,572

The financial statements were approved by the Board of Directors on 8th June **, 2017 signed on their behalf by:**

DIRECTOR **DIRECTOR**

The notes on pages 28 to 57 are an integral part of these financial statements.

ALUWORKS LIMITED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31DECEMBER 2016

	Note	2016 GH¢'000	2015 GH¢'000
Revenue	20	69,470	78,665
Cost of sales		(61,217)	(69,227)
Gross profit		8,253	9,438
Other income	21	274	226
General and administrative expenses		(11,474)	(9,813)
Results from operating activities before financing cost		(2,947)	(149)
Net finance cost	24	(16,367)	(14,082)
Loss before income tax	22	(19,314)	(14,231)
Income tax (expense)	8		(579)
Loss for the year		(19,314)	(14,810)
other comprehensive income			
Items that may be reclassified subsequently To profit or loss			
Revaluation of property, plant and equipment		69,757	
Income tax on revaluation surplus		(22,860)	
other comprehensive income net of tax		46,897	
Total comprehensive income for the year		27,583	(14,810)
Basic earnings per share (Ghana Cedis}	18	(0.0816)	(0.0626)
Diluted earnings per share (Ghana Cedis}	18	(0.0684)	(0.0524)

The notes on pages28 to 57are an integral part of these financialstatements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

2016	Stated Capital GH¢'000	Share Deals GH¢'000	Other Reserves GH¢'000	Revaluation Surplus GH¢'000	Retained Earnings GH¢'000	Total Equity GH¢'000
Balance at 1 January 2016	31,650	90	980	58,273	(43,636)	47,357
Total comprehensive income for the year						
Loss for the year					(19,314)	(19,314)
Surplus on revaluation, net				46,897		46,897
Dividend write back					699	699
Balance at 31 December 2016	31,650	90	980	105,170	(62,251)	75,639

2015	Stated Capital GH¢'000	Share Deals GH¢'000	Other Reserves GH¢'000	Revallation Surplus GH¢'000	Retained Earnings GH¢'000	Total Equity GH¢'000
Balance at 1 January 2015	31,650	90	980	58,297	(28,826)	62,191
Total comprehensive income for the year						
Loss for the year					(14,810)	(14,810)
Impairment of investments				(24)		(24)
Balance at 31 December 2015	31,650	90	980	58,273	(43,636)	47,357

The notes on pages 28 to 57 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 GH¢'000	2015 GH¢'000
Cash flows from operating activities			
Loss after tax		(19,314)	(14,810)
Adjustments for:			
Depreciation charges	6	6,010	4,099
Interest expense	24	16,367	14,082
Exchange loss	22	1,599	2,673
Taxation expense	8(i)		579
		4,662	6,623
Change in inventories		(2,535)	3,786
Change in trade and other receivables		3,122	(405)
Change in trade and other payables		(1,681)	(1,025)
Cash generated from operations		3,568	8,979
Interest paid	24	(16,367)	(14,082)
Income taxes received/(paid)	8(ii)	(43)	(32)
Net cash flow (used in) operating activities		(12,842)	(5,135)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(657)	(860)
Net cash flow used in investing activities		(657)	{860)
Cash flows from financing activities			
Loan proceeds		42,031	32,636
Loan repaid		(22,883)	(32,669)
Net cash flow used in financing activities		19,148	(33)
Net (decrease)/increase in cash and cash equivalents		5,649	(6,028)
Analysis of changes in cash and cash equivalents during the year			
Balance at 1 January		(11,890)	(6,075)
Net (decrease)/increase in cash and cash equivalents		5,649	{6,028)
Effect of movement in exchange rates on cash and cash equivalent held		96	213
Balance at 31 December		(6,145)	(11,890)
Analysis of balances of cash and cash equivalents as shown in the balance sheet			
Cash and bank balances	12	133	219
Bank overdrafts	13	(6,278)	(12,109)
		(6,145)	(11,890)

The notes on pages 28to57are an Integral part ofthese financial statements.

1. REPORTING ENTITY

Aluworks Limited is a company registered and domiciled in Ghana. The address of the company's registered office can be found on page 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 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 machinery which are recognised at revalued amounts and trade and other receivables that are stated at fair values.

c. Functional and presentational currency

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

d. Use of estimates and judgement

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

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

The Company classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

The Company classifies non-derivative financial liabilities into the following categories: other financial liabilities.

(I) Non-derivative financial assets and financial liabilities – recognition and derecognition

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

The Company initially recognises loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument.
Non-derivative financial assets are recognised initially at fair value plus, for instrument not at fair value through profit and loss, any directly attributable transaction cost. Non-derivative financial liabilities are initially recognized at fair values less any directly attributable transaction costs.

The Company derecognises a financial asset when the contractual rights to the cash flows from the 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 asset are transferred, or it neither transfers nor retains substantially all of the risk and rewards of ownership and does not retain control over the transferred asset.
On derecognition of a financial asset, the difference between the carrying amount of the asset and the consideration received is recognized in profit or loss. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognized as a separate asset or liability. Any interest in such derecognized financial asset that is created or retained by the Company is recognized as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Non-derivative financial instruments are categorised and measured as follows:

- Loans and receivables – these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Loans and receivables comprises cash and cash equivalent, trade and other receivables and amount due from related parties.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- Financial liabilities measured at amortised cost - this relates to all other liabilities that are not designated at fair value through profit or loss. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method. Other financial liabilities comprise amount due to related parties and trade and other payables.

Offsetting

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

(b) Impairment

(i) Financial assets

(a) Assets carried at amortised costs

Financial assets are assessed at each reporting date to determine whether there is objective evidence that it is impaired.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, indications that a debtor will enter bankruptcy, adverse changes in the payment status of borrowers and economic conditions that correlate with defaults.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of estimated future cash flows discounted at the original effective interest rate.

The Company considers evidence of impairment of these assets both on an individual and collective basis. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and make adjustments if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested historical trends.
All impairment losses are recognised in profit or loss and reflected in an allowance account. Interest on the impaired asset continues to be recognised. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

(b) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Assets classified as available-for-sale (AFS) – (Cont'd)

Impairment losses are recognized by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can objectively be related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through other comprehensive income.

(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) Leases

(i) Classification

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

(ii) Lease payments

Payments made under operating leases are charged to the 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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) 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 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).

(ii) Subsequent costs

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

(iii) Depreciation

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

Amortization 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.

(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.

(i) Revenue

Sale of goods

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Rendering of services

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.

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) Dividend

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

(n) Post Balance Sheet Events

Events subsequent to the 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Segment reporting

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

(p) Earnings per Share

The company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the 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.

(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 2016, 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
FRIS 9	*Financial Instruments*	Annual periods beginning on or after 1 January 2018
AS 7	*Disclosure Amendments*	Annual periods beginning on or after 1 January 2017
FR$ ´5 I	*Revenue from Contracts with Customers*	Annual periods beginning on or after 1 January 2018
FR$ ´6 I	*Leases*	Annual periods beginning on or after 1 January 2019

IFRS 9 *Financial Instruments*

On 24 July 2014, the IASB issued the final IFRS 9 *Financial Instruments* Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement*.

This standard will have a significant impact on the Company, which will include changes in the measurement bases of the Company's financial assets to amortised cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different. In addition, the IFRS 9 impairment model has been changed from an “incurred loss” model from IAS 39 to an “expected credit loss” model, which is expected to increase the provision for bad debts recognised in the Company.

The standard is effective for annual periods beginning on or after 1 January 2018 with retrospective application, early adoption is permitted.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

® New standards and interpretations not yet adopted - Cont'd

Disclosure Initiative (Amendments to IAS 7)
The amendments provide for disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. This includes providing a reconciliation between the opening and closing balances for liabilities arising from financing activities. The amendments apply for annual periods beginning on or after 1 January 2017 and early application is permitted.

IFRS 15 *Revenue from contracts with customers*

This standard replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter of Transactions Involving Advertising Services*.

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 recognised.

This new standard will most likely have a significant impact on the company, which will include a possible change in the timing of when revenue is recognised and the amount of revenue recognised. The company is currently in the process of performing a more detailed assessment of the impact of this standard on the company and will provide more information in the year ended 31 December 2016 financial statements.

The standard is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

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.

- 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. 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.

a. Revenue by products

	2016 GH¢'000	2015 GH¢'000
Sheet In Coil (Plain)	8,674	9,157
Sheet In Coil (Colour)	18,071	19,394
Circles	21,929	31,339
Corrugated Sheets (Plain)	8,898	8,981
Corrugated Sheets (Colour)	7,458	6,700
Flat Sheets (Plain)	4,007	2,661
Flat sheets (Colour)	433	433
Total	69,470	78,665

b. Geographical bcatlon

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

Revenue	2016 GH¢ '000	2015 GH¢'000
In Ghana	55,332	61,966
Outside Ghana	14,138	16,699
Non-current Assets In Ghana	177,778	113,375

C. 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(2015: NIL).

6. PROPERTY, PLANT AND EQUIPMENT

2016

	Leasehold Land and Buildings GH¢'000	Plant and Machinery GH¢'000	Equipment GH¢'000	Vehicles GH¢'000	Motor Progress GH¢'000	Capital Work in Total GH¢'000
Gross Value						
At 111116	56,334	80,968	3,576	,466		142,344
Additions		510	147			657
Revaluation adjustments	(3,098)	(17,575)	(739)	(568)		(21,980)
Revaluation Surplus	53,739	15,159	544	315		69,757
At 31112116	106,975	79,062	3,528	1,213		190,778
Comprising						
Cost of assets revalued	1,904	4,033	1,003	254		7,194
Surplus!(deficit) on revaluations to 2015	48,872	4,641	834	(132)		54,215
Surplus!(deficit) on revaluation to 2016	53,739	15,158	544	316		69,757
At revaluation	104,515	23,832	2,381	438		131,166
At cost	2,460	55,230	1,147	775		59,612
	06,97i	79,062	3,528	2Ja		190,778
Accunulated Depreciation						
At 111116	3,249	22,770	2,288	783		29,090
Charge for the year	1,059	4,296	426	229		6,010
Revaluation adjustments	(3,098)	(17,575)	(739)	(568)		(21,980)
At 31112116	1,210	9,491	1,975	444		13,120
Carrying Amount						
At 31112/16	105,765	69,571	1,553	769		177,658

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

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

	2016 GH¢'000	2015 GH¢'000
Cost of sales	5,060	3,680
General, administrative and selling expenses	950	419
	6,010	4,099

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

	2016 GH¢'000	2015 GH¢'000
Cost		174
Accumulated depreciation		(174)
Net book value		
Sale proceeds		
Profit on disposal		

7. 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 GH¢120,000 (2015: GH¢120,000).

8. TAXATION

	2016 GH¢'000	2015 GH¢'000
(i) Income tax expense		
Current tax expense 8(ii)		
Deferred tax expense (Note 9)		
Other comprehensive income (Note 9	22,860	
	22,860	579

8. TAXATION (CONT'D)

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

(ii) Taxation payable

	Balance at 1/1/15 GH¢'000	Payments during the year GH¢'000	Charged to P/L account GH¢'000	Balance at 31/12/15 GH¢'000
Income Tax				
Up to 2004	(707)			(707)
2005	39			39
2006	33			33
2007	(293)			(293)
2008	(137)			(137)
2009	(28)			(28)
2010	(13)			(13)
2011	(12)			(12)
2012	2	(1)		1
2013	(17)			(17)
2014	(5 4	(3)		(55)
2015		(28)		(28)
Capital Gains Tax	7			7
	(1,178)	(32)		(1,210)

Taxation payable

	Balance at 1/1/16 GH¢'000	Payments during the year GH¢'000	Charged to P/L account GH¢'000	Balance at 31/12/16 GH¢'00
Income Tax				
Up to 2015	(1,210)			(1,21Q
2016		(43)		(43)
	(1,210)	(43)		(1,253)

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

8. TAXATION (CONT'D)

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

	2016 GH¢'000	2015 GH¢'000
Loss before taxation	(19,314)	(14,231)
Income tax using the domestic tax rate (25%)	(4,829)	(3,558)
Non-deductible expenses	(20,762)	1,595
Income not taxable	(470)	-
Tax losses	2,158	2,542
Unrecognised deferred tax asset	23,903	-
Income tax charge	-	579
Effective tax rate	(0%)	4%

9. DEFERRED TAXATION

	2016 GH¢'000	2015 GH¢'000
Balance at 1 January	12,024	11,445
Charge to profit or loss	-	579
Other comprehensive income	22,860	-
Balance at 31 December	34,884	12,024

(i) Recognised deferred tax assets and liabilities.
Deferred tax liabilities are attributable to the following:

	Assets GH¢'000	Liabilities GH¢'000	2016 Net GH¢'000	Assets GH¢'000	Liabilities GH¢'000	2015 Net GH¢'000
Property, plant and equipment		3,197	3,197	-	3,437	3,437
Capital gains tax	-	22,860	22,860	-	8,407	8,407
Others	-	8,827	8,827	-	180	180
Net tax liabilities	-	34,884	34,884	-	12,024	12,024

10. INVENTORIES

	2016 GH¢'000	2015 GH¢'000
Raw materials	1,866	2,026
Work-in-progress	1,488	1,240
Finished goods	4,080	2,353
Consumables	11,556	10,835
	18,990	16,454

11. TRADE AND OTHER RECEIVABLES

	2016 GH¢'000	2015 GH¢'000
Trade receivables due from customers	1,341	3,840
Other receivables	666	1,218
Staff debtors	12	31
Prepayments	231	226
	2,250	5,315

Included in other receivables are advance payments of 595,839 (2015: GH¢1,162,487) made to suppliers in relation to inventory.

12. CASH AND CASH EQUIVALENTS

	2016 GH¢'000	2015 GH¢'000
Cash at bank	84	217
Cash on hand	49	2
	133	219

13. BANK OVERDRAFTS

		2016 GH¢'000	2015 GH¢'000
(i)	Ecobank Ghana Limited	4,312	10,248
(ii)	Societe Generale Ghana Limited	1,966	1,861
		6,278	12,109

(I) The company has an overdraft facility not exceeding GH¢5 million with Ecobank Ghana Limited (EGH) to finance the purchase of stocks, raw materials, spares and other operational. Interest rate is EGH cedi base rate plus a spread of 6% per annum on facilities per annum payable monthly in arrears and will expire on 30 September 2017. 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 1,000,000 in weekly local sales through its EGH Account.

(ii) The company has 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 expires on 31 January 2018. Interest rate is 28%.

13. MEDIUM TERM LOANS

	SSNIT GH¢'000	Ecobank Revolving GH¢'000	Ecobank Short-term GH¢'000	2016 Total GH¢'000	2015 Total GH¢'000
Balance 1 January	39,853	850	-	40,703	40,736
Drawdown during the year	-	25,200	5,000	30,200	24,825
Interest Capitalised	11,831	-	-	11,831	7,811
	51,684	26,050	5,000	82,734	73,372
Repayments during the year	-	(22,050)	(833)	(22,883)	(32,669)
	51,684	4,000	4,167	59,851	40,703
Balance at 31 December	51,684	4,000	4,167	59,851	40,703
Analysed as follows:					
Current portion	13,611	4,000	4,167	21,778	14,461
Medium term loan Non-current)	38,073	-	-	38,073	26,242
	51,684	4,000	4,167	59,851	40,703

(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 IAS 32, the facility qualified for a compound 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¢ 51,684,265 was recognised as the carrying amount of the loan in the statement of financial position. Interest capitalised on the facility in 2016 was GH¢ 11,831,190.

(ii) Ecobank Revolving

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 for raw manufacturers of raw material supply. The facility is also to back the issuance of sight and deferred (up to a maximum of 12 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 1,000,000 in weekly local sales through its EGH Account. Interest rate is EGH cedi base rate plus a spread of 6% for both facilities per annum payable monthly in arrears and will expire on 30 September 2017.

(iii) Ecobank Short term loan

The company obtained a short term loan facility of GH¢5 million from Ecobank Ghana Limited in 2016 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 6% per annum payable monthly in arrears. The duration of the loan is for 12 month after the date of disbursement and will expire on 30 September 2017.

15. SHORT -TERM LOAN

	2016 GH¢'000	2015 GH¢'000
Current portion of Medium Term Loan (Note 14)	21,778	14,461

16. DIVIDEND PAYABLE

	2016 GH¢'000	2015 GH¢'000
Balance at 1 January	699	699
Dividend declared in the year	-	-
Write back of dividend	(699)	-
Balance at 31 December	-	699

17. STATED CAPITAL

Ordinary shares

	No. of Shares 2016 '000	Proceeds 2016 GH¢	No. of Shares 2015 '000	Proceeds 2015 GH¢
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 was 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. EARNING 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.

	2016 GH¢'000	2015 GH¢'000
Loss attributable to equity holders of the Company	(19,314)	(14,810)

18. EARNING PER SHARE (CONT'D)

	2016	2015
Number of ordinary Shares in issue	236,687,001	236,687,501
Basic earnings per share (expressed in GH¢ per share)	(0.0816)	(0.0626)

	2016 GH¢'000	2015 GH¢'000
Loss attributable to equity holders of the Company	(19,314)	(14,810)

	2016	2015
Weighted average number of ordinary shares In Issue	282,377,001	282,377,501
Diluted earnings per share (expressed in GH¢ per share)	(0.0684)	(0.0524)

19. TRADE AND OTHER PAYABLES

	2016 GH¢'000	20154 GH¢'000
Trade payables	20,437	18,455
Other payables and accrued expenses	3,315	5,225
	23,752	23,680

20 REVENUE

	2016 GH¢'000	20145 GH¢'000
Local sales	65,093	2,947
Export sales	14,138	16,699
	79,231	89,646
Less: Value Added Tax	(9,553)	(10,866)
Rebate	(208)	(115)
Net sales value	69,470	78,665

21. OTHER INCOME

	2016 GH¢'000	2015 GH¢'000
Roofing fixings, argon gas and dross	146	88
Sundries	128	138
	274	226

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

22. LOSS BEFORE TAX IS STATED AFTER CHARGING

	2016 GH¢'000	2015 GH¢'000
Personnel cost (note 23)	8,730	9,088
Auditors remuneration	70	65
Depreciation	6,011	4,099
Directors emoluments	65	57
Net finance cost (note 24)	16,367	14,082
Exchange loss	1,599	2,673

23. PERSONNEL COSTS

	2016 GH¢'000	2015 GH¢'000
Wages and salaries	7,940	8,287
Social security contributions	437	443
Provident fund	248	255
End of service benefits	105	103
	8,730	9,088

The average number of persons employed by the company during the year was 264. (2015: 202)

24. NET FINANCE COST

	2016 GH¢'000	2015 GH¢'000
Interest income	23	14
Interest expense	(16,390)	(14,096)
	16,367	(14,082)

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.

(ii) Credit risk

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

Trade and other receivables

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

(ii) Credit risk (cont'd)

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:

	2016 GH¢'000	2015 GH¢'000
Trade receivables	1,341	3,840
Other receivables	666	1,218
Staff debtors	12	31
Cash and cash equivalent	133	219
	2,152	5,308

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

	2016 GH¢'000	2015 GH¢'000
Foreign companies	-	1,989
Local Institutions	1,341	1,851
	1,341	3,840

Impairment losses

The ageing of trade receivables at the reporting date was:

	2016		2015	
	Gross GH¢'000	Impairment GH¢'000	Gross GH¢'000	Impairment GH¢'000
Current(less than 30 days)	595	-	011	-
Due but not impaired (30 - 90 days)	91	-	362	-
Impaired (more than 90 days)	3,241	(2586)	2,780	(313)
	3,927	(2,586)	4,153	(313)

25. FINANCIAL RISK MANAGEMENT (CONT'D) Cash and cash

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

December 2015. Investment securities

The Company' investments comprise investment in equity securities. None of these investments were impaired at the year end and at 31 December 2015.

(iii) Liquidity risk

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

The following are contractual maturities of financial liabilities:

31 December 2016

	Carrying Amount GH¢'000	6mths or less GH¢'000	6-12 mths GH¢'000	1-3 years GH¢'000
Non -derivative financial liability				
Trade and other payables	23,752	23,752	-	-
Bank overdrafts	6,278	6,278	-	-
Short term loans	21,778	-	21,778	-
Medium term loans	38,073	-	-	38,073
Balance at 31 December 2016	89,881	30,030	21,778	38,073

31 December2015

	Carrying Amount GH¢'000	6mths or less GH¢'000	6-12 mths GH¢'000	1-3 years GH¢'000
Non-derivative financial liability				
Trade and other payables	23,275	23,275	-	-
Bank overdrafts	12,109	12,109	-	-
Short term loans	14,461	-	14,461	-
Medium term loans	26,242	-	-	26,242
Balance at 31 December 2015	76,087	35,384	14,461	26,242

(iv) Market risks

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

25. FINANCIAL RISK MANAGEMENT (CONT'D)

Foreign currency risk

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

Currency Risk

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

	31 December 2016			31 December 2015		
	Rand	GBP	USD	Rand	GBP	USD
Cash and bank balances	-	-	17,878	-	-	55,003
Trade and other receivables	-	-	608,652	2,305	237,438	936,234
Trade and other payables	-	-	-	(74,334)	-	(4,471,659)
Gross exposure	-	-	626,530	72,029	237,438	3,480,422

The following significant exchange rates applied during the year:

	Average Rate		Reporting Rate	
	2016	2015	2016	2015
USD	3.9342	3.7075	4.1300	3.7300
GBP	5.1020	5.5401	5.0690	5.5458
Rand	0.2823	0.2936	0.3035	0.2455

Sensitivity analysis on currency risks

The following table shows the effect of a strengthening or weakening of GH¢ against all other currencies on the company's 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. FINANCIALRISKMANAGEMENT(CONT'D)

Sensitivity analysis on currency risks (Cont'd)

A strengthening/ weakening of the GHct, 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.

At31 December	2016			2015		
InGH¢	% Change	Profit or loss/Equity impact-increase/(deere ase): Strengthening	Profit or loss/Equity impact-increase/(decrea se): Weakening	% Change	Profit or loss/Equity impact-increase/(deere ase): Strengthening	Profit or loss/Equity impact-increase/(d ecrease): Weakening
		GH¢	GH¢		GH¢	GH¢
€	±0.1%	-	-	±1.3%	(4,020)	4,020
US$	±0.3%	(6,678)	6,678	±0.6%	(76,079)	76,079
£	±0.3%	-	-	±1.2%	-	-
Rand	±0.0%	-	-	±0.0%	29	(29)

Interest rate risk profile

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

	Carrying amounts 2016 GB¢'000	2015 GB¢'000
Variable rate instrument		
Financial liabilities	66,129	52,812

Cash flow sensitivity analysis for variable rate instrument

A change of 300 basis points in interest rate at the reporting date would have increased (decreased) profit or loss or equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis for 2016 is performed on the basis that interest rate changed by 300 basis points.

Variable rate instrument	300bp Increase GH¢'000
31 December 2016	
Variable rate instrument	(4,255)
31 December 2015	
Variable rate instrument	(3,521)

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:

balance sheet, are as follows:

(i) Loans and receivables	31 December 2016 Carrying Amount GH¢'000	31 December 2016 Fair Value GH¢'000	31 December 2015 Carrying Amount GH¢'000	31 December 2015 Fair Value GH¢'000
Trade and other receivables	2,019	2,019	5,089	5,089
Cash and cash equivalents	133	133	219	219
	2,152	2,152	5,308	5,308

(ii) Available-for-sale	31 December 2016 Amount GH¢'000	31 December 2016 Value GH¢'000	31 December 2015 Amount GH¢'000	31 December 2015 Value GH¢'000
Investment securities	120	120	120	120
	120	120	120	120

(ii) Other financial liabilities	31 December 2016 Carrying Amount GH¢'000	31 December 2016 Fair Value GH¢'000	31 December 2015 Carrying Amount GH¢'000	31 December 2015 Fair Value GH¢'000
Trade and other payables	23,752	23,752	23,275	23,275
Bank overdrafts	6,278	6,278	12,109	12,109
Short term loans	21,778	21,778	14,461	14,461
Medium term loans	38,073	38,073	26,242	26,242
	89,881	89,881	76,087	76,087

(iii) 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)

25. FINANCIAL RISK MANAGEMENT (CONT'D)

(iii) 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 2016, 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)

i) Transactions

The following transactions were carried out with related parties

	2016 GH¢'000	2015 GH¢'000
Purchases by Pioneer Kitchenware	579	479

ii) Outstanding balances arising from related party transactions:

		2016 GH¢'000	2015 GH¢'000
(a)	Trade Receivables	382	456

(iii) Key management compensation

	2016 GH¢'000	2015 GH¢'000
Salaries and other short-term benefits	65	57

(iv) Loans and advances to related parties

Loan advances to senior management and staff	12	31

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 2.00. The Group's adjusted net debt to equity ratio at 31 December 2016 was as follows.

	2016 GH¢'000	2015 GH¢'000
Total liabilities	124,765	89,215
Less: cash and cash equivalents	(133)	(219)
Adjusted net debt	124,632	88,996
Total equity	75,639	47,357
Less hedging reserve	-	-
Adjusted equity	75,639	47,357
Adjusted net debt to adjusted equity ratio	1.65	1.88

28. CAPITAL COMMITMENTS

There were no capital commitments as at the year ended 31 December 2016 (2015: Nil).

29. CONTINGENT LIABILITIES

There were no claims, litigation or legal suit pending against the company as at 31 December 2016 (2015: Nil).

30. EMPLOYEE BENEFITS

Defined Contribution Plans

(i) Social Security

Under a National Pension Scheme, the company contributes 13% of employee's basic salary to the 1st Tier Social Security and National Insurance Trust (SSNIT) scheme and 5% to the 2nd Tier Occupational Pension Scheme for employees which is managed by Enterprise Trustees Limited (ETL). The company's obligation is limited to the relevant contributions, which were settled on due dates. The pension liabilities and obligations, however, rest with SSNIT and ETL.

30. EMPLOYEE BENEFITS – (CONT'D)

ii) Provident Fund

The company has a 3rd Tier Provident Fund Scheme for staff for which it contributes 7.5% of staff basic salary to Enterprise Trustees Limited (ETL). The obligation under the plan is limited to the relevant contribution and these are settled on due dates to the fund manager.

31. GOING CONCERN AND SUBSEQUENT EVENTS

The Company incurred a net loss for the year ended 31 December 2016 of GH¢ 19,314,000 (2015: GH¢14,810,000) and as of that date its current liabilities exceeded its current assets by GH¢ 29,182,000 (2015: GH¢ 27,751,000. The Company has continued to incur losses.

The directors are engaging with strategic investors to help turn the fortunes of the Company around. In April 2017 a fair share price was agreed. The Board is confident that in the next few months the required processes will be completed.

The effect of the above is a large injection of capital to settle the SSNIT Loan, limit commercial bank finance and provide much needed working capital. In addition this is from a strategic investor in the aluminium business. Aluworks is currently working with the investor to revamp the Company's capital investment plans designed to put the Company in the forefront of the industry in terms of offering and increased quality.

The investments and expertise of this strategic investor are expected to ensure a change of the Company to one that is profit making. In pursuance of this transaction the company has completed a professional revaluation of its assets and equipment. If the transaction is unsuccessful, there exists a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and, therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations 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 (2015: 236,687,001) ordinary shares in issue at the end of the year.

(ii) Number of Shareholders

The company had 3,075 ordinary shareholders at 31 December 2016 (2015: 3,011) distributed as follows:

Holding		No. of Holders	Total Holding	% Holding
1 -	1,000	2,201	566,535	0.24
1,001 -5,000	491	1,199,425		0.51
5,001 -10,000	168	1,262,586		0.53
10,001 and over		215	233,658,455	98.72
		3,075	236,687,001	100

(iii) **List of twenty largest shareholders as at 31 December 2016**

	Name of Shareholder	No. of Shares	% of Issued Capital
1.	Social Security & National Insurance Trust	148,219,086	62.62
2.	Caitlyn Limited	46,413,652	19.61
3.	Professor Wosornu Lade	10,545,078	4.46
4.	SCBN/SSB Eaton Vance Tax-Managed Emerg Mkts	5,176,100	2.19
5.	Strategic Initiatives Limited	4,170,540	1.76
6.	Mr. K K D Alor	2,337,239	0.99
7.	Colin M. Waugh	1,464,668	0.62
8.	Mrs. Elizabeth Arthur	820,000	0.35
9.	Qualitec Industries Limited	750,688	0.32
10.	Dr. Yaw Adu-Gyamfi	621,543	0.26
11.	SCB/SSB Eaton Vance Structured Em. Mkt FA20	457,409	0.19
12.	Ghana Commercial Bank Limited	450,000	0.19
13.	Tema Oil Refinery Limited	450,000	0.19
14.	National Investment Bank Limited	442,080	0.19
15.	NTHC Limited	431,857	0.18
16.	Dr. Clifford Edward Aryee	427,830	0.18
17.	Ms. Alice Vivian Wosornu	403,612	0.17
18.	Dr. Larbi Emmauel Bekoe	323,726	0.14
19.	Anim Jehoram Tei	315,580	0.13
20.	Lifespring Capital	300,000	0.13
		224,520,688	94.87

(iv) Directors' Shareholding

The Directors named below held the following number of shares in the company as at 31 December 2016:

Ordinary Shares

	2016	%
Ernest Kwasi Okoh	100,000	0.04
Victor Kodjo Djangmah	193,000	0.08
Professor Lade Wosomu	10,545,078	4.46
	10,838,078	4.58

ALUWORKS LIMITED
CORPORATE SOCIAL RESPONSIBILITY

Aluworks Limited regards Corporate Social Responsibility as a fundamental contribution to the society; thus, it has consistently sought sustainable ways to support the economy in which it operates. The key areas of concentration of the company are Education and Culture.

Education
Aluworks Limited provides industrial attachments, educational visits and training for Technical and Tertiary students and to the Military in the community.

Culture
The company also offers financial support to Kpone and Tema Traditional Authorities in the community in which it operates during celebrations of the Annual “Homowo" and other festivals.

NOTES

NOTES

POXY FORM

PROXY FORM FOR USE AT THE 30TH ANNUAL GENERAL MEETING TO BE HELD AT THE FIESTA ROYALE HOTEL, DZOWURLU (NEXT TO THE NESTLÉ HEAD OFFICE BUILDING) ON THURSDAY SEPTEMBER 14, 2017 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 14th day of September, 2017 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, 2016.
2.	*in favour of against	the Resolution to ratify the appointment of Mr. Alhassan Mutaka Alolo as a Director of the company.
3.	*in favour of against	the Resolution to re-elect Mr. Agnivesh Agarwal as a Director of the company.
4.	*in favour of against	the Resolution to maintain Non-Executive Directors fees at the 2007 level i.e. – not exceeding a total of GH¢45,000.00 per annum.
5.	*in favour of against	the Resolution to authorise the Directors to fix the remuneration of the Auditors for the ensuing year.
6.	*in favour of against	the Resolution to transfer the amount of GH¢90,000 in the Share Deals Account to the Stated Capital Account of the company.

On any other business transacted at the meeting and unless otherwise instructed in paragraphs 1 to 6 above, the resolutions to which reference is made in those paragraphs, the proxy will vote as he/she thinks fit.

* **Strike out whichever is not desired**

____

Signature of Shareholder

Signed this .... day of .... 2017.

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 September 12, 2017

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