ALUWORKS LIMITED

ANNUAL REPORT 2008

COVER PHOTOGRAPH.

Photo of the finished foundation superstructure for the second cold mill.

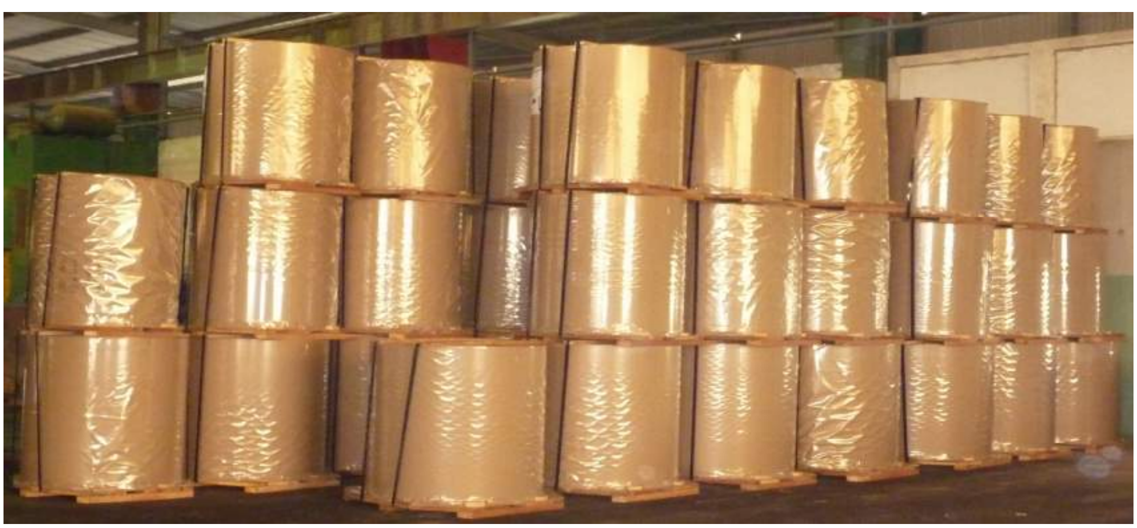
ALUWORKS LIMITED

ANNUAL REPORT 2008

Snippets of the Aluminium Production Process

Aluminium Ingots Received at the Factory Yard.

The Current Cold Rolling Mill in Operation



Aluminium Coils Packed ready for Export.

ALUWORKS LIMITED

CONTENTS.

ALUWORKS LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the 22nd 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 November 19, 2009 at 10 O'clock in the forenoon to transact the following:

AGENDA

ORDINARY BUSINESS

1. **To receive and consider the Reports of the Directors, Auditors and the Audited Financial Statements for the year ended December 31, 2008.**

2. **To approve the appointment of Directors.**

3. **To re-elect Directors.**

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

SPECIAL BUSINESS

Special Resolutions

1. **To amend the Regulations of the company to allow for the issuance of and or conversion to dematerialised securities.**

   The Council of the Ghana Stock Exchange (GSE) has resolved that:

   - Pursuant to automated trading, clearing and settlement and for the maintenance of transaction records in their new electronic depository, all listed companies should endeavour to amend their Regulations at their next Annual General Meeting in 2009 to allow for the issue of and/or conversion to dematerialised securities; and
   - With effect from January 2009, all new or additional securities being listed should be electronic securities that have been admitted into the GSE Securities Depository.

The above is required under the Central Securities Depository Act 273 of 2007

The Council is recommending the following for insertion into the Regulations of listed companies:

i. The company may issue securities in uncertificated or dematerialised form and the Board of Directors shall pass a resolution to that effect.

ii. The company may convert a certificated security into an uncertificated security and the Board of Directors shall pass a resolution to that effect.

iii. The company shall accept for registration, transfers in the form approved by the Ghana Stock Exchange or under the Central Securities Depository Act, Act 733 of 2007.

iv. The manner in which the records of share holding in the Company shall be kept shall be as determined by the Ghana Stock Exchange and shall be in line with the Central Securities Depository Act, 2007 (Act 733).

These will replace the current Regulation 13 which states:

“Share certificates shall be issued in accordance with Section 53 of the Code”. Regulation 31 which provides for the Transfer and Transmission of shares will be deleted in its entirety.

The above is being recommended by the Board of Directors for Shareholders’ approval at the Annual General Meeting for the year 2009 scheduled for Thursday November 19, 2009.

2. To amend the Regulations of the company and increase the authorised number of shares of the company from 100,000,000 shares of no par value to 300,000,000 shares of no par value.

Dated this 5th day of October, 2009

By Order Of the Board

ACCRA NOMINEES LIMITED
COMPANY SECRETARIES

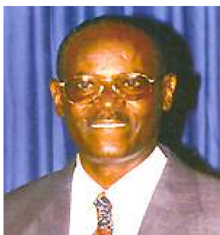
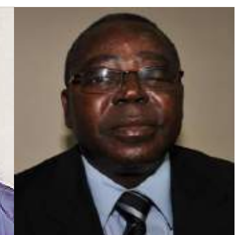
Note:
A member of the company entitled to attend and vote may appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the company. Completed proxy forms should be deposited at the offices of the Registrars NTHC, Martco House No 542/4 Okai Mensah Link, Adabraka, P. O. Box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

ALUWORKS LIMITED

Aluworks Limited Board of Directors

Mr. W. E. Inkumsah – Chairman

Non Executive Directors

				
K. Kwarteng	**B. A. Gogo**	**Togbe Afede**	**N. K Kpoh**	**T. Fofie**

Mr. E. Kwasi Okoh – Managing Director

Senior Management Team

					
F. Agboada	**D. Adzogble** Operations	**S. Asare Asiedu** Sales/Marketi	**W. Dankwah**	**E. Sarkodie**	**K. G. Manu**

ALUWORKS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS	William Ekroo Inkumsah *(Chairman)* Ernest Kwasi Okoh (*Managing - appointed 17 December 2008)* Kondagunta Venkataramana *(Managing – resigned 17 December 2008)* Kwadwo Kwarteng Benjamin Akuete Gogo Togbe Afede XIV Napoleon Kpoh Anthony Fofie *(appointed 1 December 2008)* Kofi Ansah *(resigned 31 August 2008)* Samuel Kingsley Kwofie *(resigned 31 August 2008)* Isaac Osei *(resigned 30 November 2008)*
SECRETARY	Alex Poku-Acheampong *(Resigned: 14 May 2008)* Aluworks Limited P. O. Box 914 Tema Accra Nominees *(Appointed: 14 May 2008)* 13 Samora Machel Road Asylum Down P. O. Box GP 242 Accra Ghana
REGISTRARS	NTHC Limited Martco House, No. D542/4 Okai Mensah Link, Adabraka P. O. Box 9563 Airport, Accra
PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE	Plot No. 63/1, Heavy Industrial Area P. O. Box 914 Tema
AUDITORS	KPMG Chartered Accountants 13 Yiyiwa Drive P. O. Box 242 Accra
BANKERS	Barclays Bank of Ghana Limited Ecobank Ghana Limited SG - SSB Limited

The New Coil Colour Coating Line In

Almost Finished Coloured Coils

Coil Colour Coating in Process

Main Coil Coating Control Room

ALUWORKS LIMITED

CHAIRMAN'S STATEMENT FOR 2008 AGM

Dear Shareholders, ladies and gentlemen, I warmly welcome you to the 22nd Annual General Meeting of the company and to present to you the Annual and Financial Statements of our company for the Financial Year ended 31st December 2008.

Distinguished ladies and gentlemen, I shall in this presentation talk about the environment in which the company operated during 2008, and also talk about the future plans for the company and the outlook going forward which I am sure will be of interest to you.

But let me begin by reassuring you of the great confidence this board has in the future prosperity of Aluworks Limited, which has unfortunately been blighted by difficult conditions beyond its control over the last three years. We believe that plans we have put in place for the future, will restore Aluworks to its favoured position, as the darling of the Ghana Stock Exchange, as it was in the past.

The year 2008 was another difficult year for our company, with challenges faced in the import of primary aluminium ingots.

ECONOMIC ENVIRONMENT

The global recession that started in the last quarter of 2007, persisted throughout 2008 with rising food and oil prices. Commodity prices declined and businesses experienced declining consumer demand. Demand for our products consequently begun to reduce. Indeed global turmoil in the global financial markets caused the aluminium industry across the world to begin to shrink, with resultant reduction of staff numbers in many companies, and the closure of businesses similar to Aluworks.

On the other hand Ghana's economic growth remained strong. The economy grew by 7.2% despite the challenges that faced the world economies. Inflation that was projected to come down to 14.5% by year-end 2008 closed at 18.1%, despite macroeconomic stability and the structural reforms of previous periods.

The cedi depreciated by 26.4% against the US Dollar as a consequence of balance of payments position. Principally good export performance in gold and cocoa was overshadowed by large increases in the country's oil bill, widening the current account deficit over the year.

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

REVIEW OF 2008

OPERATIONS

Total production for the year was 13,666mt. as against 15,007mt produced in 2007, a shortfall of 9**%.** This reduced level of production was due to challenges the company faced in the import regime of primary aluminium ingots.

SALES

Our company sold 14,136**mt**. of products in the year under review as against 14,185mt. sold in 2007. The lower figure was due to lower demand and production.

Net Turnover for the year was **Gh¢57.13** million as against Gh¢52.02 million achieved in 2007 an increase of 10%, due to prudent pricing.

EXPORTS

The company continued with its export activity during the year under review, exporting a total of 6,431m**t.** of products and earning **US$23.47** million in the process. Total exports and earnings in 2007 were 6,259mt. and US$23 million respectively.

FINANCIAL RESULTS

For the second year running the company regrettably made a loss. The loss of Gh¢2.96 million was nevertheless an improvement over 2007. The Board has challenged itself to turn around the fortunes of the company in the shortest time possible. It is worth noting however, that at the operational level, the company was profitable but that profit was reduced to a loss after finance charges in the form of interest expense and exchange loss. Proceeds from the proposed rights issue will be used to support working capital thereby reversing the substantial reliance on bank finance (loans) to support operations.

DIVIDEND

It is regretted that the Directors cannot recommend the payment of a dividend whilst there remains a deficit balance on the retained earnings account.

PERFORMANCE ON THE STOCK EXCHANGE

The company's stock suffered reverses similar to the performance of the company. The share price dropped from Gh¢0.71 at the beginning of the year and ended at Gh¢0.66 at the end of the year, a decline of 7.7%.

HUMAN RESOURCE

There was a peaceful industrial atmosphere in the company during the year. Wage opener negotiations were carried out successfully with representatives of the two workers groups. Various training programs were carried out for staff at all levels both in-house and external. The aim of the training was to improve the skills and competencies of employees.

ISO CERTIFICATION

The company maintained its ISO 9001:2000 certificate by going through the bi-annual surveillance audits successfully. The company therefore has a good image both on the international and local markets as a producer of high quality products.

The company has undergone the processes for upgrade of our quality status from ISO 9001: 2000 to ISO 9001: 2008. We await conclusion of the process and we will announce in due course when we have the certificate to hand.

AMENDMENT OF REGULATIONS

The Ghana Stock Exchange started its automation in 2008 as a means of attracting investors and issuers. This led to the establishment of GSE Securities Depository Company. It has become mandatory for the company to amend its regulations to permit the transition from paper share certificates to electronic book entry securities.

The Board is therefore recommending that members support the proposed amendment. This will be put to you in the form of a resolution as part of the business of this meeting.

We encourage all shareholders to contact a stockbroker with their share certificates and have their certificates placed in electronic form in the GSE Securities Depository.

BOARD OF DIRECTORS

Mr. Kondagunta Venkataramana, the former Managing Director, retired on December 17, 2008 after five years of distinguished service to the company. I would like to take this opportunity to thank Mr. Venkataramana for his invaluable contribution to Aluworks.

In his place the Board has appointed **Mr. Ernest Kwasi Okoh** as Managing Director of Aluworks from December 17, 2008. Mr. Okoh, a Chartered Accountant, has had extensive managerial experience having served with Unilever for 32 years in various capacities and different countries including several top positions. Until his appointment Mr. Okoh was the Managing Director of Dannex Limited.

Mr. Kofi Ansah, the longest serving member, retired from the board on 31st August 2008 after twenty-five (25) years of dedicated service. Mr. Ansah was associated with Aluworks right from project conceptualization in the later 1970's, through construction to commissioning from 1981 to 1984, up to commercial operations in 1985 when he was appointed a director of the company.

Under the leadership of the late Mr. Kwesi Renner, Mr. Ansah worked with others, notably Mr. Ato Ahwoi, and the late Major (Rtd) Peter N. Lamptey (our former Administrative Manager) for the realization of the Aluworks project. He was seconded in 1981 from the then Aluminum Industries Commission to become the Project Manager for Aluworks, and under him the construction and successful commissioning of the Plant was completed in 1984.

I take this opportunity to congratulate Mr. Ansah on his sterling contribution to the Board and the company as a whole.

Mr. Isaac Osei, the Cocobod representative resigned from the Board on November 30, 2008 after retiring from Cocobod as Chief Executive. He was replaced by **Mr. Anthony Fofie**, the Chief Executive Officer of Cocobod. I take this opportunity to thank Mr. Isaac Osei for his invaluable contribution to the Board and the company as a whole. Mr. Anthony Fofie will be formally elected as a Director of your company at this meeting.

Also resigning from the Board on August 31, 2008 was **Mr. Samuel Kingsley Kwofie**. Mr. Kwofie joined the Board on May 29, 1997 representing private shareholders. I take this opportunity to thank Mr. Kwofie for his immense contribution to the Board and the company as a whole.

In accordance with the regulations of the company and the Companies Code 1963, Act 179, **Mr. B.A. Gogo** and **Mr. N. Kpoh** will be retiring by rotation and being eligible have offered themselves for re-election.

NON-EXECUTIVE DIRECTORS FEES

The Board has decided that there should be no increase in Directors fees in the year 2009 due to the financial difficulties the company is facing. This is the third consecutive year in which the fees of the non-executive directors have not been raised.

CORPORATE CITIZEN

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

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

PROJECTIONS FOR THE FUTURE

ECONOMIC PREVIEW OF 2009

The new government is in the process of maintaining macroeconomic stability of the economy. The effects of the global recession are still being felt in our economy, however, the government appears anxious to fulfill its campaign promises. There will be serious challenges in maintaining discipline in the economy. The government will put in place measures to utilise prudently revenues that will flow into the economy from the oil production.

BUSINESS PROSPECTS FOR 2009

The credit crunch has had a hard effect on the first half of 2009. However I am happy to report that both the recession and the credit crunch are showing some signs of easing and the Aluworks order book is building up quite strongly. The year will be difficult but we expect our resolve to turnaround the company to be borne out especially with the successful completion of the rights issue.

CAPITAL PROJECTS

The Coil Coating Line project has been fully commissioned and is turning out international standard quality products. Potential demand for the line's products locally and overseas is quite high.

There have been some challenges with the completion of the second cold mill project due to financing problems. The original financiers of the project pulled out mid-stream and this has resulted in delays in getting the project fully off the ground. With the successful execution of the rights issue the project shall be revitalized for completion in 2010.

BUSINESS PROSPECTS GOING FORWARD

Dear Shareholders, this is a very important issue for this company. Your Board believes strongly in the future of Aluworks Limited. Indeed the average age in Ghana and generally in West Africa is very low or rather very young. This young population needs housing and hence the roofing sheet market can only grow. This young population as they marry and mature need to buy cooking utensils, whilst the older folk also need to renew their old pots and pans, and hence demand for these household products can also only grow.

Indeed in the recent past, we in Aluworks have always had more demand than we could cope with and supply. However the company has been beset with externally generated problems in the last few years that it is working to overcome. The effect of the energy crisis especially on our main supplier is well known. Consequently and we are forced to and continue to import at much higher costs than before.

You will all recall that the company in its bid to increase capacity to enable it meet the demand it had been unable to satisfy, embarked upon capital projects namely the construction of the Coil Colour Coating Line and installation of a second Cold Mill.

You have been told already that the Coil Colour Coating Line has been completed and commissioned early in 2009. The second Cold Mill however remains unfinished due to the credit crunch and the recession. You will recall that when we initiated the rights issue we proposed to raise capital to finish the second Cold Mill.

Since the latter part of 2008 and throughout 2009, the credit crunch and the ongoing recession has had a severe effect on our business. Our sales have in 2009 been seriously affected, especially in terms of exports, by the drop in world demand for aluminium, resulting in a lower than planned revenue stream. Additionally as you have been told we have had to contend with importing at much higher costs than if we obtained our raw materials locally. So we have lower revenue and higher costs. This has depleted our working capital very fast. Additionally we continue to make payments for the Coli Colour Coating Line and for the initial stages of the second Cold Mill financed by the banks. These payments further deplete our working capital whenever they fall due.

In other parts of the world, Governments are committed to helping companies in our kind of situation where demand and revenue have fallen, due to the credit crunch and the recession, by way of stimulus packages. We have no such recourse. That is partly why we have initiated the proposed rights issue, to restore the level of working capital required to ensure the right level of turnover and revenue. This will enable the company to comfortably purchase raw materials and thus return to profitable business. Some of the funds we will raise will be used to reduce our borrowings from the banks and thus reduce our interest expense and exchange losses, which have led to poor results despite good profitability at operational level.

Once the rights issue is successfully finished, this board is convinced Aluworks will return to a path of growth and profitability, and we urge you all to participate fully.

You will note that we again need to raise the level of our authorized shares to 300 million shares. This will enable us to accommodate the new number of shares required to raise the financing, for both the second Cold Mill and working capital. The concept of authorized shares is a misplaced requirement in our system of "shares of no par value". This needs to be expunged from the companies code, as it serves no real purpose in the management of companies in Ghana. I hope the authorities concerned will take due note of this view, when the necessary reform of the companies code is being done. We will put the need for more authorized shares to you in the form of a resolution as part of the business of this meeting.

We are quite convinced that the successful rights issue will restore the company to the right financing profile which will be the impetus required to return this company to profitable growth in the very near future as the recession eases around the world.

CONCLUSION

On behalf of the Board of Directors, I would like to express my sincere gratitude to shareholders, customers, suppliers and other stakeholders for keeping faith with us during these difficult times. I also wish to express my sincere gratitude to Management and staff at all levels for their support. I have great faith in the potential of Aluworks Limited and with the prospect of the successful completion of the two expansion projects, the future success of the company is assured.

ALUWORKS LIMITED

FIVE YEAR FINANCIAL HIGHLIGHTS

						Reporting Year	
	Year	2004	2005	2006	2007	**2008**	**Change %**
Turnover	(Ghc¢'000)	45 796.00	47 772.70	49 246.30	52 018.00	**57 127.00**	**10**
Profit/(Loss) before interest and tax	(Ghc¢'000)	3 205.50	3 560.10	2 342.50	-1 072.00	**-1 309.00**	**-22**
Interest Income	(Ghc¢'000)	7.20	2.20	6.20	1.00	**-**	
Interest Expense	(Ghc¢'000)	-685.30	-730.00	-479.30	-1 380.00	**-2 333.00**	**-69**
Exceptional Item	(Ghc¢'000)	-	-	-	-1 811.00	**-**	
Profit/(Loss) before tax	(Ghc¢'000)	2 527.40	2 832.30	1 869.40	-4 263.00	**-3 642.00**	**17**
Taxation	(Ghc¢'000)	-475.20	-574.30	-229.40	-187.00	**684.00**	**127**
Profit/(Loss) after tax	(Ghc¢'000)	2 052.20	2 258.00	1 640.00	-4 450.00	**-2 958.00**	**34**
Earnings per share	(Gp)	0.0492	0.0542	0.0393	(0.1068)	**(0.0710)**	**34**
Dividend per share	(Gp)	0.0450	0.0500	0.0550	0.0000	**0.0000**	
Shareholders' equity	(Ghc¢'000)	11 471.70	11 645.80	10 995.60	6 498.00	**22 317.00**	**243**
Net Assets per share	(Gp)	0.2752	0.2794	0.2638	0.1559	**0.5355**	**243**
Number of shares	('000's)	41 678	41 678	41 678	41 678	**41 678**	**0**
Fixed assets	(Ghc¢'000)	6 951.80	6 339.30	8 005.30	19 102.00	**44 978.00**	**135**

PERFORMANCE RATIOS	2004	2005	2006	2007	**2008**
Gross Margin/Turnover	12.18%	12.74%	10.91%	5.91%	**7.69%**
Net Margin/Turnover	4.48%	4.73%	3.33%	-8.46%	**-5.16%**
Return on Equity	17.89%	19.39%	14.91%	-66.80%	**-13.25%**
Current Ratio	1.83	1.38	1.34	0.99	**0.72**

Aluworks Coloured Products

Coloured Roofing Trapizoidal Profile

Coloured Roofing Ridge Caps

Grey Beige; Teal Green; Chevron Blue Coloured

Corporate Governance

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

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

CORPORATE GOVERNANCE & BOARD PRACTICE

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

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

Audit Sub Committee

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

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

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

Remuneration Sub Committee

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

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

REPORT OF THE DIRECTORS

TO THE MEMBERS OF ALUWORKS LIMITED

The directors present their report and audited financial statements of the company for the year ended 31 December 2008.

DIRECTORS' RESPONSIBILITY STATEMENT

The company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the balance sheet at 31 December 2008, income statement and cash flow statement for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Code, 1963 (Act 179).

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

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

FINANCIAL STATEMENTS AND DIVIDEND

The results are summarised as follows:

	GH¢'000
Loss for the year ended 31 December 2008 after taxation is (2,958)	
to which is added balance on retained earnings account brought forward of	1,406

Leaving the income surplus account balance in deficit of (1,552)	
====	

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

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

NATURE OF BUSINESS

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

CHANGES IN FINANCIAL REPORTING FRAMEWORK

In line with changes in the financial reporting framework announced by the Institute of Chartered Accountants of Ghana in consultation with other regulatory bodies, the company adopted International Financial Reporting Standards (IFRS), as the reporting framework with effect from 1 January 2008.

As a result, the attached financial statements have been prepared in accordance with IFRS. Comparative financial information, which was prepared in accordance with Ghana Accounting Standards, has been restated accordingly.

The impact of the changes in comparative results and position has been disclosed in note 30 of the attached financial statements.

APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the company as indicated above were approved by the board of directors on 30th June 2009 and are signed on their behalf by:

DIRECTOR

DIRECTOR

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALUWORKS LIMITED

We have audited the accompanying financial statements of Aluworks Limited, which comprise the balance sheet at 31 December 2008, the income statement, the statement of recognised income and expense and cash flow statements 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 24 to 51.

Directors' Responsibility for the financial statement

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements give a true and fair view of the financial position of Aluworks Limited at 31 December 2008, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALUWORKS LIMITED (CONT'D)

Report on Other Legal and Regulatory Requirements

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

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

In our opinion, proper books of account have been kept, and the balance sheet, income statement and retained earnings account are in agreement with the books of account.

KPMG

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

30 June 2009

ALUWORKS LIMITED
INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 GH¢'000	Restated 2007 GH¢'000
Revenue	6	57,127	52,018
Operating costs		(52,734)	(48,946)
Gross profit		4,393	3,072
Other income	7	82	61
General and administrative expenses		(5,784)	(4,205)
Operating loss before financing cost		(1,309)	(1,072)
Net finance expense	10	(2,333)	(1,380)
Exceptional item		-	(1,811)
Loss before taxation	8	(3,642)	(4,263)
Income tax expense	11	684	(187)
Loss for the year		(2,958)	(4,450)
Basic earnings per share	24	(0.0710)	(0.1068)
Diluted earnings per share	24	(0.0710)	(0.1068)

The notes on pages 24 to 51 are an integral part of these financial statements.

STATEMENT OF RECOGNISED INCOME AND EXPENSE

FOR THE YEAR ENDED 31 DECEMBER 2008

	2008	Restated 2007
	GH¢'000	**GH¢'000**
Loss for the year	(2,958)	(4,450)
	--------	--------
Total recognised income and expense for the year	(2,958)	(4,450)
	====	====

The notes on pages 24 to 51 are an integral part of these financial statements.

ALUWORKS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008 GH¢'000	Restated 2007 GH¢'000
Assets			
Property, plant and equipment	13	44,978	19,102
Intangible assets	14	38	-
Long term investments	15	28	28
Total non-current assets		45,044	19,130
Inventories	16	14,785	16,425
Income tax asset	11	808	678
Trade and other receivables	17	9,278	8,491
Cash and cash equivalents	18	893	786
Total current assets		25,764	26,380
Total assets		70,808	45,510
Equity			
Share capital	23	5,002	5,002
Share deals	23	90	90
Retained earnings –(Deficit)	23	(1,552)	1,406
Revaluation Surplus	23	18,777	-
Total equity		22,317	6,498
Non-current liabilities			
Medium-term loans	20	11,921	11,642
Deferred tax liabilities	12	1,032	735
Total non-current liabilities		12,953	12,377
Current liabilities			
Bank overdraft	19	10,708	9,050
Trade and other payables	25	15,756	3,802
Short-term loan	21	8,375	13,084
Dividend Payable	22	699	699
Total current liabilities		35,538	26,635
Total liabilities		48,491	39,012
Total liabilities and equity		70,808	45,510

DIRECTOR DIRECTOR

The notes on pages 24 to 51 are an integral part of these financial statements.

ALUWORKS LIMITED

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 GH¢'000	Restated 2007 GH¢'000
Cash flows from operating activities		
Loss before taxation	(3,642)	(4,263)
Adjustments for:		
Depreciation charges	595	595
Amortisation of intangible asset	19	-
Exchange loss	4,929	3,905
Interest received	-	(1)
Interest expense	2,333	1,381
Profit on disposal of property, plant and equipment	(19)	-
	--------	--------
	4,215	1,617
Change in inventories	1,640	(6,575)
Change in trade and other receivables	(787)	(440)
Change in trade and other payables	11,954	(5,099)
	--------	-------
Cash generated from operations	17,022	(10,497)
Interest received	-	1
Interest paid	(2,333)	(1,381)
Income taxes paid	(137)	(270)
	-------	---------
Net cash flow from operating activities	14,552	(12,147)
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,729)	(11,498)
Purchase of intangible asset	(57)	-
Proceeds from sale of property, plant and equipment	42	1
	--------	--------
Net cash flow used in investing activities	(6,744)	(11,497)
Cash flows from financing activities		
Dividend paid	-	(1,490)
Loan Proceeds	26,419	31,438
Loan Repaid	(35,778)	(12,445)
	--------	--------
Net cash flow from financing activities	(9,359)	17,503
	-------	----
Net decrease in cash and cash equivalents	(1,551)	(6,141)
	=====	=====

Analysis of changes in cash and cash equivalents during the year

Balance at 1 January	(8,264)	(2,123)
Net cash flow	(1,551)	(6,141)
Balance at 31 December	(9,815)	(8,264)

Analysis of balances of cash and cash equivalents as shown in the balance sheet

Cash and bank balances	893	786
Bank overdraft	(10,708)	(9,050)
	(9,815)	(8,264)

The notes on pages 24 to 51 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

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.

2. BASIS OF PREPARATION

a. Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations adopted by the International Accounting Standards Board (IASB). These are the company's first set of financial statements prepared in accordance with IFRS and IFRS 1 has been applied. In accordance with the transitional requirements of these standards, the company has provided full comparative information. An explanation of how the transition to IFRS has affected the reported financial position, financial performance and cash flows of the company is provided in note 31.

b. Basis of measurement

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

c. Functional and presentational currency

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

d. Use of estimates and judgement

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

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

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in notes 4 and 26.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the company and in preparing an opening balance sheet at 1 January 2008 for the purpose of transition to IFRS.

a. **Financial Instruments**

(i) Non-derivative financial instruments

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

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

Non-derivative financial instruments are categorised as follows:

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

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

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

(ii) Off setting

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

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

(iii) Amortised cost measurement

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iv) Stated capital (Share capital)

Ordinary Shares

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

Repurchase of stated capital (treasury shares)

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

(b) **Leases**

(i) Classification

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

Other leases are classified as operating leases.

(ii) Lease Payments

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

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

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

(i) Recognition and measurement

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

If property becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value at the date of transfer is recognised in equity as a revaluation of property. If a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement. 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 income statement as incurred.

(iii) Depreciation

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

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

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

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

(d) **Intangible Assets**

Software

Software acquired by the company is stated at cost less accumulated amortisation and accumulated impairment losses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

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

(e) Inventories

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

(f) Trade and Other Receivables

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

Other receivables are stated at their cost less impairment losses.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and bank balances and these are carried at amortised cost in the balance sheet.

(h) Employee Benefits

Defined contribution plans

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

(i) Revenue

Sale of goods

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Sale of services

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

(j) Finance Income and Expense

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

(k) Impairment

(i) *Financial assets*

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.
Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

(ii) Non-financial assets

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

(l) Income Tax

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

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

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

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

(m) **Dividend**

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

(n) **Post Balance Sheet Events**

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

(o) **Segment reporting**

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

(p) **Earnings per Share**

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

(q) **Comparatives**

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

(r) **New standards and interpretations not yet adopted**

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2008, and have not been applied in preparing these financial statements.

- IFRS 8 Operating Segments introduces the "management approach" to segment reporting. IFRS 8, which becomes mandatory for the company's 2009 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the company's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently the company does not present segment information in respect of its business segments (see note 5).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- Revised IAS 23 Borrowing Costs removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised IAS 23 will become mandatory for the company's 2009 financial statements and will constitute a change in accounting policy for the company.
  In accordance with the transitional provisions the company will apply the revised IAS 23 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date.

- IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements: Puttable Financial Instruments and Obligations Arising on Liquidation will become mandatory for the 31 December 2009 financial statements. This amendment requires certain puttable instruments that meet the definition of a financial liability to be classified as equity if and only if they meet the required conditions. It is not expected to have any impact on the financial statements.

- IFRS 2 amendment Share based payment: vesting conditions and cancellations will become mandatory for the 31 December 2009 financial statements and applies retrospectively. The amendments apply to equity-settled share-based payment transactions and clarify what are vesting and "non-vesting conditions". Vesting conditions are now limited to service conditions (as defined in the current IFRS 2) and performance conditions. Non-vesting conditions are conditions that do not determine whether the entity receives the services that entitle the counterparty to a share-based payment are non-vesting conditions. Non-vesting conditions are taken into account in measuring the grant date fair value and thereafter there is no "true-up" for differences between expected and actual outcomes. These changes will have no impact on the company's financial statements.

- IFRS 3 Business Combinations will become mandatory for the 31 December 2010 financial statements. This standard requires all future transaction costs relating to business combinations to be expensed and contingent purchase consideration recognised at fair value at acquisition date for successive shares.

- IFRIC 12 Service Concession Arrangements provides guidance on certain recognition and measurement issues that arise in accounting for public-to-private service concession arrangements. IFRIC 12, which becomes mandatory for the company's 2008 financial statements, is not expected to have any effect on the financial statements.

- IFRIC 13 Customer Loyalty Programmes addresses the accounting by entities that operate, or otherwise participate in, customer loyalty programmes for their customers. It relates to customer
  loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. IFRIC 13, becomes mandatory for the company's 2009 financial statements.

- IFRIC 14 and IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements (MFR) on such assets. It also addresses when a MFR might give rise to a liability. IFRIC 14 will become mandatory for the company's 2008 financial statements, with retrospective application required. It is not expected to have any impact on the financial statements.

4. DETERMINATION OF FAIR VALUES

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

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

(i) **Trade and other receivables**

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

(ii) **Non-derivative financial liabilities**

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

(iii) **Investments in equity**

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

5. SEGMENT REPORTING

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

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

6. REVENUE

	2008	**2007**
	GH¢'000	**GH¢'000**
Local sales	38,933	35,454
Export sales	24,073	21,322
	63,006	56,776
Less: Value Added Tax	(5,840)	(4,639)
Rebate	(39)	(119)
Net sales value	57,127	52,018

7. OTHER INCOME

	2008 GH¢'000	2007 GH¢'000
Profit on disposal of property plant and equipment	19	-
Roofing fixings and dross	61	48
Sale of scrap	-	8
Sundries	2	5
	----	---
	82	61
	==	==

8. LOSS BEFORE TAX IS STATED AFTER CHARGING:

	2008	2007
Personnel cost (note 9)	3,953	4,961
Auditors remuneration	22	19
Depreciation	595	595
Directors emoluments	157	146
Donation	-	15
Net finance cost (note 10)	2,333	1,380
	====	====

9. PERSONNEL COSTS

	2008	2007
Wages and salaries	3,550	4,458
Social security contributions	254	314
Provident fund	149	189
	-------	-------
	3,953	4,961
	====	====

The average number of persons employed by the company during the year was 253 (2007: 357)

10. NET FINANCE EXPENSE

	2008 GH¢'000	2007 GH¢'000
Interest income	-	1
Interest expense	(2,333)	(1,381)
	--------	--------
	(2,333)	(1,380)
	====	====

11. TAXATION

	2008 GH¢'000	2007 GH¢'000
(i) Income tax expense		
Current tax expense 11(ii)	7	-
Deferred tax (relief)/expense (12)	(691)	187
	-----	-----
	(684)	187
	===	===

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

(ii) **Taxation payable**

	Balance at 1/1/08 GH¢'000	Payments during the year GH¢'000	Charged to P/L account GH¢'000	Balance at 31/12/08 GH¢'000
Income Tax				
Up to 2004	(719)	-	-	(719)
2005	26	-	-	26
2006	336	-	-	336
2007	(270)	-		(270)
2008	-	(137)		(137)
Capital Gains Tax	**-**	**-**	7	7
National Reconstruction Levy	(51)	**-**	**-**	(51)
	------	-----	-----	----
	(678)	(137)	7	(808)
	===	===	==	===

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

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

11. TAXATION- (CONT'D)

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

	2008	**2007**
	GH¢'000	**GH¢'000**
Loss before taxation		(3,642)
(4,263)		
	====	====
Income tax using the domestic tax rate (25%)	(911)	(1,066)
Non-deductible expenses	784	784
Income not taxable	(5)	-
Tax on permanent difference	132	282
Capital gains tax	7	-
Deferred tax	(691)	187
	--------	--------
Current tax charge	(684)	187
	====	====
Effective tax rate	18.8%	4.3%

12. DEFERRED TAXATION

	2008	**2007**
	GH¢'000	**GH¢'000**
Balance at 1 January (Restated)	735	548
(Relief)/Charged to income statement	(691)	187
Charge to revaluation surplus	988	-
	------	-----
Balance at 31 December		1,032
735		
	====	===

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

			2008			**2007**
	Assets	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Property, plant and equipment	-	543	543	-	735	735
Capital gains tax	-	988	988	-	-	-
Others	(499)	-	(499)	-	-	-
	------	-----	-----	----	-----	-----
Net tax liabilities	(499)	1,531	1,032		-	735
735						
	===	===	===	==	===	===

13. PROPERTY, PLANT AND EQUIPMENT

2008	Land and Buildings GH¢'000	Leasehold Plant and Machinery GH¢'000	Equipment GH¢'000	Motor Vehicles GH¢'000	Capital Work in Progress GH¢'000	Total GH¢'000
Gross Value						
At 1/1/08	2,363	9,804	1,062	579	13,559	27,367
Additions		43	171	61	6,454	6,729
Revaluation surplus	8,710	9,492	985	578	-	19,765
Disposal	(6)	-	(2)	(55)		(63)
At 31/12/08	11,067	19,339	2,216	1,163	20,013	53,798
Comprising						
Cost of assets revalued	1,904	8,744	1,003	491	-	12,142
Surplus on revaluation -1999	453	1,060	57	33	-	1,603
Surplus on revaluation -2008	8,710	9,492	985	578		19,765
At revaluation	11,067	19,296	2,045	1,102	-	33,510
At cost		43	171	61	20,013	20,288
	11,067	19,339	2,216	1,163	20,013	53,798
Accumulated Depreciation						
At 1/1/08	724	6,081	952	508	-	8,265
Charge for the year	69	420	78	28	-	595
Released on disposal	(1)	-	-	(39)		(40)
At 31/12/08	792	6,501	1,030	497	-	8,820
Net Book Value						
At 31/12/08	10,275	12,838	1,186	666	20,013	44,978

At 31/12/07	1,639	3,723	110	71	13,559	19,102

2007	Leasehold Land and Buildings	Plant and Machinery	Equipment	Motor Vehicles	Capital Work in Progress	Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Gross Value						
At 1/1/07(Restated)	2,363	9,727	1,023	567	2,189	15,869
Additions	-	77	39	12	11,370	11,498
At 31/12/07	2,363	9,804	1,062	579	13,559	27,367
Comprising						
Cost of asset revalued	496	4,725	730	62	-	6,013
Surplus on revaluation	453	1,060	57	33	-	1,603
At revaluation	949	5,785	787	95	-	7,616
At cost	1,414	4,019	275	484	13,559	19,751
	2,363	9,804	1,062	579	13,559	27,367

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

2007	**Leasehold Land and Buildings**	**Plant and Machinery**	**Equipment**	**Motor Vehicles**	**Capital Work in Progress**	**Total**
	GH¢'000	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**	**GH¢'000**
Accumulated Depreciation						
At 1/1/07	648	5,666	896	460	-	7,670
Charge for the year	76	415	56	48	-	595
	------	-------	------	-----	-----	-------
At 31/12/07	724	6,081	952	508	-	8,265
	===	====	===	===	===	====
Net Book Value						
At 31/12/07	1,639	3,723	110	71	13,559	19,102
	====	====	===	===	=====	=====
At 31/12/06	1,715	4,061	127	107	2,189	8,199
	====	====	===	===	=====	=====

Leasehold Land and Buildings, Plant, Machinery, Equipment and Vehicles were revalued by Valuation and Investments Associates (Professional Valuers, Estate Agents and Property Consultants) on 9th July 1999 on the basis of their open market values and again on 30 October 2008. These figures were incorporated in the financial statements during the year ended 31 December 2000 and 2008 respectively.

Included in capital work in progress is an amount of GH¢3,348,863 and GH¢452,991 which relates to exchange losses and interest on borrowings.

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

	2008	**2007**
	GH¢'000	**GH¢'000**
Cost of sales	501	440
General, administrative and selling expenses	94	155
	-----	-----
	595	595
	===	===

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

	2008	**2007**
	GH¢'000	**GH¢'000**
Cost	63	-
Accumulated Depreciation	(40)	-
	-----	------
Net Book Value	23	-
Sale proceeds	(42)	-
	-----	------
Profit on disposal	(19)	-
	===	====

14.INTANGIBLE ASSETS

	2008 GH¢'000	2007 GH¢'000
Balance at 1 January	-	-
Acquisition	57	-
	----	----
Balance at 31 December	57	-
	==	==
Amortisation		
Balance at 1 January	-	-
Amortisation for the year	19	-
	----	----
Balance at 31 December	19	-
	==	==
Carrying amount		
At 31 December	38	-
	==	==

This relates to the cost of purchased software.

15 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 balance sheet date was GH¢168,000 (2007: GH¢192,000).

16. INVENTORIES

	2008 GH¢'000	2007 GH¢'000
Raw materials	6,584	703
Work-in-progress	3,247	8,700
Finished goods	2,914	4,980
Consumables	2,040	2,042
	---------	--------
	14,785	16,425
	=====	=====

17. TRADE AND OTHER RECEIVABLES

	2008	2007
Trade receivables due from customers	4,011	6,991
Other receivables	5,211	1,432
Staff debtors	26	56
Prepayments	30	12
	-------	-------
	9,278	8,491
	====	====

18. CASH AND CASH EQUIVALENTS

	2008	2007
Bank balances	834	635
Cash balances	59	151
	-----	-----

893	786
===	===

19. BANK OVERDRAFT

	2008	2007
	GH¢'000	GH¢'000
Ecobank Ghana Limited	9,570	6,516
SG-SSB Bank Limited	1,138	1,516
Barclays Bank of Ghana Limited	-	1,018
	10,708	9,050

(i) The company has an overdraft facility not exceeding US$5.0 million with Ecobank Ghana Limited to finance purchase of stocks, raw materials, spares and other operational bill and standby letters not exceeding US$8.2 million to back the issuance of letters of credits in favour of the company's overseas suppliers and sight and deferred up to a maximum of 180 days. The facilities are secured by legal mortgage over the company's office/factory premises situated at Tema and 'pari passu' fixed and floating charges with SG-SSB over the company's assets including hypothecation over stocks**.** The facility expires on 31 March 2009. Interest rate is at 6 months LIBOR with a spread of 1.1% per annum payable monthly in arrears.

(ii) The company has an overdraft facility not exceeding GH¢1.5 million with SG-SSB Bank Limited to finance working capital. The company's floating and fixed assets shared 'pari passu' with Ecobank Ghana Limited and Barclays Bank of Ghana Limited have been pledged as security for the facility**.** The facility expires on 31 January 2009. Interest rate is at 16.9 % per annum and is subject to change at the discretion of the bank.

20 MEDIUM TERM LOANS

	Ecobank Ghana Limited	Barclays Bank of Ghana Limited	SG-SSB Bank Limited	2008 Total	2007 Total
	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January 2008	2,729	13,895	8,102	24,726	1,828
Draw down during year	24,764	758	897	26,419	26,992
	27,493	14,653	8,999	51,145	28,820
Repayments during year	(23,618)	(11,043)	(1,117)	(35,778)	(12,445)
	3,875	3,610	7,882	15,367	16,375
Exchange loss	1,462	1,607	1,860	4,929	3,905
Balance at 31 December 2008	5,337	5,217	9,742	20,296	20,280

Analysed as follows:

Current portion	5,337	1,738	1,300	8,375	-
Medium tern portion	-	3,479	8,442	11,921	20,280

	5,337		5,217	9,742	20,296 20,280
=====	=====	=====	====		====

20MEDIUM TERM LOANS (CONT'D)

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

21. SHORT-TERM LOAN

	2008 GH¢'000	2007 GH¢'000
Current portion of Medium Term Loan (Note 20)	8,375	4,446
	--------	-------
	8,375	4,446
	====	====

22. DIVIDEND PAYABLE

	2008	2007
Balance at 1 January (Restated)	699	(103)
Dividend declared Nil (2007: Nil) per share	-	2,292
	-----	--------
	699	2,189
Paid during the year	-	(1,490)
	-----	-------
Balance at 31 December	699	699
	===	===

23. CAPITAL AND RESERVES

(i) **Reconciliation of movement in capital and reserves**

2008	**Stated Capital GH¢'000**	**Share Deals GH¢'000**	**Revaluation Surplus GH¢'000**	**Retained Earnings GH¢'000**	**Total Equity GH¢'000**
Balance at 1 January 2008 (Restated)	5,002	90	-	1,406	6,498
Total recognised income and expense	-	-	19,765	(2,958)	16,807
Deferred tax	-	-	(988)		(988)
	-------	----	--------	-------	--------
Balance at 31 December 2008	5,002	90	18,777	(1,552)	22,317
	====	==	=====	====	=====

2007	**Stated Capital**	**Share Deals**	**Revaluation Surplus**	**Retained Earnings**	**Total Equity**

	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Balance at 1 January 2007 (Restated)	5,002	90	-	8,148	13,240
Total recognised income and expense	-	-	-	(4,450)	(4,450)
Dividend declared	-	-	-	(2,292)	(2,292)
Balance at 31 December 2007	5,002	90	-	1,406	6,498

23. CAPITAL AND RESERVES (CONT'D)

(ii) **Stated capital**

(a) ***Ordinary shares***

	No. of Shares 2008 '000	Proceeds 2008 GH¢'000	No.of Shares 2007 '000	Proceeds 2007 GH¢'000
Authorised				
Ordinary Shares of no par value	50,000		50,000	
Issued and fully paid				
For cash	7,049	765	7,049	765
Transfer from capital surplus	34,629	4,237	34,629	4,237
	41,678	5,002	41,678	5,002

The holders of the ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the company. There is no call or instalment unpaid on any shares.

24. EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the net loss attributable to equity holders of the company by the weighted average number of shares in issue, excluding treasury shares, during the year.

	2008 GH¢'000	2007 GH¢'000
Loss attributable to equity holders of the Company	(2,958)	(4,450)
Weighted average number of ordinary shares in issue	41,677,911	41,677,911

	=======	========
Basic earnings per share (expressed in GH¢ per share)	(0.0710)	(0.1068)
	======	======

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares, to assume of all dilutive potential ordinary shares. At 31st December 2008 and 2007, the company had no dilutive potential ordinary shares.

25. TRADE AND OTHER PAYABLES

	2008	**2007**
	GH¢'000	**GH¢'000**
Trade payables	14,723	1,096
Non-trade payables and accrued expenses	1,020	716
Accrued Charges	13	1,990
	---------	-------
	15,756	3,802
	=====	====

26. FINANCIAL RISK MANAGEMENT

(i) Overview

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

- credit risk
- liquidity risk
- market risks

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

Risk management framework

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

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

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

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

(ii) Credit risk

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

Trade and other receivables

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

26. FINANCIAL RISK MANAGEMENT (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:

	2008 GH¢'000	**2007 GH¢'000**
Trade and other receivables	9,278	8,491
Cash and cash equivalents	893	786
	--------	-------
	10,1719,277	
	====	====

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

	2008 GH¢'000	**2007 GH¢'000**
Foreign companies	124	2,940
Local Institutions	3,887	4,051
	-------	-------
	4,011	6,991
	====	====

Impairment losses

The aging of trade receivables at the reporting date was:

	2008 Gross GH¢'000	**2008 Impairment GH¢'000**	**2007 Gross GH¢'000**	**2007 Impairment GH¢'000**
Current(less than 30 days)	1,135	-	4,128	-
Due but not impaired (30-180 days)	2,840	-	2,638	-
Impaired (more than 180 days)	36	-	225	-
	--------	-----	--------	----
	4,011	-	6,991	-
	====	==	====	===

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

	2008 GH¢'000	**2007 GH¢'000**
Balance at 1 January	-	-
Impairment loss recognised	-	-
	-----	----
Balance at 31 December	-	-
	===	===

26. FINANCIAL RISK MANAGEMENT (CONT'D)

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

(iii) Liquidity risk

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

The following are contractual maturities of financial liabilities:

31 December 2008

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

31 December 2007

	Amount	6mths or less	6-12 mths	1-3 years
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
Non-derivative financial liability				
Trade and other payables	3,802	3,802	-	-
Bank overdraft	9,050	9,050	-	-
Short term loan	13,084	-	13,084	-
Medium term loan	11,642	-		11,642
Balance at 31 December 2007	37,578	12,852	13,084	11,642

(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.

26. 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 British Pounds and US Dollars.

Currency Risk

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

	31 December 2008		***31 December 2007***	
	EURO	USD	EURO	USD
Bank balances	7,360	6,290	-	418,583
Bank overdraft	-	(8,918,824)	-	(6,615,133)
Trade and other receivables	-	1,833,006	-	3,166,505
Trade and other payables	-	(11,192,696)	-	-
Loan Payable	-	(16,500,879)	-	(20,379,094)
Gross exposure	7,360	(34,773,103)	-	(23,409,139)

The following significant exchange rates applied during the year:

	Average Rate		**Reporting Date**	
	2008	**2007**	**2008**	**2007**
Cedis				
Euro 1	1.3363	1.2936	1.5200	1.4385
USD 1	0.9553	0.9414	1.2170	0.9835
GBP 1	1.9135	1.8888	1.7990	1.9950

Sensitivity analysis on currency risks

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

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

26. FINANCIAL RISK MANAGEMENT (CONT'D)

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

As of 31st December	2008			2007		
In GH¢	% Change	Income statement impact: Strengthening	Income statement impact: Weakening	% Change	Income statement impact: Strengthening	Income statement impact: Weakening
		GH¢	**GH¢**		**GH¢**	**GH¢**
€	±12%	1,342	(1,342)	±13%	-	-
US$	±13%	(5,501,453)	5,501,453	±5%	(1,151,144)	1,151,144

Interest rate risk Profile

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

	Carrying amounts	
	2008 GH¢'000	**2007 GH¢'000**
Variable rate instrument		
Financial liabilities	31,004	33,776
	=====	=====

Fair value sensitivity analysis for fixed rate instrument

The company did not have fixed rate instrument at 31 December 2008 and also at 31 December 2007.

Cash flow sensitivity analysis for variable rate instrument

A change of 300 basis points in interest rate at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis for 2007 is performed on the basis that interest rate changed by 100 basis point.

26. FINANCIAL RISK MANAGEMENT (CONT'D)

Variable rate instrument	300bp Increase GH¢'000	100bp Decrease GH¢'000
Effect in cedis		
31 December 2008		
Variable rate instrument	791	(791)
	===	===
31 December 2007		
Variable rate instrument	241	(241)
	===	===

Fair values

Fair values versus carrying amounts

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

(i) **Loans and receivables**	31 December 2008 Carrying Amount GH¢'000	31 December 2008 Fair Value GH¢'000	31 December 2007 Carrying Amount GH¢'000	31 December 2007 Fair Value GH¢'000
Trade and other receivables	9,278	9,278	8,491	8,491
Cash and cash equivalents	893	893	786	786
	--------	-------	-------	-------
	10,171	10,171	9,277	9,277
	====	====	====	====

(ii) **Other financial liabilities**	31 December 2008 Carrying Amount	31 December 2008 Fair Value	31 December 2007 Carrying Amount	31 December 2007 Fair Value
Trade and other payables	15,756	15,756	3,802	3,802
Bank overdraft	10,708	10,708	9,050	9,050
Short term loan	8,375	8,375	13,084	13,084
Medium term loan	11,921	11,921	11,642	11,642
	---------	--------	---------	--------
	46,760	46,760	37,578	37,578
	=====	=====	=====	=====

27. CAPITAL COMMITMENTS

Commitment for capital expenditure not provided for at the balance sheet date amounted GH¢7,764,484 (2007: nil).

28. CONTINGENT LIABILITIES

At the year end there was a legal suit pending against the company, instituted by eleven former employees, alleging wrongful dismissal. Should judgment go in favour of the plaintiffs, likely claims against the company have been estimated at GH¢30,000. (2007:GH¢30,000).

29. EMPLOYEE BENEFITS

Defined Contribution Plans

(i) *Social Security*

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

(ii) Provident Fund

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

30 EXPLANATION OF TRANSITION TO IFRS RECONCILIATION IN EQUITY

As stated in note 2(a), these are the company's first financial statements prepared in accordance with IFRS.

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 December 2008, the comparative information presented in these financial statements for the year ended 31 December 2007 and in the preparation of an opening IFRS balance sheet at 1 December 2008 (the company's date of transition).

30. EXPLANATION OF TRANSITION TO IFRS RECONCILIATION IN EQUITY (CONT'D)

In preparing its opening IFRS balance sheet, the company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (Ghana Accounting Standards). An explanation of how the transition from the previous GAAP to IFRS has affected the company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

		GAS	Effect of transition to IFRSs	IFRSs	GAS	Effect of transition to IFRSs	IFRSs
		GH¢'00	GH¢'000	GH¢'000	GH¢'000	GH¢'000	GH¢'000
	Note	1 January 2007			31 December 2007		
Assets							
Property, plant and equipment	c	8,006	193	8,199	18,957	145	19,102
Intangible assets					-	-	-
Long term investment	c	28	-	28	28	-	28
Inventories		10,092	(241)	9,851	16,666	(241)	16,425
Income tax asset		408	-	408	678	-	678
Trade and other receivables	b	8,051	-	8,051	8,491	-	8,491
Cash and cash equivalents		2,234	-	2,234	786	-	786
		--------	------	--------	--------	-----	-----------
Total Assets		28,819	(48)	28,771	45,606	(96)	45,510
		=====	====	=====	=====	===	=======

30. EXPLANATION OF TRANSITION TO IFRS RECONCILIATION IN EQUITY (CONT'D)

Liabilities							
Equity							
Share capital		5,002		5,002	5,002	-	5,002
Share deals account		90		90	90	-	90
Retained earnings	b, c	5,904	2,244	8,196	1,502	(96)	1,406
Total equity		10,996		13,240	6,594		6,498
Bank overdraft		4,357		4,357	9,050		9,050
Short Term Loan		-		-	4,446		4,446
Trade and other payables		8,901		8,901	3,802		3,802
Dividend payable	b	2,189	(2,292)	(103)	699		699
Medium Term Loan		1,828		1,828	20,280		20,280
Deferred tax liabilities	c	548		548	735		735
		--------	------	--------	--------	-----	--------
Total liabilities and equity		28,819	(48)	28,771	45,606	(96)	45,510
		=====	====	=====	=====	===	=====

The adjustments listed above have been described in the notes set out below:

(a) **Effect of transition to IFRS 31 December 2007**

(b) Under the previous Ghana Accounting Standards dividend to be proposed by the directors accrued for in the financial statements pending the declaration and approval of the shareholders at annual general meeting of members of the company. IFRS requires that dividend payable is recognised as a liability in the period in which they are declared by the shareholders at an annual general meeting. Dividend proposed by the directors amounting to GH¢2,292,000 for 2006 and accrued for in the 2006 financial statements is therefore not a legitimate liability and has therefore been reversed.

(c) Major spare parts use for servicing the factory plant and equipments amounting to GH¢241,500 in existence as at 31 December 2006 has been capitalized in accordance with IAS 16. Depreciation charged on these spares for 2006 and 2007 amounting to GH¢48,200 and GH¢48,200 respectively has been accordingly charged

(d) The effect on the income statement for the year ended 31 December 2007 was to increase the previously reported loss of GH¢ 4,402,000 for the year to GH¢4,450,000**.**

Reconciliation of profit for 2007

	Note	GAS	Effect of transition to IFRS	IFRS
		GH¢	GH¢	GH¢
Revenue		52,018	-	52,018
Cost of sales		(48,946)	-	(48,946)
		----------	------	----------
Gross profit		3,072	-	3,072
Other income		61	-	61
General and admin expenses		(4,157)	(48)	(4,205)
		---------	-----	---------
Operating profit before financing cost and exceptional item		(1,024)	-	(1,072)
Net finance cost		(1,380)	-	(1,380)
Exceptional item		(1,811)		(1,811)
		---------	-----	--------
Loss before tax		(4,215)	-	(4,263)
Income tax expense	e	(187)		(187)
		--------	-------	--------
Loss after tax		4,402	(48)	(4,450)
		====	====	=====

The effects of adjustments on the income statement are described below

(e) Depreciation on major spares for replacing parts of plant and machinery capitalised of GH¢48,200.

31.SHAREHOLDING INFORMATION

(i) Directors' Shareholding

The Directors named below held the following number of shares in the company as at 31 December 2008:

Ordinary Shares

	2008	%
Gogo Benjamin Akuete	105,000	0.25
Kwofie Samuel Kingsley	99,500	0.24
Kwarteng Kwadwo	48,581	0.12
Inkumsah William Ekroo	22,882	0.05
Ansah Kofi	15,000	0.04
Osei Isaac	10,000	0.02
	-----------	-----
	300,963	0.72
	=======	===

31. SHAREHOLDING INFORMATION (CONT'D)

(ii) Number of Shares in Issue

Earnings and dividend per share are based on 41,677,911 (2007: 41,677,911) ordinary shares in issue during the year.

(iii) Number of Shareholders

The company had 3,130 ordinary shareholders at 31 December 2008 distributed as follows:

Holding Holding	No. of Holders	Total Holding	%
1 - 1,000	2,343	584,193	1.40
1,001 - 5,000	480	1,195,224	2.87
5,001 - 10,000	109	811,101	1.95
10,001 and over	198	39,087,393	93.78
	-------	--------------	--------
	3,130	41,677,911	100.00
	====	========	=====

(iv) List of twenty largest shareholders as at 31 December 2008

	Name of Shareholder	No. of Shares	% of Issued Capital
1.	Social Security & National Insurance Trust	10,376,298	24.90
2.	Ghana Cocoa Board	4,696,683	11.27
3.	Strategic Initiatives Limited	4,170,540	10.01
4.	BBGN/SSB Eaton Vance Tax- MEM Fund	1,600,000	3.84
5	Galtere International Fund	1,576,742	3.78
6	BBG/SSB London Investec Africa Fund	1,107,473	2.66
7	BBG/SSB London Investec Asset Mgt	1,022,345	2.45
8.	Qualitec Industries Limited	750,688	1.80
9	Arthur Elizabeth (Mrs)	550,000	1.32
10	BBG/SSB London Invests. Africa Fund	500,174	1.20
11	Ghana Commercial Bank	450,000	1.08
12	Tema Oil Refinery	450,000	1.08
13	BBG/Epack Invests. Ltd	442,098	1.06
14	National Investment Bank	442,080	1.06
15	NTHC	431,857	1.04
16	Aryee, Edward Clifford	430,915	1.03
17	BBG/SSB Eaton Vance Structured E Mkt Fund	400,000	0.96
18	BBG/SSB London Investec Prem. Fund	317,774	0.76
19	Wosornu, Lade Prof	270,806	0.65
20	SAS/Amenuvor Gideon Mr.	255,500	0.61
		---------------	--------
		30,241,973	72.56 %

ALUWORKS LIMITED

PROXY FORM FOR USE AT THE ANNUAL GENERAL MEETING TO BE HELD AT THE FIESTA ROYALE HOTEL, DZORWULU (NEXT TO THE NESTLÉ HEAD OFFICE BUILDING) ON THURSDAY NOVEMBER 19, 2009 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 **19th day of November, 2009** and at any and every adjournment thereof.

This form to be used:-

1.	*in favour of against	the Resolution to adopt the Reports of the Directors, Auditors and the Financial Statements of the Company for the year ended December 31, 2008.
2.	*in favour of against	the Resolution to appoint Mr. Ernest Kwasi Okoh as a Director of the company.
3.	*in favour of against	the Resolution to appoint Mr. Anthony Fofie as a Director of the company.
4.	*in favour of against	the Resolution to re-elect Mr. Benjamin Akuete Gogo as a Director of the company.
5.	*in favour of against	the Resolution to re-elect Mr. Napoleon Kpoh as a Director of the company.
6.	*in favour of against	the Resolution to authorise the Directors to fix the remuneration of the Auditors for the ensuing year.

Special Business

1.	*in favour of against	the Special Resolution to amend the company's regulations to allow for the issuance of and or conversion to dematerialised securities.
2.	*in favour of against	the Special Resolution to amend the company's regulations to increase the authorised number of shares of the company from 100,000,000 shares of no par value to 300,000,000 shares of no par value.

On any other business transacted at the meeting and unless otherwise instructed in paragraphs 1 to 6 under Ordinary Business AND 1 and 2 under Special Business above, the resolutions to which reference is made in those paragraphs, the proxy will vote as he/she thinks fit.

* **Strike out whichever is not desired**

____
Signature of Shareholder

Signed this ………. day of …………………………….. 2009.

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.

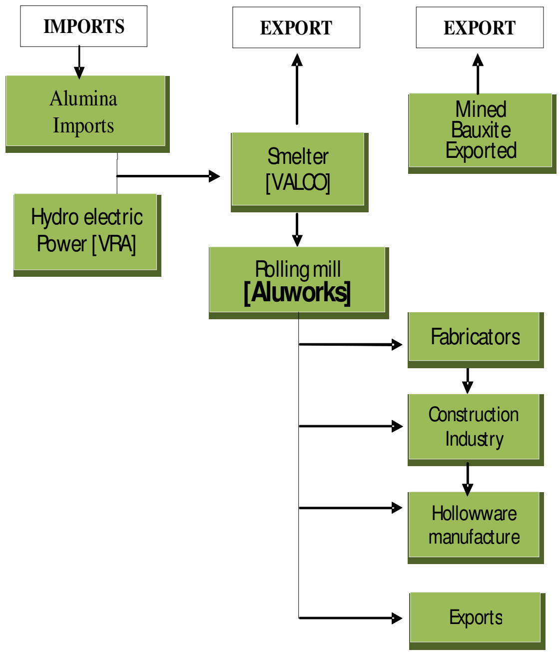
4. If executed by a Corporation, the Proxy Form must bear its Common Seal or be signed on its behalf by a Director.

5. Please sign the above Proxy Form and post or hand deliver it to the offices of the Registrars, NTHC Limited, Martco House, No. D542/4 Okai Mensah Link, Adabraka, P. O. Box KIA 9563, Airport, Accra, so as to reach the said offices at their address not later than 4.00 p.m. on Tuesday November 17, 2009.

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

ALUWORKS LIMITED

MANUFACTURERS OF HIGH QUALITY ALUMINIUM PRODUCTS



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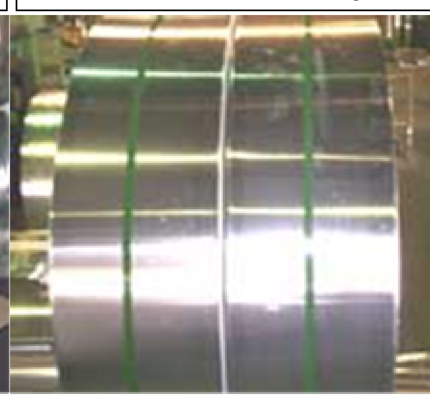


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