GHANA
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PRESS RELEASE

PR. No. 465/2020

ALUWORKS LIMITED (ALW)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR 2019

ALW has released its Annual Report and Financial Statements for the Financial year ended 30, December 2019 as per the attached.

Issued in Accra, this 5th
day of November, 2020

- E N D –

att'd.

Distribution:

1. All LDMs
2. General Public
3. Company Secretary, ALW
4. UMB Registrars, (Registrars for ALW shares)
5. Custodians
6. Central Securities Depository
7. Securities and Exchange Commission
8. GSE Council Members
9. GSE Notice Board

For enquiries, contact:
Listing Department, GSE on 0302 669908, 669914, 669935
**GT*

ALUWORKS LIMITED

ANNUAL REPORT

& FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR 2019

31 DECEMBER 2019

Contents

ALUWORKS LIMITED

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING

NOTICE is hereby given that the 33rd Annual General Meeting of the Shareholders of Aluworks Limited will be held online i.e. virtually via ZOOM on **Thursday November 26, 2020** at 10 O'clock in the forenoon to transact the following ordinary business:

AGENDA

Ordinary Business

1. To receive and consider the Reports of the Directors, Auditors and the Audited Financial Statements for the year ended December 31, 2019.
2. To ratify the appointment of Directors.
3. To re-elect Directors.
4. To fix the remuneration of the Directors.
5. To confirm the Auditors remuneration for the year ended December 31, 2019 and to authorise the Directors to fix the remuneration of the Auditors for the year ending December, 31 2020.

Special Business

1. To change the name of the company from Aluworks Limited to Aluworks PLC in compliance with the provisions of the Companies Act 2019, Act 992.
2. To amend the Company's Regulations/Constitution to accommodate the holding of Annual General Meetings by electronic or virtual means where the Directors deem it necessary to do so.

Dated this 23rd day of October, 2020

By Order Of the Board
ACCRA NOMINEES LIMITED
COMPANY SECRETARIES

IMPORTANT NOTICES:

1. The Annual General Meeting shall be strictly virtual in line with the Restrictions Act, 2020 (Act 1012). Virtual attendance shall be online and shall be regulated as per Paragraph 4 below.

2. A member of the company entitled to attend and vote may appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the company. Completed proxy forms should be deposited at the offices of the Registrars Universal Merchant Bank Limited, 123 Kwame Nkrumah Avenue, Sethi Plaza, Adabraka, Accra, P. O. Box GP401, Accra not less than 48 hours before the appointed time of the meeting. Failure to submit the forms before the 48 hour deadline will result in the Proxy not being admitted to, or participating in, the meeting. A Form of Proxy is provided in the Annual Report, and on the company website.

3. Notice is hereby given that in accordance with a communiqué from the Ghana Stock Exchange dated 4 February 2016 and per section 335A of the Companies Act 1963 (Act 179) as amended by the Companies (Amendment) Act 2012 (Act 835), the Annual Report and Financial Statements of Aluworks Limited has been made available to shareholders. The full electronic version of the Annual Report and Financial Statements has been posted on the website of the company as follows: www.aluworks.com. Shareholders are advised to visit the website well before the Annual General Meeting.

   In addition Full electronic copies of the Annual Report and Financial Statements shall be forwarded to the e-mail accounts of all shareholders individually. All shareholders who have not provided their e-mail addresses and mobile numbers to the Registrars (UMB Registrars, Sethi Plaza, Adabraka) should do so urgently.

4. Virtual Requirements. To allow shareholders to virtually participate in the meeting, link/access codes with appropriate detail will be sent to each shareholder before the meeting. Link Access codes will be sent to each participating shareholder to enable them ask questions and to vote during the meeting.

It is therefore of utmost importance that shareholders who have not provided their e-mail addresses and mobile addresses to the Registrars (UMB Registrars, Sethi Plaza, Adabraka) should do so urgently.

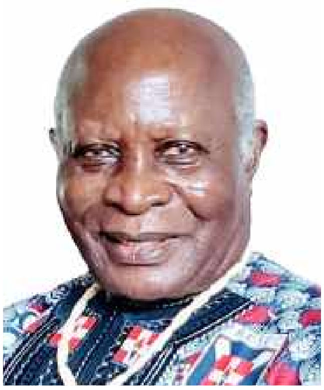
The UMB Registrar Address is as follows: Harriet Antwi; Head/Registrars Dept;
E-Mail: harriet.antwi@myumbbank.com; Mobile: 0244135839; Tel: +233 302 226112/220952
Toll-Free Lines: MTN 0800-100880; Vodafone & Airtel 0800-10088; Other Lines 0302 633988

ALUWORKS LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS	Professor Lade Wosornu - *Acting Chairman (Appointed – 1 August 2019)* Seth Adjei - *Chairman (Resigned – 1 August 2019)* Ernest Kwasi Okoh - *Managing Director* Togbe Afede XIV Kingsley Okoe Ofosu Obeng Dr. Alhassan Mutaka Alolo Prof. Yaw Adu-Gyamfi Ralph Rossouw - *(Appointed 28 May 2020)* Kofi Duodu Fynn - *(Resigned – 28 November 2019)* Agnivesh Agarwal - *(Resigned – 28 May 2020)*
PRINCIPAL PLACE OF BUSINESS	Plot No. 63/1, Heavy Industrial Area P. O. Box CO 914, Tema
SECRETARY	Accra Nominees Limited 13 Samora Machel Road Asylum Down P. O. Box GP 242, Accra
REGISTRARS	Universal Merchant Bank Limited No. 123 Kwame Nkrumah Avenue Sethi Plaza, Adabraka, Accra
SOLICITOR	E. K. Jones Mensah & Associates Alpha Law Chambers Community 1 P. O. Box 1382, Tema
AUDITOR	KPMG Chartered Accountants 13 Yiyiwa Drive, Abelenkpe P. O. Box GP 242, Accra
BANKERS	Ecobank Ghana Limited Sociéte Generale Ghana Limited

ALUWORKS LIMITED BOARD OF DIRECTORS



Professor Lade Wosornu
Member – Ghanaian

Togbe Afede XIV
Member – Ghanaian

Mr. Kingsley Okoe Ofosu Obeng
Member – Ghanaian

Dr. Mutaka Alolo
Member – Ghanaian

Prof. Yaw Adu-Gyamfi
Member – Ghanaian

Mr. Ralph Rossouw
Member – South African

Mr. Kwasi Okoh
Member – Ghanaian

PROFILES OF BOARD OF DIRECTORS

Professor Lade Wosornu

Elected Fellow of the Ghana Academy of Arts and Sciences, Professor Wosornu has an MD (Glasgow); FRCS (Edin), FRCS (Eng); FGCS and an MB (Hons). He is an alumnus of PRESEC, St. Augustine's College and Glasgow University where he won, among other prizes, the gold medal as his year's most distinguished graduate. After working in Glasgow, London and the Ghana Medical School, he moved as professor in Surgery to the University of Zambia, Lusaka and then King Faisal University, Dammam, Saudi Arabia. Later, his professional focus became Accreditation and Quality Management in Higher Education and was assigned by WHO to assist in Sierra Leone Postgraduate Education in the College of Health. He retired in 2014.

Representing minority shareholders on the Board, Prof. Wosornu brings loyalty to and passion for ALUWORKS. He was one of the first shareholders joining in 1985. His investment mantra is In God and ALUWORKS we trust. He expects the good times of ALUWORKS shall return, with the work place supportive, customer satisfaction high, and dividend payments adequate.

Ladé Wosornu is a Poet, being the author of Desert Rivers, The Master Brewer, Raider of the Treasure Trove etc. He was a columnist in The Ghanaian Times on Health & Wellness. He is a member of the Board of Directors / Governors of Dabala Secondary Technical School, and Charis College of Health Sciences, Sogakope, a retired board member of Agave Rural Bank Dabala; and a consultant for COCOBOD on a new concept for a Medical Centre and Expansion and Rebranding of its Cocoa Clinic in Accra.

Togbe Afede XIV

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

Prof Yaw Adu-Gyamfi

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

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

Mr Kingsley Okoe Ofosu Obeng

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

Mr Ralph Rossouw

Ralph Rossouw is a South African born on 22 Jan 1969. A professionally registered, chartered mining engineer with 30 years of executive, operations and projects management, feasibility studies leadership and capital raising experience. He has held roles as General Manager, Project Director, Studies Manager, COO, CEO and MD of a number of junior and mid-tier resources companies. He is currently Managing Director and Country Manager of Fujairah Gold Ghana / Caitlyn, part of the diversified global resources giant, Vedanta Resources.

Ralph has led operations and projects ranging from USD200m to USD3b in SE Asia, Australia, West Africa, Europe, Canada, Russia, China, the Middle East and South Africa. He commenced his career with BHP, Rio Tinto, Anglo American, AngloGoldAshanti and Barrick, and then helped junior mining companies progress to mid-tier companies, like Philex Mining Corporation, Ma'aden, Arutmin, Zeehan Zinc and Toledo Mining. He is a competent / qualified person in terms of international codes NI43-101, JORC and SAMREC, has 24 years of business development, due diligence, valuation, capital raising and operating excellence experience. He has presented technical papers at a number of international mining conferences, seminars and summits, including chairing roundtable discussions. His professional memberships include being a fellow of the SAIMM, AusIMM, PMI, AICD, IoD, PDAC. He joined the Board of Aluworks Limited on 28th May 2020, representing Caitlyn Limited.

Dr. Mutaka Alolo

He is a renowned and well-respected professional. He is the founder of the Institute of Energy and Climate Change Policy Initiative (IECP); a think-thank that, inter-alia, provides opportunities for the youth to shape energy-managing partner of IGroup Ghana, which comprises iRisk Management Limited (an insurance brokerage) and iTechnologies as its subsidiaries. In addition to these, Dr. Alolo provides advisory services, engaging in critical discourses on investments, energy and climate change, at the international level. Dr. Alolo was also a lecturer on securities and portfolio investment analysis at the University of Professional Studies, Accra. He is currently a Technical Economic Advisor at the Presidency, Vice Presidents Secretariat. He holds a PhD in Finance and MSc in Financial Management both from University of Hull and Bachelor's degree in Information Studies from the University of Ghana. Dr Mutaka Alolo represents SSNIT on the Aluworks Board which he joined on 24th May 2017.

Mr. Kwasi Okoh

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

CORPORATE GOVERNANCE

ALUWORKS Limited is run by the Board of Directors headed by the Chairman. The Board which may consist of not less than (5) five was as at Balance Sheet date made up of nine (9) members of whom eight (8) were Non-Executive Directors.

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

CORPORATE GOVERNANCE & BOARD PRACTICE

The Company is autonomous in all aspects of its operations and there has been no external pressure. Management members are at liberty to take decisions that will benefit the company and do not entertain any external influence in the course of doing their work.

The Board of Directors is principally appointed by the various Institutional shareholders and this is done once every year by rotation. Members with over 10% shares are eligible to appoint representative persons on to the Board, with the rest appointed by shareholders at general meeting.

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

Audit Sub Committee

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

- To safeguard the company's assets
- To maintain adequate accounting records,
- To develop and maintain effective systems of internal control, and
- To monitor compliance with risk management policies and procedures.

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

Remuneration Sub Committee

The Remuneration Sub Committee is appointed by the Board. It comprises three (3) Non-Executive Directors. The Chairman of the committee is Professor Yaw Adu-Gyamfi, and the other members are: Dr. Mutaka Alolo, and Mr. Ralph Rossouw. The duty of the Remuneration Sub Committee is to advise the Board and Management on wage opener negotiations (salary review) and conditions of service for all levels of employees.

CHAIRMAN'S STATEMENT

Dear Shareholders, I welcome you all to this our first virtual Annual General Meeting (AGM). The COVID-19 pandemic has changed our ways of working. On the company campus, we have had no incidents. One of our staff contracted the disease but it was while he was already ill in hospital. He recovered and has returned to work.

I wish I could have stated that it was a pleasure to present this annual report on Aluworks Ltd for the year 2019, but I hesitate. This is because over the past several years, we had always hoped that we would document progress before the next AGM. Yet, this year we have had couple of silver linings. I shall refer to these shortly.

Since our 2018 AGM, we are closer to an acceptable conclusion on new investment in the company by a strategic investor, namely Caitlyn Ltd. SSNIT is our largest shareholder at 62.62%; Caitlyn Ltd is the second at 20.86%. The two parties are trying to align their strategy intentions for Aluworks. We are confident that, sooner or later, the final desirable outcome will be reached.

Throughout 2019, the company's immediate business environment had been difficult. It impaired progress. Managements' business objective remained: "Hold on and survive". Some of the staff had to forego or delay aspects of their remuneration. Credit goes to management and staff for this optimism, strength and endurance.

Here is first silver lining. We have been assured by both the Ministry of Trade and Industries and the Governments' Economic Management Team, that Aluworks Ltd will not be allowed to fold up. This is due to the strategic importance of Aluworks Ltd to the extended Bauxite-Aluminium Scheme, headed by the Ghana Integrated Aluminium Development Commission (GIADEC). We thank the authorities for this assurance. It provided additional impetus for the Board, management and staff to strive and keep the company going. Furthermore, a vibrant and profitable Aluworks Ltd is in the interest of all of you our valued shareholders. We acknowledge your support, especially in these most testing of times.

The Economic Environment in 2019

In 2019, global economic activity recorded its slowest growth rate of the decade. Global output grew by 2.9%, being 0.3% lower than earlier forecasts by the IMF. The slow growth was attributed to four factors namely, protracted trade disputes, slowdown in domestic investment, geopolitical tensions and financial stress in several big emerging markets.

The result was a sharp slowdown in international trade flows and global manufacturing activity. Business confidence declined and low demand depressed global commodity prices. China's economic growth shrunk to 6.1% in 2019 from a growth of 6.6% in 2018 mirroring the negative impact of China's trade dispute with the U.S.

Africa's economy followed the broad-based slower growth trends across other regions. According to the African Development Bank, in 2019, Africa's economy grew by 3.4%, private consumption was reduced as investment and exports picked up.

On the local front, the Ghana Statistical Service reported the following for 2019. Ghana's economy expanded by 6.5%, slightly up from 6.3% in 2018. Growth in the industrial sector was 6.4%, driven by the Mining and Quarrying sub-sectors, rather than manufacturing. And, growth in the non-oil economy declined to 5.8% from 6.5% in 2018.

Headline inflation remained benign throughout the year staying within the target band of 8 +/- 2 %. Reacting to easing inflationary pressures, the Central Bank reduced the Monetary Policy Rate (MPR) from 17.0 % in 2018 to 16.0 % in January 2019. This remained stable throughout the year. Hence Consumer Price Inflation (CPI) for 2019 was 7.9%, reflecting mainly the slowdown in non-food inflation supported by a tight monetary stance by the Central Bank. Cumulatively, the Ghana Cedi depreciated 14% against the US dollar in 2019, compared with 8% in 2018.

The Business Conditions Faced in 2019

Since the beginning of the year, the breakdown of negotiations between SSNIT and Caitlyn Ltd put a damper on the company's business. With our focus on staying afloat, we began to explore other areas which could improve our business conditions.

Economic Management Team (EMT)

Thus, we wrote to the Governments' Economic Management Team (EMT) which is chaired by His Excellency the Vice President and includes several top Ministers. We appealed for short term financial aid to serve as working capital. We were well received. The EMT directed the MOFEP, MOTI and GITC to provide the help that we needed.

In the midst of all the difficulties, I am very glad to announce ***our second silver lining***. It is more than that. It is good news. One of our initiatives has borne good fruit. We hope that we shall see more good fortune going forward with the other initiatives.

*Ghana International Trade Commission (**GITC)***

Here is the good news. It is the recent victory won at the GITC. Shareholders will recall that we have updated them on the work of the GITC concerning the petition which we put before them in 2019. We can now share the report on their findings along with their recommendations as read out publicly at a ceremony on 15th October 2020.

The Commission found that, indeed, there has been dumping of aluminium products by China onto our local market utilizing an unfair export rebate. The Commission ruled that an additional duty of 35.77% be imposed on such goods into the future. The commissions' report is a directive to the Ghana Revenue Authority to implement their findings in line with World Trade Organisation (WTO) rules. This is a significant ruling. It is geared towards limiting the inflow of cheap competitive material from China on the basis of unfair export rebates that China had been giving to its traders to enable them to sell cheaply here. This will level the playing field in terms of price, and, allow quality to prevail. We do have very high quality products. Therefore, going forward, we expect an influx of orders for our products. However, we still have the major problem of securing the financing to enable us meet the expected increase in demand arising from our importing customers converting into local purchasing customers. This is a task we have embraced and are working on assiduously

MOTI Distressed Companies Scheme.

As far back as 2016, we made an application to the MOTI, but it had remained to be worked on. The EMT had directed MOTI to resurrect our application and proceed to satisfy our request. We hope for an impactful outcome by the end of 2020.

MOFEP

During the year, Government introduced a 50% import duty rebate on imported goods. This proved to be inimical to local manufacturers of such imported goods. Several approaches were made to Government to re-structure the duty rebate system for equity and fairness. The EMT advised that this was being amended. However as at the time of this report, the systems at the ports of entry have remained unchanged. Hence, imported goods are cheaper than goods manufactured on shore. This is seriously detrimental to the local manufacturing industry.

Other challenges we still have include the following.

VALCO continues to deduct 10% off payments for metal. This is due to the unpaid balance of their old business account with Aluworks awaiting clearance by SSNIT when the payment for the land sold to SSNIT by Aluworks is done. Meantime, it impairs both our ability to meet our customers' requirements and our cash flow. We are aware that SSNIT Management is working on this and we are certain that this matter also will be successfully resolved by the end of 2020.

Continuing with VALCO, and, on your behalf, a courtesy call was made on Dr. Henry Benyah, the first Chairman of the newly installed Board of Directors, and another on Mr. Daniel Acheampong, Managing Director. The purpose was to congratulate them and wish them every success in our common mission. I am glad to report that we were well received. Dr. Henry Benyah stated: "It was great meeting you today. I look forward to a great working relationship."

In the past few years we have received a noteworthy input from our association with Caitlyn Ltd. It is the supply of raw material (aluminum ingots) on a preferential basis that has supported our weak working capital situation. Thus, we received 994 metric tonnes (1,003mt in 2018) from Caitlyn, out of the total of 4,302 metric tonnes supplied by VALCO in 2019.

We have had to increasingly rely on our customers and creditors for financing to generate sufficient cash flow to keep the business turning over. The net effect was an inability to increase our turnover to the levels we had budgeted for. In 2019 we purchased only 4,302 metric tonnes of raw material from our main source VALCO supplemented by what Caitlyn offered (3,737mt in 2018). As a result we produced 4,318 tonnes in 2019, an increase of 12.4% over the 3,841 tonnes produced in 2018. This was against a budget of 5,600 metric tonnes.

Due to the challenges already discussed, including a struggle to hold our prices in the face of cheap imported alternatives, our market share had remained under pressure. We sold 4,167 tonnes, representing a 9.9% increase over sales in 2018. A total of 2,924 metric tonnes (i.e. 70%) was sold on the local market (2,897 tonnes and 76% in 2018). Export sales of 1,243 tonnes constituted 30% as compared with 893 tons or 34% in 2018.

Going forward, without the much needed investment in working capital, there is a risk of a fall in turnover and a rise in our losses. In 2019, turnover increased over that in 2018 by 23%, from GHS 62.5 million in 2018 to GHS 77.0 million in 2019. The slightly increased volume in 2019 enabled an achievement of break-even at gross margin level compared with a loss of 9% in 2018. This underlines the need to significantly increase our volumes since this is a volume business. In 2019, we made a net loss after tax of GHS 24.5 million after charging finance costs (i.e. interest and exchange losses) of GHS 22.8 million. In 2018 we made a loss of GHS 33.2 million after charging GHS16.6 million in financing costs.

As a result of all these factors, your Directors are unable to recommend a dividend payment for the year since the retained earnings account remains in deficit.

The Economic Environment and the Outlook for 2020

Covid-19 has spread rapidly worldwide. Its impact has been catastrophic on economies and businesses. Some countries for example Europe and the USA continue to be hit hard by new waves of the pandemic in a manner yet to be accurately defined and effectively controlled.

The global economic outlook for 2020 is bleak. This projects the high level of uncertainty and downside risks. Economic growth is forecast to contract by over 5% in the advanced economies, and about 3% in sub-Saharan Africa. This is the worse in decades. However, these forecasts are on the assumption that the pandemic recedes, provided its mitigation measures are implemented, and, hopefully, effective and safe vaccines are available, affordable and uniformly accessible throughout the world.

On the local front, although the impact of Covid-19 has been milder than in other countries, Ghana anticipates a significant slowdown in GDP growth projected to decline in 2020 from 6.5% to 2.6% in a baseline scenario, and, to 1.5% in a worst case scenario. Furthermore, the forecasts expect significant shortfalls in petroleum revenues import duties and tighter financing conditions.

In 2020, the Covid-19 pandemic has had a singular effect on Aluworks. Thus, it caused a fall in general imports, and, simultaneously an increased demand for local production. However, due to our deficient working capital we are yet to take full advantage of the emerging business environment. We engaged our customers to consider financed forward purchases to enhance turnover. This proved successful only with our export customers. Therefore for much of 2020 the ratio between local versus export metric has been altered. It will remain as such while we rely on our customers for financing, and, until the much awaited investment in working capital comes in.

Conclusion

We continue working with SSNIT and Caitlyn Ltd to close the deal to finance Aluworks Ltd. The process is outside our control. We hope for a speedy resolution. We place on record our debt of gratitude to the Ghana International Trade Commission. Firstly, the Commission confirmed that indeed, there had been dumping of aluminium products by China onto our local market. Secondly, it ruled that an additional duty of 35.77% be imposed on such goods.

With the aid of management and staff, we are focused upon maintaining the company in sound operational health. We remain optimistic irrespective of how uncertain the future may seem at the present. We will continue working with professionalism in order to enhance the recovery as well as the sustainable and inclusive growth of the business operations of not only Aluworks Ltd but also our valued customers both national and regional.

I thank my colleague Directors for their support, the Managing Director, management and staff for remaining steadfast through it all. I thank you our esteemed shareholders for your patience, prayers and purpose.

With Covid-19 I began. With Covid-19 therefore I come close to the end. Please stay safe. Wear facial covering. Keep social distancing. Wash your hands as frequently as necessary. Eat Ghanaian foods and drink dark cocoa powder. May the Almighty bless us all and see us safely through these dark days of Covid-19.

Finally, "***these days, I chain my eyes to the port. And, though engulfed by nights of doubt and the sea is wild, with waves like hills, I let the Lighthouse guide my course. One flash-a-time, the coast creeps closer"***. All shall be well.

Thank you all.

PROFESSOR LADÉ WOSORNU.
Acting Chairman.

QUALITY ASSURANCE POLICY

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

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

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

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

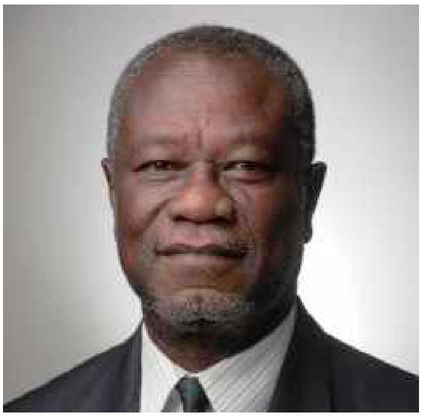
To achieve and maintain the required level of assurance the Managing Director retains responsibility for the Quality System with routine operation controlled by the Management Representative.

The objectives of the Quality Assurance System are:

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

The company's has continued to maintain its high level of quality processing and production through the utilisation of continuous improvement techniques. As a result and after thorough testing the company's quality rating was in 2017 upgraded to the more onerous ISO 9001-2015 (accredited by UKAS and examined by SGS). This has since been renewed in surveillance audits throughout 2018, 2019, and 2020.

THE ALUWORKS EXECUTIVE MANAGEMENT COMMITTEE
(All Ghanaian)



E. Kwasi Okoh
Managing Director

Ruthven David Adzogble
Chief Operating Officer

Samuel Asiedu Asare
General Manager
Sales and Marketing

Chris Opare–Larbi
General Sales Manager

Richard Kwame Dzontoh
Chief Finance Officer

Wallace Dankwah
Senior Manager
Personnel and Administration

Paul Adafia
General Technical and Production Manager

ALUWORKS LIMITED

FIVE YEAR FINANCIAL HIGHLIGHTS							
						Reporting Year	
Year		2015	2016	2017	2018	2019	Change
RESULTS							%
Turnover	(Gh¢'000)	78 665	69 470	84 470	62 495	**76 993**	**23.2**
Gross Profit	**(Gh¢'000)**	9 438	8 253	1 631	(5 780)	**(132)**	**(97.7)**
General & Admin Expenses	(Gh¢'000)	(7 140)	(9 875)	(6 969)	(8 996)	**(8 044)**	**10.6**
Profit bef Interest. Tax & Exch Loss	**(Gh¢'000)**	2 524	(1 622)	5 139	(14 619)	**(8 003)**	**45.3**
Interest Expense	(Gh¢'000)	(14 082)	(16 367)	(17 146)	(16 587)	**(21 232)**	**(28.0)**
Profit bef Tax and Exchange Loss	**(Gh¢'000)**	(11 558)	(17 989)	(22 285)	(31 206)	**(31 206)**	**0.0**
Exchange Losses	(Gh¢'000)	(2 673)	(1 599)	(1 592)	(1 956)	**(1 549)**	**20.8**
Profit/(Loss) before tax	**(Gh¢'000)**	(14 231)	(19 314)	(23 877)	(33 162)	**(30 784)**	**7.2**
Taxation	(Gh¢'000)	(579)	46 897			**6 585**	
Profit/(Loss) after tax	**(Gh¢'000)**	(14 810)	27 583	(23 877)	(33 162)	**(24 199)**	**(27.0)**
PERFORMANCE RATIOS		2015	2016	2017	2017	**2017**	
Gross Margin/Turnover		12.0%	11.9%	1.9%	-9.2%	**-0.2%**	
PBIT&Exch Loss/Turnover		3.2%	-2.3%	6.1%	-23.4%	**-10.4%**	
PBT&Exch Loss/Turnover		-14.7%	-25.9%	-26.4%	-49.9%	**-40.5%**	
Net Margin/Turnover		-18.8%	39.7%	-28.3%	-53.1%	**-31.4%**	
Return on Equity		-31.3%	36.5%	-46.1%	-45.0%	**-122.6%**	
Current Ratio		0.45	0.44	0.39	0.34	**0.35**	
BALANCE SHEET RATIOS		2015	2016	2017	2018	**2018**	
Basic Earnings per share	(GH ¢)	(0.0626)	(0.0816)	(0.1009)	(0.1401)	**(0.1035)**	**26.1**
Dividend per share	(GH ¢)	0.0000	0.0000	0.0000	0.0000	**0.0000**	**-**
Shareholders' equity	(Gh ¢'000)	47 357	75 639	51 762	73 685	**19 742**	**(73.2)**
Net Assets per share	(GH ¢)	0.2001	0.3196	0.2187	0.3113	**0.0834**	**(73.2)**
Number of shares	('000's)	236 687	236 687	236 687	236 687	**236 687**	**0.0**
Fixed assets	(Gh ¢'000)	113 254	177 778	174 040	213 350	**206 578**	**(3.2)**

ALUWORKS LIMITED

REPORT OF THE DIRECTORS
TO THE MEMBERS OF ALUWORKS LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and the financial statements of the Company for the year ended 31 December 2019.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation of financial statements that give a true and fair view of Aluworks Limited, comprising the statement of financial position at 31 December 2019, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992). In addition, the directors are responsible for the preparation of the report of the directors.

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

The directors have made an assessment of the ability of the company to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

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

Five year financial highlights

	2019 GHS'000	2018 GHS'000	2017 GHS'000	2016 GHS'000	2015 GHS'000
Revenue	76,993	62,495	84,470	69,470	78,665
(Loss) before tax	(30,784)	(33,162)	(23,877)	(19,314)	(14,231)
(Loss) after tax	(24,199)	(33,162)	(23,877)	(19,314)	(14,810)
Basic and diluted earnings per share (GHS per share)	(0.1022) (0.1022)	(0.1401) (0.1401)	0.1009 0.0846	(0.0816) (0.0684)	(0.0626) (0.0524)

FINANCIAL STATEMENTS/ BUSINESS REVIEW

The state of affairs of the Company is as follows:	2019 GHS'000
Loss for the year after taxation	(30,784)
Loss after tax	(24,199)
Total Assets	226,051
Total Liabilities	206,309
Total Equity	19,742

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

GOING CONCERN and subsequent events

The Company incurred a net loss for the year ended 31 December 2019 of GHS 24,199,000 (2018: GHS 33,162,000) and as of that date its current liabilities exceeded its current assets by GHS 135,460,000 (2018: GHS 112,067,000). The Company continues to incur losses on its operations.

The Company continues to experience the negative effect of the high interest charges on the Social Security and National Insurance Trust (SSNIT) loan which has significantly contributed to the Company's losses over the years. The Company is in discussions with SSNIT to restructure the loan and provide the Company with a revised repayment plan since the Company has not been able to pay both principal and interest on the loan as and when they fall due.

The Company has over the last six years been in negotiation with another shareholder Caitlyn Limited (Caitlyn) who intends to make the necessary financial intervention in exchange for an issue of new shares which will enable Caitlyn attain 50%+ shareholding and obtain control over the Company. Caitlyn seeks to provide leadership in technology, processes and introduce new products.

Subsequent to the year end, SSNIT made a counter proposal to Caitlyn and this is yet to be agreed by Caitlyn.

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

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

Nature of business

The Company is registered to carry on the business of continuous casting and cold rolling of aluminium products. There was no change in the nature of business of the Company during the year.

Shareholding structure

Refer to note 33 for information on the Company's shareholders.

Objectives of the Company

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

Particulars of entries in the Interests Register during the financial year

The entity did not maintain an Interests Register because no director had interest in any contract.

Related party transactions

Information regarding directors' interests in ordinary shares of the Company and remuneration is disclosed in the notes 33 to the financial statements. Other than service contracts, no director had a material interest in any contract to which the Company was a party during the year. Related party transactions and balances are also disclosed in note 28 to the financial statements.

Corporate social responsibility and code of ethics

The Company did not undertake any Corporate Social Responsibility (CSR) programmes during the year. The Company's code of ethics can be found as an appendix to the financial statements.

Auditor

The Audit Committee has responsibility delegated from the board of directors for making recommendations on the appointment, reappointment, removal and remuneration of the external auditor. KPMG has been the auditor of Aluworks Limited for 13 years. KPMG does not provide non-audit services to the Company. The principal responsibilities of the Committee include reviewing financial reports, internal audit reports, management letters and other information it requests to be tabled.

Audit fees

As at 31 December 2019, the amount payable in respect of audit fees was GHS 85,000.

Board of Directors

Profile

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

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

Biographical information of irectors

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

Role of the Board

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

Internal control systems

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

Directors' performance evaluation

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

Professional development and training

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

Conflicts of interest

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

Board balance and independence

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

The code of ethics is available for all board members and staff of the Company upon employment. All board members are required to comply with the requirements of the provision under the Companies Act, 2019 (Act 992). There are no exceptions to the adherence of the requirement of the code.

Capacity building of directors to discharge their duties

On appointment to the Board, Directors are provided with full, formal and tailored programmes of induction, to enable them gain in-depth knowledge about the Company's business, the risks and challenges faced, the economic knowledge and the legal and regulatory environment in which the Company operates. Programmes of strategic and other reviews, together with the other training programmes provided during the year, ensure that Directors continually update their skills, knowledge and familiarity with the Company's businesses. This further provides insights about the industry and other developments to enable them effectively to fulfil their role on the Board and committees of the Board.

Directors Remuneration

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

1

REPORT OF THE DIRECTORS
TO THE MEMBERS OF
ALUWORKS LIMITED (CONT'D)

APPROVAL OF THE REPORT OF THE DIRECTORS

The report of the directors of Aluworks Limited was approved by the board of directors on

30 September 2020, and signed on their behalf by:

SIGNATURE	SIGNATURE
30/9/20	PROF. LADÉ I. HOSO RNM
NAME	NAME
Kwesi Otoh	

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ALUWORKS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aluworks Limited ("the Company"), which comprise the statement of financial position at 31 December 2019, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements which include a summary of significant accounting policies and other explanatory information as set out on pages 31 to 69.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 32 of the financial statements, which indicates that the Company incurred a net loss of GHS 24,199,000 during the year ended 31 December 2019 and, as of that date, the Company's current liabilities exceeded its current assets by GHS 135,460,000. As stated in Note 32, these events or conditions, along with other matters as set forth in Note 32, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Material Uncertainty Related to Going Concern, section, we have determined the matter described below to be the key audit matter to be communicated in our report.

<table>
<tr><th colspan="2">Recognition of Revenue (GHS 76,993,000)
Refer to Note 19 in the financial statements</th></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>The Company reported a revenue amount of GHS (76,993,000).

The Company’s revenue is from the sale of products to customers. Sales of products are made both locally and externally to foreign customers. The company’s significant revenue is generated from the sale of circles.

Revenue is recognised at a point in time when control is passed to the customer as a result of transferring significant risk and reward related to the ownership of the product which is accepted by the customer.

The risk for revenue being recognised in an incorrect period presents a key audit matter due to the significance of sales in the financial statements considering the loss making performance of the company over the past five years.</td><td>Our principal audit procedures included the following:
Evaluating and test of control over the review and approval of sales invoices.
Evaluating and test of control over the approval of product master price list.
Performing revenue analytical procedure on individual product lines of the company.
Performing cut off tests on revenue transactions to ascertain whether revenue was recorded in the correct accounting period.
Performing duplicate invoice testing on invoices generated for local and export revenue transactions recorded in the year.
Performing gap analysis on revenue details for the year.
Testing of accounts receivables by requesting confirmations from the company’s customers.
Performing post year end reviews of payment received after the year end against the accounts receivable balances at the year end.</td></tr>
</table>

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors as required by the Companies Act, 2019 (Act 992) and Corporate Information but does not include the financial statements and our auditor’s report thereon. The Corporate information which includes the Corporate Governance Statement, Chairman’s Statement and Quality Assurance Policy is expected to be made available to us after the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the

Companies Act, 2019 (Act 992), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992)

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, so far as appears from our examination of those books. The statements of financial position and profit or loss and other comprehensive income are in agreement with the accounting records and returns.

We are independent of the Company under audit pursuant to Section 143 of the Companies Act, 2019 (Act 992).

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

KPMG

For and on behalf of:
KPMG: (ICAG/F/2020/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242, ACCRA

30 September 2020.

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2019

	Note	2019 GHS'000	2018 GHS'000
ASSETS			
Property, plant and equipment	6	206,458	213,230
Investment securities	7	120	120
Non-current assets		206,578	213,350
Inventories	10	15,569	13,149
Current tax asset	8(ii)	1,559	1,401
Trade and other receivables	11	1,596	1,973
Cash and cash equivalents	12.a	749	260
Current assets		19,473	16,783
Total assets		226,051	230,133
EQUITY AND LIABILITIES			
Stated capital	16	31,650	31,650
Retained earnings		(143,070)	(119,778)
Other reserves		980	980
Revaluation surplus		130,182	160,833
Total equity		19,742	73,685
Medium-term loans	14	-	-
Employee benefits	15	3,933	4,524
Deferred tax liabilities	9	47,443	23,074
Total non-current liabilities		51,376	27,598
Bank overdrafts	13	3,501	1,892
Trade and other payables	18 a	24,163	22,880
Advance received – Land	18 b	28,156	20,658
Short-term loans	14	99,113	83,420
Current liabilities		154,933	128,850
Total liabilities		206,309	156,448
Total equity and liabilities		226,051	230,133

These financial statements were approved by the Board of Directors on 30 September 2020 and signed on its behalf by:

DIRECTOR DIRECTOR

The notes on pages 31 to 69 are an integral part of the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 GHS'000	2018 GHS'000
Revenue	19	76,993	62,495
Cost of sales	20	(77,125)	(68,275)
Gross loss		(132)	(5,780)
Other income	21	173	157
General and administrative expenses	22	(9,257)	(10,609)
Impairment charge of trade receivables		(336)	(343)
Results from operating activities before financing cost		(9,552)	(16,575)
Net finance cost	25	(21,232)	(16,587)
Loss before income tax		(30,784)	(33,162)
Income tax expense	8 (i)	6,585	-
Loss for the year		(24,199)	(33,162)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Revaluation of property, plant and equipment		-	43,763
Re-measurement of defined benefit liabilities	15	1,210	55
Related tax		(30,954)	11,810
Other comprehensive income net of tax		(29,744)	55,628
Total comprehensive income for the year		(53,943)	22,466
Basic loss per share (Ghana Cedis)	17	(0.1022)	(0.1401)
Diluted loss per share (Ghana Cedis)	17	(0.1022)	(0.1401)

The notes on pages 31 to 69 are an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Stated Capital GHS'000	Other Reserves GHS'000	Revaluation Surplus GHS'000	Retained Earnings GHS'000	Total Equity GHS'000
Balance at 1 January 2019	31,650	980	160,833	(119,778)	73,685
Total comprehensive income for the year					
Loss for the year	-	-	-	(24,199)	(24,199)
Other comprehensive income					
Deferred tax revaluation surplus	-	-	(30,651)	-	(30,651)
Re-measurement of defined benefit liability, net of tax	-	-	-	907	907
Balance at 31 December 2019	31,650	980	130,182	(143,070)	19,742
Balance at 1 January 2018	31,650	980	105,260	(86,128)	51,762
Adjustment on initial application of IFRS 9	-	-	-	(543)	(543)
Restated balance at 1 January 2018	31,650	980	105,260	(86,671)	51,219
Total comprehensive income for the year					
Loss for the year	-	-	-	(33,162)	(33,162)
Surplus on revaluation, net of tax	-	-	55,573	-	55,573
Re-measurement of defined benefit liability	-	-	-	55	55
Balance at 31 December 2018	31,650	980	160,833	(119,778)	73,685

The notes on pages 31 to 69 are an integral part of the financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 GHS'000	2018 GHS'000
Cash flows from operating activities			
Loss after tax		(24,199)	(33,162)
Adjustments for:			
Depreciation charges	6a	7,283	5,484
Tax credit	8i	(6,585)	-
Profit on sale of property, plant and equipment	6b	-	(9)
Write off on property plant and equipment		7	-
Interest expense		20,465	16,587
End of service benefit expense	15	636	1,986
Long service award expense		(57)	242
Impairment allowance		336	343
Effect of exchange difference on cash and cash equivalents		(55)	-
		(2,169)	(8,529)
Changes in:			
Trade and other receivables***	11	41	(195)
Inventories	10	(2,420)	3,431
Trade and other payables	18 a	1,283	(8,589)
Advance received – Land	18 b	7,449	20,658
Cash from operating activities		4,184	6,776
Employee benefits paid	15	-	(292)
Interest paid		(1,266)	(16,587)
Income tax paid	8	(158)	(58)
Net cash used in operating activities		2,760	(10,161)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(518)	(1,032)
Proceeds from sale of property, plant and equipment	6b	-	9
Net cash used in investing activities		(518)	(1,023)
Cash flows from financing activities			
Loan proceeds	14	17,000	42,273
Loan repaid	14	(20,417)	(28,208)
Net cash (used)/ from financing activities		(3,417)	14,065
Net increase in cash and cash equivalents		(1,175)	2,881
Cash and cash equivalents at 1 January		(1,632)	(4,513)
Net increase in cash and cash equivalents		(1,175)	2,881
Effect of exchange difference on cash and cash equivalents		55	-
Cash and cash equivalents at 31 December	12	(2,752)	(1,632)

** Changes in Trade and Other Receivables excludes impairment amount of GHS 335,914

The notes on pages 31 to 69 are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

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 3 of the annual report. The Company is authorised to carry on the business of continuous casting and cold rolling of aluminium products. The financial statements comprise the individual financial statements of the Company as at and for the year ended 31 December 2019.

The Company is listed on the Ghana Stock Exchange.

2. BASIS OF PREPARATION

a. Basis of accounting

The financial statements of Aluworks Limited have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2019 (Act 992).

b. Basis of measurement

The financial statements are prepared on the historical cost basis except for property, plant and equipment which are recognised at revalued amounts.

c. Functional and presentation currency

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

d. Use of estimates and judgements

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in notes 4 and 27. The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the Company.

(a) Financial Instruments

(i) Recognition and Initial Measurement

Trade receivables issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL (Fair Value Through Profit or Loss), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI (Fair Value Through Other Comprehensive Income)- debt investment; FVOCI- equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

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

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

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

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

Financial assets - Business model assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held
- within that business model) and how those risks are managed;
- how managers of the business are compensated- e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for de-recognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets -Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment. 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument.

This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment the Company considers:

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

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

Financial assets - Subsequent measurement and gains and losses:
(a) Financial assets at amortized cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

(b) Fair value through other comprehensive income (FVOCI)

The Company elects to classify its investments in equity securities at FVOCI. The election is to present in other comprehensive income changes in fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

Financial liabilities - Classification, subsequent measurement and gains and losses

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

(iii) Derecognition

Financial assets

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

Financial Liabilities

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

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

(iv) Offsetting

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

Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Company's trading activity.

(b) Impairment

(i) Financial assets- Assets carried at amortised costs

I. Non-derivative financial assets

The Company recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. No impairment loss is recognised on equity investments.

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

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

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

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

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

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

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

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

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

Measurement of ECLs

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

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

Credit-impaired financial assets

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

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash generating unit (CGU) exceeds its recoverable amount.

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

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

(c) Property, Plant and Equipment

(i) Recognition and measurement

Items of Property, plant and equipment except capital work in progress are measured at fair value less subsequent depreciation and subsequent impairment. The fair values are determined every three (3) years by external, independent, professional valuers. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

The revaluation increase arising on the revaluation of property, plant and equipment are credited to other comprehensive income and accumulated in the revaluation surplus in shareholders' equity.

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

If property becomes an investment property because its use has changed, the property is reclassified appropriately and any difference arising between the carrying amount and the fair value at the date of transfer is recognised as follows:

Any gain arising on this re-measurement is recognized in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognized in other comprehensive income and presented in revaluation surplus. Any loss is recognised in profit or loss. However, to the extent that an amount is included in revaluation surplus for that property, the decrease is recognised in Other Comprehensive Income (OCI) and reduces the revaluation surplus in equity. On disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings.

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

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

(ii) Subsequent costs

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

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

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

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

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

(iv) Spare parts
Spare parts, stand-by and servicing equipment held by the Company generally are classified as inventories. However, if major spare parts and stand-by equipment are expected to be used for more than one period or can be used only in connection with an item of property, plant and equipment, then they are classified as property, plant and equipment.

(v) Capital work in progress
Property, plant and equipment under construction is stated at initial cost and depreciated from the date the asset is available for use over its useful life. Assets are transferred from capital work-in-progress to an appropriate class of property, plant and equipment when it is commissioned and ready for its intended use.

(d) 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.

(e) Employee Benefits

Defined contribution plans

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

Short-term Employment benefits

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

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

Remeasurement of the net defined benefit liability, which comprises actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognized immediately in other comprehensive income. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and defined benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Other long-term benefit

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

(f) Revenue

Revenue is recognised when the goods and services are delivered and has been accepted by the customer. Invoices are generated at that point in time. Invoices are usually payable within 30 days. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts, sales taxes and volume rebates.

Some contracts permit the customer to return an item, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for expected returns, which are estimated based on historical data for specific types of products. In these circumstances, a refund liability and a right to recover returned goods asset are recognized.

Rendering of services

Revenue from services rendered such as fixing of roofing sheets for customers is recognised over time as the services are provided. The stage of completion for determining the amount of revenue to recognize is assessed based on survey of work performed.

(g) Finance Income and Expense

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

Finance expenses comprise interest expense on borrowings. Borrowing costs not directly attributable to the construction and acquisition of a qualifying asset are recognised in profit or loss using the effective interest method.

(h) Taxation

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

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the income tax assets and liabilities relate to income taxes levied by the same taxation authority or either the same entity or different taxable entities where there is an intention to settle on a net basis. Current tax also includes any tax arising from dividends.

Deferred tax

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

Deferred tax is measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

(i) Foreign currency translation

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

Foreign currency differences arising on retranslation are generally recognized in profit or loss.
Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

Translation differences on non-monetary financial instruments, such as equities financial assets classified as FVOCI, are included in other comprehensive income.

(j) Dividend

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

(k) Subsequent events

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

(l) 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. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Officer (COO). The COO is responsible for allocating resources and assessing performance of the operating segments.

(m) Earnings per Share

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

(n) Leases

The Company has applied IFRS16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS17.

Policy applicable from 1 January 2019

At inception of a contract the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

As a lessor

When the Company acted as a lessor, it determined at lease inception whether each lease was a finance lease or operating lease

To classify each lease, the Company made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case then the lease was a finance lease; if not then it was an operating lease. As part of this assessment, the Company considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

The Company leases out its two properties. The Company has classifies all these leases as operating leases from the Company's perspective as the lessor because they do not transfer substantially all risk and rewards incidental to the ownership of the assets. Rental income recognised by the Company during 2019 was GHS 47,956

(o) New Standards and Interpretations not yet adopted

At the date of authorisation of the financial statements of the Company for the year ended 31 December 2019, the following Standards and Interpretations were in issue but are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the Company has not early adopted them in preparing these financial statements. Those that are relevant to the Company's financial statements are:

Standard/Interpretation		**Effective date Periods beginning on or after**
Conceptual Framework amendments	Amendments to References to Conceptual Framework in IFRS Standards	1 January 2020
IAS 1 and 8	Amendments to the definition of Material	1 January 2020

Amendments to References to Conceptual Framework in IFRS Standards

The IASB decided to revise the Conceptual Framework because certain important issues were not covered and certain guidance was unclear or out of date. The revised Conceptual Framework, issued by the IASB in March 2018, includes:

- A new chapter on measurement;
- Guidance on reporting financial performance;
- Improved definitions of an asset and a liability, and guidance supporting these definitions; and
- Clarifications in important areas, such as the roles of stewardship, prudence and measurement uncertainty in financial reporting.

The IASB also updated references to the Conceptual Framework in IFRS Standards by issuing Amendments to References to the Conceptual Framework in IFRS Standards. This was done to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction.

Although we expect this to be rare, some companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

The Company does not intend to use the Framework as a reference for selecting its accounting policies in the absence of specific IFRS requirements and therefore does not expect this to impact the Company significantly.

Definition of Material (Amendments to IAS 1 and IAS 8)

The IASB refined its definition of material to make it easier to understand. It is now aligned across IFRS Standards and the Conceptual Framework.

The changes in Definition of Material (Amendments to IAS 1 and IAS 8) all relate to a revised definition of 'material' which is quoted below from the final amendments

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The Board has also removed the definition of material omissions or misstatements from IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

The amendments are effective from 1 January 2020 but may be applied earlier. However, the Board does not expect significant change – the refinements are not intended to alter the concept of materiality. The refinements are not intended to alter the concept of materiality and would, therefore, not have a significant impact on the Company.

4. USE OF ESTIMATES AND JUDGEMENTS

The preparation of annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. 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 estimates are revised and in any future periods affected.

The main items in the annual financial statements that are sensitive to estimates and judgements at 31 December 2019 are the following:

Key sources of estimation uncertainty

Information about assumptions and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in:

Note 27 i – measurement of ECL allowance for trade receivables: key assumptions in determining the weighted average loss rate.

The company assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

The impairment for trade receivables is calculated older than 180 days.
Note 15- measurement of defined benefit obligations: key actuarial assumptions.

Determination of fair values

Some of the Company's accounting policies and disclosures require the determination of fair value, for both financial and nonfinancial assets and liabilities. The Company regularly reviews significant unobservable inputs and valuation adjustments.

- Level 1: inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

If inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy at the lowest level input that is significant to the entire measurement.

Further information about assumptions made in determining fair values is included in the financial risk management note 27 iv.

5. SEGMENT REPORTING

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

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

Revenue by products

	2019 GHS'000	2018 GHS'000
Sheet in Coil (Plain)	5,337	5,945
Sheet in Coil (Colour)	17,306	14,513
Circles	31,006	23,201
Corrugated Sheets (Plain)	10,653	8,748
Corrugated Sheets (Colour)	8,620	5,978
Flat Sheets (Plain)	3,427	3,638
Flat sheets (Colour)	808	620
	77,157	62,643

Geographical Location

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

	2019 GHS'000	2018 GHS'000
In Ghana	55,557	48,235
Outside Ghana	21,600	14,408
	77,157	62,643

The Company's non-current assets, other than investment in equity securities amounting to GHS 206,458,000 (2018: GHS 213,230,000) are in Ghana.

Major Customer

There was no revenue for transactions with a single external customer amounting to 10% of the Company's total revenue during the year (2018: Nil)

6. PROPERTY, PLANT AND EQUIPMENT

2019	Leasehold Land and Buildings GHS'000	Plant and Machinery GHS'000	Motor Vehicles GHS'000	Equipment GHS'000	Capital Work in Progress GHS'000	Total GHS'000
Cost/Valuation						
At 1 January 2019	128,499	86,994	983	5,328	856	222,660
Additions	-	205	-	65	248	518
Write off	-	-	-	(7)	-	(7)
At 31 December 2019	128,499	87,199	983	5,386	1,104	223,171
Comprising						
Cost of assets revalued	3,067	22,692	372	1,280	-	27,411
Surplus/(deficit) on revaluation to 2017	100,169	1,688	(529)	1,074	-	102,402
Surplus on revaluations to 2018	23,054	18,557	285	1,867	-	43,763
At revaluation	126,290	42,937	128	4,221	-	173,576
At cost	2,209	44,262	855	1,165	1,104	49,595
	128,499	87,199	983	5,386	1,104	223,171
Accumulated Depreciation						
At 1 January 2019	919	6,081	157	2,273	-	9,430
Charge for the period	788	5,542	213	740	-	7,283
Released on disposal	-	-	-	-	-	-
At 31 December 2019	1,707	11,623	370	3,013	-	16,713
Carrying Amounts						
At 31 December 2019	126,792	75,576	613	2,373	1,104	206,458

There are no restrictions to title on any of the Company's property, plant and equipment and there are no charges on any of these assets. However, we refer to note 18 (b) which states that payment has been made by SSNIT towards the purchase of 15.9 acres of unused land classified under land and buildings.

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

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

	2019 GHS'000	**2018 GHS'000**
Cost of sales	6,669	4,976
General, administrative and selling expenses	614	509
	7,283	5,484

(b) Disposal of property, plant and equipment

	2019 GHS'000	2018 GHS'000
Cost	-	277
Accumulated depreciation	-	277
Net book value	-	-
Proceeds of sales	-	9
Profit on disposal of PPE	-	9

7. LONG TERM INVESTMENT

This relates to the cost of 2,400,000 ordinary shares in Pioneer Kitchenware Limited. The market value of this investment at the reporting date was GHS120,000 (2018: GHS120,000). The company recognises the asset at Fair Value Through other comprehensive income.

8. TAXATION

(i) Income tax (credit)/expense

	2019 GHS	2018 GHS
Current tax	-	-
Deferred tax	(6,585)	-
	(6,585)	-

Deferred tax release relates to changes in recognised deductible temporary differences

(ii) Current tax asset

	Balance at 1 January GHS'000	Payments GHS'000	Charge for the period GHS'000	Balance at 31 December GHS'000
2018	(1,401)	-	-	(1,401)
2019	-	(158)	-	(158)
	(1,401)	(158)	-	(1,559)

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

(iii) Current tax asset

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

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

(iv) Reconciliation of effective tax rate

	2019 GHS'000	2018 GHS'000
Loss before tax	(30,784)	(33,162)
Tax using the domestic corporation tax rate	(7,696)	(8,291)
Non-deductible expenses	434	-
Unrecognised deferred tax asset	10,515	12,154
Current year losses for which no deferred tax asset is recognised	2,741	4,035
Recognition of previously unrecognised deferred tax asset	(12,579)	(7,898)
	(6,585)	-

9. DEFERRED TAXATION

	2019 GHS'000	2018 GHS'000
Balance at 1 January	23,074	34,884
Deferred tax credit/(charge) for the year	(6,585)	-
Other comprehensive income	30,954	(11,810)
Balance at 31 December	47,443	23,074

(i) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2019			2018		
	Assets GHS'000	Liabilities GHS'000	Net GHS'000	Assets GHS'000	Liabilities GHS'000	Net GHS'000
Deferred tax through Profit and Loss						
Property, plant and equipment	-	5,178	5,178	-	10,252	10,252
Employee benefits obligation	(572)	-	(572)	(13)	-	(13)
Trade and other receivable	(955)	-	(955)	(17)	-	(17)
Inventories	(14)	-	(14)	-	-	-
Net tax assets/(liabilities)- Profit and Loss	(1,541)	5,178	3,637	(30)	10,252	10,222
Deferred tax through OCI						
Property, plant and equipment	-	43,394	43,394	-	12,852	12,852
Employee benefits obligation	-	412	412	-	-	-
Net tax assets/(liabilities) OCI	-	43,806	43,806	-	12,852	12,852
Net assets/(liabilities)	(1,541)	48,984	47,443	(30)	23,104	23,074

(ii) Movements in temporary differences during the year

	Balance at 1 January GHS'000	Recognised in profit and loss GHS'000	Recognised in other compre-hensive income GHS'000	Balance at 31 December GHS'000
For the year ended 31 December 2019				
Deferred tax through Profit or Loss				
Property, plant and equipment	10,252	(5,074)	-	5,178
Employee benefits obligation	(13)	(559)	-	(572)
Trade and other receivables	(17)	(938)	-	(955)
Inventories	-	(14)	-	(14)
Net tax assets/(liabilities)- Profit and Loss	10,222	(6,585)	-	3,637
	-	-	-	-
Deferred tax through OCI	-	-	-	-
Property, plant and equipment	12,852	-	30,542	43,394
Employee benefits obligation	-	-	412	412
Net tax assets/(liabilities) OCI	12,852	-	30,954	43,806
Net tax assets/(liabilities)	23,074	(6,585)	30,954	47,443
	-	-	-	-
For the year ended 31 December 2018				
Property, plant and equipment	10,252	-	-	10,252
Employee benefits obligation	(13)	-	-	(13)
Trade and other receivables	(17)	-	-	(17)
Net tax assets/(liabilities) Profit and Loss	10,222	-	-	10,222
Deferred tax through OCI	-	-	-	-
Property, plant and equipment	24,662	-	(11,810)	12,852
Net tax assets/(liabilities) OCI	24,662	-	(11,810)	12,852
Net tax assets/(liabilities)	34,884	-	(11,810)	23,074

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

	2019			2018
	Gross amount GHS'000	Tax effect GHS'000	Gross amount GHS'000	Tax effect GHS'000
Deductible temporary differences	-	-	-	-
Tax losses	53,025	13,256	64,757	16,189
	53,025	13,256	64,757	16,189

(iii) Tax losses carried forward

Tax losses for which no deferred tax assets were recognised expire as follows.

	2019			2018
	GHS'000	**Expire date**	**GHS'000**	**Expire date**
Tax losses	15,876	2020-2022	10,515	2019-2021

10. INVENTORIES

	2019 GHS'000	**2018 GHS'000**
Raw materials	1,088	601
Work-in-progress	1,352	360
Finished goods	1,464	1,250
Consumables	11,665	10,938
	15,569	13,149

11. TRADE AND OTHER RECEIVABLES

	2019 GHS'000	**2018 GHS'000**
Trade receivables due from customers	737	555
Other receivables	720	1,151
Staff debtors	47	26
Prepayments	92	241
	1,596	1,973

Included in other receivables are advance payments of GHS 468,813 (2018: GHS 268,736) made to suppliers in relation to inventory.

12. CASH AND CASH EQUIVALENTS

		2019 GHS'000	**2018 GHS'000**
Cash and cash equivalents in the statement of financial position	12.a	749	260
Bank Overdraft	13	(3,501)	(1,892)
Cash and cash equivalents in statement of cash flows		(2,752)	(1,632)

12.a CASH AND BANK BALANCES

	2019 GHS'000	**2018 GHS'000**
Cash at bank	746	258
Cash on hand	3	2
Cash and cash equivalents in the statement of financial position	749	260

13. BANK OVERDRAFTS

	2019 GHS'000	2018 GHS'000
Ecobank Ghana Limited	1,901	-
Sociéte Generale Ghana Limited	1,600	1,892
	3,501	1,892

A. The Company has an overdraft facility not exceeding GH¢2.5 million with Ecobank Ghana Limited (EGH) to finance the purchase of stocks, raw materials, spares and other operational expenses. The interest rate is EGH cedi base rate plus a spread of 2% per annum payable monthly in arrears. The duration of the facility was from 1 October 2018 to 31 December 2019. The facility was secured by assignment of export proceeds, pari passu fixed and floating charges with Sociéte Generale Ghana (SG Ghana) Limited over the Company's assets including hypothecation over the Company's inventory, legal mortgage over Company's office/factory premises situated at Tema Heavy Industrial Area, cash management agreement. The Company is also to channel a minimum of GHS 200,000 in weekly local sales through its EGH Account. The company renewed the facility with the bank from 1 January 2020 to 31 December 2020.

B. The Company had an overdraft facility not exceeding GH¢2.1 million with Sociéte Generale Ghana Limited to finance working capital. The Company's floating and fixed assets shared pari passu with Ecobank Ghana Limited have been pledged as security for the facility**.** The facility expired on 31 December 2019. Interest rate is 28%. The company renewed the facility with the bank from 1 January 2020 to 30 September 2020.

14. SHORT TERM LOANS

2019

	SSNIT GHS'000	Ecobank Revolving GHS'000	Ecobank Short-term GHS'000	Total GHS'000
Balance 1 January	78,996	4,000	417	83,413
Drawdown during the year	-	17,000	-	17,000
Interest Capitalised	19,117	-	-	19,117
	98,113	21,000	417	119,530
Repayments during the year	-	(20,000)	(417)	(20,417)
Balance at 31 December	98,113	1,000	-	99,113

2018

	SSNIT GHS'000	Ecobank Revolving GHS'000	Ecobank Short-term GHS'000	Total GHS'000
Balance 1 January	65,348	4,000	-	69,348
Drawdown during the year	-	26,125	2,500	28,625
Interest Capitalised	13,648	-	-	13,648
	78,996	30,125	2,500	111,621
Repayments during the year	-	(26,120)	(2,081)	(28,201)
Balance at 31 December	78,996	4,005	419	83,420

(i) Social Security and National Insurance Trust

The Company obtained a facility of US$10 million (GH¢18,276,000) from Social Security and National Insurance Trust (SSNIT) in 2012 to fund the acquisition of the second cold rolling mill under the terms of a six-year convertible bond with two years moratorium. The interest rate on the convertible bond is 2 years note plus 3%. In line with IFRS 9, the facility qualified for a financial instrument and as such, an amount of GH¢ 980,000 was recognised in the statement of changes in equity on initial recognition. An amount of GH¢ 98,113,000 was recognised as the carrying amount of the loan in the statement of financial position. Interest capitalised on the facility in 2019 was GH¢ 19,117,000. SSNIT has extended the repayment of the principal and interest on the loan with no maturity date. The loan will be payable on demand once the company becomes able to pay its outstanding debt.

(ii) Ecobank Revolving Line of Credit

The Company has an revolving line of credit facility of GH¢4 million with Ecobank Ghana Limited (EGH) to back the issuance of standby letters of credit on behalf of Aluworks in favour of its overseas suppliers of raw material. The facility is also to back the issuance of sight and deferred (up to a maximum of 120 days) L/Cs on behalf of Aluworks in favour of excess suppliers for raw material supply, to back the discount of export receivables of up to 60 days. The loan is to be drawn as short terms loan of up to 60 days to finance purchase of raw materials from VALCO and 60 days to finance purchase of spare parts from both local and foreign supplies. The facility is secured by assignment of export proceeds, pari passu fixed and floating charges with Sociéte Generale Ghana (SG-Ghana) Limited over the Company's assets including hypothecation over Company's inventory, legal mortgage over Company's office/factory premises situated at Tema Heavy Industrial Area. The Company is also to channel a minimum of GHS 200,000 in weekly local sales through its EGH Account. Interest rate is EGH cedi base rate plus a spread of 8% for both facilities per annum payable monthly in arrears and expired on 31 December 2019. The bank renewed the facility from 1 January 2020 to 31 December 2020.

(iii) Ecobank Short term loan

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

15. EMPLOYEE BENEFITS

(i) Long Service Award

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

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

ii) End of Service Benefit

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

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

	2019 GHS'000	2018 GHS'000
Long service award	1,213	1,270
Net end of service benefit obligation	2,720	3,254
	3,933	4,524

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

	2019 GHS'000	2018 GHS'000
Long service award obligation at 1 January	1,270	592
Benefits paid during the year	-	-
Current service costs	66	75
Interest cost	241	112
Actuarial gain/loss	(364)	491
Long service award obligation at 31 December	1,213	1,270

b. Movement in net defined benefit obligation

	Defined benefit obligation		Fair Value of Plan asset		Net defined benefit obligation	
	2019 GHS'000	2018 GHS'000	2019 GHS'000	2018 GHS'000	2019 GHS'000	2018 GHS'000
Balance at 1 January	3,299	2,040	(45)	(337)	3,254	1,703
Included in profit or loss						
Current service cost	147	453	-	-	147	453
Net interest cost	483	1,533	-	-	483	1,533
Fees and charges	-	-	3	-	3	-
	630	1,986	3	-	636	1,986
Included in Other Comprehensive Income						
Actuarial loss (gain) arising from:						
Financial assumptions	(11)	(4)	-	-	(11)	(4)
Other sources	(1,199)	(432)	-	-	(1,199)	(432)
	(1,210)	(436)	-	-	(1,210)	(436)
Other						
Benefit paid	-	(292)	-	292	-	-
	-	(292)	-	292	-	-
Balance at 31 December	2,719	3,298	(42)	(45)	2,680	3,253

Represented by:

	2019 GHS'000	2018 GHS'000
Defined benefit obligation	2,719	3,298
Fair value of plan asset	(42)	(45)
	2,677	3,253

The company's planned asset is represented by an ex-gratia award fund which is managed by CAL Asset Management Limited.

Actuarial assumptions

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

	2019	2018
Discount rate	17%	17%
Salary inflation	14%	14%
Nominal Inflation	3%	3%

Withdrawal rates

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

	2019
Less than 30	0.02
Age 30 to 39	0.02
Age 40 to 49	0.01
Age 50 to 59	0.01
60 and greater	-

Sensitivity analysis

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

	2019		2018	
	Increase GHS'000	Decrease GHS'000	Increase GHS'000	Decrease GHS'000
Discount rate (1%)	3,218	3,457	3,186	3,423
Salary inflation (1%)	3,460	3,716	3426	3,680
Nominal inflation	3,273	3,378	3,241	3,345

16. STATED CAPITAL

Ordinary shares

	No. of Shares 2019 '000	Proceeds 2019 GHS'000	No. of Shares 2018 '000	Proceeds 2018 GHS'000
Authorised				
Ordinary shares of no par value	1,000,000		1,000,000	
Issued and fully paid				
For cash	202,058	27,413	202,058	27,413
Transfer from revaluation surplus	34,629	4,237	34,629	4,237
	236,687	31,650	236,687	31,650

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

17. EARNINGS PER SHARE

Basic

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

	2019 GHS'000	2018 GHS'000
Loss attributable to equity holders of the Company	(24,199)	(33,162)
	2019	2018
Number of ordinary Shares in issue	236,687,001	236,687,001
Basic earnings per share (expressed in GHS per share)	(0.1022)	(0.1401)

Diluted

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

	2019 GHS'000	2018 GHS'000
Loss attributable to equity holders of the Company	(24,199)	(33,162)
Weighted number of ordinary Shares in issue	236,687,001	236,687,001
Diluted earnings per share (expressed in GHS per share)	(0.1022)	(0.1401)

18(a). TRADE AND OTHER PAYABLES

	2019 GHS'000	2018 GHS'000
Trade payables	15,091	16,056
Sundry payables	9,072	6,824
	24,163	22,880

18(b). ADVANCE RECEIVED

	2019 GHS'000	2018 GHS'000
Advance received - Land	28,156	20,658

The Company entered into an agreement for the sale of 15.9 acres of unused land at a value of US$ 5,843,037.57 to Social Security and National Insurance Trust (SSNIT). SSNIT has made an advance payment of GHS 28,156,157 (equivalent of US$ 5,843,037.57). The Company is yet to transfer legal title of ownership to SSNIT.

19. REVENUE

	2019 GHS'000	2018 GHS'000
Local sales	67,631	55,375
Export sales	21,600	14,408
	89,231	69,783
Less: Value Added Tax	(12,074)	(7,140)
	77,157	62,643
Rebate	(164)	(148)
Net sales value	76,993	62,495

20. COST OF SALES

	2019 GHS'000	2018 GHS'000
Raw materials and consumables	49,309	43,691
Staff cost	7,581	7,196
Utilities	4,600	4,775
Vehicle and fuel	6,771	6,070
Other direct cost	2,195	1,567
Depreciation	6,669	4,976
	77,125	68,275

21. OTHER INCOME

	2019 GHS'000	2018 GHS'000
Scrap sales	11	13
Rent income	48	6
Sundry income	114	115
Gain on export freight	-	14
Asset disposal	-	9
	173	157

22. GENERAL AND ADMINISTRATIVE EXPENSES

	2019 GHS'000	2018 GHS'000
Vehicle and fuel expense	759	609
Consultancy expense	99	243
Depreciation	614	509
Insurance	569	284
Utility expense	143	134
Consumable and cleaning	90	80

	2019 GHS'000	2018 GHS'000
Repairs and maintenance	83	169
Transport and travelling	196	99
Staff cost	4,223	5,770
Other expense	932	756
Exchange loss	1,549	1,956
	9,257	10,609

23. LOSS BEFORE TAX IS STATED AFTER CHARGING:

	2019 GHS'000	2018 GHS'000
Personnel cost (note 24)	11,056	12,894
Auditors remuneration	85	75
Depreciation	7,283	5,484
Directors emoluments	67	66
Net finance cost (note 25)	21,232	16,587
Exchange loss	1,549	1,956

24. PERSONNEL COSTS

	2019 GHS'000	2018 GHS'000
Wages and salaries	9,704	9,836
Social security contributions	455	474
Provident fund	261	274
End of service benefits	636	2,310
	11,056	12,894

The average number of persons employed by the Company during the year was 251. (2018: 262)

25. FINANCE COST

	2019 GHS'000	2018 GHS'000
Interest expense	21,232	16,587
	21,232	16,587

26. CAPTIAL AND RESERVES

Ordinary shares

Holders of these shares are entitled to dividends declared from time to time and are entitled to one vote per share at annual general meetings of the Company

Revaluation surplus

The revaluation surplus relates to the revaluation of property, plant and equipment.

Retained earnings

The retained earnings of the Company is the accumulated net income/ loss that is retained by the Company at the end of the reporting date.

27. FINANCIAL RISK MANAGEMENT

(i) Overview

The Company has exposure to the following risks from its use of financial instruments:
- credit risk
- liquidity risk
- market risks

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

Risk management framework

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

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

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

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

(i) Credit risk

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

Trade and other receivables

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

Allowances for impairment

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

There is no off-balance sheet credit risk exposure.

No collateral is held for any of the assets below. The Company does not grade the credit quality of receivables.

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:

	2019	**2018**
	GHS'000	**GHS'000**
Trade receivables	737	548
Other receivables	251	1,073
Staff debtors	48	26
Cash and cash equivalent	749	260
	1,785	1,907

Impairment

The Company uses an allowance matrix to measure the ECLs of trade receivables from customers. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated separately for exposures in different segments based on the age of the receivables. Loss rates are based on historical roll rates over the past three years.

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables and contract assets from customers as at 31 December 2019.

2019

	Weighted average loss rate	Gross carrying amount GHS'000	Loss allowance GHS'000
Current (less than 30 days)	10%	631	63
Due but not impaired (30-60 days)	39%	275	107
Impaired (more than 90 days)	100%	3,648	3,648
	-	4,554	3,818

2018

	Weighted average loss rate	Gross carrying amount GHS'000	Loss allowance GHS'000
Current (less than 30 days)	10%	539	54
Due but not impaired (30-60 days)	38%	115	45
Due but not impaired (60-90 days)	100%	26	26
Impaired (more than 90 days)	100%	3,357	3,357
	-	4,037	3,482

Movements in the allowance for impairment in respect of trade receivables and contract assets
The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2019 GHS'000	2018 GHS'000
Balance at 1 January	3,482	2,992
Adjustment on initial application of IFRS 9	-	543
Impairment charge/ (reversal)	336	(53)
Balance at 31 December	3,818	3,482

Cash and cash equivalents

None of these balances were impaired at the year end and at 31 December 2019 (2018: Nil). The cash and cash equivalents are held with banks and financial institution counterparties. These banks and financial institutions have the requisite authorization to carry on the business of banking in Ghana. These are thus deemed to have a relatively low risk of default.

Investment securities

The Company's investments comprise investment in equity securities. None of these investments were impaired at the year end and at 31 December 2019.

(ii) Liquidity risk

Liquidity risk is the risk that the Company either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access them only at excessive cost. The Company's approach to managing liquidity is to ensure that it will maintain adequate liquidity to meet its liabilities when due under normal and stressed conditions without incurring unacceptable losses of risking damage to the Company's reputation. The Company however has a net current liability position. Measures have been put in place as disclosed under note 30 to manage this position.

The following are contractual maturities of financial liabilities:

		Contractual cash flows		
31 December 2019	**Carrying amount GHS'000**	**6mths or less GHS'000**	**6-12mths GHS'000**	**1-3 years GHS'000**
Non-derivative financial liability				
Trade and other payables	24,163	24,163	-	-
Bank overdrafts	3,501	3,501	-	-
Short term loans	99,113	99,113	-	-
Medium term loans	-	-	-	-
Balance at 31 December 2019	126,777	126,777	-	-
31 December 2018				
Non-derivative financial liability				
Trade and other payables	22,880	22,880	-	-
Bank overdrafts	1,892	1,892	-	-
Short term loans	4,417	4,417	-	-
Medium term loans	51,774	-	-	51,774
Balance at 31 December 2018	80,963	29,189	-	51,774

(iii) Market risks

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

Currency risk

Foreign currency risk

The Company is exposed to currency risk on purchases and borrowings that are denominated in currencies other than the functional currency. The currency in which these transactions primarily are denominated is the US Dollar (US$). The Company's exposure to foreign currency risk was as follows based on notional amounts.

Amounts are stated in USD

2019	**USD**
Cash and cash equivalents	125,920
2018	USD
Cash and cash equivalents	140,829

The following significant exchange rates were applied during the period:

	Average Rate		Reporting Rate	
	2019 GHS	**2018 GHS**	**2019 GHS**	**2018 GHS**
US$	5.2821	4.6146	5.6250	4.8600

Sensitivity analysis on currency risks

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

A strengthening/ weakening of the GHS, by the rates shown in the table, against the following currencies at 31 December have increased/decreased equity and profit or loss by the amounts shown below:

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

At 31 December	**2019**			**2018**		
	% Change	Profit or loss/ Equity impact – increase/ (decrease): Strengthening	Profit or loss/ Equity impact – increase/ (decrease): Weakening	% Change	Profit or loss/ Equity impact – increase/ (decrease): Strengthening	Profit or loss/ Equity impact – increase/ (decrease): Weakening
		GHS	GHS		GHS	GHS
US$	±6.49%	42,498	(42,498)	±5.3%	3,254	(3,254)

Interest rate risk Profile

The Company adopts a policy of ensuring 90% of its interest risk exposure is at a fixed rate. At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

Financial liabilities

A change of 300 basis points in interest rate at the reporting date would have increased (decreased) profit or loss or equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis for 2019 is performed on the basis that interest rate changed by 300 basis points.

Variable rate instrument

	300bp Increase GHS'000
31 December 2019	
Variable rate instrument	(3,078)
31 December 2018	
Variable rate instrument	(2,559)

(iv) Fair values

Fair values versus carrying amounts

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

	31 December 2019		**31 December 2018**	
(i) Amortised cost	**Carrying Amount GHS'000**	**Level 3 Fair Value GHS'000**	**Carrying Amount GHS'000**	**Level 3 Fair Value GHS'000**
Trade and other receivables	1,504	1,504	1,732	1,732
Cash and cash equivalents	749	749	260	260
	2,253	2,253	1,992	1,992

	31 December 2019		**31 December 2018**	
(ii) Fair Value Through Other Comprehensive Income	**Carrying Amount GHS'000**	**Level 3 Fair Value GHS'000**	**Carrying Amount GHS'000**	**Level 3 Fair Value GHS'000**
Investment securities	120	120	120	120
	120	120	120	120

	31 December 2019		**31 December 2018**	
(iii) Amortised Cost	**Carrying Amount GHS'000**	**Level 3 Fair Value GHS'000**	**Carrying Amount GHS'000**	**Level 3 Fair Value GHS'000**
Trade and other payables	24,161	24,161	22,887	22,887
Bank overdrafts	3,501	3,501	1,892	1,892
Short term loans	99,113	99,113	83,420	83,420
	126,775	126,775	108,199	108,199

(iv) Fair Value Hierarchy

Fair value hierarchy- Financial instruments measured at fair value

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, The Ghana Stock Exchange)
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

(v) Valuation Technique and significant unobservable input

Financial instruments not measured at fair value

Type	Valuation
Other financial liabilities	Discounted cashflows: The valuation model considers the present value of expected payments using a risk adjusted discount rate.

28. RELATED PARTY DISCLOSURES

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

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

The Company entered into an agreement for the sale of 15.9 acres of unused land at a value of US$ 5,843,037.57 to Social Security and National Insurance Trust (SSNIT). SSNIT has made an advance payment of GHS 28,156,157 (equivalent of US$ 5,843,037.57). The Company is yet to transfer legal title of ownership to SSNIT.

(i) Transactions

The following transactions were carried out with related parties:

	2019 GHS'000	2018 GHS'000
Purchases by Pioneer Kitchenware	-	95
Purchases by Modula Group (SSNIT affordable housing project)	63	31
Advance receipt for the sale of land	7,499	20,657

(ii) Outstanding balances arising from related party transactions:

	2019 GHS'000	2018 GHS'000
Trade Receivables: Pioneer Kitchenware	382	382
Modula Group (SSNIT affordable housing project)	74	-
Loan : Social Security and National Insurance Trust (SSNIT)	98,113	78,996

All outstanding balances with related parties are to be settled in cash within two months of reporting date. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

(iii) Key management compensation

	2019 GHS'000	2018 GHS'000
Salaries and other short-term benefits	67	66

(iv) Loans and advances to related parties

	2019 GHS'000	2018 GHS'000
Loan advances to senior management and staff	48	26

Loan advances to senior management relates to salary advances to staff payable within a period of 12 months.

29. CAPITAL MANAGEMENT

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

The Company's policy is to keep the ratio below 2. The Company's adjusted net debt to equity ratio at 31 December 2019 was as follows:

The Company's capital position is as shown below:

	2019 GHS'000	2018 GHS'000
Total liabilities	206,309	156,448
Less: Cash and cash equivalents	(749)	(260)
Net debt	205,560	156,188
Total equity	19,742	73,685
Net debt to equity ratio	10.4123	2.1197

Refer to Note 32 for going concern consideration.

30. CAPITAL COMMITMENTS

The Company had no commitments for capital expenditure at the reporting date (2018: Nil).

31. CONTINGENT LIABILITIES

The Company had no contingent liabilities at the reporting date (2018: Nil).

32. GOING CONCERN AND SUBSEQUENT EVENTS

The Company incurred a net loss for the year ended 31 December 2019 of GHS 24,199,000 (2018: GHS 33,162,000) and as of that date its current liabilities exceeded its current assets by GHS 135,460,000 (2018: GHS 112,067,000). The Company continues to incur losses on its operations.

The Company continues to experience the negative effect of the high interest charges on the Social Security and National Insurance Trust (SSNIT) loan which has significantly contributed to the Company's losses over the years. The Company is in discussions with SSNIT to restructure the loan and provide the Company with a revised repayment plan since the Company has not been able to pay both principal and interest on the loan as and when they fall due.

The Company has over the last six years been in negotiation with another shareholder Caitlyn Limited (Caitlyn) who intends to make the necessary financial intervention in exchange for an issue of new shares which will enable Caitlyn attain 50%+ shareholding and obtain control over the Company. Caitlyn seeks to provide leadership in technology, processes and introduce new products.

Subsequent to the yearend, SSNIT made a counter proposal to Caitlyn and this is yet to be agreed by Caitlyn.

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

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

EVENTS AFTER THE REPORTING DATE

On 30 January 2020, the World Health Organisation (WHO) declared an international health emergency due to the outbreak of a novel coronavirus, which originated in December 2019 in Hubei province, China. The WHO declared the coronavirus outbreak to be a pandemic on 11 March 2020 in recognition of its rapid spread across the globe, with over 150 countries, including Ghana and other African countries, now affected.

The management of the company has, consequently, taken a number of safety and health measures for its people (like social distancing, ensuring the wearing nose mask and provision of hand sanitizers) to monitor and prevent the effects of the COVID- 19 from spreading among its workers.

Management has also made an assessment of the impact of the pandemic on its business. The overall impact on the company's business is not significant and management have no reason to believe that the company will not remain as a going concern as a result of the pandemic.

No other events have occurred since the end of the reporting period that would have had a material effect on the financial statements or require disclosure.

33. SHAREHOLDING INFORMATION

(i) Number of Shares in Issue

Earnings and dividend per share are based on 236,687,001 (2018:236,687,001) ordinary shares in issue at the end of the year.

(ii) Number of Shareholders

The Company had 2,985 ordinary shareholders at 31 December 2019 (2018: 3,008) distributed as follows:

Holding	No. of Holders	Total Holding	% Holding
1 - 1,000	2,164	547,341	0.23
1,001 - 5,000	474	1,163,463	0.49
5,001 - 10,000	153	1,150,182	0.49
10,001 and over	194	233,826,015	98.79
	2,985	236,687,001	100

(iii) List of twenty largest shareholders as at 31 December 2019

	Name of Shareholder	No. of Shares	% of Issued Capital
1.	Social Security & National Insurance Trust	148,219,086	62.62
2.	Caitlyn Limited	50,413,652	21.30
3.	Professor Wosornu Lade	7,873,963	3.33
4.	SCBN/SSB Eaton Vance Tax-Managed Emerging Markets	5,176,100	2.19
5.	Strategic Initiatives Limited	4,170,540	1.76
6.	Mr. Ken Kobina Dela Alor	2,435,689	1.03
7.	Mr. Colin M. Waugh	1,464,668	0.62
8.	Mr. Adu-Gyamfi Yaw	827,925	0.35
9.	Mrs. Elizabeth Arthur	820,000	0.35
10.	Qualitec Industries Limited	750,688	0.32
11.	Ghana Commercial Bank Limited	450,000	0.19
12.	Tema Oil Refinery Limited	450,000	0.19
13.	National Investment Bank Limited	442,080	0.19
14.	NTHC Limited	431,857	0.18
15.	Dr. Clifford Edward Aryee	427,830	0.18
16.	Dr. Larbi Emmanuel Bekoe	323,726	0.14
17.	Anim Jehoram Tei	315,580	0.13
18.	Lifespring Capital	300,000	0.13
19.	SAS / Mr. Gideon Amenuvor	290,029	0.12
20	Mr. Akordor Emmanuel Horla	280,820	0.11
	Reported totals	225,864,233	95.43
	Not reported	10,822,768	4.57
	Grand totals	236,687,001	99.80
	Company capital	236,687,001	

(iv) Directors' Shareholding

The Directors named below held the following number of shares in the Company as at 31 December 2019:

Ordinary Shares

	2019	%
E. Kwasi Okoh	100,000	0.04
Professor Lade Wosornu	7,873,963	3.33
Prof. Yaw Adu-Gyamfi	827,925	0.35
	8,801,888	3.72

NOTES

ALUWORKS LIMITED

PROXY FORM FOR USE AT THE 33RD ANNUAL GENERAL MEETING TO BE HELD VIRTUALLY VIA ZOOM ON THURSDAY NOVEMBER 26, 2020 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 virtually via Zoom on the **26th day of November, 2020** and at any and every adjournment thereof.

This form to be used:

Ordinary Business

1	*in favour of against	the Resolution to adopt the Reports of the Directors, Auditors and the Financial Statements of the company for the year ended December 31, 2019.
2	*in favour of against	the Resolution to ratify the appointment of Mr. Ralph Rossouw as a Director of the company.
3	*in favour of against	the Resolution to re-elect Togbe Afede XIV as a Director of the company.
4	*in favour of against	the Resolution to re-elect Prof. Yaw Adu-Gyamfi as a Director of the company.
5	*in favour of against	the Resolution to maintain the remuneration of the Directors at thelevel approved over 10 years ago.
6	*in favour of against	the Resolution to confirm the Auditors remuneration for the year ended December 31, 2019 and to authorise the Directors to fix the remuneration of the Auditors for the year ending December 31, 2020.

Special Business

1	*in favour of against	the Resolution to change the name of the company from Aluworks Limited to Aluworks PLC in compliance with the provisions of the Companies Act 2019, Act 992.
2	*in favour of against	the Resolution to amend the company's Regulations/Constitution to accommodate the holding of Annual General/General Meetings by electronic or virtual means where the Directors deem it necessary to do so.

On any other business transacted at the meeting and unless otherwise instructed in paragraphs 1 to 6 on Ordinary Business and in paragraphs 1 and 2 on 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**

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Signature of Shareholder

Signed this ……………. day of ……………..……………… 2020.

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 Corporate Body, the Proxy Form must bear its Common Seal or be signed on its behalf by a Director.
5. Please sign the above Proxy Form and post it so as to reach the address shown overleaf not later than 4.00 p.m. on Tuesday November 24, 2020.
6. The Proxy must produce the Admission Card with the Notice of the Meeting to obtain entrance to the meeting.