

GOLDEN WEB COMPANY LIMITED

UNAUDITED INTERIM

FINANCIAL STATEMENTS  
FOR THE THIRD QUARTER ENDED SEPTEMBER 30,2011

# **GOLDEN WEB LIMITED**

## **COMMENTARY ON UNAUDITED FINANCIAL RESULT FOR THE THIRD QUARTER ENDED 30<sup>TH</sup> SEPTEMBER, 2011**

### **Accounting Policies**

This account has been prepared based on the General Accepted Accounting Principles and International Accounting Standard Practices and consistent with the policies adopted for the Audited Annual Financial Statement issued for the year ended 31<sup>st</sup> December, 2010.

### **KEY AREA INDICATORS OF THE ACCOUNTS FOR THE THIRD QUARTER ENDED 30<sup>TH</sup> SEPTEMBER, 2011**

Current performance compared to same period prior to the year under review are as follows:

### **Utilization Capacity**

- Plant and machinery utilization capacity increased by 25%
- Turnover: increased by 87%
- Production cost increased by 61%
- Gross Profit increased by 179%
- Operation loss increased by 29%
- Net operating loss reduced by 49%

### **Operation and Financial Performance**

The company turnover increased by 87% in the same comparable period under review, the production cost also increased by 61% leaving a gross profit of 26% which is inadequate due to low utilization capacity.

Although the company's capacity utilization increased by 25%, there is still under utilization as the current utilization capacity of the plant and machinery (oilseed processing) stands at 30%. This can be attributed to the inadequate supply of raw materials.

The high cost of production coupled with the under utilization of plant and machinery has contributed to the operating loss reported by the company.

### **Way Forward**

To be able to address these challenges the company needs the following:

- (1) Availability of raw materials at affordable prices relative to selling prices.
- (2) Efficient productivity at optimum levels.
- (3) Government motivating people to go into farming so that there will be constant supply of raw materials to feed the agro-processing industries.
- (4) Regular and quality power supply to enhance production and minimize damages to plants and machinery.
- (5) The major breakthrough for the company will be partnership in serious commercial farming which the company is currently in talks with investors to produce its raw materials.
- (6) The company is supporting a selected commercial farmer to cultivate sunflower seeds.

**GOLDEN WEB COMPANY LIMITED**  
**UN-AUDITED SUMMARY RESULTS AS AT**  
**SEPTEMBER 30,2011**

	NOTE	<u>3RD QUARTER</u> <u>2011</u> GH ¢	<u>3RD QUARTER</u> <u>2010</u> GH ¢	CHANGE
Turnover		1,626,155	871,719	87%
Net Profit/(Loss) Before Depreciation & Finance Charges		24,561	8,780	179%
Depreciation		(132,143)	(160,481)	17%
		(107,582)	(151,701)	29%
Finance Charges		(229,971)	(82,997)	-177%
		(337,554)	(234,698)	-44%
Net Loss After Tax		(358,784)	(234,698)	-53%
Number of Shares		64,999,401	64,999,401	
Earnings Per Share ( Gp)		nil	nil	

**GOLDEN WEB COMPANY LIMITED**  
**UN-AUDITED BALANCE SHEET AS AT SEPTEMBER 30, 2011**

<u>ASSETS</u>	<u>NOTE</u>	<u>3RD QUARTER</u> <u>2011</u> GH ¢	<u>3RD QUARTER</u> <u>2010</u> GH ¢
<b>Non Current Assets</b>			
Property, Plant & Equipment		1,790,700	1,492,327
Security Deposit		20,057	20,257
		<b>1,810,757</b>	<b>1,512,584</b>
<b>Current Assets</b>			
Inventories		228,997	355,286
Accounts Receivable		191,859	142,238
Tax Credits		61,559	40,329
Cash & Cash Equivalents		37,126	684,709
		519,541	1,222,562
		<b>2,330,298</b>	<b>2,735,146</b>
<b>TOTAL ASSETS</b>			
<u>EQUITY AND LIABILITIES</u>			
<b>Capital &amp; Reserves</b>			
Stated Capital		830,975	830,975
Revaluation Surplus		151,615	151,615
Income Surplus		(2,018,624)	(1,365,907)
		<b>(1,036,034)</b>	<b>(383,317)</b>
<b>Non-Current Liabilities</b>			
BARCLAY LOAN		658,787	2,079,143
EDIF Loan		1,471,684	
Obligation under Finance Lease		590,242	501,774
		<b>2,720,713</b>	<b>2,580,917</b>
<b>Current Liabilities</b>			
Accounts Payable		279,581	155,669
Directors' Current Account		50,000	50,000
Bank Overdraft		316,037	331,877
		<b>645,618</b>	<b>537,546</b>
		<b>3,366,331</b>	<b>3,118,463</b>
<b>TOTAL LIABILITIES</b>			
<b>TOTAL EQUITY &amp; LIABILITIES</b>			
		<b>2,330,298</b>	<b>2,735,146</b>

Signed: Thomas W. Bello  
DIRECTOR

Signed: David Anokye  
DIRECTOR

**GOLDEN WEB COMPANY LIMITED**  
**UN-AUDITED PRODUCTION ACCOUNT AS AT**  
**30TH SEPTEMBER, 2011**

	<u>3RD QUARTER</u> <u>2011</u> GH ¢	<u>3RD QUARTER</u> <u>2010</u> GH ¢
<b>RAW MATERIALS:</b>		
Stocks	462,420	84,938
Purchases	707,479	640,064
Freight and Handling	80,513	30,343
	<b>1,250,412</b>	<b>755,345</b>
Stocks at Close	132,997	(132,669)
	<b>1,117,415</b>	<b>622,676</b>
<b>DIRECT EXPENSES:</b>		
Salaries and Wages	89,240	51,602
Light and Power	98,887	53,945
Machinery running and repairs	15,475	25,016
Casual Labour	32,244	13,588
Overheads	29,403	13,007
Packaging/Processing Fees	22,381	14,750
Depreciation	60,203	118,155
	<b>347,832</b>	<b>290,063</b>
	<b>1,465,247</b>	<b>912,739</b>

**GOLDEN WEB COMPANY LIMITED**  
**UN-AUDITED TRADING PROFIT AND LOSS ACCOUNT**  
**AS AT SEPTEMBER 30, 2011**

	<u>NOTE</u>	<u>3RD QUARTER</u>	<u>3RD QUARTER</u>
		<u>2011</u>	<u>2010</u>
		<u>GH ¢</u>	<u>GH ¢</u>
Turnover		1,626,155	871,719
Cost of Sales		1,439,096	(879,971)
<b>Gross Profit/Loss</b>		<b>187,059</b>	<b>(8,252)</b>
Selling, General and Administrative Exp.		222,701	(143,449)
Depreciation		71,940	
<b>Operating Profit/(Loss)</b>		<b>(107,582)</b>	<b>(151,701)</b>
<b>Other Income</b>		<b>-</b>	<b>-</b>
<b>Finance Charges</b>		<b>(229,971)</b>	<b>(82,997)</b>
<b>Profit/Loss Before Tax</b>		<b>(337,554)</b>	<b>(234,698)</b>
<b>Taxation</b>		<b>(21,230)</b>	<b>-</b>
<b>Net Profit/Loss</b>		<b>(358,784)</b>	<b>(234,698)</b>
<b><u>INCOME SURPLUS ACCOUNT</u></b>			
		<u>3RD QUARTER</u>	<u>3RD QUARTER</u>
		<u>2,011</u>	<u>2,010</u>
		<u>GH ¢</u>	<u>GH ¢</u>
Balance B/F		(1,659,840)	(1,131,209)
Profit and Loss Account		(358,784)	(234,698)
<b>Balance C/F</b>		<b>(2,018,624)</b>	<b>(1,365,907)</b>

**GOLDEN WEB COMPANY LIMITED**  
**UN-AUDITED CASH FLOW STATEMENT AS AT SEPTEMBER 30, 2011**

	<b>3RD QUARTER</b>	<b>3RD QUARTER</b>
	<b>2,011</b>	<b>2,010</b>
	<b>GH ₵</b>	<b>GH ₵</b>
<b>OPERATING ACTIVITIES:</b>		
Operating Profit/ Loss	(107,582)	(234,698)
<b>Adjustment for:</b>		
Depreciation	132,143	160,481
Profit from Sale of Property, Plant & Equipment		
	<b>24,561</b>	<b>(74,217)</b>
<b>Working Capital adjustment:</b>		
Increase/(Decrease) in stocks	355,086	(142,367)
(Increase)/Decrease in Receivables	(37,055)	(142,140)
(Increase)/Decrease in Payables	108,908	28,632
	<b>426,939</b>	<b>(255,875)</b>
Taxation Paid	(21,230)	-
Interest Paid	(202,144)	-
<b>Net cash from operating Act.</b>	<b>(223,374)</b>	<b>(330,092)</b>
<b>INVESTING ACTIVITIES:</b>		
Purchase Property, Plant & Equipment		(92,713)
Proceeds from Sale of Fixed Assets		1,400
<b>Net cash used in Investing activities</b>	<b>-</b>	<b>(91,313)</b>
<b>FINANCING ACTIVITIES:</b>		
Term Loan		<b>1,420,356</b>
Issue of Shares	-	-
Servicing of Loans	(568,551)	
<b>Net cash used in Financing Activities</b>	<b>(568,551)</b>	<b>1,420,356</b>
<b>Increase/Decrease in cash and cash Equivalent</b>	<b>(340,426)</b>	<b>998,951</b>
<b>Balance of cash at January 1, 2011</b>	<b>61,514</b>	<b>(681,850)</b>
<b>Balance at September 30, 2011</b>	<b>(278,911)</b>	<b>317,101</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash and Cash Equivalent	37,126	
Bank Overdraft	(316,037)	
	<b>(278,911)</b>	<b>-</b>