

ALUWORKS PLC

UN-AUDITED FINANCIAL STATEMENTS

31 DECEMBER 2022

ALUWORKS PLC
UN-AUDITED FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

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ALUWORKS PLC
CORPORATE INFORMATION

BOARD OF DIRECTORS

Professor Lade Wosornu- *Chairman*
Ernest Kwasi Okoh - *Managing Director*
Togbe Afede XIV
Kingsley Okoe Ofosu Obeng
Ralph Rossouw
Dr. Alhassan Mutaka Alolo
Prof. Yaw Adu-Gyamfi

SECRETARY

Accra Nominees Limited
13 Samora Machel Road
Asylum Down
P. O. Box GP 242
Accra

REGISTRARS

Universal Merchant Bank Limited
Merban House
44 Kwame Nkrumah Avenue
Accra

SOLICITORS

E. K. Jones Mensah & Associates
Alpha Law Chamber
Community 1
P.O.Box 1382
Tema.

**PRINCIPAL PLACE OF
BUSINESS AND REGISTERED
OFFICE**

Plot No. 63/1, Heavy Industrial Area
P. O. Box CO 914
Tema

AUDITORS

Delloitte & Touche
The Deloitte Place
Plot No. 71, off George Walker Bush Highway,
North Dzorwulu
Box GP 453, Accra, Ghana

BANKERS

Ecobank Ghana Limited
Societe Generale Ghana Limited

ALUWORKS PLC

UN-AUDITED FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2022

DECLARED STATEMENT

**The Financial Statements do not contain untrue statements, misleading facts,
or omit material facts to the best of our knowledge.**



ALUWORKS LIMITED
UN-AUDITED STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2022

| | Notes | 2022 GH¢'000 | 2021 GH¢'000 |
|--------------------------------------|-------|-----------------|-----------------|
| Assets | | | |
| Property, Plant and Equipment | 4 | 209,318 | 217,360 |
| Long term Investments | 5 | 120 | 120 |
| Deferred Tax Asset | 17 | 4,346 | 4,346 |
| | | ----- | ----- |
| Total Non-current Assets | | 213,784 | 221,826 |
| | | | |
| Inventories | 6 | 12,218 | 11,212 |
| Trade and other receivables | 7 | 2,210 | 940 |
| Cash and Bank balances | 8 | 93 | 330 |
| Current Tax Assets | 17 | 1,832 | 1,794 |
| | | ----- | ----- |
| Total Current Assets | | 16,352 | 14,276 |
| | | ----- | ----- |
| Total Assets | | 230,136 | 236,102 |
| | | ----- | ----- |
| | | | |
| Equity | | | |
| Share Capital | | 31,650 | 31,650 |
| Revaluation surplus | | 195,052 | 195,052 |
| Retained earnings (deficit) | | (260,144) | (185,201) |
| Other reserves | | 980 | 980 |
| | | ----- | ----- |
| Total Equity | | (32,462) | 42,481 |
| | | ----- | ----- |
| Non-current Liabilities | | | |
| Medium-term loans | 10 | 185,900 | 148,327 |
| Employee Benefits | | 4,410 | 4,350 |
| Deferred Tax liabilities | 17 | - | - |
| | | ----- | ----- |
| Total non-current liabilities | | 190,310 | 152,677 |
| | | ----- | ----- |
| Current Liabilities | | | |
| Bank overdraft | 9 | 2,789 | 2,527 |
| Trade and other payables | 14 | 69,500 | 37,375 |
| Short-term loan | 11 | - | 1,042 |
| | | ----- | ----- |
| Total current liabilities | | 72,289 | 40,944 |
| | | ----- | ----- |
| Total liabilities | | 262,598 | 193,622 |
| | | ===== | ===== |
| | | | |
| Total Equity and Liabilities | | 230,136 | 236,102 |
| | | ===== | ===== |

ALUWORKS LIMITED
UN-AUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2022

| | Note | 2022 GH¢'000 | 2021 GH¢'000 |
|--|------|-----------------|-----------------|
| Revenue | 15 | 33,441 | 99,011 |
| Cost of sales | | (58,196) | (113,096) |
| | | ----- | ----- |
| Gross profit / (Loss) | | (24,754) | (14,085) |
| Other income | 16 | 68 | 121 |
| General and administrative expenses | | (10,697) | (12,839) |
| | | ----- | ----- |
| Results from operating activities before financing cost | | (35,383) | (26,803) |
| Net finance expense | | (39,560) | (29,028) |
| | | ----- | ----- |
| Profit / (Loss) before income taxation | | (74,943) | (55,831) |
| Income tax expense | 17 | - | (9,924) |
| | | ----- | ----- |
| Loss for the period | | (74,943) | (65,755) |
| Other comprehensive income | | - | - |
| | | ----- | ----- |
| Total comprehensive income for the period | | (74,943) | (65,755) |
| | | ===== | ===== |
| Basic earnings per share | 13 | (0.3166) | (0.2778) |
| Diluted earnings per share | 13 | (0.2654) | (0.2329) |

ALUWORKS LIMITED
UN-AUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2022

| 2022 | Stated | Share | Other | Revaluation | Retained | Total |
|--|----------------|----------------|-----------------|--------------------|------------------|-----------------|
| Equity | Capital | Deals | Reserves | Surplus | Earnings | |
| | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| Balance at 1 January 2022 | 31,650 | - | 980 | 195,052 | (185,201) | 42,481 |
| Transfers | - | - | - | - | - | - |
| Comprehensive income for the period | | | | | | |
| Loss for the period | - | - | - | - | (74,943) | (74,943) |
| | ----- | ---- | --- | ----- | ----- | ----- |
| Balance at 31 December 2022 | 31,650 | - | 980 | 195,052 | (260,144) | (32,462) |
| | ===== | ==== | --- | ===== | ===== | ===== |

| 2021 | Stated | Share | Other | Revaluation | Retained | Total |
|---|----------------|----------------|-----------------|--------------------|------------------|-----------------|
| Equity | Capital | Deals | Reserves | Surplus | Earnings | |
| | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 | GH¢'000 |
| Balance at 1 January 2021 | 31,650 | - | 980 | 130,182 | (177,495) | (14,683) |
| Prior Year Adjustment From Tax | | | | | 58,239 | 58,239 |
| Loss for the period | - | - | - | - | (65,755) | (65,755) |
| Revaluation Surplus (Net) | | | | 64,870 | | 64,870 |
| Re-Measurement of defined benefit liability | | | | | (190) | (190) |
| | ----- | ---- | --- | ----- | ----- | ----- |
| Balance at 31 December 2021 | 31,650 | - | 980 | 195,052 | (185,201) | 42,481 |
| | ===== | ==== | --- | ===== | ===== | ===== |

ALUWORKS LIMITED
UN-AUDITED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2022

| | 2022 | 2021 |
|---|-----------------|-----------------|
| | GH¢'000 | GH¢'000 |
| Cash flows from operating activities | | |
| Loss after taxation | (74,943) | (65,755) |
| <i>Adjustments for:</i> | | |
| Depreciation charges | 8,071 | 10,071 |
| Interest expense | 39,560 | 29,028 |
| Exchange loss | 3,457 | - |
| End of service benefit expense | 64 | (862) |
| Long service award expense | 121 | 201 |
| Impairment Allowance | | 1,797 |
| Taxation Expense | | 9,924 |
| Loss on Disposal | | 5,340 |
| Revaluation Surplus Difference | | (9) |
| | (23,669) | (10,264) |
| Change in inventories | 1,394 | 979 |
| Change in trade and other receivables | 2,796 | 249 |
| Change in trade and other payables | 20,624 | 11,548 |
| Advance payment – Land | - | (28,156) |
| | 1,145 | (25,644) |
| End of service benefits paid | - | - |
| Long service benefits paid | (121) | (256) |
| Interest paid | (513) | (911) |
| Income taxes paid | (37) | (133) |
| | 473 | (26,944) |
| Net cash flow from operating activities | 473 | (26,944) |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (29) | (409) |
| Proceeds from sale of <i>PPE</i> | - | 32,613 |
| | (29) | 32,204 |
| Net cash flow used in investing activities | (29) | 32,204 |
| Cash flows from financing activities | | |
| Loan proceeds | 5,350 | 15,700 |
| Loan repaid | (6,392) | (18,258) |
| | (1,042) | (2,558) |
| Net cash flow from financing activities | (1,042) | (2,558) |
| Net increase / (decrease) in cash and cash equivalents | (598) | 2,702 |
| Analysis of changes in cash and cash equivalents during the period | | |
| Balance at 1 January | (2,198) | (2,057) |
| Net cash flow | (598) | 2,702 |
| Effect of exchange translation–Cash and Cash Equivalents | 100 | (2,843) |
| | (2,696) | |
| Balance at 31 December | (2,696) | |
| (2,197) | | |
| Analysis of balances of cash and cash equivalents | | |
| Cash and bank balances | 93 | 330 |
| Bank overdraft | (2,789) | (2,527) |
| | (2,696) | (2,197) |

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ALUWORKS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR ENDED 31ST DECEMBER 2022

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 2 of this report. The company is authorised to carry on the business of continuous casting and cold rolling of aluminium products.

2. BASIS OF PREPARATION

a. Statement of compliance

The financial statements of Aluworks Limited have been prepared in accordance with International Financial Reporting Standards (IFRSs).

b. Basis of measurement

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

c. Functional and presentational currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements by the company.

(a) Property, Plant and Equipment

(i) Recognition and measurement

Property, plant and equipment are carried at fair value less subsequent depreciation. The fair values are determined periodically 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 equipments are credited to the revaluation surplus in shareholders' equity.

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

If property becomes an investment property because its use has changed, any difference arising between the carrying amount and the fair value at the date of transfer is recognised in equity as a revaluation of property. If a fair value gain reverses a previous impairment loss, the gain is recognised in the statement of comprehensive income. On disposal of such investment property, any surplus previously recorded in equity is transferred to retained earnings.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

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

(b) **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 cost of completion and estimated costs necessary to make the sale.

(c) **Trade and Other Receivables**

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

Other receivables are stated at their cost less impairment losses.

(d) **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand and bank balances and these are carried at amortised cost in the statement of financial position.

(e) Revenue

Sale of goods

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

Sale of services

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

(f) Finance Income and Expense

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

Finance expenses comprise interest expense on borrowings. All borrowing costs are recognised in the statement of comprehensive income using the effective interest method.

(g) Income Tax

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

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

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

Deferred tax is provided for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

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

(h) 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.

4. PROPERTY, PLANT AND EQUIPMENT

| 2022 | Leasehold Land and Buildings GH¢'000 | Plant and Machinery GH¢'000 | Equipment GH¢'000 | Motor Vehicles GH¢'000 | Capital Work in Progress GH¢'000 | Total GH¢'000 |
|---------------------------------|---|-----------------------------------|----------------------|------------------------------|---|------------------|
| Gross Value | | | | | | |
| At 1/1/2022 | 106,828 | 167,560 | 6,464 | 2,329 | - | 282,179 |
| Additions | - | - | 29 | - | - | 29 |
| Disposals | - | - | - | - | - | - |
| Adjustments | - | - | - | - | - | - |
| At 31/12/2022 | <u>106,828</u> | <u>167,560</u> | <u>6,493</u> | <u>2,329</u> | <u>-</u> | <u>283,208</u> |
| Comprising | | | | | | |
| Cost of assets revalued | 3,066 | 22,692 | 1,280 | 372 | - | 27,411 |
| Surplus on revaluation to 2017 | 66,847 | 30,403 | 877 | 497 | - | 98,622 |
| Surplus on revaluation - 2018 | 23,057 | 18,557 | 1,868 | 286 | - | 43,767 |
| Surplus on revaluation – 2021 | 11,663 | 51,492 | 1,376 | 348 | - | 64,879 |
| At revaluation | <u>104,633</u> | <u>123,144</u> | <u>5,401</u> | <u>1,503</u> | <u>-</u> | <u>234,679</u> |
| At cost | <u>2,195</u> | <u>44,416</u> | <u>1,092</u> | <u>826</u> | <u>-</u> | <u>48,529</u> |
| At 31/12/2022 | <u>106,828</u> | <u>167,560</u> | <u>6,493</u> | <u>2,329</u> | <u>-</u> | <u>283,208</u> |
| Accumulated Depreciation | | | | | | |
| At 1/1/2022 | 8,085 | 51,872 | 4,112 | 1,750 | - | 65,820 |
| Charge for the period | 932 | 6,361 | 624 | 154 | - | 8,071 |
| Released on disposal | - | - | - | - | - | - |
| Adjustments | - | - | - | - | - | - |
| At 31/12/2022 | <u>9,016</u> | <u>58,234</u> | <u>4,736</u> | <u>1,904</u> | <u>-</u> | <u>73,890</u> |
| Carrying Amount | | | | | | |
| At 31/12/2022 | <u>97,811</u> | <u>109,326</u> | <u>1,756</u> | <u>424</u> | <u>-</u> | <u>209,318</u> |
| At 31/12/2021 | <u>98,743</u> | <u>115,688</u> | <u>2,351</u> | <u>578</u> | <u>-</u> | <u>217,360</u> |

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

| 2021 | Leasehold Land and Buildings GH¢'000 | Plant and Machinery GH¢'000 | Equipment GH¢'000 | Motor Vehicles GH¢'000 | Capital Work in Progress GH¢'000 | Total GH¢'000 |
|---------------------------------|---|-----------------------------------|----------------------|------------------------------|---|------------------|
| Gross Value | | | | | | |
| At 1/1/2021 | 133,113 | 115,711 | 5,040 | 2,021 | - | 255,886 |
| Additions | - | 361 | 48 | - | - | 409 |
| Revaluation Surplus | 11,663 | 51,492 | 1,376 | 348 | - | 64,879 |
| Disposals | (37,949) | - | - | (41) | - | (37,990) |
| At 31/12/2021 | 106,827 | 167,560 | 6,464 | 2,329 | - | 283,180 |
| Comprising | | | | | | |
| Cost of assets revalued | 3,066 | 22,692 | 1,280 | 372 | - | 27,411 |
| Surplus on revaluation to 2017 | 78,512 | 82,201 | 3,444 | 886 | - | 165,049 |
| Surplus on revaluation - 2018 | 23,054 | 18,557 | 1,668 | 286 | - | 43,564 |
| At revaluation | 104,632 | 123,450 | 6,392 | 1,544 | - | 236,024 |
| At cost | 2,195 | 44,110 | 72 | 785 | - | 47,156 |
| At 31/12/2021 | 106,827 | 167,560 | 6,464 | 2,329 | - | 283,180 |
| Accumulated Depreciation | | | | | | |
| At 1/1/2021 | 7,106 | 43,939 | 3,180 | 1,564 | - | 55,790 |
| Charge for the period | 978 | 7,933 | 932 | 223 | - | 10,067 |
| Released on disposal | - | - | - | (37) | - | (37) |
| Adjustments | - | - | - | - | - | - |
| At 31/12/2021 | 7,085 | 51,872 | 4,112 | 1,750 | - | 65,820 |
| Carrying Amount | | | | | | |
| At 31/12/2021 | 98,743 | 115,688 | 2,351 | 578 | - | 217,360 |
| At 31/12/2020 | 126,007 | 71,772 | 1,860 | 457 | - | 200,096 |

Leasehold Land and Buildings, Plant, Machinery, Equipment and Vehicles were revalued by Valuation and Investments Associates (Professional Valuers, Estate Agents and Property Consultants) every three years on the basis of their open market values. These figures were incorporated in the financial statements during the period ended 31 December 2008, through to 2018.

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

| | 2022 GH¢'000 | 2021 GH¢'000 |
|--|-----------------|-----------------|
| Cost of sales | 7,422 | 9,337 |
| General, administrative and selling expenses | 649 | 734 |
| | 8,071 | 10,071 |

5 LONG TERM INVESTMENT

This relates to the cost of 2,400,000 ordinary shares in Pioneer Kitchenware Limited. The market value of this investment at the reporting date was GH¢120,000 (2021: GH¢120,000).

| 6. INVENTORIES | 2022 | | 2021 |
|------------------|---------|---------------|---------------|
| | GH¢'000 | | GH¢'000 |
| Raw materials | | 1,775 | 1,381 |
| Work-in-progress | | 1,428 | 39 |
| Finished goods | 244 | 560 | |
| Consumables | | 8,770 | 9,232 |
| | | ----- | ----- |
| | | 12,218 | 11,212 |
| | | ===== | ===== |

| 7. TRADE AND OTHER RECEIVABLES | 2022 | | 2021 |
|--------------------------------|---------|--------------|------------|
| | GH¢'000 | | GH¢'000 |
| Trade Receivables | | 1,086 | 114 |
| Other receivables | | 56 | 528 |
| Staff debtors | | -2 | 29 |
| Prepayments | | 1,071 | 270 |
| | | ----- | ----- |
| | | 2,210 | 940 |
| | | ===== | ===== |

Included in other receivables are advance payments to suppliers in respect of inventories.

| 8. CASH AND CASH EQUIVALENTS | 2022 | | 2021 |
|------------------------------|---------|-----------|------------|
| | GH¢'000 | | GH¢'000 |
| Bank Balances | | 45 | 279 |
| Cash Balances | | 48 | 51 |
| | | ----- | ----- |
| | | 93 | 330 |
| | | ===== | ===== |

| 9. BANK OVERDRAFT | 2022 | | 2021 |
|----------------------------|---------|--------------|--------------|
| | GH¢'000 | | GH¢'000 |
| Ecobank Ghana Limited -GHC | 885 | 1,028 | |
| SG-SSB Bank Limited - GHC | | 1,904 | 1,499 |
| | | ----- | ----- |
| | | 2,789 | 2,527 |
| | | ===== | ===== |

(i) The company has an overdraft facility not exceeding GH¢1.0 million with Ecobank Ghana Limited (EGH) to finance purchase of stocks, raw materials, spares and other operational bills. The facility is also to back the issuance of letters of credits. The facility is secured by legal mortgage over the company's office/factory premises situated at Tema and pari passu fixed and floating charges with SG-Ghana over the company's assets including hypothecation over stocks. Interest rate is EGH Cedi Base Rate plus a spread of 8% per annum payable monthly in arrears.

(ii) The company has an overdraft facility not exceeding GH¢1.8 million with SG-Ghana Bank Limited to finance working capital. The company's floating and fixed assets with Ecobank Ghana Limited have been pledged as security for the facility. Interest rate is 23% fixed.

10. MEDIUM TERM LOANS

| | Ecobank CEDI GH¢'000 | SSNIT LOAN GH¢'000 | 2022 Total GH¢'000 | 2021 Total GH¢'000 |
|---------------------------------|----------------------------|--------------------------|--------------------------|--------------------------|
| Balance 1 January, | 1,042 | 148,327 | 149,369 | 124,857 |
| Drawdown during the year | 5,350 | - | 5,350 | 15,700 |
| Interest Capitalised | - | 37,573 | 37,573 | 27,070 |
| | ----- | ----- | ----- | ----- |
| | 6,392 | 185,900 | 192,292 | 167,627 |
| Repayment during the year | (6,392) | - | (6,392) | (18,258) |
| | ----- | ----- | ----- | ----- |
| | - | 185,900 | 185,900 | 149,369 |
| Exchange loss | - | - | - | - |
| | ----- | ----- | ----- | ----- |
| Balance at 31st December | - | 185,900 | 185,900 | 149,369 |
| | ===== | ===== | ===== | ===== |
| Analysed as follows: | | | | |
| Current portion (Note 11) | - | - | - | 1,042 |
| Medium term portion | - | 185,900 | 185,900 | 148,327 |
| | ----- | ----- | ----- | ----- |
| | - | 185,900 | 185,900 | 149,369 |
| | ===== | ===== | ===== | ===== |

(i) The company had a revolving line of credit not exceeding GH¢2.0 million with Ecobank to back the issuance of standby letters of credits in favour of the company's overseas suppliers of raw materials; and the issuance of sight and deferred letters of credit up to a maximum of 120 days. Interest rate is EGH cedi base rate plus a spread of 8% per annum payable monthly in arrears and expired on 30th June 2022.

Social Security and National Insurance Trust

(ii) 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 is 2 years note plus 3%

11. SHORT-TERM LOAN

| | 2022 GH¢'000 | 2021 GH¢'000 |
|---|-----------------|-----------------|
| Current portion of Medium Term Loan (Note 10) | - | 1,042 |
| | ===== | ===== |

12. STATED CAPITAL

(a) Ordinary shares

| | No. of Shares 2022 '000 | Proceeds 2022 GH¢'000 | No. of Shares 2021 '000 | Proceeds 2021 GH¢'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 capital surplus | 34,629 | 4,237 | 34,629 | 4,237 |
| | <u>236,687</u> | <u>31,650</u> | <u>236,687</u> | <u>31,650</u> |

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

13. EARNINGS PER SHARE

Basic

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

| | 2022 '000 | 2021 '000 |
|--|----------------------|----------------------|
| Loss attributable to equity holders of the Company - GH¢ | <u>(74,943)</u> | <u>(65,755)</u> |
| Number of Ordinary Shares in issue | <u>236,687,001</u> | <u>236,687,001</u> |
| Basic earnings per share (expressed in GH¢ per share) | <u>(0.3166)</u> | <u>(0.2778)</u> |
| | 2022 '000 | 2021 '000 |
| <i>Diluted</i> | | |
| Loss attributable to equity holders of the Company (GH¢) | <u>(74,943)</u> | <u>(65,755)</u> |
| Weighted Average number of Ordinary Shares in issue | <u>282,377,001</u> | <u>282,377,001</u> |
| Diluted earnings per share (expressed in GH¢ per share) | <u>(0.2654)</u> | <u>(0.2329)</u> |

Diluted earning per share is calculated by adjusting the weighted average number of ordinary shares, to assume conversion of all the dilutive potential ordinary shares.

At 31st December 2022 the company had 45,690,000 (2021: 45,690,000) dilutive potential ordinary shares as a result of the six-year convertible loan.

Weighted average number of ordinary shares (diluted)

| | 2022 | 2021 |
|---|--------------------|--------------------|
| Issued ordinary shares at 1 January | 236,687,001 | 236,687,001 |
| Effect of convertible loan | 45,690,000 | 45,690,000 |
| | ----- | ----- |
| Weighted average number of ordinary shares As at 31st December | <u>282,377,001</u> | <u>282,377,001</u> |

14. TRADE AND OTHER PAYABLES

| | 2022 GH¢'000 | 2021 GH¢'000 |
|------------------|-------------------------------|-------------------------------|
| Trade Payables | 54,015 | 31,179 |
| Sundry Creditors | 4,578 | 1,417 |
| Accrued Expenses | 10,907 | 4,780 |
| | ----- | ----- |
| | <u>69,500</u> | <u>37,376</u> |

14(a) EMPLOYEE BENEFITS

| | 2022 GH¢'000 | 2021 GH¢'000 |
|-----------------------------|-------------------------------|-------------------------------|
| Long service awards | 652 | 652 |
| Net end of service benefits | 3,758 | 3,698 |
| | ----- | ----- |
| | <u>4,410</u> | <u>4,350</u> |

14(b) ADVANCE PAYMENT

| | 2022 GH¢'000 | 2021 GH¢'000 |
|-------------------------|-------------------------------|-------------------------------|
| Balance as at 1 January | - | 28,156 |
| Advance Payment - Land | - | 4,403 |
| | ----- | ----- |
| | <u>-</u> | <u>32,559</u> |

The Company entered into an agreement for the sale of 18.9 acres of unused land at a value of US\$6,607,038 to Social Security and National Insurance Trust (SSNIT). SSNIT has paid GHS 32,559,432 (equivalent of US\$ 6,607,038). The Company has transferred legal title of ownership to SSNIT.

15. REVENUE

| | 2022 | 2021 |
|-----------------------|----------------|----------------|
| | GH¢'000 | GH¢'000 |
| Local sales | 30,854 | 76,742 |
| Export sales | 7,337 | 31,363 |
| | ----- | ----- |
| | 38,192 | 108,105 |
| Less: Value Added Tax | (3,477) | (8,881) |
| Rebate | (1,273) | (213) |
| | ----- | ----- |
| Net sales value | 33,441 | 99,011 |
| | ===== | ===== |

16. OTHER INCOME

| | 2022 | 2021 |
|----------------------------------|----------------|----------------|
| | GH¢'000 | GH¢'000 |
| Roofing fixings | 33 | 61 |
| Sale of Scrap | 30 | 55 |
| Rent Receivable | - | 5 |
| Profit/(Loss) on disposal of PPE | - | - |
| Gain/Loss on Export Freight | 5 | - |
| | ---- | ---- |
| | 68 | 121 |
| | ===== | ===== |

17. TAXATION**(a) INCOME TAX EXPENSE**

| | 2022 | 2021 |
|-----------------------------------|----------------|----------------|
| | GH¢'000 | GH¢'000 |
| Current Company Tax Expense | - | - |
| Deferred Tax Charged (Note 17- c) | - | - |
| | ----- | ----- |
| | - | - |
| | ===== | ===== |

(b) INCOME TAX ASSETS

| | 2022 | 2021 |
|-----------------------------|----------------|----------------|
| | GH¢'000 | GH¢'000 |
| Balance as at 31st December | 1,832 | 1,794 |
| | ===== | ===== |

(c) DEFERRED TAXATION

| | 2022 | 2021 |
|---|----------------|----------------|
| | GH¢'000 | GH¢'000 |
| Balance as at January | (4,346) | - |
| Opening balance tax adjustment | | |
| Deferred tax credit/(charge) for the year | | |
| Other Comprehensive Income | - | - |
| | ----- | ----- |
| | (4,346) | - |

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