

# **SAM-WOODE LTD.**

*Educational Publishers*



*Annual Report & Financial Statements*

## TABLE OF CONTENTS

Notice of Annual General Meeting	1
Board of Directors, Officials, and Registered Office	2
Chairman's Report	3-5
Report of the Audit Sub-committee of the BOD	6-7
Report of Directors	8-9
Report of the Auditors	10
Trading and Profit and Loss and Income Surplus Accounts	11
Balance Sheet	12
Cash Flow Statement	13-14
Notes Forming Part of the Financial Statements	15-21
Proposal to share holders	22
Proxy Form	23

## **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of **SAM-WOODE LIMITED** will be held at the **GNAT Hall, Accra**, on **29<sup>th</sup> June 2007** at **10 am** prompt in order to transact the ordinary business of an Annual General Meeting of the Company.

### **AGENDA**

1. To receive the report of the Directors and the Financial Statements of the Company for the year ended 31<sup>st</sup> December 2006 together with the report of the Directors and Auditors thereon.
2. To declare a Dividend for the year ended 31<sup>st</sup> December 2006.
3. To re-elect Directors retiring by rotation.
4. To approve Directors Fees.
5. To authorize the Directors to fix the remuneration of the Auditors.
6. To consider and if thought fit, pass a special resolution to alter the authorized business of the company (see enclosed)

Dated this 22<sup>nd</sup> day of May, 2007.

**BY ORDER OF THE BOARD**

**MR. LUKE DERY**  
(AG COMPANY SECRETARY)

**NOTE:** A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. A form of proxy is attached. All proxy forms should be completed and deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.

## DIRECTORS, OFFICIALS AND REGISTERED OFFICE

### DIRECTORS

Kwesi Sam-Woode	-	Executive Chairman
Richard Kobina Oguuah	-	Member
Jacob Kwame Kholi	-	"
Nana Erhuma Kpanyinli VI	-	"
Ransford Emmanuel Nii Armah Okine	-	"
Collins Sam Acquah	-	"
Ms Ekua Essawa Woode	-	"

### SECRETARY

OJB Legal Consultancy P. O. Box KN 1919, Accra.	-	(Resigned 31 <sup>st</sup> December 2006)
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### AG. SECRETARY

Mr. Luke Dery P. O. Box AN 12719, Accra, North.	-	(Appointed 1 <sup>st</sup> January 2007)
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### REGISTERED OFFICE

Hse No. 1 Adole Abla Link,  
Sahara-Dansoman, Accra.

### AUDITORS

Jacob Arthur and Partners,  
(Chartered Accountants),  
Polygram House, 35 Ring Road Central,  
P. O. Box DS 1450, Dansoman - Accra.

### REGISTRARS

NTHC Limited  
Martco House,  
P. O. Box KIA 9563, Accra.

### BANKERS

Agricultural Development Bank Ltd.  
International Commercial Bank Ltd.  
Standard Chartered Bank Ltd.

## **CHAIRMAN'S REPORT**

### **INTRODUCTION**

On behalf of my colleagues on the Board of Sam-Woode Ltd, (SWL) and on my own behalf, I warmly welcome you, beloved shareholders, to this year's Annual General Meeting (AGM). A similar warm welcome goes to all officials and observers from the Ghana Stock Exchange (GSE), the Securities and Exchange Commission (SEC), other stake holders, corporate supporters of SWL and ladies and gentlemen of the press.

This is the fifth AGM of SWL since its listing on the Ghana Stock Exchange and it is my pleasant duty to report on the affairs of your company for the year ended 31<sup>st</sup> December 2006.

### **DEVELOPMENTS IN THE BOOK INDUSTRY**

There is a slow but steady improvement in the development of the Ghana Book Industry:

A Book Policy for Ghana was adopted and subsequently launched by the Minister of Education in the year 2006. Raw Materials for the local production of textbooks has also been zero-rated for VAT.

This implies that your company may import its own raw materials for its local printing with beneficial effects, once medium-term funds can be sourced. Management is working hard to source funds for this purpose.

### **BUSINESS OPERATIONS FOR SWL DURING THE YEAR 2006**

In my report last year, I stated *intu alia*, "the year 2005 was not very good for your company in the area of reprinting our old titles for sale." This shortcoming has been overcome and we were able to reprint most of our own backlist titles for sale on the open market.

Consequently, sales of our backlists to the open market doubled with beneficial effects on our profit margins. We were also able to complete the supplies to the Ministry of Education.

## **OPERATING RESULTS FOR THE YEAR 2006**

During the year under review, the company posted a turnover of ₵ 17,294,893,338 (seventeen billion, two hundred and ninety-four million, eight hundred and ninety-three thousand, three hundred and thirty-eight cedis) representing 5.01% decrease over the previous year (₵18,207,271,792). This was due to much larger supplies made to the Ministry of Education in the previous year (2005).

In spite of the comparatively lower turn-over, gross margin registered for year under review was 39.69%, showing an improvement of 32.02% over the previous year's gross margin of 28.56%.

The company registered a profit after tax of ₵1,975,435,389, showing an increase of 25.04% over the previous year's profit of ₵1,579,871,248. The tax charge for 2006 is ₵687,137,152, up from the ₵563,826,177 of the previous year.

Shareholder value has consequently increased from ₵2,485,238,553 in 2005 to ₵3,646,692,717 in 2006, indicating an improvement of 46.73%.

To prepare your company to break new grounds and become a major player in the Book Industry in Ghana, SWL is building up its research fund by transferring ₵50,000,000 from this year's net profits into Research Fund.

## **DIVIDEND**

The Directors, after considering a number of factors - including challenges and opportunities ahead - recommend to shareholders to approve a dividend of ₵35.00 per share, totaling ₵763,981,225, as in the previous year. This represents approximately 39% of the net profit for the year, as against 48% of the previous year's net profit.

## **OUTLOOK FOR THE FUTURE**

### **▪ Market Expansion**

During the year 2007, your company will begin to extend its marketing operations in Ghana to cover the West Africa Sub-Region. To this end it has become necessary to

amend its authorised business of the company to enable SWL to “expand the business of the company beyond the frontiers of Ghana by the incorporation of fully or partially owned subsidiary companies subject to the laws of those countries”.

#### ▪ **Products Variety and Expansion**

Our 2007 catalogue shows 115 different titles of SWL books – up from the previous year's of 96 titles. SWL has succeeded in obtaining agency distributorship agreements with other foreign publishers to expand its goods- in- trade as from the year 2007.

The future therefore promises to be good for the company.

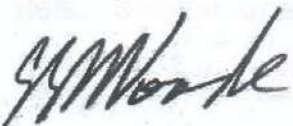
#### **DIRECTORS**

In accordance with the Regulations of the company, the following Directors, Mr. Jacob Kwame Kholi and Mr. Collins Sam- Acquah retire from the membership of the Board and being eligible offer themselves for re-election.

#### **GRATITUDE**

On behalf of the shareholders, the Board of Directors and on my own behalf, I wish to register our appreciation to the management and staff of Sam-Woode Ltd. and to our valued customers for their contribution to the success of the company in the year 2006. We look forward to the future with much confidence.

To everybody here at this year's AGM, I wish you God's Blessing and a prosperous year. Thank you all.



Kwesi Sam-Woode  
CHAIRMAN.

## SUMMARY OF THE AUDIT SUB-COMMITTEE REPORT TO SHAREHOLDERS

This summary report essentially covers the period 2<sup>nd</sup> January through 31<sup>st</sup> December 2006. No change occurred in the company's objects.

Five meetings (including a special one) were held during the period. In addition a special meeting was held in January 2007, not only to evaluate the company's performance as presented in the Management Accounts for the financial year ended, but also to pave the way for auditing by the External Auditors. It was also to ensure the timely preparation and submission of the mandatory reports to the Securities and Exchange Commission (SEC) and the Ghana Stock Exchange (GSE).

Discussions focused on the following:

- **Management Accounts for 2005**

The Management Accounts for the year ended December 31, 2005 were discussed at length and necessary corrections made before submission for auditing by the External Auditors. Appropriate recommendation was also made, regarding the payment of dividend, for the Board's consideration and approval.

- **5 - Year Strategic Plan and Budget for 2007**

An initial 3 - Year Strategic Plan (2006-2008) was revised and extended to a 5 - Year Strategic Plan (2007-2011), with many ramifications. As a means of achieving the objects of the Plan, the budget for the current year, 2007, was also discussed thoroughly with a view, not only to tie it in with the Strategic Plan, but also ensure full and effective application of available resources.

- **Management Accounts - 2006**

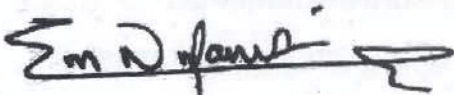
The Quarterly Accounts, the Half Year Account, and the Full Year Management Accounts, as ended on December 31, 2006, were analyzed at appointed times. The discussion and analysis of the Management Accounts for the year under review, with recommendation for the payment of dividend, was the forerunner to auditing by the External Auditors.



**Statutory Requirements**

All statutory reports for the year were submitted to both SEC and the GSE, as required.

In conclusion, the company continued to sustain its operations during the period under review. It is expected that its business will continue to experience growth in the years ahead. This will no doubt be manifested in the growth and sustainable payment of dividend to shareholders.



R. E. N. A. OKINE  
CHAIRMAN  
(NON-EXECUTIVE DIRECTOR)

**REPORT OF THE DIRECTORS**  
**YEAR ENDED 31<sup>ST</sup> DECEMBER 2006**

The Directors have the pleasure in submitting the financial statements of the Company for the year ended 31<sup>st</sup> December 2006, and report thereon as follows:

1. **RESULTS**

The Profit for the year after taxation amounted to ₦1,975,435,389 (2005: ₦1,579,871,248).

2. **DIVIDENDS**

The Directors recommend the payment of a dividend of ₦35.00 per share for the year under review (2005: ₦35.00). The Directors consider the state of affairs of the Company to be satisfactory.

3. **INCOME SURPLUS ACCOUNT**

	<u>2006</u>	<u>2005</u>
	₦	₦
The balance brought forward on Income Surplus Account at 1 <sup>st</sup> January was	275,338,187	(548,694,167)
To which must be added Prior Year Adjustment of	-	<u>8,142,331</u>
Restated Balance at 1 <sup>st</sup> January	275,338,187	(540,551,836)
To which must be added Profit for the year	1,975,435,389	1,579,871,248
Transfer to Research Fund	(50,000,000)	-
Proposed Dividends at ₦35.00 per share	<u>(763,981,225)</u>	<u>(763,981,225)</u>
Leaving Balance Carried Forward of	<u>1,436,792,351</u>	<u>275,338,187</u>



4. **DIRECTORS**

The following directors; Mr Jacob K. Kholi and Mr. Collins Sam Acquah will retire at the Annual General Meeting and being eligible offer themselves for re-election.

5. **AUDITORS**

Messrs Jacob Arthur and Partners have indicated their willingness to continue in office.

**FOR AND ON BEHALF OF THE BOARD**

*J. Woode*  
.....)

*Sam N. Acquah*  
.....)

Dated: 23/03/07

## REPORT OF THE AUDITORS TO THE MEMBERS OF SAM-WOODE LIMITED

We have audited the financial statements on pages 11 to 21, which have been prepared in accordance with Ghana Accounting Standards. We have obtained all the information and explanations we required.

### ▪ RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

These financial statements are the responsibility of the company's directors. Our responsibility is to express an independent opinion on these financial statements based on our audit.

### ▪ BASIS OF OPINION

We conducted our audit in accordance with International Standards on Auditing. These standards require that we plan and perform our audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

### ▪ OPINION

In our opinion proper books have been kept and the financial statements, which are in agreement therewith, comply with the Companies Code, 1963 and give a true and fair view of the financial position of the company at 31<sup>st</sup> December 2006 and of the results of its operations and cash flows for the year then ended.



JACOB ARTHUR AND PARTNERS  
(CHARTERED ACCOUNTANTS)  
POLYGRAM HOUSE,  
RING ROAD CENTRAL, ACCRA.  
MARCH 27, 2007.

**TRADING AND PROFIT AND LOSS ACCOUNT FOR  
THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2006**

	<u>NOTES</u>	<u>2006</u> ¢	<u>2005</u> ¢
TURNOVER	1	17,294,893,338	18,207,271,792
COST OF SALES		<u>(10,430,934,738)</u>	<u>(13,008,152,897)</u>
GROSS PROFIT		6,863,958,600	5,199,118,895
OTHER INCOME		<u>204,416,028</u>	<u>506,228,242</u>
		7,068,374,628	5,705,347,137
GENERAL, SELLING AND ADMINISTRATIVE EXPENSES	2	<u>(3,975,747,064)</u>	<u>(3,363,531,289)</u>
PROFIT BEFORE INTEREST AND TAXATION		3,092,627,564	2,341,815,848
INTEREST EXPENSES		<u>(430,055,023)</u>	<u>(165,473,285)</u>
PROFIT BEFORE TAXATION		2,662,572,541	2,176,342,563
NATIONAL RECONSTRUCTION LEVY		-	(32,645,138)
TAXATION	10	<u>(687,137,152)</u>	<u>(563,826,177)</u>
PROFIT AFTER TAXATION TRANSFERRED TO INCOME SURPLUS ACCOUNT		<u>1,975,435,389</u>	<u>1,579,871,248</u>

**INCOME SURPLUS ACCOUNT FOR THE  
YEAR ENDED 31<sup>ST</sup> DECEMBER 2006**

	<u>2006</u> ¢	<u>2005</u> ¢
Balance at 1 <sup>st</sup> January	275,338,187	(548,694,167)
Prior Year Adjustment	-	<u>8,142,331</u>
Restated Balance	275,338,187	(540,551,836)
Profit For The Year	1,975,435,389	1,579,871,248
Transfer to Research Fund	(50,000,000)	-
Proposed Dividends @ ¢ 35.00 per share	<u>(763,981,225)</u>	<u>(763,981,225)</u>
Balance at 31 <sup>st</sup> December	<u>1,436,792,351</u>	<u>275,338,187</u>
Earnings Per Share	1(f) 90.50	72.38

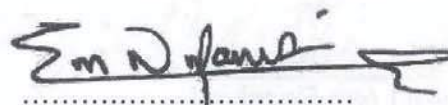
*The Notes on pages 15 to 21 form an integral part of these Accounts.*

**BALANCE SHEET**

**AS AT 31<sup>ST</sup> DECEMBER 2006**

		<u>2006</u>	<u>2005</u>
	<u>NOTES</u>	¢	¢
<b>EMPLOYMENT OF CAPITAL</b>			
<b>FIXED ASSETS</b>	13	850,576,436	926,648,273
<b>LONG TERM INVESTMENT</b>	3	<u>100,000,000</u>	<u>100,000,000</u>
		950,576,436	<u>1,026,648,273</u>
<b>TEXT BOOKS DEVELOPMENT COST</b>	4	51,855,037	
<b>CURRENT ASSETS</b>			
Stocks	5	3,578,396,777	8,689,415,620
Debtors and Prepayments	6	1,295,694,850	7,936,579,274
Short-Term Investments (Fixed Deposits)		869,000,000	
Cash and Bank Balances	7	20,223,394	387,273,531
Taxation	10	<u>569,481,288</u>	-
		<u>6,332,796,309</u>	<u>17,013,268,425</u>
<b>CURRENT LIABILITIES</b>			
Creditors	8	2,504,483,640	13,474,483,162
Taxation	10	-	311,660,781
Obligations under Finance Lease	12	-	67,342,818
Bank Overdraft	9	545,852,795	526,209,192
Short Term Loan		<u>638,198,630</u>	<u>1,174,982,192</u>
		<u>3,688,535,065</u>	<u>15,554,678,145</u>
<b>NET CURRENT ASSETS</b>		<u>2,644,261,244</u>	<u>1,458,590,280</u>
<b>NET ASSETS</b>		<u>3,646,692,717</u>	<u>2,485,238,553</u>
<b>CAPITAL EMPLOYED</b>			
Stated Capital	11	2,209,900,366	2,209,900,366
Income Surplus Account		<u>1,436,792,351</u>	<u>275,338,187</u>
		<u>3,646,692,717</u>	<u>2,485,238,553</u>
Net Assets per Share	1(f)	167.06	113.86

  
.....  
DIRECTOR

  
.....  
DIRECTOR

DATE: 20/03/07

The Notes on pages 15 to 21 form an integral part of these Accounts.

**CASH FLOW STATEMENT FOR THE YEAR**  
**ENDED 31<sup>ST</sup> DECEMBER 2006**

	<u>2006</u>	<u>2005</u>
	¢	¢
<b><u>OPERATING ACTIVITIES</u></b>		
Operating Profit before Investment Returns and Servicing of Finance	3,018,946,393	2,139,991,238
Depreciation	267,620,311	186,140,055
Gain on Sale of Fixed Assets	(20,000,000)	(13,000,000)
Prior year Adjustment	-	8,142,331
Books Development	(51,855,037)	919,373,796
Obligations under Finance Lease	(67,342,818)	(118,991,647)
Stocks	5,111,018,843	(6,897,341,979)
Short-Term Investments	(869,000,000)	-
Debtors and Prepayments	6,640,884,424	(7,148,884,983)
Creditors and Accrued Charges	<u>(8,731,081,900)</u>	<u>11,525,100,134</u>
NET CASH INFLOW FROM OPERATING ACTIVITIES	5,299,190,216	600,528,945
<b><u>INVESTMENT RETURNS AND SERVICING OF FINANCE</u></b>		
Interest Paid	(430,055,023)	(165,473,285)
Interest Received	30,649,665	281,762,794
Dividends Received	50,793,400	49,887,000
Dividend Paid	(763,990,225)	-
Royalties Paid	(2,288,908,622)	(114,804,244)
Finance Charges on Machinery Leased	(7,761,893)	(15,020,940)
<b><u>TAXATION</u></b>		
Tax Paid	(1,568,279,221)	(204,988,700)
<b><u>INVESTING ACTIVITIES</u></b>		
Purchase of Fixed Assets	(191,548,475)	(609,990,803)
Proceeds from Sale of Fixed Assets	20,000,000	13,000,000
<b><u>FINANCING ACTIVITIES</u></b>		
Short Term Loan Received	<u>(536,783,562)</u>	<u>558,746,739</u>
	<u>(386,693,740)</u>	<u>393,647,506</u>
	=====	=====

**ANALYSIS OF CHANGES IN CASH AND  
CASH EQUIVALENT DURING THE YEAR**

	<u>2006</u>	<u>2005</u>
	¢	¢
Balance 1 <sup>st</sup> January	(138,935,661)	(532,583,167)
Net Cash Inflow/ (Outflow)	<u>(386,693,740)</u>	<u>393,647,506</u>
Balance 31 <sup>st</sup> December	<u>(525,629,401)</u>	<u>(138,935,661)</u>

**ANALYSIS OF THE BALANCE OF CASH  
AND CASH EQUIVALENTS AS SHOWN IN  
THE BALANCE SHEET**

Cash and Bank Balances	20,223,394	387,273,531
Bank Overdrafts	<u>(545,852,795)</u>	<u>(526,209,192)</u>
	<u>(525,629,401)</u>	<u>(138,935,661)</u>



**NOTES FORMING PART OF THE ACCOUNTS**  
**31<sup>ST</sup> DECEMBER 2006**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

a) **GENERAL:** The accounts have been prepared on the historical cost convention as modified by the revaluation of Assets and Long Term Investment.

b) **DEPRECIATION:** Depreciation is provided on a straight line basis at rates calculated to write off the cost of revalued amount of each Fixed Asset over its estimated useful life. The annual rates generally in use are:-

i)	Motor Vehicles	25%
ii)	Plant and Machinery	10%
iii)	Office Equipment	20%
iv)	Furniture and Fittings	10%
v)	Literary Property Copyright	10%
vi)	Literary Books	50%
vii)	Loose Tools	50%

c) **STOCKS:** Stocks are valued at lower of cost and net realizable value. Cost represents the landed cost of raw materials and consumables plus a percentage of direct labour costs and overheads for work-in-progress and finished goods.

d) **FOREIGN CURRENCIES:** Transactions denominated in foreign currencies are translated into Cedis and recorded at the rates of exchange ruling at the dates of the transactions. Balances denominated in foreign currencies are translated into Cedis at exchange rates ruling on the balance sheet date.

e) **TURNOVER:** Turnover represents the value of goods invoiced to customers during the period less discounts, returns and other allowances.

f) **EARNINGS/ASSETS PER SHARE:** This is based on 21,828,035 (2005- 21,828,035) Shares in issue at the end of the year.

g) **TEXT BOOKS DEVELOPMENT COST:** This represents cost of developing new text books to be amortised over the first 20,000 copies of each title sold or 4years which ever occurs earlier.

	<u>2006</u>	<u>2005</u>
	¢	¢
<b>2. <u>TRADING PROFIT</u></b>		
This is stated after charging the following:		
Auditors' Fees	54,000,000	45,000,000
Depreciation	219,687,309	136,597,030
Directors' Remuneration	388,631,735	564,039,367
Donations	<u>11,008,000</u>	<u>21,774,000</u>
<b>3. <u>LONG TERM INVESTMENT</u></b>		
1,380,000 Shares held in Afram Publication Limited	<u>100,000,000</u>	<u>100,000,000</u>
The Net Book value of the Company's 20% stake in Afram Publications limited as per the 2005 Audited Accounts stood at ¢1.38 billion.		
<b>4. <u>TEXT BOOKS DEVELOPMENT COST</u></b>	<u>51,855,037</u>	<u>                    </u>
<b>5. <u>STOCKS</u></b>		
Raw Material	3,580,000	48,085,500
Work-in-Progress	143,382,600	141,872,600
Goods-in-Transit	1,464,917,136	-
SWL Finished Goods	1,966,517,041	8,499,457,520
	<u>3,578,396,777</u>	<u>8,689,415,620</u>
<b>6. <u>DEBTORS &amp; PREPAYMENTS</u></b>		
Trade Debtors	693,282,121	7,219,347,969
Sundry Debtors	-	49,774,300
Staff Debtors	47,469,731	2,740,000
Prepayment	101,701,552	145,619,996
Security Deposit	17,047,500	76,687,500
Advance – Sales Commission	4,000,000	-
WAPB	222,869,303	145,244,978
NHIL	-	2,191,015
VAT	-	77,941,673
Sundry Deposit	33,710,800	41,618,000
Royalty Advances	175,613,843	175,413,843
	<u>1,295,694,850</u>	<u>7,936,579,274</u>

	<u>2006</u>	<u>2005</u>
	¢	¢
<b>7. CASH AND BANK BALANCES</b>		
Standard Chartered Bank Limited	285,450	1,010,944
Cash on Hand	8,875,606	3,158,399
International Commercial Bank	-	200,589,623
Call Account	-	182,514,565
Agricultural Development Bank	<u>11,062,338</u>	-
	<u><b>20,223,394</b></u>	<u><b>387,273,531</b></u>
	=====	=====
<b>8. CREDITORS</b>		
Trade Creditors	218,775,181	1,484,412,624
Sundry Creditors	401,464,333	276,815,574
Royalties Payable	836,657,283	1,786,242,128
Dividends Payable	764,323,477	764,332,477
Accruals	67,903,414	499,096,441
Executive Chairman's Account	23,843,600	76,100,000
National Reconstruction Levy	3,062,200	9,062,200
Research Fund	81,084,352	31,084,352
Clients Deposits	<u>107,369,800</u>	<u>8,547,337,366</u>
	<u><b>2,504,483,640</b></u>	<u><b>13,474,483,162</b></u>
	=====	=====
<b>9. BANK OVERDRAFT</b>	<u><b>545,852,795</b></u>	<u><b>526,209,192</b></u>
	=====	=====

The Company has an overdraft facility of ¢500 million and a working capital short-term loan of ¢600 million with its Bankers. The facility expires on 31st January 2008, and it is secured by surety mortgages over commercial property at Dansoman and a residential property at East Legon, Accra, belonging to the Directors in addition to their personal guarantees.

**10. TAXATION ACCOUNT**

	<u>Balance B/F</u>	<u>Payments in</u>	<u>Charge for</u>	<u>Balance C/F</u>
	¢	<u>the Year</u>	<u>the Year</u>	¢
	¢	¢	¢	¢
Income Tax				
Up to 2002	85,119,441	-	-	85,119,441
2003	(123,281,250)	-	-	(123,281,250)
2004	(45,000,000)	-	-	(45,000,000)
2005	358,837,477	(325,960,020)	-	32,877,457
2006	-	(1,233,899,886)	682,057,812	(551,842,074)
National Recons. Levy	32,645,138	-	-	32,645,138
Dividend Tax	<u>3,339,975</u>	<u>(8,419,315)</u>	<u>5,079,340</u>	-
	<u><b>311,660,781</b></u>	<u><b>(1,568,279,221)</b></u>	<u><b>687,137,152</b></u>	<u><b>(569,481,288)</b></u>
	=====	=====	=====	=====

<b>11. <u>STATED CAPITAL</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
<b><u>AUTHORISED</u></b>	<b><u>Number</u></b>	<b><u>Number</u></b>
Ordinary Shares of no par value	100,000,000	100,000,000
Preference Shares	<u>50,000,000</u>	<u>50,000,000</u>
	<u>150,000,000</u>	<u>150,000,000</u>
	=====	=====

**ISSUED**

	<b><u>NUMBER</u></b>	<b><u>2006</u></b>	<b><u>NUMBER</u></b>	<b><u>2005</u></b>
Ordinary Shares of no par value		¢		¢
	<u>21,828,035</u>	<u>2,209,900,366</u>	<u>21,828,035</u>	<u>2,209,900,366</u>
	<u>21,828,035</u>	<u>2,209,900,366</u>	<u>21,828,035</u>	<u>2,209,900,366</u>
	=====	=====	=====	=====

There is no outstanding liability on any share and also there are no treasury shares.

<b>12. <u>OBLIGATIONS UNDER FINANCE LEASE</u></b>	<b><u>2006</u></b>	<b><u>2005</u></b>
	<b><u>¢</u></b>	<b><u>¢</u></b>
Due within 1 year	-	67,342,818
	=====	=====

13.

**MOVEMENT IN FIXED ASSETS**

<b><u>COST/VALUATION</u></b>	<b><u>AT</u></b> <b><u>1/1/2006</u></b>	<b><u>ADDITION</u></b>	<b><u>TRANSFERS/</u></b> <b><u>DISPOSALS</u></b>	<b><u>AT</u></b> <b><u>31/12/2006</u></b>
	¢	¢	¢	¢
<b>MOTOR VEHICLES</b>	833,562,870	-	-37,400,000	796,162,870
<b>PLANT &amp; MACHINERY</b>	4,010,500	23,500,000	235,000,000	262,510,500
<b>OFFICE EQUIPMENT</b>	298,789,889	154,049,475	-	452,839,364
<b>FURNITURE &amp; FITTINGS</b>	68,445,130	8,493,500	-	76,938,630
<b>LITERARY PROPERTY &amp; COPYRIGHT</b>	213,824,516	-	-	213,824,516
<b>LIBRARY BOOKS</b>	14,832,600	3,495,500	-	18,328,100
<b>LOOSE TOOLS</b>	23,800,450	2,010,000	-	25,810,450
<b>LEASED MACHINERY</b>	<u>235,000,000</u>	-	<u>-235,000,000</u>	-
	<b>1,692,265,955</b>	<b>191,548,475</b>	<b>-37,400,000</b>	<b>1,846,414,430</b>
	=====	=====	=====	=====

**DEPRECIATION**

	<b><u>AT</u></b> <b><u>1/1/2006</u></b>	<b><u>CHARGE FOR</u></b> <b><u>YEAR</u></b>	<b><u>TRANSFERS/</u></b> <b><u>DISPOSALS</u></b>	<b><u>AT</u></b> <b><u>31/12/2006</u></b>
<b>MOTOR VEHICLES</b>	271,521,730	164,522,665	-37,400,000	398,644,395
<b>PLANT &amp; MACHINERY</b>	2,473,142	25,076,051	35,250,000	62,799,193
<b>OFFICE EQUIPMENT</b>	212,834,228	47,776,997	-	260,611,225
<b>FURNITURE &amp; FITTINGS</b>	38,270,144	5,693,209	-	43,963,353
<b>LITERARY PROPERTY &amp; COPYRIGHT</b>	169,018,410	21,382,452	-	190,400,862
<b>LIBRARY BOOKS</b>	13,803,642	1,696,605	-	15,500,247
<b>LOOSE TOOLS</b>	22,446,387	1,472,332	-	23,918,719
<b>LEASED MACHINERY</b>	<u>35,250,000</u>	-	<u>-35,250,000</u>	-
	<b>765,617,683</b>	<b>267,620,311</b>	<b>-37,400,000</b>	<b>995,837,994</b>
	=====	=====	=====	=====

**NET BOOK VALUE**

AT 31 <sup>st</sup> December 2006	850,576,436
	=====
AT 31 <sup>st</sup> December 2005	926,648,272
	=====

14. **ANALYSIS OF SHAREHOLDING**

<b><u>CLASS OF EQUITY AS AT 31<sup>ST</sup> DECEMBER 2006</u></b>	<b><u>NO. OF SHAREHOLDERS</u></b>	<b><u>TOTAL</u></b>	<b><u>% HOLDING</u></b>
	<b><u>WITHIN RANGE</u></b>	<b><u>HOLDING</u></b>	
1 – 1,000	467	228,742	1.05
1,001 – 5,000	111	310,006	1.42
5,001 – 10,000	21	177,962	0.82
Over 10,000	72	21,111,325	96.71
<b>TOTALS</b>	<b>671</b>	<b>21,828,035</b>	<b>100.00</b>
	===	=====	=====

15. **DIRECTORS' SHAREHOLDING**

The Directors named below held the following Shares in the Company at 31<sup>st</sup> December 2006.

	<b><u>Name of Directors</u></b>	<b><u>No. of Shares</u></b>
1.	Kwesi Sam-Woode	6,400,000
2.	Richard K. Oguaah	299,920
3.	Ms Ekua Essawa Woode	253,024
4.	Ransford E. N. A. Okine	35,000
	<b><u>TOTAL</u></b>	<b>6,987,944</b>
		=====

<b>16. TWENTY LARGEST SHAREHOLDERS AS AT 31/12/2006</b>		<b><u>NO. OF SHARES</u></b>	<b><u>% HOLDING</u></b>
1.	Sam-Woode, Kwesi	6,400,000	29.35
2.	Enterprise Fund	3,544,400	16.25
3.	Teachers' Fund	3,274,205	15.01
4.	NTHC/Ghana Cocoa Coffee and Sheanuts Farmers	2,000,000	9.17
5.	NTHC Limited	1,594,267	7.31
6.	Woode, Pamela Aba	936,926	4.29
7.	Ananoo, Emmanuel Kwesi	552,024	2.53
8.	Oguaah, Richard K.	299,920	1.38
9.	Woode, Ekuu Esaawa	253,024	1.16
10.	Sam-Woode, Kweku Esaah	224,000	1.03
11.	Abban, Elizabeth	169,620	0.78
12.	Carson Naomi Hendrick	113,800	0.52
13.	Essuman Gwira Wilhelmina (Mrs)	100,000	0.46
14.	Okine Robert Garshong A.	120,000	0.55
15.	NTHC Clients Account	66,505	0.31
16.	Ofori Daniel	64,612	0.30
17.	Appiah Samuel	62,546	0.29
18.	Carson Naomi Hendrick itf. Sam-Woode Nana Anaku	54,326	0.25
19.	Carson Naomi Hendrick itf. Sam-Woode Kojo Essamoah	53,326	0.24
20.	Abban- Sackey, Kofi	50,660	0.23
<b>TOTALS</b>		<b>19,934,161</b>	<b>91.41</b>
<b>UNREPORTED TOTALS</b>		<b><u>1,893,874</u></b>	<b><u>8.59</u></b>
<b>TOTAL SHAREHOLDING</b>		<b><u>21,828,035</u></b>	<b><u>100.00</u></b>
		<b>=====</b>	<b>=====</b>

TO ALL SHARE HOLDERS OF SAM-WOODE LTD.

Dear Shareholder,

**PROPOSAL TO AMEND COMPANY REGULATIONS**

The earlier authorised business of the company read as follows:

- (i) To engage in publishing and printing;
- (ii) To act as author's agents and manufacturers' representatives.
- (iii) To engage in general trading and the import and export of books and stationery.

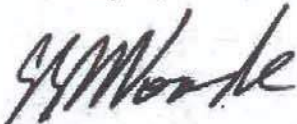
At the Annual General Meeting of the company, to be held on the 29<sup>th</sup> June, 2007, the Company would seek to amend its Regulations in line with its vision to expand the authorized businesses and to keep in touch with global developments in the book and publishing industry.

A Special Resolution would be put to shareholders as follows:

*"To consider, and if thought fit, pass a special resolution to alter the authorized business of the company to read:*

- (a) *To carry on business as publishers, printers, booksellers, paper converters and suppliers, manufacturers, representatives for books, magazines, periodicals, newspapers, journals, videos, compact disks (CDs), audio cassettes, educational toys, computers, science equipment and technical drawing instruments.*
- (b) *To advertise literary works and materials.*
- (c) *To engage in the manufacture of and dealers in paper of all kinds, boards, drawings and writing materials, inks and stationery in general.*
- (d) *To purchase or acquire trademarks, designs, patents, patent rights, inventions or other processes which may be useful to further the Company's objects and also to grant licences of same to others.*
- (e) *To expand the business of the Company beyond the frontiers of Ghana by the incorporation of fully or partially owned subsidiary companies subject to the laws of those countries."*

Thank you,



**KWESI SAM-WOODE  
EXECUTIVE CHAIRMAN**



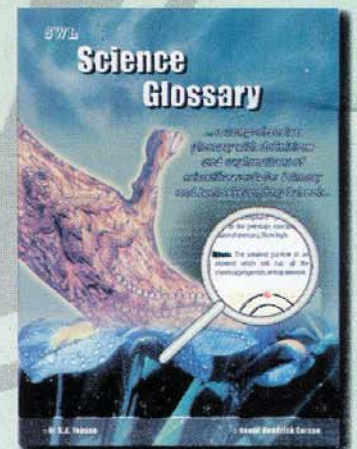
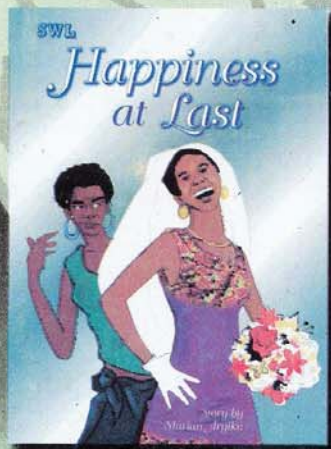
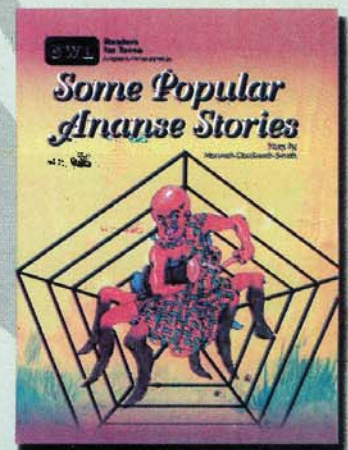
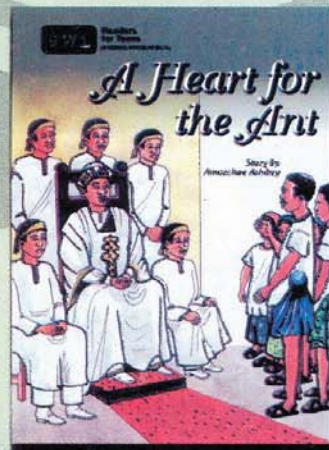
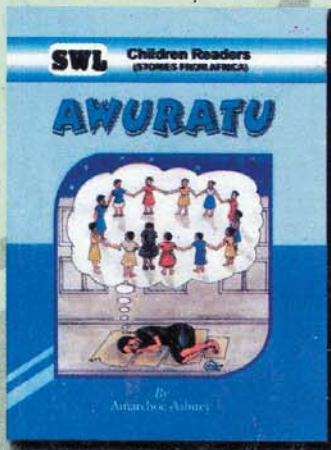
**PROXY AUTHORISATION**

I/We .....of .....being a  
member(s) of Sam-Woode Limited hereby appoint .....

of ..... or failing him/her ..... as my/our  
proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held  
on 29<sup>th</sup> June, 2007 and at any adjournment thereof.

Signed the ..... day of ..... 2007

Shareholder's Signature(s) .....



**SAM-WOODE LTD.**