

DRIL

**Annual Reports
& Financial Statements
2008**



SAM-WOODE LTD.
(Educational Publishers)

DRIL

ANNUAL REPORTS AND FINANCIAL STATEMENTS 2008

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NOTICE OF ANNUAL GENERAL MEETING

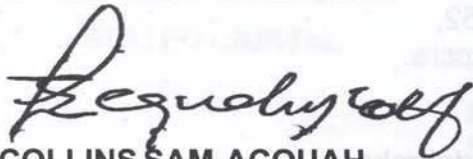
NOTICE IS HEREBY GIVEN that the Annual General Meeting of **SAM-WOODE LIMITED** will be held at the **GNAT Hall, Accra, on 24th July 2009 at 10am** prompt in order to transact the ordinary business of an Annual General Meeting of the Company.

Agenda

1. To receive the report of the Directors and the Financial Statements of the company for the year ended 31st December, 2008 together with the report of the Directors and Auditors thereon.
2. To declare a Dividend for the year ended 31st December, 2008.
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.
7. To pass a resolution on GSD online registration.

Dated this 30th day of March, 2009

BY ORDER OF THE BOARD



**COLLINS SAM-ACQUAH
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.



CORPORATE INFORMATION

- Board Of Directors:** Kwesi Sam-Woode (Chairman)
Richard Kobina Oguaah
Jacob Kwame Kholi
Nana Erhuma Kpanyinli VI
Ransford Emmanuel Nii Armah Okine
Collins Sam Acquah
Ekuwa Essawa Woode (Ms) (Resigned 9/12/2008)
Pamela Aba Woode (Appointed 9/12/2008)
- Secretary:** Amposa-Dadzie & Associates (Resigned 1/11/08)
P. O. Box GP 2792,
Accra.

Collins Sam Acquah (Appointed 1/11/08)
P. O. Box AN 12719,
Accra-North.
- Registered Office:** House No. 1 Adole Abla Link
Sahara - Dansoman.
- Auditors:** Jacob Arthur & Partners
(Chartered Accountants)
Konuah House, #5 Off Cola Street, Kokomlemle
P.O. Box CT 1552,
Cantonments, Accra.
- Registrars:** NTHC Limited
Martco House Adabraka,
P. O Box KIA 9563,
Accra.
- Principal Bankers:** Agricultural Development Bank Ltd.
Ecobank Ghana Ltd.
uniBank Ghana Ltd.



STATEMENT BY THE CHAIRMAN

The year 2008 has seen massive world-wide economic upheavals of unprecedented proportions. No country or business has been immune from its effects, either in plummeting commodity prices, exceptionally low local and export demand for manufactured goods causing the shutdown of production units and unemployment, or lack of credit to grow the little business left. The banking system now has a greatly reduced capacity to lend causing what has been dubbed, a "credit crunch". Your company has had its share of some of these problems.

On the Book Industry front, your company began the year with a great deal of optimism. The New Educational Reform Programme took form and shape and we successfully bid and received valuable orders following a tender for core textbooks for first and second cycle institutions.

New tenders for Elective textbooks are on the cards, and your company will participate in these tenders as well. In both the earlier and the prospective tenders, your company has formed and will continue to nurture valuable partnership with strategic overseas publishers and printers to remain at the cutting edge of the local industry.

The country's democratic experience has reached its maturity with the voting into power in what turned out to be a very peaceful transition, of the former Opposition party (the National Democratic Congress) in the December 2008/January 2009 elections.

REVIEW OF OPERATIONS

The current year (2008) benefitted from Government orders of 564,377 text books covering 4 titles in JHS and SHS subjects totalling GH¢ 1,556,478.52 representing 69% of our sales of GH¢2,252,688 for the year. Your company tendered for nine (9) titles, received supply contracts for four and obtained approval for, and the right to distribute another four titles to private schools as approved textbooks at your company's cost. In line with policy, the entire book development costs were written off to Cost of Sales as the volume of Government orders received exceeded our limit of 20,000 copies sold per title to retire all associated development costs. The result is that profits for the year have been adversely affected as a consequence. Subsequent years back orders will show much higher profits. As all new textbooks are based on revised curricula, which books have just been printed or being developed, sales of old textbooks on the open market have understandably grounded to a halt.

To finance its new textbook development programme your company obtained various lines of credit from our bankers and also obtained a GH¢ 300,000 four year loan from the Enterprise Fund. These sources of financial support have been extremely beneficial to your company, without which the book development programmes would not have proceeded apace. In spite of these adverse situations, your company complemented these Government orders with sales of supplementary textbooks and readers with better margins. Income Before Taxes of GH¢251,331 was GH¢65,936 or 35% better than prior year's.

Earnings per share was GH¢ 0.0085, up from prior year's GH¢ 0.0061. Shareholder Funds improved in 2008 by GH¢ 96,527 or 19.6% to GH¢ 589,797.



DIVIDEND

Uncertain as the future may look we expect to be able to improve our earnings beyond prior year's should current signed supply contracts be honoured by Government. The Board recommends to shareholders to approve a dividend of GH¢0.0050 per share, up 31.5% from prior year 2007 level of GH¢0.0038 per share.

This translates to a total of GH¢109,140 or 59% of Income After Tax; and compares with 62% of prior year's (2007).

OUTLOOK FOR 2009 AND BEYOND

The direction of the global economic downturn is uncertain for every country and certainly no business is immune from its possible effects. Every country's growth is on the down turn from prior year's and your company is likely to suffer the impact of the credit crunch in ways we are unable to say pointedly at this time. We have signed a contract for the supply of ICT textbooks for Primary Classes 1 to 6 for 433,240 textbooks valued at GH¢1,702,671.04. This contract is additional to the one we supplied earlier and your company has authorised its printers to commence production of the books. This is unaffected by differing opinion on the duration of the SHS programme.

Your company will participate during 2009 in tenders for the selection and approval of Elective and core subjects as announced by Government. Your company has plans to produce Revision Texts, Questions and Answers and Short Notes for Examination year students; as well as pursue the sale of Literary Classics and other selections in the forward years of 2009 and beyond.

Your company will also continue, as the leading Pre-School textbook publisher in Ghana, to review and revise our current texts and also to cooperate with our overseas partners to produce a new range of texts to take advantage of the formalization of Pre-school into the formal educational structure.

Regardless of the periodic ups and downs in general policy direction in respect of educational text books, your Directors still believe that the future looks promising; as we seek to maintain our prior-period successes with Government textbook tenders.

DIRECTORS

During the year, Miss Ekua Esaawa Woode resigned her position as a Director. It is proposed that Miss Pamela Woode, having agreed to fill the vacancy so created, is nominated for your approval to serve on the Board of SWL. In accordance with company's regulations as required by the Company's Code, 1963, Act 179, the Board recommends to you Mr. R.E.N.A. Okine and Mr. R. K. Oguuah who retire by rotation, and being eligible, have expressed their willingness to continue to serve on the Board.

STAFF

The strength of any company is its staff; and on behalf of the shareholders of SWL, the Board of Directors and on my own behalf I wish to express our profound appreciation to our staff who have provided dedicated service and through whose untiring efforts we have come thus far. We know we can rely on their continued dedication as we prepare to face 2009 and beyond. Producing textbooks can be terribly tedious especially when very short time-frames for submission is given. We trust we can continue to rely on their sense of duty.



CONCLUSION

Your company is working assiduously to meet new challenges as they emerge. The year 2009 portends to be challenging but we are confident that we shall face whatever obstacles ahead with the same zeal and strength which had seen us come this far. We trust we should be able to find the necessary financial means to make us the leading indigenous book publisher for all sectors of the formal education system in Ghana.

The Board and I are encouraged by the confidence you, our shareholders, continue to place in the Company. We are grateful for your trust and promise that, on our part, we will work to return increased profitability and dividends to justify your confidence in us.



Kwesi Sam-Woode
Chairman



THE AUDIT SUB-COMMITTEE'S SUMMARY REPORT TO SHAREHOLDERS AS AT 31ST DECEMBER 2008

This summary report of the Audit Sub-committee essentially covers the period 2nd January through 31st December 2008. No change occurred in the company's objects during the year under review.

The Audit Sub-committee had five meetings. In addition a special meeting was held in January 2009, not only to discuss and evaluate the company's performance as presented in the Management Accounts for the financial year ended, but also to approve same 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).

The discussions held at the meetings covered the following matters:

Management Accounts for 2007

The Management Accounts for the year ended December 31, 2007 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.

Management Accounts - 2008

The four Quarterly Accounts, the Half Year and the Full Year Management Accounts, for the year ended December 31, 2008, were analyzed at the respective meetings. Thorough discussions and critical analyses of the Management Accounts for the year under review were also made.

Dividend for 2008

On the basis of the company's commendable performance, and in spite of all the financial challenges it encountered, the Audit Sub-committee made a recommendation to the Board for the payment of dividend of GH¢0.0050 per share to our esteemed shareholders.

Audit of 2008 Financial Statements

The Audit Sub-committee's approval of the Management Accounts constituted the basis for auditing by the External Auditors, the final product of which is the 2008 Annual Reports and financial Statements.

2009 Annual Budget

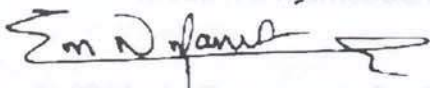
The budget for the current year was also discussed and recommendations made for finalization and implementation by Management.

Meeting the Statutory Requirements

Statutory reports for the year under review were duly submitted to both the Ghana Stock Exchange and the Securities and Exchange Commission, as mandated. The company did not, therefore, suffer any penalties that were prescribed.



In conclusion, Sam-Woode Limited continued to sustain its operations during the period under review. It is expected that its business will not only enjoy expansion but also continue to experience steady growth in the years ahead. This will no doubt be manifested in the sustainable payment of dividend to shareholders.



R. E. N. A. OKINE
(NON-EXECUTIVE DIRECTOR)
CHAIRMAN
March 30th, 2009

As directors, we are responsible for keeping proper books of accounts which disclose with reasonable accuracy at any time the financial position of the company. We are also responsible for establishing the assets of the company, and taking reasonable steps for the prevention and detection of fraud and other irregularities.

To enable the board to discharge its responsibilities, management has developed and continues to maintain a system of internal controls. The board has ultimate responsibility for the system of internal controls and reviews its operation on an ongoing basis. The internal controls include a system of internal accounting and administrative controls designed to provide reasonable but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the Company's policies and procedures.

NATURE OF BUSINESS AND STANDARDS OF ACCOUNTING
There was no change in the nature of business of the company during the year under review.

In line with the general trends in the standards of accounting generally accepted in Ghana, the Directors have adopted the International Financial Reporting Standard (IFRS) as the Company's Standard of Accounting. The first year of adoption is the financial year ended on 31st December 2008.

FINANCIAL RESULTS AND DIVIDEND
The results for the year are set out in the attached detailed financial statements on pages 11 to 25 and summarized below.



REPORT OF THE DIRECTORS TO THE MEMBERS OF SAM-WOODE LIMITED

The Directors of the company have pleasure in submitting their annual report together with the Audited Financial Statements for the year ended December 31, 2008.

DIRECTORS' RESPONSIBILITY

As directors of the company, we are responsible under the Companies Code 1963 (Act 179) for preparing in respect of each financial year, financial statements which give a true and fair view of the state of affairs of the company, and of its Profit or Loss and Cash Flows for that year in accordance with Accounting Standards acceptable in Ghana. In preparing these financial statements we are required to select suitable accounting policies and apply them consistently, make judgments and estimates that are reasonable and prudent.

As directors, we are responsible for keeping proper books of accounts which disclose with reasonable accuracy at any time the financial position of the company. We are also responsible for safeguarding the assets of the company and taking reasonable steps for the prevention and detection of fraud and other irregularity.

To enable the board to discharge its responsibilities, management has developed and continues to maintain a system of internal controls. The board has ultimate responsibility for the system of internal controls and reviews its operation on an ongoing basis. The internal controls include a system of internal accounting and administrative controls designed to provide reasonable but not absolute assurance that assets are safeguarded and that transactions are executed and recorded in accordance with generally accepted business practices and the Company's policies and procedures.

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FINANCIAL RESULTS AND DIVIDEND

The results for the year are as set out in the attached detailed Financial Statements on pages 11 to 27 and summarized below:



	2008	2007
	GH¢	GH¢
Profit before tax for the year	251,331	185,395
From which is deducted a tax charge of	(66,857)	(51,794)
	-----	-----
Resulting in a Profit after tax of	184,474	133,601
To which must be added the balance brought forward on the Income Surplus Account at the beginning of the year of	272,280	143,679
	-----	-----
Leaving a balance From which the following transfers were made:	456,754	277,280
• 1997 Transfer to Research Fund	(5,000)	(5,000)
• 1998 2007 Dividends Declared at GH¢0.0038 per Share	(82,947)	-
	-----	-----
Leaving a balance on the Income Surplus Account To be Carried Forward of	368,807	272,280
	=====	=====

The directors recommend the payment of a dividend of GH¢0.0050 per share for the year, (2007: GH¢0.0038 per share).

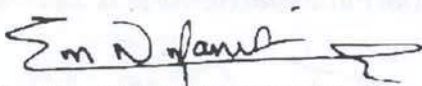
RETIREMENT AND RE-ELECTION OF BOARD MEMBERS

In accordance with Section 298 of the Companies Code 1963 (Act 179) the following Directors retire by rotation and being eligible, offer themselves for re-election. They are:

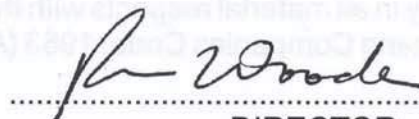
1. Richard Kobina Oguaah
2. Ransford Emmanuel Nii Armah Okine

EXTERNAL AUDITORS

Your External Auditors, Messrs Jacob Arthur and Partners, during the year merged with Messrs Nexia Debrah & Co to form a single expanded firm operating under the name Nexia Debrah & Co. The Auditors now operating as Nexia Debrah & Co, have indicated their willingness to continue in office as External Auditors of the Company and in accordance with section 134(5) of the Companies Code, 1963 (Act 179), we recommend their continued appointment.



.....
DIRECTOR



.....
DIRECTOR

30th MARCH, 2009.



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

We have audited the Financial Statements of Sam-Woode Limited for the year ended 31st December, 2008 which are presented herein from pages 11-27. The principal accounting policies used in preparing these financial statements are set out on pages 18-22.

Our report is made solely to the company's members, as a body, in accordance with section 133 of the Companies Code 1963 (Act 179). The purpose of our audit is to enable us to make a statement to the members of the company on those matters specifically required by law to be mentioned in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its members as a body for our audit work, our report, or the opinions we have expressed herein.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

The Company's Directors acknowledge on page 9 their responsibility for the preparation and fair presentation of these Financial Statements in accordance with accounting standards applicable in Ghana and for the detection and prevention of fraud or other irregularity. Our responsibility as Auditors is to express an independent opinion on the Financial Statements based on our audit.

BASIS OF OPINION

We conducted our audit in accordance with auditing standards. An audit involves the performance of test procedures to obtain evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgments made by the Directors in preparing the Financial Statements, and of whether the accounting policies are appropriate to the company, consistently applied and adequately disclosed.

We planned and performed the audit so as to obtain all information and explanations we considered necessary in order to provide us with sufficient evidence and reasonable assurance that the Financial Statements are free from material misstatements. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the Financial Statements.

OPINION

In our opinion, proper books have been kept and the Financial Statements which are in agreement therewith present fairly, the financial position of the company as at 31st December 2008 and of the results of operations and cash flows for the year then ended and comply in all material respects with the International Financial Reporting Standards and the Ghana Companies Code, 1963 (Act 179).


Jacob Arthur & Partners
Chartered Accountants
Konuah House
Kokor-ɛmle, Accra
2009.



**TRADING, PROFIT AND LOSS ACCOUNTS
FOR THE YEAR ENDED
31ST DECEMBER, 2008**

	NOTES	2008 GH¢	2007 GH¢
TURNOVER	2	2,252,688	747,529
Cost of Sales	8	(1,330,115)	(271,039)
Gross Profit		<u>922,573</u>	<u>476,490</u>
Selling, Administrative and General Expenses		(549,646)	(291,195)
		<u>372,927</u>	<u>185,295</u>
Other Operating Income	4	42,750	46,262
		<u>415,677</u>	<u>231,557</u>
Interest Expense		(164,346)	(46,162)
Profit Before Taxation	3	251,331	185,395
Tax Charge	6	(66,857)	(51,794)
Profit After Tax Transferred to Income Surplus Account		<u>184,474</u>	<u>133,601</u>

**INCOME SURPLUS ACCOUNT FOR THE YEAR ENDED
31ST DECEMBER, 2008**

	2008 GH¢	2007 GH¢
Balance at 1 st January	272,280	143,679
Profit After Tax Transferred From Profit and Loss Account	184,474	133,601
Transferred to Research Fund	(5,000)	(5,000)
2007 Dividends Declared at GH¢0.0038 per Share	(82,947)	-
Balance at 31 st December	<u>368,807</u>	<u>272,280</u>



**BALANCE SHEET AS AT
31ST DECEMBER, 2008**

	NOTES	GH¢	2008 GH¢	2007 GH¢
PROPERTY, PLANT & EQUIP'T	10		104,480	104,077
LONG TERM INVESTMENT	9		10,000	10,000
TEXT BOOK DEVELOPMENT COST	11		2,512	27,474
			116,992	141,551
CURRENT ASSETS				
Inventories	5	376,910		497,833
Trade & Other Receivables	7	1,157,523		184,963
Taxation	6	-		25,627
Cash & Bank Balances		1,598		44,533
			1,536,031	752,956
CURRENT LIABILITIES				
Bank Overdraft	15	57,444		45,408
Trade & Other Payables	14	453,808		220,224
Short Term Loans	16	193,047		23,333
Dividend Payable	12	82,981		71,237
Obligation under finance lease		10,594		10,056
Taxation	6	31,230		-
			829,104	370,258
Net Current Assets			706,927	382,698
Net Assets before Non-Current Liabilities			823,919	524,249
NON-CURRENT LIABILITIES				
Obligation under finance lease		6,738		(17,870)
Research Fund	13	18,109		(13,109)
Medium Term Loans	16	209,275		-
			(234,122)	-
			589,797	493,270
FINANCED BY:				
Stated Capital	17		220,990	220,990
Income Surplus			368,807	272,280
SHAREHOLDERS' FUND			589,797	493,270

Samuel Daniel
.....
DIRECTOR

Rhodes Wood
.....
DIRECTOR

30TH MARCH, 2009.



**CASH FLOW STATEMENT FOR THE YEAR ENDED
31ST DECEMBER, 2008**

	2008 GH¢	2007 GH¢
Profit (Before Interest and Taxes)	408,156	222,450
Add/(Less)		
Depreciation	39,124	37,767
Book Development Cost Amortised	112,123	2,138
Profit on Disposal	-	839
Interest Received	7,521	3,007
Dividend Received	-	6,100
Dividend Paid	(71,203)	(5,195)
Interest Paid	(164,346)	(46,162)
Tax Paid	(10,000)	(20,779)
	-----	-
Net Cash Inflow from Trading Activities Before Changes in Working Capital	321,375	200,165
Working Capital Changes		
Decrease / (Increase) in Inventories	120,923	(139,993)
(Increase) in Receivables	(972,560)	(55,394)
Increase in Creditors	233,584	54,622
	-----	-----
Net Cash Inflow From Operating Activities	(296,678)	59,400
Investing Activities:		
Purchase of Fixed Assets	(39,527)	(57,625)
Text Book Development Costs	(87,161)	(24,426)
	-----	-----
Net Cash Outflow From Investing Activities	(126,688)	(82,051)
	-----	-----
	(423,366)	(22,651)
Financing:		
Finance Lease for Motor Vehicle	-	27,926
Finance Lease Rentals Paid	(10,594)	-
Short Term Loan Received	213,000	-
Short Term Loan Re-paid	(151,500)	(40,487)
Medium Term Loan Received	317,489	-
	-----	-----
Net Cash Inflow From Financing	368,395	(12,561)
	-----	-----
Net (Decrease) / Increase in Cash and Cash Equivalents	(54,971)	(35,212)
Cash and Cash Equivalents at 1 st January	(875)	34,337
	-----	-----
Cash and Cash Equivalents at 31st December	(55,846)	(875)
	=====	=====
Analysis Of Cash And Cash Equivalent As shown in the Balance Sheet		
Cash & Bank Balance	1,598	44,533
Bank Overdraft	(57,444)	(45,408)
Short Term Investments	-	-
	-----	-----
	(55,846)	(875)
	=====	=====



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31ST DECEMBER, 2008**

	Stated Capital GH ¢	Income Surplus GH ¢	Total GH ¢
Balance At 1st January, 2007	220,990	143,679	364,669
Transfer to research Fund (2007)	-	(5,000)	(5,000)
Net Profit For The Year (2007)	-	133,601	133,601
Balance At 1st January, 2008	220,990	272,280	493,270
Net Profit For The Year (2008)	-	184,474	184,474
Transfer to Research Fund	-	(5,000)	(5,000)
Dividends Declared in respect of Previous Year	-	(82,947)	(82,947)
Balance At 31st December, 2008	220,990	368,807	589,797

**RECONCILIATION OF PROFIT AND LOSS ACCOUNT FOR THE
YEAR ENDED 31ST DECEMBER, 2007 FROM GNAS TO IFRS**

NOTES	Previous GNAS GH ¢	Effect of Transition to IFRS GH ¢	IFRS Position GH ¢
Turnover	747,529	-	747,529
Cost of Sales	(271,039)	-	(271,039)
Gross Profit	476,490	-	476,490
Selling, Admin & General Exp.	(291,195)	-	(291,195)
Other Operating Income	46,262	-	46,262
Interest Expenses	(46,162)	-	(46,162)
Profit Before Tax	185,395	-	185,395
Tax Expenses	(51,794)	-	(51,794)
Transferred to Retained Earnings	133,601	-	133,601

Notes to the Reconciliation of Profit and Loss for 2007

There were no material differences between the Profit and Loss Account presented under IFRS and the Profit and Loss Account presented under Ghana National Accounting Standards.



RECONCILIATION OF CASHFLOW FOR THE YEAR ENDED 31ST DECEMBER, 2007

NOTES	Previous GNASIFRS GH ¢	Effects of Transition to Position GH ¢	IFRS GH ¢
Net Cash Flow from Operating Activities	149,800	(90,400)	59,400
Net Cash Flow from Investing Activities	(57,625)	(24,426)	(82,051)
Net Cash Flow from Financing Activities	(40,487)	27,926	(12,561)
	-----	-----	-----
Net Increase/(Decrease) in Cash and Cash Equivalent	51,688	(86,900)	(35,212)
	=====	=====	=====

Explanation of material adjustments to the cash flow statement for the year ended 31st December, 2007.

Under IFRS, Short Term Investment held as part of the entity's cash management programme should be disclosed as Cash Equivalents. During 2007, a short term investment of GH¢ 86,900 was called in and this is duly classified under IFRS.

There were no other material differences between the cash flow statement presented under IFRS and the cash flow statement presented under GNAS.



RECONCILIATIONS OF BALANCE SHEET AS AT 31ST DECEMBER, 2007 FROM GNAS TO IFRS

NOTES	Previous GNAS GH ¢	Effect of Transition to IFRS GH ¢	IFRS Position GH ¢
	104,077	-	104,077
	10,000	-	10,000
	27,474	-	27,474
	141,551	-	141,551
	497,833	-	497,833
1.0	188,663	(3,700)	184,963
2.0	25,933	(306)	25,627
	44,533	-	44,533
	756,962	(4,006)	752,956
	45,408	-	45,408
3.0	391,523	(171,299)	220,224
	23,333	-	23,333
4.0	-	71,237	71,237
	10,056	-	10,056
	470,320	100,062	370,258
	(17,870)	-	(17,870)
5.0	-	(13,109)	(13,109)
	(17,870)	(13,109)	(30,979)
	410,323	82,947	493,270
	220,990	-	220,990
6.0	189,333	82,947	272,280
	410,323	82,947	493,270



**Notes to the Reconciliation of Balance Sheet at
1ST January, 2008**

- 1.0 Under GNAS a provisional entry of GH¢5,500 was recorded in respect of a computerisation project. Under IAS 37 however, there was no constructive obligation grounding this provision as at the year end and the only payment made amounting to GH¢1,800 has been recorded as prepayment. The net effect of GH¢3,700 is therefore reversed.
- 2.0 This refers to the reclassification of National Reconstruction Levy from creditors to Taxation in line with the Policy of the Company.
- 3.0 Under GNAS certain items were disclosed as creditors, although they were merely appropriations of after tax profits. These items include:

Dividends Payable	154,184
Research Fund	13,109

	167,293
	=====

The above two items together with reversals identified in notes (1.0) and (2.0) above constitute the total IFRS effect on Trade & Other Payables.

- 4.0 Under IFRS, dividends proposed are not to be considered as adjusting post balance sheet item as no constructive obligation supports it. The proposed dividend for 2007 of GH¢82,947 is therefore reversed to retained earnings. Dividends payable of GH¢154,184 previously shown as creditors is also reclassified appropriately.
- 5.0 The company makes periodic appropriations from retained earnings to support its research agenda. The amount of GH¢13,109 previously shown as creditors under GNAS is now shown as non current liability.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2008.

1. ACCOUNTING POLICIES

Corporate Background

Sam-Woode Limited is incorporated in Ghana under the Companies Code 1963 (Act 179) and also listed on the Ghana Stock Exchange, making it a Public Limited Liability Company. The Company is domiciled in Ghana.

Adoption of International Financial Reporting Standards (IFRS)

The regulator and licensing authority of the Accountancy Profession in Ghana is the Institute of Chartered Accountants (ICA – Ghana) who with due consultation with all stakeholders including the Securities and Exchange Commission (SEC) has adopted the International Financial Reporting Standards (IFRS) as the Acceptable Standard of Accounting and Reporting in Ghana in place of the Ghana National Accounting Standard (GNAS) which will be out of use effective 1st January 2009.

The ICA has therefore mandated all Companies to prepare their Financial Statements for 2008 and beyond based on the IFRS. Sam-Woode Limited has with effect from 2008 adopted the International Financial Reporting Standard in the preparation and fair presentation of this Financial Statement. The following specific standards have impacted the Financial Statements.

IFRS 1	First time Adoption
IFRS 4	Insurance Contracts
IFRS 7, IAS 32 & 39	Financial Instruments
IAS 1	Presentation of Financial Statements
IAS 2	Inventories
IAS 7	Cash Flow Statements
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
IAS 10	Events after the Balance Sheet Date
IAS 12	Income Taxes
IAS 16	Property, Plant and Equipment
IAS 17	Leases
IAS 18	Revenue
IAS 19	Employee Benefits
IAS 21	Effects of Changes in Foreign Exchange Rates
IAS 23	Borrowing Costs
IAS 24	Related Party Disclosure
IAS 36	Impairment of Assets
IAS 37	Provisions, Contingent Liabilities and Contingent Assets
IAS 38	Intangible Assets



Comparative figures for the year ended 31st December, 2007 have been restated to conform to the prescriptions of the International Financial Reporting Standard (IFRS).

The financial statements of the company for the year ended 31st December 2008 incorporate the principal accounting policies set out below, including changes introduced by the International Financial Reporting Standards (IFRS).

a. Basis of Accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (and its interpretations adopted by the International Accounting Standards Board (IASB)) under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements under IFRS requires the use of certain critical accounting estimates, and also requires management to exercise judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 1m below.

b. Property, Plant and Equipment
Owned assets

Items of property, plant and equipment are stated at historical cost (as modified by the revaluation of certain fixed assets) less accumulated depreciation and impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leased assets

Leases in terms of which the company assumes in substance all the risks and rewards of ownership are classified as finance lease. The property acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Finance lease is in respect of the acquisition of one Motor Vehicle in 2007.

Depreciation

Depreciation is calculated on a straight-line basis to write off the cost of each asset, or its revalued amounts, to their residual values over their estimated useful lives as follows:

Plant and Machinery	10%
Furniture and Fittings	20%
Motor Vehicle	25%
Literary Property Copyright	10%
Office Equipment	20%
Library Books	50%
Loose Tools	50%



Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in other income.

Subsequent costs

The company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when incurred, if it is probable that the future economic benefits expected from the item will flow to the company and the cost of the item can be measured reliably. All other costs when incurred are recognised in the income statement as an expense.

c. Inventories

Raw materials are valued at the lower of cost and net realisable value on the weighted average basis, and include costs incurred in acquiring the inventories and bringing them to their existing location and condition.

Work-in-progress comprises materials in the process of being converted from raw materials to finished goods. Work-in-progress is valued at the lower of cost and net realisable value on the weighted average basis. Cost includes all production overheads and the attributable proportion of indirect overhead expenses.

Finished Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of bringing the inventories to their saleable condition.

d. Trade and Other Receivables

Trade and other receivables are recognised and recorded at cost less any provision for impairment. A provision for impairment is made on a case by case basis when there is any evidence that the amount due will not be fully recovered at the original terms.

e. Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits and other short-term highly liquid investments. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purposes of the statement of cash flows.

f. Trade and Other Payables

Trade and other payables are stated at cost.

g. Foreign Currencies

The Company uses the Ghana Cedi (GH¢) both as a functional currency and the presentational currency. Transactions denominated in foreign currencies are translated into Ghana Cedis (GH¢) at the exchange rates ruling at the dates of transaction. Monetary Assets and Liabilities denominated in foreign currencies at the Balance Sheet date are translated into Ghana Cedis (GH¢) at the exchange rates ruling at that date.



h. Income Tax

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

i. Provisions

A provision is recognised in the balance sheet when a legal or constructive obligation as a result of a past transaction or event exist at the balance sheet date and the amount of the obligation can be reliably estimated and also probable that an outflow of economic resource will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

j. Short-term Employee Benefits

The cost of all short term employee benefits is recognised during the period in which the employee renders the related service. The provisions for employee entitlements to wages, salaries, annual and sick leave represent the amount which the company has a present obligation to pay as a result of employees' services provided to the balance sheet date.

The Company contributes 12.5% of qualifying employee costs to the Social Security and National Insurance Trust (SSNIT) and the contribution is charged to the Profit and Loss Account as part of total Employee Benefit. The Trust is a creation of law and managed by the Government of Ghana.

k. Revenue Recognition

Revenue is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer excluding Value Added Tax where applicable. Revenue is recognised upon dispatch of the products and acceptance by the customer.

No revenue is recognised if there are significant uncertainties regarding, (1) the recovery of the consideration due, (2) associated costs, (3) the possible return of goods, or (4) the continuing management involvement with goods.

Other revenues earned by the Company are recognised on the following bases:

- Copyright Sales – on an accrual basis;
- Investment income – when the Company's right to receive payment is established.

l. Interest-Bearing Borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.



m. Critical Accounting Estimates and Judgements

Estimates and judgement are continually made and evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

Property, Plant and Equipment

Critical estimates are made by the Directors in determining depreciation rates for property, plant and equipment. The rates used are set out in note 1b.

Income Taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the course of business. The company recognises liabilities for tax based on estimates of whether additional taxes will be due. Where the final outcome of these matters are different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

	2008 GH¢	2007 GH¢
2. TURNOVER		
Sales	2,258,039 =====	747,529 =====
3. PROFIT BEFORE TAX is stated after charging:		
Directors Remuneration	93,040	42,036
Audit Fees	9,412	7,500
Depreciation	39,124	35,629
Interest & Finance Cost	164,346	46,162
Royalties	204,005 =====	57,769 =====
4. OTHER OPERATING INCOME		
Dividend Received	-	6,100
Contract publishing/printing	-	4,755
Sundry Income	807	203
Interest Income	7,521	3,007
Copyright Sales	34,422 -----	32,197 -----
	42,750 =====	46,262 =====
5. INVENTORIES		
Finished Goods	376,910 -----	497,833 -----
	376,910 =====	497,833 =====



6. TAXATION

	Balance at 1/1/2008 GH¢	Charge to P/L (other taxes) GH¢	Payments during the year GH¢	Tax Credits GH¢	Balance at 31/12/08 GH¢
Corporate Tax					
2002	8,512	-	-	-	8,512
2003	(12,328)	-	-	-	(12,328)
2004	(4,500)	-	-	-	(4,500)
2005	3,288	-	-	-	3,288
2006	(55,184)	-	-	-	(55,184)
2007	31,015	-	-	-	31,015
2008	-	66,857	(10,000)	-	56,857
	-----	-----	-----	-----	-----
	(29,197)	66,857	(10,000)	-	27,660
NRL	3,264	-	-	-	3,264
IFRS – Adj.	306	-	-	-	306
	-----	-----	-----	-----	-----
	(25,627)	66,857	(10,000)	-	31,230
	=====	=====	=====	=====	=====

Corporate tax is charged at 25% of chargeable income (2007:25%). All tax issues and liabilities are subject to the agreement of the Internal Revenue Service.

7. TRADE AND OTHER RECEIVABLES

	2008 GH¢	2007 GH¢
Academy Press Limited	85	85
SWL Nigeria Incorporation	1,176	1,176
Sundry Debtors	2,151	3,051
Staff Debtors	5,781	2,891
Security Deposit	3,496	6,750
Computerization Project	4,800	1,800
Sundry Deposit	-	8,764
Deferred Expenditure	-	1,271
Royalty Advances	17,561	17,561
Prepayment	17,144	12,036
WAPB	18,666	-
Trade Debtors	1,086,663	129,578
	-----	-----
	1,157,523	184,963
	=====	=====

Trade Debtors include the GH¢ equivalent of US\$778,239.26 receivable from the Ministry of Education, of Ghana, at the exchange rate of GH¢1.19 to US\$1.0.



6. TAXATION

	Balance at 1/1/2008 GH¢	Charge to P/L (other taxes) GH¢	Payments during the year GH¢	Tax Credits GH¢	Balance at 31/12/08 GH¢
Corporate Tax					
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2003	(12,328)	-	-	-	(12,328)
2004	(4,500)	-	-	-	(4,500)
2005	3,288	-	-	-	3,288
2006	(55,184)	-	-	-	(55,184)
2007	31,015	-	-	-	31,015
2008	-	66,857	(10,000)	-	56,857
	(29,197)	66,857	(10,000)	-	27,660
NRL	3,264	-	-	-	3,264
IFRS – Adj.	306	-	-	-	306
	(25,627)	66,857	(10,000)	-	31,230

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	1,157,523	184,963

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8. COST OF SALES	2008	2007
	GH¢	GH¢
Stock of Raw Materials at 1 st January	2,792	358
Raw Materials Purchased	2,781	9,531
Handling Charges	-	47
	-----	-----
Materials Consumed	5,573	9,936
Royalties	204,005	57,769
Manufacturing Expense	30,399	40,126
Work-in-Progress -January	-	14,338
	-----	-----
	239,977	122,169
Work-in-Progress 31 st December	-	-
	-----	-----
Cost of Production	239,977	122,169
Stock of Finished Goods 1 st January	497,833	343,143
Purchase of Finished Goods	852,409	298,544
Handling Charges and Delivery	-	-
	-----	-----
Cost of Goods Produced	1,590,219	763,856
	-----	-----
	1,590,219	763,856
Stock of Finished Goods-31 st December	(376,910)	(497,833)
	-----	-----
	1,213,309	266,023
Amortization of Text Book Dev't costs, Literary Property & Copy Right	112,861	2,138
Depreciation –Machine and Tools	3,945	2,878
	-----	-----
	1,330,115	271,039
	=====	=====
9. LONG TERM INVESTMENTS		
At Cost	10,000	10,000
	=====	=====

Long Term Investments represent the Cost of 1,380,000 ordinary shares in Afram Publications Limited and constitute 20% of the Equity of the Company. On the basis of the 2007 Audited Accounts of Afram Publications Limited, the net book value of the investment is GH¢161,340 (2006: GH¢160,196).



10. PROPERTY, PLANT & EQUIPMENT

	Freehold Land GH¢	Plant & Machinery GH¢	Furniture & Equipment GH¢	Literary Property Copyright GH¢	Library Books GH¢	MotoR Vehicle GH¢	Loose Tools	Total GH¢
Cost								
At 01/01/08	16,200	26,251	60,423	21,382	1,919	107,120	3,218	236,513
Additions	-	3,162	35,184	-	319	-	862	39,527
At 31/12/08	16,200	29,413	95,607	21,382	2,238	107,120	4,080	276,040
Accumulated Depreciation								
At 01/01/08	-	8,905	38,202	21,178	1,859	59,647	2,645	132,436
Charge	-	2,941	11,807	204	220	22,948	1,004	39,124
At 31/12/08	-	11,846	50,009	21,382	2,079	82,595	3,649	171,560
Net Book Value								
At 31/12/08	16,200	17,567	45,598	-	159	24,525	431	104,480
At 31/12/07	16,200	17,346	22,221	204	60	47,473	573	104,077

Depreciation has been apportioned in the financial statements as follows:

	2008 GH¢	2007 GH¢
Cost of Sales	4,684	5,016
Selling, Administrative and General Expenses	34,440	32,751
	39,124	37,767



11. TEXT BOOK DEVELOPMENT COST	2008 GH¢	2007 GH¢
Balance 1 st January 2008	27,474	5,186
Additional Cost	87,161	24,426
	-----	-----
	114,635	29,612
Amortisation	(112,123)	(2,138)
	-----	-----
	2,512	27,474
	=====	=====

These are incurred in the process of developing new books and concepts. The amount is amortised either on the basis of the first 20,000 copies sold out or four (4) years which ever occurs earlier.

12. DIVIDENDS PAYABLE		
Balance At 1 st January	71,237	76,432
Dividends declared during the year	82,947	-
	-----	-----
	154,184	76,432
Dividends paid during the Year	(71,203)	(5,195)
	-----	-----
	82,981	71,237
	=====	=====
13. RESEARCH FUND		
At 1 st January	13,109	8,109
Transferred from Income Surplus Account	5,000	5,000
	-----	-----
At 31 st December	18,109	13,109
	=====	=====

The Company has a policy of making appropriations from Retained Earnings in the sum of GH¢5,000 per year to support its research agenda.

14. TRADE & OTHER PAYABLES		
Staff Welfare Payable	152	726
Trade Creditors	1,730	1,730
Clients' Deposit	7,339	7,851
WAPB Ltd	-	6,760
Accruals	70,063	38,386
Sundry Creditors	40,286	21,820
Directors' Current Account	29,350	5,460
Royalty Payable	304,888	137,491
	-----	-----
	453,808	220,224
	=====	=====



15. BANK OVERDRAFT

The Company has an overdraft Facility of GH¢50,000 with its Bankers. The facility is secured by a legal mortgage over the company's office premises situated at #1 Adole Abla Link, Sahara Dansoman as well as Property #5 Lavender Close, East Legon together with joint and several guarantees of the Board of Directors.

16. SHORT AND MEDIUM TERM LOANS

The Company has obtained loan facilities from its bankers and the Enterprise VC Fund Limited in various sums for various purposes as shown below.

	Short Term GH¢	Medium Term GH¢	2008 Total GH¢	2007 Total GH¢
From Company's Bankers	84,833	-	84,833	23,333
From Enterprise VC Fund	108,214	209,275	317,489	-
	-----	-----	-----	-----
	193,047	209,275	402,322	23,333
	=====	=====	=====	=====

The loan facilities in the case of the bank, is secured by a legal mortgage over the company's office premises situated at #1 Adole Abla Link, Sahara Dansoman as well as Property #5 Lavender Close, East Legon together with joint and several guarantees of the Board of Directors.

In respect of the Enterprise VC Fund Loan, the facility is secured by a share pledge from the Executive chairman of the Company.

17. STATED CAPITAL

	2008 No. of Shares '000	Proceeds GH¢	2007 No. of Shares '000	Proceeds GH¢
Authorised:				
Ordinary Shares of no par value	100,000	-	100,000	-
Preference Shares	50,000	-	50,000	-
	-----	-----	-----	-----
	150,000	-	150,000	-
	=====	=====	=====	=====
Issued:				
Ordinary Shares				
issued as follows:				
Cash Consideration	21,828,035	220,990	21,828,035	220,990
	-----	-----	-----	-----
	21,828,035	220,990	21,828,035	220,990
	=====	=====	=====	=====

There is no unpaid liability on any shares. There are no calls or instalments unpaid, and there are no treasury shares held. No Preference Shares have been issued.



TWENTY LARGEST SHAREHOLDERS AS AT 31ST DECEMBER, 2008

	No. of Shares	% Holding
1. Sam-Woode Kwesi	6,400,000	29.32
2. Enterprise Fund	3,544,400	16.24
3. Teachers' Fund	3,274,205	15.00
4. NTHC/ Ghana Cocoa Coffee and Sheanuts Farmers	2,000,000	9.16
5. NTHC Limited	1,591,807	7.30
6. Woode Pamela Aba	936,926	4.29
7. Acheampong Yaw Gyamfi	552,024	2.53
8. Oguaah Richard K.	299,920	1.37
9. Woode Ekua 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. Esuman-Gwira Wilhelmina (Mrs)	100,000	0.46
14. Okine Robert Garshong A.	100,000	0.46
15. Ofori Daniel	64,612	0.30
16. NTHC Clients A/C	63,965	0.30
17. Appiah Samuel	62,546	0.29
18. Naomi Hendrick Carson (itf. Sam-Woode Nana Anaku)	54,326	0.25
19. Naomi Hendrick Carson (itf Sam-Woode Kojo Essamoah.)	53,326	0.25
20. Abban-Sackey Kofi	50,660	0.23
	-----	-----
	19,909,161	91.21
Others	1,918,874	8.79
	-----	-----
	21,828,035	100.00
	=====	=====



SHAREHOLDING DISTRIBUTION

Category of Holdings	No. of Shareholders	Total Holding	% Holding
Less than 1,000	463	225,442	1.03
1,000 to 5,000	113	318,306	1.46
5,001 to 10,000	21	177,962	0.82
10,001 to 20,000	36	566,018	2.59
20,001 to 30,000	5	125,960	0.58
30,001 to 40,000	7	268,334	1.23
40,001 to 50,000	5	236,852	1.09
Over 50,000	20	19,909,161	91.21
	670	21,828,035	100.00

DIRECTORS HOLDINGS AS AT 31st DECEMBER, 2008

1.	Kwesi Sam-Woode	6,400,000
2.	Richard K. Oguaah	299,920
3.	Ms. Ekuwa Essawa Woode	253,024
4.	Ransford E. N. Okine	35,000
		6,987,944



PROXY AUTHORISATION

I / We.....of.....being a

member(s) of Sam-Woode Limited hereby appoint.....of

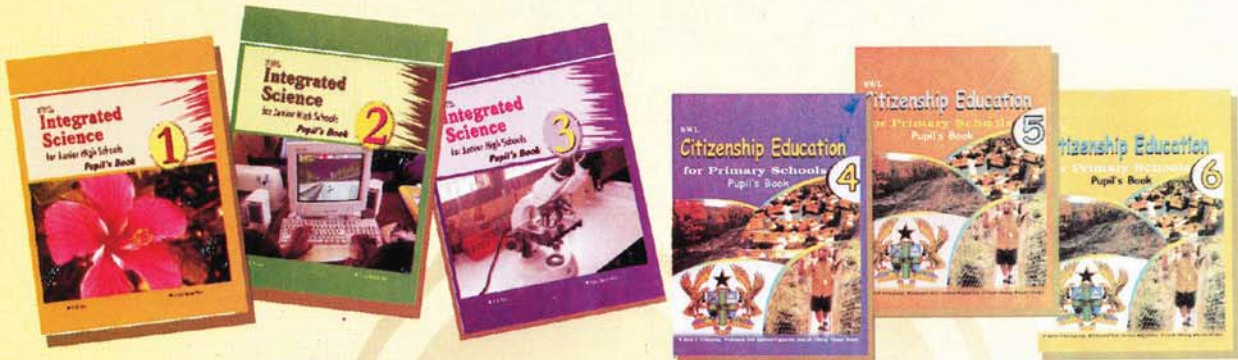
.....or failing him/her.....as my/our proxy to
vote on my/our behalf at the Annual General Meeting of the Company to be held on 24th
July, 2009 and at any adjournment thereof.

Signed the.....day of.....2009.

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



MINISTRY OF EDUCATION SELECTED TITLES



SAM-WOODE LTD.