

SAM – WOODE LIMITED



ANNUAL REPORTS AND FINANCIAL STATEMENTS

31ST DECEMBER 2014

SAM –WOODE LIMITED
REPORTS AND FINANCIAL STATEMENTS

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SAM –WOODE LIMITED

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 **11th June 2015 at 10.00am** 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 2014 together with the report of the Directors and Auditors thereon.
2. To declare a Dividend for the year ended 31st December 2014.
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.

Dated this 27th day of March 2015

BY ORDER OF THE BOARD

Adroit Technologies
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.

SAM –WOODE LIMITED
CORPORATE INFORMATION

Board of Directors:

Kwesi Sam-Woode (Chairman)
Jacob Kwame Kholi
Collins Sam Acquah
Nana Kwesi Ofori
Kweku E. Sam-Woode
Gladys Afarchoe Odoi
Nana Abaahoma Woode

Secretary:

Adroit Technologies
P. O Box DS 2339
Dansoman Estates
H/No. 1 Adole Abla Link
Sahara - Dansoman

Registered Office:

H/No. 1 Adole Abla Link
Sahara - Dansoman

Independent Auditors:

Nexia Debrah & Co
Chartered Accountants
BCB Legacy House
#1 Nii Amugi Avenue
East Adabraka, Accra
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
International Commercial Bank
First Capital Plus

SAM –WOODE LIMITED

CHAIRMAN'S STATEMENT

Distinguished Shareholders, Ladies and Gentlemen, on behalf of the Board of Directors and Management of Sam-Woode Ltd. (SWL), I welcome you all to the Twelfth Annual General Meeting of our Company. I also, with pleasure, welcome officials from the Ghana Stock Exchange (GSE), Securities and Exchange Commission (SEC), NTHC, SIC Financial Services Ltd., First Capital Plus Bank Ltd. and all our Corporate Partners.

ECONOMIC ENVIRONMENT

Economic growth globally in 2014 was low with many high-income countries continuing to deal with the legacies of the global financial crisis, such as high unemployment with the ripple effects on the Sub-Saharan African countries, including Ghana. On the local front, the cost of doing business increased significantly resulting in real GDP growth rate dropping from 7.30% in 2013 to 4.20% in 2014 and again worsened the persistent challenges that confronted many industries in Ghana, including the Book Industry in Ghana.

The year under review experienced much effort by the Ghana Printers and Paper Converters Association (GPPCA) to dialogue with the Government on Duty and VAT reliefs on imported raw materials for printing educational items to enable locally printed books to compete with imported finished books; but not much was achieved as at the end of the year, 2014. Therefore, the situation remained the same as before - printed books imported into the country are free from import duties and VAT, whereas all input materials for local book production attract import duties and VAT. The advocacy and dialogue with Government, however, continues unabated.

REVIEW OF OPERATIONS

In my report to the last Annual General Meeting, I mentioned the serious preparation and planning works ongoing towards the expansion project on our Company's land at Nyanyano, near Kasoa in the Central Region. I am happy to report that the Sod-cutting has been done and the construction of the Warehouse and the Printing Factory buildings are at the lental stage at the time of writing this report. These have been financed from the Company's own funds.

Additionally, our Company invested in new Software for Digital Intelligence Marketing programme, a marketing strategy, which increased our Customer Data base tremendously. Alongside the Digital Intelligence Marketing programme, our Company launched a new Wholesale Trading Programme, also managed by a robust Book Publishing Software called FOCUS, which has become fully operational since 2014.

This System allowed SWL to sell only on Cash-and-Carry basis and gave increased discount to Customers, in accordance with an approved matrix of graduated discounts. It also helped to manage the development of new books more efficiently.

Additional Investment was also made to re-construct SWL's interactive Website (www.samwoode.com), which put our Company and its products on the World Wide Website. Consequently, SWL books can be previewed on SWL's E-Library and sold from SWL's E-Bookstore with various payment options, including Mobile Phone Money Transfer, Visa Card Payment and Bank Transfer.

Delivery options include Courier Services, Expedited Postage as well as Customer-collection at SWL's Office in Accra. I will encourage all of you to visit SWL's interactive Website, www.samwoode.com, try to preview SWL Books and buy some SWL Books on-line to experience the new Trading System.

In the year 2014, Management disposed of SWL's Equity Shares of 1,380,000 Ordinary Shares in Afram Publications (Ghana) Ltd. (AFRAM) at a price of GH¢0.30 per share, bringing in an income of GH¢414,000.00 to our Company.

I am happy to report that during the year under review, our Company's share price appreciated from GH¢0.02 in the year 2013 to GH¢0.04, after about a decade of stagnation in the price movement. This was due to the sale of 3,544,400 SWL Shares by Enterprise Fund Venture Capital, one of the big Institutional Shareholders, following the winding up of the Fund. I wish to take this opportunity to encourage other major shareholders of SWL, including the Institutional Shareholders like the TEACHERS' FUND, FARMERS' FUND AND NTHC to sell some of their shares from time-to-time to encourage regular trading on the GSE Floor to enable more individual/prospective Shareholders to buy SWL shares. This will enhance the value of SWL shares, which are currently under-valued due to low market activity.

BOOK DEVELOPMENT

During the year under review, our Company increased the range of its Textbooks and Storybooks titles. Thirty four new titles were completed up to Compact Disc (CD) level as at the end of the year, 2014. The new books shall be printed in the year, 2015.

OPERATING RESULTS

Turnover for the year ended December 31, 2014 was GH¢2,962,256, as against the previous year's figure of GH¢10,015,789. The last year's figure included income from the Ministry of Education (MoE) Textbook project Contract. Profit before Tax was GH¢498,067 as against the previous year's figure of GH¢417,831. The key dimensions are summarised below.

	2014	2013
	GH¢	GH¢
Trading (Loss)/Profits	(145,940)	839,511
Other Operating Income (Treasury Activities)	698,278	102,962
	-----	-----
Profit before Interest and Tax	552,338	942,473
Interest Expense	(54,271)	(524,642)
	-----	-----
Profit before Taxation	498,067	417,831
	=====	=====

The Ghana Revenue Authority (GRA) carried out a Tax Audit dating back ten years, which resulted in SWL being charged an outstanding Taxes and surcharges of GHS521,544 and GHS67,472 respectively all totalling GH¢589,016. The issues arising from the Tax Audit have been reflected appropriately in the audited financial statements now before you.

Up to the year of assessment 2013, your company is fully reconciled with the GRA. The strength and resilience of your company is amply demonstrated by the fact that but for the effects of the tax audit, a more acceptable profit levels would have been declared, and the financial health of the company has not been adversely affected.

DIVIDENDS

In view of the above, the Directors recommend the payment of a Dividend of GH¢ 0.004 per share for the Accounting year, 2014, amounting to GH¢ 87,312.00.

DIRECTORS

Messrs. Jacob K. Kholi and Collins Sam -Acquah end their tenure as Directors of our Company and being eligible, are presented for re-election.

CORPORATE GOVERNANCE TRAINING WORKSHOP

During the year under review a two-day Workshop on Corporate Governance was held for all the Directors and some of the Management Staff to upgrade their knowledge on modern trends of good governance. The company is already reaping the benefits of this Workshop.

QUARTERLY REPORT TO SHAREHOLDERS

As I promised last year, Soft Copies of our Company's Quarterly Financial Report will be dispatched to Shareholders electronically, from this year. We, therefore, entreat all Shareholders, who have not already given their E-mail addresses and Cell-Phone numbers to the Registrars, NTHC, and/or to the Head Office of SWL at Dansoman to endeavour to do so, as soon as possible.

FUTURE OUTLOOK

Our Company's future is bright and its financial resilience already demonstrated. We shall build on our progress in the publication of more Textbooks and Storybooks to fulfil our vision of becoming one of the major Publishers of Textbooks and Readers for Schools in Ghana.

Management has put in place plans to complete the construction of the Company's Warehouse and Factory (Printing Press) during 2015. The Procurement and Installation of the various Machines and Equipment shall be done in phases starting from the year 2015, which happens to be the last year of the Company's 5-year Strategic Plan i.e. 2011 to 2015.

The completion of the Press into a State-of-the-Art Book Printing Facility to produce all SWL's books In-house will form part of the Company's next 5-year Strategic Plan for the period 2016 to 2020, and for a start, we shall proceed to issue Renounceable Rights Offers to raise up to GH¢2,000,000.00 through the Capital Market to finance the initial stage and I hope Shareholders will participate in the Rights to make it a big success.

APPRECIATION

On behalf of the Board of Directors, I wish to thank our Customers (Private Schools, Booksellers, Book Distributors and NGO's who patronize SWL Books) for their loyalty. I thank our fellow Shareholders for their continued support and goodwill. I also thank Management and Staff for their commitment and hard work during the past year.

Finally, may I say a big thanks to our Bankers, Corporate Advisors and various Service Providers for their co-operation and wonderful support and look forward to their continued co-operation and support.

Thank you and God bless us all.

Kwesi Sam-Woode
Chairman

SAM –WOODE LIMITED

MANAGING DIRECTOR'S REPORT

Mr. Chairman, distinguished shareholders, ladies and gentlemen, I deem it a great honour and privilege to welcome you to the 12th Annual General Meeting after the Listing of Sam-Woode Ltd.

At the last Annual general Meeting, I reported on a number of projects at various stages of completion which will help increase profitability. Among these were :

- The license obtained from WABP to publish Thirty-three(33) titles
- The Signed Agreement with Authors to work on a number of new titles to be added to our book list.
- The commencement of the construction of fence wall and appropriate drainage System on the Expansion Project on the company's new site at Nyanyano –Kasoa Land.
- The maximization of the use of Management Information Systems to enhance business operations.

During the year under review, your company continued to work on these key projects.

Book Development

In the year 2014, Thirty-Four (34) new titles were completed to Compact Disc (CD) level. These included twenty (20) Readers in English and twelve (12) Readers in French and two (2) Pre-School titles.

To help improve reading in the Local dialects, ten (10) SWL Readers were also successfully translated into three main Ghanaian Languages i.e. Akwapim Twi, Fante, and Ewe in 2014.

The printing of these books will be planned to become the first prints from our printing press at Kasoa. Factors driving this approach include the need to reduce storage costs through just-in-time printing logistics.

Expansion Project

For the year under review, Architectural designs for all facilities envisaged for the Company's Land at Nyanyano near Kasoa had been done. These include a Warehouse/Press, Office Complex, Residential flats and Model Basic School. A borehole and water treatment plant to get portable water for both the current construction works and future use in all facilities at the site has also been completed.

Electricity has also been extended to the site to facilitate the on-going construction works. Construction of the main Warehouse and the factory Space for the press are on-going and at the lintel stage as at the time of compiling this report.

Human Resource

The company recently employed a Manager for Human Resource and Administrative issues. This move is intended to free up out bound managerial time to increase the marketing fortunes of the company.

Digital Marketing

We are building on the efficiency of our IT platform to provide our customers with greater choice and convenience, allowing us to strengthen and enhance the traditional method of marketing the Company's products. To this end Sam-Woode Ltd introduced Digital Marketing in July 2014 to enhance and improve our customer base. I seize this opportunity to invite all, especially shareholders to visit SWL's interactive www.samwoode.com to experience our new digital platform.

Corporate Social Responsibility:

During the year under review, we supported the 20th National Best Teacher Awards Scheme with twenty (20) Microwave ovens. These items were given as prizes for the best regional National Service Personnel and Retired Teachers from Districts in the Host Region, i.e. Central Region. Management again donated books worth Sixteen thousand, five hundred and two Ghana Cedis(GHS16,502) to the Ministry of Education for distribution to selected schools to be visited by the Minister of Education,

In partnership with an NGO, your company also donated books to stock libraries in five communities and some schools in the Ajumako Enyan Essiam Districts of the Central Region.

Increase In Authorized Capital

During the year under review management increased and registered the Authorized Shares of your company from 150,000,000 to 1,500,000,000 as was approved at the 10th Annual General Meeting in the year 2013.

Looking Ahead

Despite intense industry competition, Management is strategizing for your Company to be at the top. We believe Sam-Woode Ltd will do well in the years ahead. In 2015 we will continue to make substantial investments to increase our market share.

Our key areas of focus in the current financial year are volume growth, cost effectiveness, optimization of product mix, improvement in the distribution efficiency and effectiveness, capacity building, and optimization of inventory management.

The successful implementation of these activities will greatly improve the business's performance going forward and deliver profitable growth.

Appreciation

None of the various achievements of Sam-Woode Ltd in the year under review would have been possible without the hard work, dedication and support of the Board of Directors, Management and Staff. Their invaluable contribution to the overall policy direction and activities of Sam-Woode Ltd in pursuance of its goal has been very tremendous and encouraging.

My utmost gratitude goes to God Almighty for seeing us through the year and for giving us grace and knowledge to successfully manage Sam-Woode Ltd. We believe He will continue to guide us to confront the coming year with resolute commitment and optimism toward the achievement of our goals.

Thank you.


George L. K. Ackerson
(Acting Managing Director)

**THE AUDIT SUB-COMMITTEE'S REPORT FOR THE FINANCIAL YEAR ENDED
31ST DECEMBER, 2014 TO SHAREHOLDERS OF SAM-WOODE LIMITED**

This is the Report of the Board Sub-Committee on Audit for the period 1st January to 31st December, 2014.

During the period under review, the Committee held five (5) meetings at which far reaching discussions were held to evaluate your Company's financial performance and other key operational and strategic recommendations made to the full Board. One of such recommendations which was implemented was the disposal of Sam-Woode Ltd.'s Equity Shares of One million three hundred and eighty thousand (1,380,000) ordinary Shares in Afram Publication Ltd. at GH¢0.30 per Share.

The committee also interacted with the external auditors on their audit findings and recommendations to improve internal control processes.

DRAFT AUDITED ACCOUNTS FOR 2014

The draft Financial Statements for the year ended December 31, 2014 was reviewed and discussed in detail and recommendations made to the Board for consideration.

MANAGEMENT ACCOUNTS

The Sub-Committee in 2014 also discussed and considered the quarterly management accounts and financial statements and made recommendations, for consideration and approval of the full Board before they were submitted to the Regulatory Authorities.

DIVIDEND

Based on the financial performance of your Company for the period ended 31st December 2014, the Committee recommended for the Board's consideration and recommendation to shareholders for approval, the declaration and payment of a final dividend of GH¢0.004 per share for the 2014 financial year.

2015 ANNUAL BUDGET

The Committee reviewed management assumptions and proposals for the 2015 financial budget and made appropriate recommendations for the Board's consideration and approval.

CONCLUSION

On behalf of members of the Committee and on my own behalf, I would like to thank the Board members who are not represented on the Sub-Committee and Management for their support and cooperation during our deliberations and solicit their continued support.

Jacob Kholi
(Non-Executive Director)
Chairman
24th March, 2015

SAM –WOODE LIMITED

REPORT OF THE DIRECTORS CONT'D

Your directors recommend the payment of a dividend of GH¢0.004 per share amounting to GH¢87,312 (2013:GH¢218,280)

DIRECTORS

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. Jacob Kholi
2. Collins Sam Acquah

CORPORATE GOVERNANCE

In line with good Corporate Governance, the Board reports that the following three Committees are in place to support the work of the Board. These are Audit, Publishing and Asset and Expansion Committees.

Audit Committee

Mr. Jacob Kholi (Chairman)
Mr. Collins Sam-Acquah
Mr. George Ackerson
Ms. Abigail Mantey

The Audit Committee is made up of four members, including two non-Executive members. The Committee meets to review the financial performance of the Company; review the internal audit functions, its mandate and audit activities; review the internal and external audit reports, particularly reports of Regulatory and Monetary Authorities and supervising the implementation of recommendations; facilitate dialogue between the Auditors and Management on the outcome of Audit Activities; propose External Auditors and their recommendation; review dividend policy and issues relating to constitution of reserves; the Quarterly, Half-yearly and Annual Financial Results before being reviewed and approved by the Board; ensure compliance with all Company's policies, all applicable Laws and Regulations and operating stands. The Committee also reviews and recommends for Board's approval major contracts, procurement and capital expenditures as well as the actual spending against budget, and extra-budgetary spending and does follow ups.

Publishing

Ms. Gladys Afarchoe Odoi (Chairman)
Nana Abaahoma Woode (Vice Chairman)
Mr. George Ackerson
Mr. Michael Ayensu Mensah
Mr. Charles Anini

The Publishing Committee is made up of five members of which two are non-Executive members and performs the following functions, among others:-

- Examine the appraisal Reports submitted by Management on all SWL personnel and take appropriate decisions.
- Examine and approve new Contracts,
- Examine and approve requests for Royalty payments and Commissions earned by Sales Agents and Sales Staff before payments are effected.

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF
SAM – WOODS 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, 2014.

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.

NATURE OF BUSINESS AND STANDARDS OF ACCOUNTING

There was no change in the nature of business of the company during the year under review.

FINANCIAL RESULTS AND DIVIDEND

The results for the year are as set out in the attached detailed Financial Statements on pages 15 to 32 and summarized below:

	2014	2013
	GH¢	GH¢
Profit before tax for the year	498,067	417,831
From which is deducted a tax charge of	(704,310)	(109,030)
	-----	-----
Resulting in a Profit/(Loss) after tax of	(206,243)	308,801
To which must be added the balance brought forward on the Income Surplus Account at the beginning of the year of	163,162	35,329
Net Gain on Disinvestments	336,362	-
	-----	-----
Leaving a balance of	293,281	344,130
From which the following transfers were made:		
• Transfer to Research Fund	(10,000)	(50,000)
• Transfer to Dividend	(81,375)	(130,968)
	-----	-----
Leaving a balance on the Income Surplus Account To be Carried Forward of	201,906	163,162
	=====	=====

- Receive, study and approve proposals for New Publishing Project and Book Marketing before they are funded and implemented.

Asset and Expansion Committee

Mr. Collins Sam-Acquah (Chairman)
 Mr. Kweku Woode
 Mr. George Ackerson
 Mr. Nekht Attopley

The Asset and Expansion Committee is made up of four (4) members including two non-Executive members. They are charged with the responsibility of examining plans and proposals for the construction and building related to the relocation of SWL's Offices and Warehouse from Dansoman to the new site at Nyanyano, Kasoa and make recommendations to the Board on the appointment of Architects, Contractors and Suppliers of goods and Services ; proposals and requests from Management for the acquisition and procurement of any Fixed Assets, Equipments, Machines, Motor Vehicles, Furniture and Fittings for the Commendation and make recommendations to Board; proposals for disposal of any Assets of the Company and make recommendation to the Board; commissioning the preparation of a Comprehensive Business Plan for the establishment of a Model Basic School Complex, receive and examine such a plan and make recommendations to the Board; and commissioning a comprehensive Business Plan for the acquisition, installation, commissioning and operation of a Digital Print-on-Demand Facility for Books, Brochures etc., receive and examine such a plan and make recommendations to the Board.

EXTERNAL AUDITORS

Your external Auditors, Messrs 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.



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 ACCRA

DIRECTORS

March 27, 2015

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

We have audited the financial statements on pages 15 to 32. These Financial Statements comprise the statement of financial position at 31st December 2014, the statements of comprehensive income, cash flow and changes in equity for the year then ended together with a summary of significant accounting policies and other explanatory notes set out on pages 19 to 32. We report in terms of the provisions of the Companies Code 1963 (Act 179).

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.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

As stated on page 3, the Directors are responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards and the requirements of the Ghana Companies Code, 1963 (Act 179). This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY AND BASIS OF OPINION

Our responsibility is to express an independent opinion on these Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's processes of preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose for expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

SAM –WOODE LIMITED

AUDITORS' REPORT CONT'D

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.


OPINION

In our opinion, the financial statements give a true and fair view of the financial position of Sam – Woode Limited at 31st December 2014, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179) of Ghana.

Report On Other Legal Requirements

Under the Companies Code 1963 (Act 179) we are required, when carrying out our audit, to consider and report on the following matters:

- 1) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- 2) In our opinion proper books of account have been kept by the Company, as far as appears from our examination of those books; and
- 3) The Company's balance sheet and profit and loss account are in agreement with the books of account.


Chartered Accountants
Practice License # ICAG/F/069
BCB Legacy House:
1 Nii Amugi Avenue
East Adabraka, Accra
P.O. Box CT 1552
Cantonments, Accra

Kwame Manu – Debrah (ICAG/P/1264)

28th March 2015
ACCRA

SAM-WOODE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME¹
FOR THE YEAR ENDED 31ST DECEMBER 2014**

	NOTES	2014 GH¢	2013 GH¢
Turnover	3	2,962,256	10,015,789
Cost of Sales	4	(2,115,643)	(7,612,630)
		-----	-----
Gross Profit		846,613	2,403,159
Selling and Administrative Costs	6	(992,553)	(1,563,648)
		-----	-----
		(145,940)	839,511
Other Operating Income	5	698,278	102,962
		-----	-----
Profit before Interest and Tax		552,338	942,473
Interest Expense		(54,271)	(524,642)
		-----	-----
Profit before Taxation		498,067	417,831
Tax Charge	9(iii)	(704,310)	(109,030)
		-----	-----
Profit/(Loss) after Tax Transferred to Income Surplus Account		(206,243)	308,801
Other Comprehensive Income			
Net Gains in fair value of unquoted Equity investments	8	336,362	2,209
		-----	-----
Total Comprehensive Income for the year		130,119	311,010
		=====	=====
Basic and Diluted Earnings per Share in Ghana Pesewas	22	0.60	1.41

SAM-WOODE LIMITED
STATEMENT OF FINANCIAL POSITION²
AS AT 31ST DECEMBER 2014

	NOTES	GH¢	2014 GH¢	2013 GH¢
Property, Plant & Equip't	10		470,241	304,287
Unquoted Equity Investments	8		-	182,619
Text Book Development Cost	18		164,800	95,191
			<u>635,041</u>	<u>582,097</u>
CURRENT ASSETS				
Inventories	16	882,437		566,086
Trade & Other Receivables	13	589,522		549,005
Taxation	9(i)	-		551,151
Short Term Investments		1,417,006		3,088,974
Cash & Bank Balances		75,229		97,243
			<u>2,964,194</u>	<u>4,852,459</u>
CURRENT LIABILITIES				
Bank Overdraft	15	323		484,493
Dividend Payable	17	-		-
Trade & Other Payables	12	2,916,684		4,315,183
Taxation	9(i)	171,223		-
			<u>3,088,300</u>	<u>4,799,676</u>
Net Current Assets			<u>(124,036)</u>	<u>52,783</u>
Net Assets before Non-Current Liabilities			<u>511,005</u>	<u>634,880</u>
NON-CURRENT LIABILITIES				
Research Fund	11		(88,109)	(78,109)
			<u>422,896</u>	<u>556,771</u>
FINANCED BY:				
Stated Capital	19		220,990	220,990
Capital Surplus	20		-	172,619
Income Surplus	21		201,906	163,162
			<u>422,896</u>	<u>556,771</u>
SHAREHOLDERS' FUND			<u>422,896</u>	<u>556,771</u>

SAM Woode

.....)
Requahyout)
 ACCRA,)

Directors

27-03
, 2015

SAM-WOODE LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2014**

	2014	2013
	GH¢	GH¢
Profit/(Loss) (Before Interest and Taxes)	(105,123)	844,192
Add/(Less)		
Depreciation	68,728	69,668
Book Development Cost Amortised	54,933	531,731
Profit on disposal	(23,500)	-
Interest Received	657,464	98,280
Dividend Paid	(81,375)	(256,580)
Interest Paid	(54,271)	(524,642)
Tax Paid	(41,295)	(642,308)
	-----	-----
Net Cash Inflow from Trading Activities Before Changes in Working Capital:	475,561	114,341
 Working Capital Changes		
(Increase) /Decrease in Inventories	(316,351)	(108,157)
Decrease/(Increase) in Receivables	(45,017)	83,212
(Decrease)/ in Trade & Other Payables	(1,398,500)	2,552,36
	-----	-----
Net Cash Inflow from Operating Activities	(1,279,807)	2,641,432
Investing Activities:		
Purchase of Fixed Assets	(234,682)	(175,933)
Text Book Development Costs	(124,542)	(592,984)
Proceeds from the sale of Fixed asset	23,500	-
Proceeds from the sale of Investment	405,720	-
	-----	-----
Net Cash Outflow From Investing Activities	69,996	(768,917)
	-----	-----
Financing:		
Short Term Loan Received	-	2,289,589
Short Term Loan Re-paid	-	(2,589,589)
	-----	-----
Net Cash Inflow From Financing	-	(300,000)
	-----	-----
Net (Decrease) / Increase in Cash and Cash Equivalents	(1,209,811)	1,572,515
Cash and Cash Equivalents at 1 st January	2,701,723	1,129,209
	-----	-----
Cash and Cash Equivalents at 31st December	1,491,912	2,701,724
	=====	=====
 Analysis of Cash and Cash Equivalent as shown in the Balance Sheet		
Cash & Bank Balance	75,229	97,243
Bank Overdraft	(323)	(484,493)
Short Term Investments	1,417,006	3,088,974
	-----	-----
	1,491,912	2,701,724
	=====	=====

SAM-WOODE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2014**

	Stated Capital GH¢	Capital Surplus GH¢	Income Surplus GH¢	Total GH ¢
Balance At 1 st January, 2013	220,990	170,410	35,329	426,729
Unrealised appreciation in the Value of unquoted ordinary shares	-	2,209	-	2,209
Net (Loss) for the Year (2013)	-	-	308,801	308,801
Transfer to Research Fund	-	-	(50,000)	(50,000)
	-----	-----	-----	-----
Balance At 1 st January, 2013	220,990	172,619	163,162	557,771
Net Profit for the Year (2014)	-	-	130,119	130,119
Disinvestment of unquoted ordinary shares	-	(172,619)	-	(172,619)
Transfer to Research Fund	-	-	(10,000)	(10,000)
Transfer to Dividend	-	-	(81,375)	(81,375)
	-----	-----	-----	-----
Balance at 31st December 2014	220,990	-	201,906	422,896
	=====	=====	=====	=====

SAM-WOODE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

1. THE REPORTING ENTITY

Sam - Woode Limited is incorporated in Ghana under the Companies Code 1963 (Act 179), and is domiciled in Ghana. The company is an educational publisher, printer and seller of educational books and material.

The audited financial statements of the company were authorized for issue by the Board of Directors on 27th March 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 and Loose Tools	50%

SAM-WOODE LIMITED

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Gains or losses on disposals are determined by comparing proceeds with carrying amounts and are included in the Statement of Comprehensive 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 statement of comprehensive income 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 invoice value 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. 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 the transaction. Monetary Assets and Liabilities denominated in foreign currencies at the reporting date are translated into Ghana Cedis (GH¢) and recorded at the rates of exchange ruling at that date.

g. Trade and Other Payables

Trade and other payables are stated at amortised cost, and represent obligations to pay for goods or services purchased in the ordinary course of business.

SAM-WOODE LIMITED

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 reporting 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 Employee Benefits

The cost of all 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 the employees' services provided to the reporting date.

The Company contributes 13.0% of qualifying employee costs to a National Pensions Scheme and the contribution is charged to the Profit and Loss Account as part of total Employee Benefit. The National Pension Scheme is a creation of law and managed by the Government of Ghana through the appropriate public and private sector entities.

k. Revenue Recognition

Revenue is recognised in the statement of comprehensive income 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.

SAM-WOODE LIMITED

m. Critical Accounting Estimates and Judgements

Estimates and judgement are continually made and evaluated and are based on historical experience and other factors, including expectations 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 provisions in the period in which such determination is made.

Unquoted Equity Investments

The unquoted equity investments have been valued using the fair value basis instead of cost. This valuation is based on the audited net assets position of the investee company as at 31st December 2014, which is more than a full year out of date and hence may not represent a realistic basis for such a purpose.

Going Concern

The audited financial statements of the company have been presented on the going concern presumption that the company will continue in operations into the foreseeable future.

The management of the company are not aware of any material uncertainties that have the potential to invalidate the presumption of a going concern.

n. New and amended standards

IFRS 13 – Fair Value Measurement (Effective 1st January 2013)

The amended IFRS 13 aims to clarify and improve upon the precision and consistency associated with the definition of fair value measurement and disclosure requirements for use in all IFRSs. The clarity, precision and consistency are embodied in the new definition of fair value to mean “...the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date...” Practical issues to be considered in the determination of such a price may include the matter of highest and best use, physical possibility, financial feasibility and legal permissiveness.

Although the new standard is effective for periods commencing from 1st January 2013, the directors of the company have been inclined towards early adoption in the measurement of the fair value of Unquoted Equity Investments – see note 8.

SAM-WOODE LIMITED

	2014	2013
	GH¢	GH¢
3. TURNOVER		
Foreign Copy - Right Sales	136,033	22,934
Back List Sales	1,171,400	559,312
Front List Sales	1,654,823	9,433,543
	<u>2,962,256</u>	<u>10,015,789</u>
4. COST OF SALES		
Raw Materials Purchased & Consumed	18,559	12,488
Direct Production Expenses	57,581	20,966
Direct Purchases of Finished Goods	2,208,118	6,450,830
	<u>2,284,258</u>	<u>6,484,284</u>
Stock of Finished Goods at 1 st January	566,086	457,929
Stock of Finished Goods at 31 st December	(882,437)	(566,086)
	<u>1,967,907</u>	<u>6,376,127</u>
Depreciation – Machine Tools	2,960	3,121
Handling Charges	53,201	162,966
Royalties	36,642	538,685
Text Book Development Costs.	54,933	531,731
	<u>2,115,643</u>	<u>7,612,630</u>
5. OTHER OPERATING INCOME		
Profit on Disposal of Fixed Asset	23,500	-
Sundry Income	17,314	4,682
Interest Income	657,464	98,280
	<u>698,278</u>	<u>102,962</u>
6. SELLING AND ADMINISTRATIVE COSTS		
Directors Remuneration	81,931	91,328
Audit Fees	25,000	20,250
Depreciation	65,768	66,547
Staff Costs (See Note 7)	219,266	256,449
Travelling and Transport	27,911	34,014
Donation	17,953	13,740
Repairs and Maintenance	78,823	53,419
Rent and Rate	34,920	19,995
Vehicle Running	56,938	74,600
Registration and Licensing	2,449	8,174
Overseas Travelling and Book Fair	58,073	81,099
Selling and Distribution Expenses	37,971	473,796
Other General and Administrative Expense	285,550	370,236
	<u>992,553</u>	<u>1,563,647</u>

SAM-WOODE LIMITED

	2014	2013
	GH¢	GH¢
7. STAFF COSTS		
Staff Remuneration	188,702	213,765
Staff Social Security	17,934	19,785
Staff Training	2,257	13,720
Staff Severance Award	3,736	2,322
Staff Medicals	6,637	6,857
	-----	-----
	219,266	256,449
	=====	=====

8. UNQUOTED EQUITY INVESTMENTS

Unquoted Equity Investments represent the **fair value** of 1,380,000 ordinary shares of no par value in Afram Publications Limited which constitute 20% of the total outstanding ordinary shares of that Company. During the year under review, the company disposed off these shares for GH¢414,000. Total cost incurred in the disinvestment process was GH¢8,280. The net gain on the disinvestment was GH¢395,720, and related Capital Gain tax at 15% was GH¢59,358.

The above fair value assessment impacts the financial statements of the company as follows:

	2014	2013
	GH¢	GH¢
At Cost	10,000	10,000
Unrealised appreciation at reporting date	172,619	172,619
Transfer to Disposal of Investment	(182,619)	-
	-----	-----
At fair value (See note 20)	-	182,619
	=====	=====
Proceeds from sale of Shares	414,000	-
Transfer to Disposal of Investment	(182,619)	-
Transfer from Capital Surplus	172,619	-

Original Cost of Shares	(10,000)	-
Cost of Disinvestment	(8,280)	-
	-----	-----
Gain on Disinvestment	395,720	-
Capital Gain Tax @ 15%	(59,358)	-
	-----	-----
Net Gain on Disinvestment	336,362	-
	=====	=====

SAM-WOODE LIMITED

9. TAXATION

i) 2014

	Balance at 1/1/2014 GH¢	Charge to P/L (other taxes) GH¢	Payments during the year GH¢	Tax Credits GH¢	Balance at 31/12/14 GH¢
(a) Corporate Tax					
Up to 2011	(16,143)	-	-	52,913	36,770
2012	700	-	-	(72,963)	(72,263)
2013	(539,277)	-	-	287,892	(251,385)
	<u>(554,720)</u>	-	-	<u>267,842</u>	<u>(286,878)</u>
2014	-	118,865	(7,000)	-	111,865
NRL	3,264	-	-	(3,264)	-
IFRS – Adj.	306	-	-	(306)	-
	<u>(551,150)</u>	<u>118,865</u>	<u>(7,000)</u>	<u>264,272</u>	<u>(175,013)</u>
(b) Other Taxes					
Up to 2011	-	92,488	(10,999)	-	81,489
2012	-	87,250	(15,601)	-	71,649
2013	-	141,435	(7,695)	-	133,740
	-	<u>321,173</u>	<u>(34,295)</u>	-	<u>286,878</u>
(c) Capital Gain Tax					
2014	-	59,358	-	-	59,358
	-	<u>59,358</u>	-	-	<u>59,358</u>
Total/Net Position (551,150)	<u><u>(551,150)</u></u>	<u><u>499,396</u></u>	<u><u>(41,295)</u></u>	<u><u>264,272</u></u>	<u><u>171,223</u></u>

SAM-WOODE LIMITED

ii) 2013

	Balance at 1/1/2013 GH¢	Charge to P/L (other taxes) GH¢	Payments during the year GH¢	Tax Credits GH¢	Balance at 31/12/13 GH¢
Corporate Tax					
Up to 2011	(16,143)	-	-	52,913	36,770
2012	700	-	-	(72,963)	(72,263)
2013	-	109,030	(648,308)	-	(539,278)
	<u>(15,443)</u>	<u>109,030</u>	<u>(648,308)</u>	<u>-</u>	<u>(554,721)</u>
NRL	3,264	-	-	-	3,264
IFRS – Adj.	306	-	-	-	306
	<u>(12,573)</u>	<u>109,030</u>	<u>(648,308)</u>	<u>-</u>	<u>(551,151)</u>

iii) Reconciliation of Effective Tax Rate

	2014 GH¢	2013 GH¢
Profit before tax	498,068	417,831
Income tax thereon @ 25%	124,517	104,458
Tax effect on Non-deductible expenses	11,745	18,351
Tax effect on allowance utilised	(17,397)	(13,779)
Tax effect of assessable loss	-	-
Corporate tax charge in P/L	118,865	109,030
Effective tax rate	23.87 %	26.09%

(e) Reconciliation with the Ghana Revenue Authority

Corporate Tax is charged at 25% (2013:25%) of chargeable Income. All tax liabilities and credits up to the YOA 2013 have been agreed with the Ghana Revenue Authority (GRA) through a final Tax Audit report dated 11th November 2014.

The said Tax Audit enabled an accurate reconciliation between the GRA and the company to the following effect:

Tax as above	118,865	109,030
Net Reconciling Factor – Corporate Tax	267,842	-
Net Reconciling Factor – Other Taxes	317,603	-
	<u>704,310</u>	<u>109,030</u>

SAM-WOODE LIMITED

10. PROPERTY, PLANT & EQUIPMENT

	Freehold Land GH¢	Plant & Mach. GH¢	Furn. & Equip't GH¢	Literary Property Copy't GH¢	Library Books GH¢	Motor Vehicle GH¢	Loose Tools GH¢	Total GH¢
Cost								
At /01/01/14	189,698	31,205	183,233	21,382	3,538	223,916	23,796	676,768
Additions	110,751	22,000	47,303	-	-	52,439	2,189	234,682
Disposal	-	-	(8,000)	-	-	(54,582)	-	(62,582)
At 31/12/14	300,449	53,205	222,536	21,382	3,538	221,773	25,985	848,868
Depreciation								
At 1/1/14	-	26,966	140,749	21,382	3,537	156,252	23,595	372,481
Charges	-	1,865	14,484	-	-	51,284	1,095	68,728
Disposal	-	-	(8,000)	-	-	(54,582)	-	(62,582)
At 31/12/14	-	28,831	147,233	21,382	3,537	152,954	24,690	378,627
Net Book Value								
At 31/12/14	300,449	24,374	75,303	-	1	68,819	1,295	470,241
At 31/12/13	189,698	4,239	42,484	-	1	67,664	200	304,287

Depreciation has been apportioned in the financial statements as follows:

	2014 GH¢	2013 GH¢
Cost of Sales	2,960	3,121
Selling, Administrative and General Expenses	65,768	66,547
	68,728	68,668

11. RESEARCH FUND

At January 1 st	78,109	28,109
Transferred from Income Surplus	10,000	50,000
At December 31st	88,109	78,109

The Company has a policy of making appropriations from Retained Earnings to support its research agenda. The amount of transfer this year was GH¢10,000 (2013: GH¢50,000)

SAM-WOODE LIMITED

	2014	2013
	GH¢	GH¢
12. TRADE & OTHER PAYABLES		
Clients' Deposit	7,339	7,339
Directors' Current Account	-	91,159
Accruals	99,253	106,197
Sundry Creditors	41,183	220,771
Royalty Payable (Note 14)	34,605	99,611
Trade Creditors	2,734,303	3,790,106
	-----	-----
	2,916,683	4,315,183
	=====	=====
 13. TRADE AND OTHER RECEIVABLE		
Academy press Limited	85	85
SWL Nigeria incorporation	1,176	1,176
Sundry Debtors	157,680	32,510
Staff Debtors	1,716	3,715
Royalty Advances	6,512	6,300
Prepayment	47,237	35,921
West Africa Book Publishers	79,053	76,790
Trade Debtors	296,063	392,508
	-----	-----
	589,522	549,005
	=====	=====
 14. ROYALTIES PAYABLE		
Balance at 1 st January	99,611	217,803
Accrued to Cost of Sales	15,541	538,685
	-----	-----
Payments in the year	115,152	756,488
	(80,547)	(656,876)
	-----	-----
Balance at 31 st December	34,605	99,611
	=====	=====

The payment of Royalty is subject to a withholding tax of 10% at the point of payment

15. BANK FACILITY

The Company has obtained an overdrafts of GH¢500,000 from its bankers.

These structured facilities have been secured variously by the assignment of sales proceeds, receivables and stocks. The facilities are also secured by a legal mortgage over two residential property located in the city of Accra.

At the reporting date, the company has discharged its loan obligations to the bank and the apparent balance on the overdraft was GH¢323 (2013: GH¢484,493).

SAM-WOODE LIMITED

19. STATED CAPITAL

	2014		2013	
	No. of Shares	Proceeds GH¢	No. of Shares	Proceeds GH¢
Authorised:	'000'		'000'	
Ordinary Shares of no par value	1,000,000	-	100,000	-
Preference Shares	500,000	-	50,000	-
	-----	----	-----	----
	1,500,000	-	150,000	-
	=====	====	=====	====

Issued:

Ordinary Shares issued:

For Cash Consideration	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. Further details on the shareholding structure are provided per **note 26**.

20. CAPITAL SURPLUS

	2014 GH¢	2013 GH¢
Balance at Beginning	172,619	170,410
Unrealised appreciation in the value of unquoted ordinary shares (Note 7)	-	2,209
Transfer to Investment Disposal Account	(172,619)	-
	-----	-----
	-	172,619
	=====	=====

21. INCOME SURPLUS

Balance at 1 st January	163,162	35,329
Profit After Tax Transferred from Profit and Loss Account	130,119	308,801
Transfer to Research Fund	(10,000)	(50,000)
Transfer to Dividend	(81,375)	(130,968)
	-----	-----
Balance at 31st December	201,906	163,162
	=====	=====

22. EARNINGS PER SHARE

Basic Earnings per Share (EPS) is calculated by dividing the profit after tax for the year attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the year.

SAM-WOODE LIMITED

22. EARNINGS PER SHARE (CONT'D)

	2014 GH¢	2013 GH¢
Profit attributable to ordinary shareholders	130,119 =====	308,801 =====
Weighted Average number of ordinary shares	21,828,035 =====	21,828,035 =====
Basic Earnings per Share (in Ghana Pesewas)	0.60 GP	1.41 GP

(Note: The company had no category of dilutive potential ordinary shares at both reporting dates. The diluted earnings per share is therefore the same as the basic earnings per share.)

23. CAPITAL COMMITMENTS

There were no capital commitments not provided for in the Financial Statement at the Reporting date and at 31/12/2013.

24. COMPARATIVE INFORMATION

For comparative purposes, the impact of new and amended standards on accounting balances brought forward from the previous year has been reflected as far as possible by restating, re-aligning, re-arranging or reclassifying those balances wherever necessary.

25. SEGMENTAL REPORTING

The operating activities of the company are managed as one business unit with no distinctive operating segments. Consequently, no information is available or presented on segmental reporting

26. SHAREHOLDING STRUCTURE

(i) Directors Shareholding:

The Directors named below held the following number of shares in the Company as at 31st December 2014.

	# of Shares	% Holding
1.Gladys Afarchoe Odoi (Ms)	24,000	0.11%
2. Ackerson George Lord Kofi	24,390	0.11%
3.Kweku Sam – Woode	224,000	1.03%
4.Nana Abaahoma Woode (Ms)	1,047,326	4.80%
5.Kwesi Sam – Woode	5,400,000	24.74%
	-----	-----
	6,719,716	30.67%
	=====	=====

SAM-WOODE LIMITED

(ii) Number of Shares Outstanding

Earnings and dividend per share are based on 21,828,035 (2013; 21,828,035) ordinary shares outstanding.

(iii) Number of Shareholders

The Company had 677 ordinary shareholders as at 31st December 2013 distributed as follows:-

Category of Holdings	No. of Shareholders	Total Holding	% Holding
Less than 1,000	454	218,382	1.00
1,000 to 5,000	110	305,679	1.40
5,001 to 10,000	24	206,662	0.95
Over 10,000	78	21,097,312	96.65
	----	-----	-----
	666	21,828,035	100.00
	====	=====	=====

(iv) List of twenty largest shareholders as at 31st December 2014

	No. of Shares	% Holding
1. Sam – Woode Kwesi	5,400,000	24.74
2. Carson Naomi Hendrick	3,378,600	15.48
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	7.29
6. Woode Nana Abaahoma	1,047,326	4.80
7. Woode Pamela Aba	1,010,126	4.63
8. Acheampong Yaw Gyamfi	425,324	1.95
9. Oguaah Richard K.	299,920	1.37
10. Woode Ekua Esaawa	253,024	1.16
11. Sam – Woode Kweku Esaah	224,000	1.03
12. Abban Elizabeth	169,620	0.78
13. Abosi-Apeadu Peter Kwame	163,600	0.75
14. Okine Robert Garshong A.	100,000	0.46
15. Esuman – Gwira Wilhelmina (Mrs)	100,000	0.46
16. Obiri Francis Sampson	94,000	0.43
17. Ofori Daniel	64,612	0.30
18. NTHC Clients A/C	63,965	0.29
19. Appiah Samuel	62,546	0.29
20. Sam-Woode Nana Kodwo Anaku	58,326	0.27
	-----	-----
	19,780,201	90.62
Others	2,047,834	9.38
	-----	-----
	21,828,035	100
	=====	=====

SAM-WOODE LIMITED

PROXY AUTHORISATION

I/We

_____ of _____

being a member (s) of Sam-Woode Limited hereby appoint

_____ of _____ or failing

him/her the Chairman of the meeting to be my/our proxy to vote on my/our behalf at the Annual General meeting of the Company to be held on the 11th day of June 2015 and at any adjournment thereof.

Signed the _____ day of _____ 2015

Signature of Shareholder(s) _____