



## **SAM – WOODE LIMITED**

**ANNUAL REPORTS AND FINANCIAL STATEMENTS**

**31<sup>ST</sup> DECEMBER 2018**

**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 fifteenth Annual General Meeting of **SAM-WOODE LIMITED** will be held at the GNAT Hall, Accra, on Thursday, **10<sup>th</sup> October 2019 at 10.00 a.m.** to transact the following business:

**Agenda**

1. To receive the report of the Directors and the Financial Statements of the company for the year ended 31<sup>st</sup> December 2018 together with the report of the Auditors thereon.
2. To approve Directors' Fees.
3. To authorize the Directors to fix the remuneration of the Auditors.

Dated this 5<sup>th</sup> day of July 2019

**BY ORDER OF THE BOARD**

Emmanuel Akyerefi Nyarko  
**Ag. COMPANY SECRETARY**

NOTE: A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her. A proxy needs 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)  
Gladys Afarchoe Odoi  
Collins Sam Acquah  
Nana Kwesi Ofori  
Pamela Aba Woode  
Kojo Essamuah Sam-Woode

**Secretary**

Emmanuel Akyerefi Nyarko  
P.O Box MD 31  
Madina – Accra  
H/No. M389/6

**Registered Office:**

Plot No. 124, Teachers Quarters  
Nyanyano, Kasoa  
Central Region

**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:**

GCB Bank Limited  
Ecobank Ghana Ltd  
Agricultural Development Bank Ltd  
FBN Bank



**SAM –WOODE LIMITED**  
**CHAIRMAN’S STATEMENT**

**INTRODUCTION**

Fellow Shareholders and Stake-holders of Sam-Woode Ltd (SWL), Regulators of listed Companies, Distinguished Invited Guests, Ladies and Gentlemen! On behalf of the Directors and Management of SWL I am happy to welcome you to the SIXTEENTH (16th) Annual General Meeting of Sam-Woode Ltd.

I now proceed to present to you The Chairman’s Statement in the Annual Report issued for the year ended 31<sup>st</sup> December 2018.

**BUSINESS ENVIRONMENT IN THE YEAR 2018**

The business environment in Ghana during the year 2018 was extremely challenging for Sam-Woode Ltd. The Company had encountered several delays from the stock-brokers who had been engaged to raise working Capital from existing Shareholders, through a RIGHTS issue to enable SWL to execute its Digital Transformation Project. After bringing the matter to the attention of the Ghana stock Exchange, followed by a Special Emergency Shareholders Meeting held on the 4<sup>th</sup> May 2017, the production of the prospectus, which was expected to be completed in less than a year but had entered its third year without any progress was terminated. At the Special Emergency Shareholders Meeting, the Shareholders approved a new resolution to raise Three Million Ghana Cedis (GH¢3,000,000.00) working Capital through the issuance of a Corporate Bond to finance the Company’s Digital Transformation Projects. The Company incurred expenses for the uncompleted work in the RIGHTS issue processes and engaged a new Stock Broker, Reporting Accountants etc. to commence a new process for raising a working Capital of Three Million Ghana Cedis for SWL to finance its Digital Transformation Projects – in the latter part of the year 2018.

Meanwhile the Ministry of Education had hinted that New Syllabuses for Schools were to be announced soon which would be expected to use ICT for teaching and learning. Management of SWL was therefore faced with the urgent Task to pursue the Company’s Digital Transformation Programme as soon as possible and by all available means so as to continue to play a good part in the development and production of Main textbooks and other Teaching and Learning Materials for Ghanaian Schools. Those were very difficult times for SWL indeed. We had to execute our Digital Transformation projects with insufficient working Capital.

**THE COMPANY’S OPERATIONS DURING THE YEAR 2018**

The Challenges described above affected many aspect of the Company’s work in the year 2018.

• **Editorial Development of New Books (Titles)**

Very few New Titles were developed by the Company in the year 2018. Also old Titles which were due for Revision and publications as Revised Editions could not be effected.

• **Reprints of Out-of-Stock Books**

Only Ten out of the 30 new titles that had been developed during the previous year (2017) could be printed for the Book season in 2018.

## SAM –WOODE LIMITED

### MARKETING

- **Marketing – (Sales Promotion, Selling and Fulfillment of Orders)**

The operating results slated below show how very poorly the Company performed in the selling of the Company's existing Products and Services during the year 2018. Many Schools thought New Books were about to replace the old Titles.

- **SWL's Digital Transformation Projects**

Acknowledging the fact that putting the Company's Digital Transformation on hold and wait for sufficient working Capital was not an option that the Company should consider. The Directors and Management of SWL decided to keep the Company focused on executing SWL's Digital Transformation Programme. Therefore the Digital Transformation Projects continued steadily during the year 2018.

### SWL'S NEW HEAD OFFICE BUILDING

During the year SWL's Head Office was moved from Dansoman and relocated to Nyanyano near KASOA in the Central Region. The Building was completely financed during the years 2014 to 2017 from SWL's own internally generated funds.

### SWL PRESS

An aspect of SWL's Digital Transformation Project was to set up a PRINT-ON-DEMAND FACILITY which would enable the Company to digitally print a few copies of all its new Books as they are developed, telemarket them to solicit initial orders and produce the new books on a print-on-demand facility. By the end of the year 2018 almost all the digital printing equipment and all the book-binding equipment required for this project had been procured and assembled at SWL's new Factory Building at Nyanyano – KASOA.

### REVIEW OF THE COMPANY'S OPERATIONS IN THE YEAR 2018

#### OPERATING RESULTS

Turnover for the year ended 31st December, 2018 was GH¢ 1,052,688 compared to the previous year's figure of GH¢ 1,993,696. Against a loss before tax of **GH¢350,694** reported in 2017, your company regrettably made a further loss before tax of **GH¢1,408,633** in 2018. This is far from what was expected even in the mist of the challenges that confronted the industry. We are working hard to surmount these challenges. The key dimensions are summarised below.

	<b>2018</b>	<b>2017</b>
	<b>GH¢</b>	<b>GH¢</b>
Loss from Operations	(826,857)	(136,555)
Other Operating Income	-	12,810
	-----	-----
<b>Loss before Interest and Tax</b>	<b>(826,857)</b>	<b>(123,745)</b>
Interest expense	(581,776)	(226,949)
	-----	-----
<b>Loss before Taxation</b>	<b>(1,408,633)</b>	<b>(350,694)</b>
	=====	=====



## SAM –WOODE LIMITED

### DIVIDENDS

The Directors do not recommend the payment of Dividends for 2018.

### DIRECTORS

Following the resignation of the Managing Director Mr Kenneth Kofi Asamoah in June 2017, Mr Emmanuel Armah a Director of the Company acted as Managing Director from 1<sup>st</sup> July 2017 until January 2018. Thereafter Mr Kojo Essamuah Sam-Woode, also a Director was appointed by the Board to serve as Acting Managing Director from 1<sup>st</sup> March to 31<sup>st</sup> December, 2018. The Board later requested him to serve as the substantive Managing Director from 1<sup>st</sup> January 2019.

### FUTURE OUTLOOK

In spite of the difficult times, the future of Sam-Woode Ltd is still promising. The various projects under SWL's Digital Transformation Programme to be supported by a new Sales team trained to combine Telemarketing Projects with modernized forms of Book-selling practices will make SWL become very profitable again and play an important role in the Book Publishing Industry in Ghana.

### APPRECIATION

On behalf of the Board of Directors, Management and Staff of Sam-Woode Ltd, I hereby register my sincere appreciation and gratitude to SWL's Shareholders for their continued support and encouragement. We hope that when we launch a revised RIGHTS issue to raise additional Equity Capital to expand our revitalized Publishing Programmes you will pick up your allocated shares and buy more.

My personal thanks go to the Directors for their contribution and various personal sacrifices made to see SWL through those difficult times. To the Management and Staff of SWL who continue to work hard for the Company I say **Ayekoo** and a big thank you. I thank all of you present here today for our Annual General Meeting.

God Bless you all.

**Kwesi Sam-Woode**  
(Chairman)

**SAM –WOODE LIMITED**  
**MANAGING DIRECTOR’S REPORT**

Mr. Chairman, distinguished shareholders, ladies and gentlemen, it is a great honour and privilege to welcome you to the 16<sup>th</sup> Annual General Meeting after the Listing of Sam-Woode Limited on the Ghana Stock Exchange (GSE).

This being my first AGM since taking over as the Managing Director of Sam-Woode Ltd, I will use to this report to outline the challenges and remedial measures put in place to ensure the survival and ultimate success of the company. The first challenge confronted is the shortage of working capital which has consequently reduced our options for print-buying and increased our cost of sales.

Another challenge encountered was the uncertainty over the announcement of the New Syllabus by Government. This uncertainty led to a reduction in the demand for textbooks and consequently affected Sales. The New Syllabus was subsequently announced and your company is developing New Titles for all subject areas.

The drive to bring the company back to profitability has led to the following measures:

1. The creation of a new income line via the company’s digital transformation project.  
This project has led to the completion of our Digital Publishing Platform called *SWL Learn* which is available on Google Play Store and has already obtained its first paying subscribers.
2. Development of new textbooks conforming to the new syllabus for the *SWL Learn* platform, the open textbook market and government orders.
3. Restructuring of the Company’s Operation around three (3) Profit Centres.
  - a. Digital Publishing on the *SWL Learn* Platform: This will include both Sam-Woode Ltd Books and books by external authors.
  - b. Sam-Woode Ltd Printing Press – **SWL Press** which will provide services for Sam-Woode Ltd and also take part in commercial printing.
  - c. Open-Market and Government/NGO contracts
4. The Issue of a GHS 3,000,000.00 Bond on the Ghana Stock Exchange to refinance the company

The restructuring of the company’s operations and the addition of new income lines will enable the company to have strategic options which will enable the company to concentrate its financial resources on its most profitable operations. The presence of all our books on the *SWL Learn* App has enabled our content to reach all countries. With diligent efforts and God’s blessings we will transform our company into the publishing company we desire. Thank you.

**Kojo Essamuah Sam-Woode**  
**(Managing Director)**



## **SAM –WOODE LIMITED**

### **THE AUDIT SUB-COMMITTEE'S REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> DECEMBER, 2018 TO SHAREHOLDERS OF SAM-WOODE LIMITED**

This is the report of the Board Sub-Committee on Audit for the period 1<sup>st</sup> January to 31<sup>st</sup> December 2018.

The Board's ultimate responsibility for maintaining a robust system of internal control is executed through the Audit Sub-Committee. We discharge this responsibility through a number of ways including discussions with management, external auditors, regulatory authorities, and any other person or group of persons with oversight input into our operations. During the period under review, the Committee held several meetings at which far reaching discussions were held to evaluate your Company's financial performance and other key operational and strategic recommendations were made to the full Board.

#### **BUDGET AND BUSINESS PLAN FOR 2018**

The Committee reviewed management assumptions and proposals for Strategic Plan and the 2018 financial budget and made appropriate recommendations for the Board's consideration and approval.

#### **MANAGEMENT ACCOUNTS**

The Sub-Committee in 2018 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.

#### **APPOINTMENT OF MANAGING DIRECTOR**

Mr. Emmanuel Armah, a Director representing Cocoa, Coffee and Sheanut Farmers Association on the Board was appointed to act as Managing Director from 1<sup>st</sup> August, 2017 to 28<sup>th</sup> February, 2018. The sub-Committee recommended Mr. Kojo Essamuah Sam-Woode a Director of the company to act as managing director. The Board subsequently accepted the recommendation and he was appointed dully. His appointment was subsequently confirmed by the Board effective 1<sup>st</sup> January, 2019.

#### **CANCELLATION OF RENOUNCEABLE RIGHTS ISSUE OF SHARES**

The Sub-Committee once reviewed the progress of the rights issue of shares exercise which began in 2015. The committee observed that there had been unduly delay which affected the liquidity situation of the company. In view of that, the sub-committee recommended to the Board to cancel the exercise and consider opting for corporate bond to raise fund for the company.

#### **ISSUACE OF CORPORATE BOND**

The committee met to review management proposal to select and appoint UMB Stock Brokers as Brokers to raise GH¢3,000,000 from the Investing Public through issuance of corporate bond from the Ghana Stock Exchange. The appointment of UHy Voscon Chartered Accountants and Liberty Law Consult as Reporting Accountants and Legal Advisors respectively were also reviewed by the Sub-Committee.

## **SAM – WOODS LIMITED**

### **THE AUDIT SUB-COMMITTEE'S REPORT CONTINUED**

#### **REVIEW OF LOANS**

During the period under review the Company undertook various short term loans to augment its working capital. The Sub-Committee reviewed all the loans and their conditions and made recommendations to the Board for consideration.

#### **DUE DILIGENCE REPORT**

The Sub-Committee conducted due diligence on the purchase of Digital Printing Equipment and made recommendations to the Board for consideration.

#### **CONCLUSION**

On behalf of members of the Committee and on my own behalf, I would like to thank the Board and Management for their support and cooperation during our deliberations and solicit their continued support.

**Collins Sam-Acquah**  
**(Non-Executive Director)**  
**Chairman**

**July 5, 2019**

**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, 2018.

**STATEMENT OF DIRECTORS' RESPONSIBILITY**

Under the Companies Act 1963 (Act 179), we are responsible 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 International Financial Reporting Standards (IFRS) and the Companies Act. 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.

**NATURE OF BUSINESS**

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 16 to 33 and summarized below:

	<b>2018</b>	<b>2017</b>
	<b>GH¢</b>	<b>GH¢</b>
Loss before tax for the year	(1,408,633)	(350,694)
From which is deducted a tax charge of	(62,494)	(310,409)
	-----	-----
Resulting in a Loss after tax of	(1,471,127)	(661,103)
To which must be added the balance brought forward on the Income Surplus Account at the beginning of the year of	536,381	1,197,484
	-----	-----
Leaving a balance of	(934,746)	536,381
From which the following transfers were made:		
• Transfer to Dividend Payable Account	-	-
	-----	-----
Leaving a balance on the Income Surplus Account To be Carried Forward of	<u>(934,746)</u>	<u>536,381</u>

Your directors do not recommend the payment of any dividend for 2018 (2017: Nil).

**DIRECTORS**

Mr Kojo Essamuah Sam-Woode was appointed as the Act Managing Director of the company effective 1<sup>st</sup> March 2018.



**SAM –WOODE LIMITED**  
**REPORT OF THE DIRECTORS CONT'D**

**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 Production Committees.

**Audit Committee**

Mr. Collins Sam-Acquah (Chairman Non - Executive Director)  
Mr. Emmanuel Armah (Director)  
Mr. Kojo Essamuah Sam-Woode (Acting Managing Director)  
Mr. Emmanuel Akyerefi Nyarko (Finance and Administration Manager)

The Audit Committee is made up of four members. The Committee meets to review the financial performance of the Company; external audit reports, reports of Regulatory 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 standards. 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 (Chairperson Non – Executive Director))  
Ms. Pamela Aba Woode (Vice Chairperson Non – Executive Director))  
Mr. Michael Ayensu Mensah (Publishing Manager)  
Mr. Kojo Essamuah Sam-Woode (Acting Managing Director)

The Publishing Committee is made up of four 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 publishing 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.
- Receive, study and approve proposals for New Publishing Project and Book Marketing before they are funded and implemented.

**GOING CONCERN CONSIDERATIONS**

The attached financial statements have been presented on the basis of accounting policies and conventions applicable to a going concern entity. As directors, we have made the necessary assessment and evaluation of the future capital and other financial requirements of the company and nothing has come to our attention through that evaluative exercise that leads us to conclude that the company is not a going concern.

**SAM –WOODE LIMITED**

**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 Act, 1963 (Act 179), we recommend their continued appointment.

**MANAGEMENT REPRESENTATION**

We certify that the Statement of Comprehensive Income and the Statement of Financial Position referred to in the report of the Auditors together with the notes thereon identified on pages 21-34 of this report have been prepared from records, information and representations made by us, the Directors of Sam – Woode Limited.

So far as we are aware, there is no relevant audit information (ie information needed by the company's auditors in connection with their work and report) of which the company's auditors are unaware and each director has taken reasonable steps that ought to be taken by a director in order to make him/her self aware of any relevant audit information and to establish that the company's auditors are aware of that information.

We confirm that to the best of our knowledge and belief the Financial Statements contain all transactions and that they are complete and accurate in all material respects. We approve the Statement of Comprehensive Income for the year ended December 31, 2018 and the Statement of Financial Position at that date together with the notes thereon this **28<sup>th</sup>** day of **May 2019**.

  
.....)  
  
.....) **DIRECTORS**  
**ACCRA**

**July 5, 2019**





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

### Opinion

We have audited the financial statements of **Sam - Woode Limited** which comprise the statement of financial position at 31<sup>st</sup> December 2018, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, together with the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes as set out on pages 17 to 34.

*In our opinion, these financial statements present fairly in all material respects the financial position of Sam - Woode Limited at 31<sup>st</sup> December 2018, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 1963 (Act 179).*

Our report is made solely to the company's members, as a body, in accordance with section 133 of the Companies Act 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 above.

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the section of our report dealing with the Auditor's Responsibilities for the Audit of the Financial Statements. In form and substance, we are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

#### **1.0 Revenue recognition (GH¢1,052,688)**

Refer to Note 3 to the financial statements.

#### **The key audit matter**

Revenue is recognised when the risk and rewards of the underlying products have been transferred to the customer in the form of cash or receivables.

**REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBERS OF SAM - WOODE LIMITED (CONTINUED)**

*How the matter was addressed in our audit*

We evaluated sales invoices and credit notes issued at either side of the reporting date and assessed whether revenue was recognised in the correct period. We also developed an expectation of the current year revenue balance base on trend analysis, taking into account historical monthly sales and returns information. We then compared the expectation to actual results and ascertained reasons for variances. We also considered the adequacy of the Company's disclosures in respect of revenue.

**2.0 Property, Plant and Equipment (GH¢3,290,273)**

Refer to Note 9 to the financial statements.

**The key audit matter**

The Company has acquired various assets of significant values to aid its operations. Items of property, plant and equipment may be stated at historical cost or at revaluation less accumulated depreciation and impairment losses. Critical estimates have to be made by the company in determining depreciation rates or impairments of property, plant and equipment.

**How the matter was addressed in our audit**

We tested controls over property, plant and equipment. We also examined the fixed assets register and observed the existence of those assets by physical verification. We have also relied on the professional opinion of the valuers with credible credentials.

**Other Information**

Other information in this context comprises the information included in the Annual Report and the Directors' Report as required by the Companies Act, 1963 (Act 179). The other information does not include the financial statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Statements**

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 1963 (Act 179).

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Company's financial reporting process.



**REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBERS OF SAM - WOODE LIMITED (CONTINUED)**

**Responsibilities of the Auditors for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Assess the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions which are beyond the scope of this report may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be considered to bear on our independence, and where applicable, related safeguards.
- Determine, from the matters communicated with the Directors, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**REPORT OF THE INDEPENDENT AUDITORS  
TO THE MEMBERS OF SAM - WOODE LIMITED (CONTINUED)**

**Emphasis of Matter**

Without forming the basis of any qualification in our audit report, we draw attention to the following matters:

i) Provision for Taxation

The provisions made by the Company for corporate taxes are subject to the agreement of the Ghana Revenue Authority.

ii) Going Concern Considerations

The financial statements have been prepared on the basis of accounting policies applicable to a going concern under the presumption that the company will continue to operate into the foreseeable future. The basis of this assumption is more fully explained in Note 2m to the financial statements which also describes the nature of accounting adjustments required to be made to the attached financial statements if their preparation on the going concern basis is proven inappropriate.

The validity of the going concern presumption is contingent upon the continued financial support by the shareholders and directors of the company as well as the ability of the company to generate sufficient revenue from its operations to settle its future costs or expenses.

**Report on Other Legal and Regulatory Requirements**

(a) Under the Companies Act 1963 (Act 179) we are required, when carrying out our audit, to consider and report on certain specific matters. We accordingly report that:

- i) 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;
- ii) In our opinion proper books of account have been kept by the Company, as far as appears from our examination of those books; and
- iii) In all material respect, the Company's statement of financial position and statement of comprehensive income and cash flows are in agreement with the books of account.

The engagement partner on the audit resulting in this independent auditors' report is **Kwame Manu-Debrah (ICAG/P/1264)**.



(ICAG/F/069) Chartered Accountants  
BCB Legacy House  
#1 Nii Amugi Avenue  
East Adabraka, Accra  
P. O. Box CT 1552  
Cantonments -Accra  
Ghana.

July 6, 2019

Accra



**SAM-WOODE LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME<sup>1</sup>  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2018**

	NOTES	2018 GH¢	2017 GH¢
Turnover	3	1,052,688	1,993,696
Cost of Sales	4	(593,129)	(933,673)
<b>Gross Profit</b>		<b>459,558</b>	<b>1,060,023</b>
Selling and Administrative Costs	7	(1,286,415)	(1,196,578)
		(826,857)	(136,555)
Other Operating Income	5	-	12,810
<b>Loss before Interest and Tax</b>		<b>(826,857)</b>	<b>(123,745)</b>
Interest Expense		(581,776)	(226,949)
Loss before Taxation		(1,408,633)	(350,694)
Tax Charge	8(i)	(62,494)	(310,409)
Loss after Tax Transferred to Income Surplus Account		(1,471,127)	(661,103)
<b>Other Comprehensive Income</b>	21	-	<b>1,070,549</b>
<b>Total Comprehensive Income for the year</b>		<b>(1,471,127)</b>	<b>409,446</b>
Basic and Diluted Earnings per Share in Ghana Pesewas		<b>(0.0674)</b>	<b>(0.03)</b>

<sup>1</sup> Also referred to in the context of the Companies Act 1963 (Act 179) as Trading, Profit and Loss Account.



**SAM-WOODE LIMITED**  
**STATEMENT OF FINANCIAL POSITION<sup>2</sup>**  
**AS AT 31<sup>ST</sup> DECEMBER 2018**

	NOTES	2018 GH¢	2017 GH¢
Property, Plant & Equip't	9	3,290,274	3,588,748
Text Book Development Cost	17	372,676	382,108
		<u>3,662,950</u>	<u>3,970,856</u>
<b>CURRENT ASSETS</b>			
Inventories	15	183,551	91,103
Trade & Other Accounts Receivable	12	389,174	490,649
Taxation	8(ii)	18,000	18,000
Cash & Bank Balances		9,863	7,664
		<u>600,588</u>	<u>607,416</u>
<b>CURRENT LIABILITIES</b>			
Bank Overdraft		-	14,040
Short Term Loan	14	2,087,846	1,125,833
Dividend Payable	16	200,508	200,508
Trade & Other Accounts Payable	11	1,059,930	914,004
Deferred Tax	8(iv)	370,352	307,858
		<u>3,718,636</u>	<u>2,562,243</u>
<b>Net Current Assets</b>		<u>(3,118,048)</u>	<u>(1,954,827)</u>
<b>Net Assets before Non-Current Liabilities</b>		<b>544,902</b>	<b>2,016,029</b>
<b>NON-CURRENT LIABILITIES</b>			
Research Fund	10	(188,109)	(188,109)
		<u>356,793</u>	<u>1,827,920</u>
<b>FINANCED BY:</b>			
Stated Capital	19	220,990	220,990
Capital Surplus	21	1,070,549	1,070,549
Income Surplus	18	(934,746)	536,381
		<u>356,793</u>	<u>1,827,920</u>
<b>SHAREHOLDERS' FUND</b>			
		<u>356,793</u>	<u>1,827,920</u>

  
 ..... )  
  
 ..... ) **DIRECTORS**  
**ACCRA**

July 5, 2019

<sup>2</sup> Also referred to in the context of the Companies Act 1963 (Act 179) as Balance Sheet

**SAM-WOODE LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2018**

	2018	2017
	GH¢	GH¢
Loss (Before Interest and Taxes)	(806,857)	(124,626)
<b>Add/(Less)</b>		
Depreciation	343,203	232,612
Book Development Cost Amortised	124,225	127,369
Interest Received	-	882
Dividend Paid	-	-
Interest Paid	(601,776)	(226,949)
Tax Paid	-	(98,064)
	-----	-----
<b>Net Cash Inflow from Trading Activities Before Changes in Working Capital:</b>	<b>(941,205)</b>	<b>(88,776)</b>
<b>Working Capital Changes</b>		
(Increase) /Decrease in Inventories	(92,448)	(12,026)
Decrease/(Increase) in Receivables	101,474	32,950
(Decrease)/ in Trade & Other Payables	145,927	(979,734)
	-----	-----
<b>Net Cash Inflow from Operating Activities</b>	<b>(786,252)</b>	<b>(1,047,586)</b>
<b>Investing Activities:</b>		
Purchase of Fixed Assets	(44,729)	(30,132)
Text Book Development Costs	(114,793)	(65,842)
Proceeds from the sale of Fixed asset	-	-
	-----	-----
<b>Net Cash Outflow From Investing Activities</b>	<b>(159,522)</b>	<b>(95,974)</b>
<b>Financing:</b>		
Short Term Loan Received	1,226,914	1,273,833
Short Term Loan Re-paid	(264,901)	(148,000)
	-----	-----
<b>Net Cash Inflow from Financing</b>	<b>962,013</b>	<b>1,125,833</b>
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	<b>16,239</b>	<b>(17,727)</b>
Cash and Cash Equivalents at 1 <sup>st</sup> January	(6,376)	11,351
	-----	-----
<b>Cash and Cash Equivalents at 31<sup>st</sup> December</b>	<b>9,863</b>	<b>(6,376)</b>
	=====	=====
<b>Analysis of Cash and Cash Equivalent as shown in the Balance Sheet</b>		
Cash & Bank Balance	9,863	7,664
Bank Overdraft	-	(14,040)
	-----	-----
	<b>9,863</b>	<b>(6,376)</b>
	=====	=====

**SAM-WOODE LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2018**

	Stated Capital GH¢	Capital Surplus GH¢	Income Surplus GH¢	Total GH¢
Balance at 1 <sup>st</sup> January 2017	220,990	-	1,197,484	1,418,474
Net Profit for the Year (2017)	-	-	(661,103)	(661,103)
Revaluation Surplus	-	1,070,549	-	1,070,549
<b>Balance at 31<sup>st</sup> December 2017</b>	<u>220,990</u>	<u>1,070,549</u>	<u>536,381</u>	<u>1,827,920</u>
Net Loss for the Year (2018)	-	-	(1,471,127)	(1,471,127)
Revaluation Surplus	-	-	-	-
<b>Balance at 31<sup>st</sup> December 2018</b>	<u><u>220,990</u></u>	<u><u>1,070,549</u></u>	<u><u>(934,746)</u></u>	<u><u>356,793</u></u>



## SAM-WOODE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2018

#### 1. THE REPORTING ENTITY

Sam - Woode Limited is incorporated in Ghana under the Companies Act 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 **5<sup>th</sup> July 2019**.

#### 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:

Land and Building	5%
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 value of such economic related to 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 and reporting 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 Accounts Payable**

Trade and other accounts payable 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**

Tax expense comprises current and deferred tax.

#### Current Tax

The Company provides for income taxes at current rates on the taxable profits of the Company. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax 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.

#### Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit nor loss.

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

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences only to the extent that it is probable that future taxable profits will be available against which asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or where the tax assets and liabilities will be realised simultaneously.

### **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.

## SAM-WOODE LIMITED

### 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.

### 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.

#### Going Concern

The audited financial statements of the company have been presented on the basis of accounting policies applicable to a going concern under the presumption that the company will continue in operations into the foreseeable future.

Should the company be unable to continue in operations, adjustments would be required to restate assets at their break up values, make full provisions for any expenditure related to their disposal and reclassify long term liability as short term.



## SAM-WOODE LIMITED

The validity of the going concern presumption is contingent upon the continued financial support by the shareholders and directors of the company as well as the ability of the company to generate sufficient revenues from its operations to settle its future costs or expenses.

The management of the company are not aware of any material uncertainties either at the reporting date, or the date the financial statements were approved by the directors for publication that have the potential to invalidate the presumption of going concern.

	2018 GH¢	2017 GH¢
<b>3. TURNOVER</b>		
Foreign Copy - Right Sales	155,986	34,220
Back List Sales	797,800	872,223
Front List Sales	98,902	1,087,253
	1,052,688	1,993,696
	1,052,688	1,993,696
<b>4. COST OF SALES</b>		
Raw Materials Purchased & Consumed	-	-
Direct Production Expenses	25,143	467,103
Direct Purchases of Finished Goods	267,324	197,618
	292,467	664,721
Stock of Finished Goods at 1 <sup>st</sup> January	91,103	79,077
Stock of Finished Goods at 31 <sup>st</sup> December	(183,551)	(91,103)
	200,019	652,695
Depreciation – Building/Plant & Machinery	188,350	85,952
Handling Charges	911	570
Royalties	79,624	67,087
Text Book Development Costs.	124,225	127,369
	593,129	933,673
	593,129	933,673
<b>5. OTHER OPERATING INCOME</b>		
Profit on Disposal of Fixed Asset	-	-
Interest Income	-	882
Sundry Income	-	11,928
	-	12,810
	-	12,810

**SAM-WOODE LIMITED**

	2018 GH¢	2017 GH¢
<b>6. STAFF COSTS</b>		
Staff Training	4,467	2,840
Staff Severance Award	-	2,279
Staff Medicals	17,536	7,320
Staff Social Security	25,381	18,980
Staff Remuneration	287,524	199,927
	-----	-----
	<b>334,908</b>	<b>231,346</b>
	=====	=====
<b>7. SELLING AND ADMINISTRATIVE COSTS</b>		
Directors Remuneration	113,309	61,500
Audit Fees	48,000	48,000
Depreciation	154,853	232,612
Staff Costs (See Note 6)	334,908	231,346
Travelling and Transport	14,154	16,179
Donation	1,300	8,850
Repairs and Maintenance	80,724	47,537
Rent and Rate	24,676	79,129
Vehicle Running	7,936	81,439
Registration and Licensing	81,486	50,016
Overseas Travelling and Book Fair	-	4,790
Selling and Distribution Expenses	56,114	23,018
Other General and Administrative Expense	368,955	312,162
	-----	-----
	<b>1,286,415</b>	<b>1,196,578</b>
	=====	=====
<b>8. TAXATION</b>		
<b>i) Tax Expense</b>		
<u>Recognised in Profit and Loss</u>		
Current Tax	-	14,869
Deferred Tax	62,494	295,540
	-----	-----
	<b>62,494</b>	<b>310,409</b>
Total Reconciling factor – GRA (note 8vc)	-	-
	-----	-----
	<b>62,494</b>	<b>310,409</b>
	=====	=====

**SAM-WOODE LIMITED**

	2018 GH¢	2017 GH¢	2016 GH¢
<b>ii) <u>Movement in Deferred Tax Balances</u></b>			
Balance at 1 January	(307,858)	(12,318)	11,428
Deferred Tax for the period	(62,494)	(295,540)	(23,746)
	-----	-----	-----
<b>Balance at 31 December</b>	<b>(370,352)</b>	<b>(307,858)</b>	<b>(12,318)</b>
	=====	=====	=====

**iii) Recognised Deferred Tax Assets and Liabilities**

	At 1/1/18 Net Amount GH¢	Recognised in Profit/Loss GH¢	Recognised in OCI GH¢	At 31/12/18 Net Amount GH¢	Deferred Tax Asset GH¢	Deferred Tax Liability GH¢
<b><u>2018 YOA</u></b>						
PPE	(307,858)	(62,494)	-	(370,352)	-	(370,352)
Unquoted Equity	-	-	-	-	-	-
	-----	-----	----	-----	-----	-----
	<b>(307,858)</b>	<b>(62,494)</b>	-	<b>(370,352)</b>	-	<b>(370,352)</b>
	=====	=====	====	=====	=====	=====
<b><u>2017 YOA</u></b>						
PPE	(12,318)	(295,540)	-	(307,858)	-	(307,858)
Unquoted Equity	-	-	-	-	-	-
	-----	-----	----	-----	-----	-----
	<b>(12,318)</b>	<b>(295,540)</b>	-	<b>(307,858)</b>	-	<b>(307,858)</b>
	=====	=====	====	=====	=====	=====

**iv) Reconciliation of Effective Tax Rate**

	2018 GH¢	2017 GH¢	2016 GH¢
<b>Loss before tax</b>	<b>(1,408,633)</b>	<b>(661,103)</b>	<b>490,070</b>
	=====	=====	=====
Income tax thereon @ 25%	-	-	122,518
Tax effect on Non-deductible expenses	-	-	71,372
Tax effect on allowance utilised	-	-	(108,695)
	-----	-----	-----
<b>Corporate tax charge in P/L</b>	<b>-</b>	<b>-</b>	<b>85,195</b>
	=====	=====	=====
<b>Effective tax rate</b>	<b>Nil</b>	<b>Nil</b>	<b>17.40%</b>

**SAM-WOODE LIMITED**

**v) Current Tax Position – 2018 YOA**

	Balance at 1/1/2018 GH¢	Charge to P/L (other taxes) GH¢	Payments during the year GH¢	Tax Credits GH¢	Balance at 31/12/18 GH¢
<b>(a) Corporate Tax</b>					
Up to 2011	36,770	-	-	-	36,770
2012	(72,263)	-	-	-	(72,263)
2013	(251,385)	-	-	-	(251,385)
	<u>(286,878)</u>	-	-	-	<u>(286,878)</u>
2014	-	-	-	-	-
2015	(5,000)	-	-	-	(5,000)
2016	5,000	-	-	-	5,000
2017	(18,000)	-	-	-	(18,000)
	<u>(304,878)</u>	-	-	-	<u>(304,878)</u>
<b>(b) Other Taxes</b>					
Up to 2011	81,489	-	-	-	81,489
2012	71,649	-	-	-	71,649
2013	133,740	-	-	-	133,740
2014-2016	-	-	-	-	-
	<u>286,878</u>	-	-	-	<u>286,878</u>
<b>Net Position</b>	<b>(18,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,000)</b>

**(c) Reconciliation with the Ghana Revenue Authority**

Corporate Tax is charged at 25% (2017:25%) 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 1<sup>th</sup> November 2014.



**SAM-WOODE LIMITED**

**9. PROPERTY, PLANT & EQUIPMENT**

	Land & Building GH¢	Plant & Mach. GH¢	Furn. & Equip't GH¢	Literary Property Copy't GH¢	Library Books GH¢	Motor Vehicle GH¢	Loose Tools GH¢	Total GH¢
<b>Cost</b>								
At /01/01/18	1,374,616	1,304,657	333,295	21,382	3,538	498,973	25,985	3,562,446
Additions	-	39,500	5,229	-	-	-	-	44,729
Revaluation	1,036,184	-	-	-	-	-	-	1,036,184
<b>At 31/12/18</b>	<b>2,410,800</b>	<b>1,344,157</b>	<b>338,524</b>	<b>21,382</b>	<b>3,538</b>	<b>498,973</b>	<b>25,985</b>	<b>4,643,359</b>
<b>COMPRISING</b>								
At Cost	-	1,344,157	338,524	21,382	3,538	498,973	25,985	2,232,559
At Revaluation	2,410,800	-	-	-	-	-	-	2,410,800
	<b>2,410,800</b>	<b>1,304,657</b>	<b>333,294</b>	<b>21,382</b>	<b>3,538</b>	<b>498,973</b>	<b>25,985</b>	<b>4,643,359</b>
<b>Depreciation</b>								
At 1/1/18	60,270	201,684	270,629	21,382	3,537	426,395	25,985	1,009,882
Released on Rev. Charges	-	-	-	-	-	-	-	-
	99,235	138,732	32,658	-	-	72,578	-	343,203
<b>At 31/12/18</b>	<b>159,505</b>	<b>340,416</b>	<b>303,287</b>	<b>21,382</b>	<b>3,537</b>	<b>498,973</b>	<b>25,985</b>	<b>1,353,085</b>
<b>Net Book Value</b>								
<b>At 31/12/18</b>	<b>2,251,295</b>	<b>1,003,741</b>	<b>35,237</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>3,290,274</b>
<b>At 31/12/17</b>	<b>2,350,530</b>	<b>1,102,905</b>	<b>62,666</b>	<b>-</b>	<b>1</b>	<b>72,578</b>	<b>-</b>	<b>3,588,748</b>

Depreciation has been apportioned in the Financial Statements as follows:

	<b>2018</b> GH¢	<b>2017</b> GH¢
Cost of Sales	188,350	85,952
Selling, Administrative and General Expenses	154,853	146,660
	<b>343,203</b>	<b>232,612</b>

Freehold Land and Building were professionally revalued by Assenta Property Consulting in June 2017 on the basis of Reinstatement (Replacement) value under existing use for accounting purposes. Adjustments were made to align the carrying amounts of each category of asset to their fair values which approximate the present value of the future benefits.

**SAM-WOODE LIMITED**

	2018 GH¢	2017 GH¢
<b>10. RESEARCH FUND</b>		
At January 1 <sup>st</sup>	188,109	188,109
Transferred from Income Surplus	-	-
	-----	-----
At December 31 <sup>st</sup>	<b>188,109</b>	<b>188,109</b>
	=====	=====

The Company has a policy of making appropriations from Retained Earnings to support its research agenda. The amount of transfer this year was Nil (2017: Nil).

**11. TRADE & OTHER ACCOUNTS PAYABLE**

Clients' Deposit	7,339	7,339
Directors' Current Account	107,649	56,649
Royalty Payable (Note 13)	191,334	128,950
Accruals	242,607	98,022
Sundry Creditors	511,001	524,143
Trade Creditors	-	98,901
	-----	-----
	<b>1,059,930</b>	<b>914,004</b>
	=====	=====

**12. TRADE AND OTHER ACCOUNTS RECEIVABLE**

Academy press Limited	85	85
SWL Nigeria incorporation	1,176	1,176
Staff Debtors	3,150	6,531
Royalty Advances	25,912	25,912
Prepayment	-	543
West Africa Book Publishers	105,861	79,053
Sundry Debtors	247,704	159,773
Trade Debtors	5,286	217,576
	-----	-----
	<b>389,174</b>	<b>490,649</b>
	=====	=====

**13. ROYALTIES PAYABLE**

Balance at 1 <sup>st</sup> January	128,950	70,636
Accrued to Cost of Sales	79,624	67,087
	-----	-----
	208,574	137,723
Payments in the year	(17,240)	(8,773)
	-----	-----
Balance at 31 <sup>st</sup> December	<b>191,334</b>	<b>128,950</b>
	=====	=====

The payment of Royalty is subject to a withholding tax of 15% at the point of payment

**SAM-WOODE LIMITED**

	2018 GH¢	2017 GH¢
<b>14. SHORT TERM LOANS</b>		
Balance 1 <sup>st</sup> January 2018	1,125,833	-
Loans Received	810,000	1,167,000
	-----	-----
Loans Repayments	1,935,833	1,167,000
Accrued Interest	(264,901)	(148,000)
	416,914	106,833
	-----	-----
<b>Balance 31<sup>st</sup> December 2018</b>	<b>2,087,846</b>	<b>1,125,833</b>
	=====	=====

The company contracted a loan of GH¢500,000 on 2nd January 2018 for a twelve (12) months tenor to augment its working capital at an effective interest rate of 32% per annum.

The company also contracted various loans to the tune of GH¢310,000 from a Director between March to December 2018 to augment its working capital. The annual interest rate is 26% per annum and is payable within one year.

**15. INVENTORIES**

Finished Goods	183,551	91,103
	-----	-----
	<b>183,551</b>	<b>91,103</b>
	=====	=====

**16. DIVIDENDS PAYABLE**

Balance at 1 <sup>st</sup> January, 2018	200,508	200,508
Final Dividends declared during the year	-	-
	-----	-----
Dividends paid during the Year	200,508	200,508
	-	-
	-----	-----
<b>Balance 31<sup>st</sup> December 2018</b>	<b>200,508</b>	<b>200,508</b>
	=====	=====

The payment of dividend is subject to withholding tax at the rate of 8%.

**17. TEXT BOOK DEVELOPMENT COST**

Balance 1 <sup>st</sup> January 2018	382,109	443,636
Additions to cost	114,792	65,842
	-----	-----
	496,901	509,477
	-----	-----
Write-Offs	(124,225)	(127,369)
	-----	-----
	<b>372,676</b>	<b>382,108</b>
	=====	=====



## SAM-WOODE LIMITED

Text Book Development Costs are incurred in the process of developing new text books and concepts. The amount is amortised on the basis of the first 20,000 copies sold out or four (4) years whichever occurs earlier.

### 18. INCOME SURPLUS

Balance at 1 <sup>st</sup> January	536,381	1,197,484
Loss after Tax Transferred from Profit and Loss Account	(1,471,127)	(661,103)
Transfer to Dividend	-	-
	-----	-----
<b>Balance at 31<sup>st</sup> December</b>	<b>(934,746)</b>	<b>536,381</b>
	=====	=====

### 19. STATED CAPITAL

	2018		2017	
	No. of Shares	Proceeds GH¢	No. of Shares	Proceeds GH¢
<b>Authorised:</b>	<b>'000'</b>		<b>'000'</b>	
Ordinary Shares of no par value	1,000,000	-	100,000	-
Preference Shares	500,000	-	50,000	-
	-----	----	-----	----
	<b>1,500,000</b>	<b>-</b>	<b>150,000</b>	<b>-</b>
	=====	====	=====	====
<b>Issued:</b>				
<b>Ordinary Shares issued:</b>				
<b>For Cash Consideration</b>	<b>21,828,035</b>	<b>220,990</b>	<b>21,828,035</b>	<b>220,990</b>
	=====	=====	=====	=====

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 25**.

### 20. 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.

	2018 GH¢	2017 GH¢
Loss attributable to Ordinary Shareholders	(1,471,127)	(661,381)
	=====	=====
Weighted Average number of ordinary shares	21,828,035	21,828,035
	=====	=====
Basic Earnings per Share (in Ghana Pesewas)	(0.0674)	(0.03)

(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.)

## SAM-WOODE LIMITED

	2018 GH¢	2017 GH¢
<b>21. CAPITAL SURPLUS</b>		
Balance at 1 <sup>st</sup> January	1,070,549	-
Revaluation Surplus	-	1,070,549
	-----	-----
<b>Balance at 31<sup>st</sup> December</b>	<b>1,070,549</b>	<b>1,070,549</b>
	=====	=====

The company revalued certain aspects of its Freehold Land and Building and admitted the new values into the accounting framework of the company effective June 2017. The unrealised surplus or gain have been disclosed as part of Capital Surplus through the Profit and Loss as Other Comprehensive Income.

### 22. CAPITAL COMMITMENTS

There were no capital commitments not provided for in the Financial Statement at the Reporting dates.

### 23. COMPARATIVE INFORMATION

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

### 24. 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.

### 25. SHAREHOLDING STRUCTURE

#### (i) Directors Shareholding:

The Directors named below held the following number of shares in the Company as at 31<sup>st</sup> December 2017.

	# of Shares	% Holding
1. Gladys Afarchoe Odoi (Ms)	24,000	0.11%
2. Kojo Essamuah Sam-Woode	57,326	0.26%
3. Pamela Aba Woode	1,010,126	4.63%
4. Kwesi Sam – Woode	5,400,000	24.74%
	-----	-----
	<b>6,491,452</b>	<b>29.74%</b>
	=====	=====

## SAM-WOODE LIMITED

(ii) Number of Shares Outstanding

Earnings and dividend per share are based on 21,828,035 (2017; 21,828,035) ordinary shares outstanding.

(iii) Number of Shareholders

The Company had 671 ordinary shareholders as at 31<sup>st</sup> December 2018 distributed as follows:-

Category of Holdings	No. of Shareholders	Total Holding	% Holding
Less than 1,000	352	119,869	0.55
1,000 to 5,000	209	403,895	1.85
5,001 to 10,000	24	202,962	0.93
Over 10,000	86	21,101,309	96.67
	671	21,828,035	100.00

(iv) List of twenty largest shareholders as at 31<sup>st</sup> December 2018

	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. Woode Ekua Esaawa	253,024	1.16
10. Sam – Woode Kweku Esaah	224,000	1.03
11. Abban Elizabeth	169,620	0.78
12. Abosi-Apeadu Peter Kwame	163,600	0.75
13. Okine Robert Garshong A.	100,000	0.46
14. Esuman – Gwira Wilhelmina (Mrs)	100,000	0.46
15. Obiri Francis Sampson	96,400	0.44
16. Ofori Daniel	64,612	0.30
17. NTHC Clients A/C	63,965	0.29
18. Appiah Samuel	62,546	0.29
19. Sam-Woode Nana Kodwo Anaku	58,326	0.27
20. Sam- Woode Kojo Essamuah	57,326	0.26
	19,540,007	89.52
<b>Others</b>	<b>2,288,028</b>	<b>10.48</b>
	21,828,035	100



## 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 fifteenth Annual General meeting of the Company to be held on Thursday, 10<sup>th</sup> October, 2019 at New Conference Hall, GNAT and any adjournment thereof.

Signed the \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of Shareholder(s) \_\_\_\_\_

THIS PROXY FORM SHOULD NOT BE COMPLETED AND SENT TO THE REGISTRAR OF THE COMPANY IF THE MEMBER WILL BE ATTENDING THE MEETING

### NOTES

A member (Shareholder) who is

1. A member (shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote by proxy. The above Proxy form has been prepared to enable you to exercise your vote if you cannot personally attend.
2. Provision has been made on the form for the Chairman of the Meeting to act as your proxy but if you wish, you may insert in the blank space marked with an asterisk (\*) the name of any person whether a member of the Company or not, who will attend the meeting and vote on your behalf instead of the Chairman of the meeting.
3. In case of joint Shareholders, each Shareholder should sign.
4. If executed by a Corporation, the Proxy Form should bear its Common Seal or be signed on its behalf by a Director.
5. Please sign the above Proxy Form and deliver so as to reach the Registrars, NTHC, Martco House, Adabraka, Accra or post it to the Registrars, NTHC, P. O. Box KIA 9563, Airport, Accra not later than 48 hours before the time fixed for the meeting or adjourned meeting.
6. The Proxy must produce the Admission Card sent with the Notice of the Meeting to obtain entrance to the meeting.