

**TRADING AND PROFIT AND LOSS ACCOUNT FOR
THE YEAR ENDED 31ST DECEMBER 2005**

	<u>NOTES</u>	<u>2005</u> ¢	<u>2004</u> ¢
TURNOVER	1	18,207,271,792	1,740,996,556
COST OF SALES		<u>13,008,152,897</u>	<u>996,853,042</u>
GROSS PROFIT		5,199,118,895	744,143,514
OTHER INCOME		<u>506,228,242</u>	<u>224,332,112</u>
		5,705,347,137	968,475,626
<u>GENERAL, SELLING AND ADMINISTRATIVE EXPENSES</u>	2	<u>(3,363,531,289)</u>	<u>(1,490,006,026)</u>
PROFIT/(LOSS) BEFORE INTEREST AND TAXATION		2,341,815,848	(521,530,400)
INTEREST EXPENSES		<u>(165,473,285)</u>	<u>(79,583,567)</u>
PROFIT/(LOSS) BEFORE TAXATION		2,176,342,563	(601,113,967)
NATIONAL RECONSTRUCTION LEVY		(32,645,138)	-
TAXATION	10	<u>(563,826,177)</u>	<u>(3,339,600)</u>
PROFIT/(LOSS) AFTER TAXATION TRANSFERRED TO INCOME SURPLUS ACCOUNT		<u>1,579,871,248</u>	<u>(604,453,567)</u>

**INCOME SURPLUS ACCOUNT FOR THE
YEAR ENDED 31ST DECEMBER 2005**

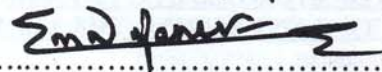
	<u>2005</u> ¢	<u>2004</u> ¢
Balance at 1 st January	(548,694,167)	55,759,400
Prior Year Adjustment	<u>8,142,331</u>	-
Restated Balance	(540,551,836)	55,759,400
Profit/(Loss) For The Year	1,579,871,248	(604,453,567)
Proposed Dividends @ ¢ 35.00 per share	<u>(763,981,225)</u>	-
Balance at 31 st December	<u>275,338,187</u>	<u>(548,694,167)</u>
Earnings Per Share	72.38	(27.69)

The Notes on pages 16 to 22 form an integral part of these Accounts.

BALANCE SHEET
AS AT 31ST DECEMBER 2005

<u>EMPLOYMENT OF CAPITAL</u>	<u>NOTES</u>	<u>2005</u>	<u>2004</u>
		£	£
FIXED ASSETS	13	926,648,273	502,797,525
LONG TERM INVESTMENT	3	<u>100,000,000</u>	<u>100,000,000</u>
		1,026,648,273	602,797,525
TEXT BOOKS DEVELOPMENT COST	4	-	919,373,796
<u>CURRENT ASSETS</u>			
Stocks	5	8,689,415,620	1,792,073,641
Debtors and Prepayments	6	7,936,579,274	787,694,291
Cash and Bank Balances	7	387,273,531	2,105,240
Taxation	10	-	<u>79,821,834</u>
		<u>17,013,268,425</u>	<u>2,661,695,006</u>
<u>CURRENT LIABILITIES</u>			
Creditors	8	13,474,483,162	1,185,401,803
Taxation	12	311,660,781	-
Obligations under Finance Lease	9	67,342,818	118,991,647
Bank Overdraft		526,209,192	534,688,407
Short Term Loan		<u>1,174,982,192</u>	<u>616,235,453</u>
		<u>15,554,678,145</u>	<u>2,455,317,310</u>
<u>NET CURRENT ASSETS</u>		1,458,590,280	206,377,696
<u>LONG TERM LIABILITIES</u>			
Obligations under Finance Lease	12	-	<u>(67,342,818)</u>
<u>NET ASSETS</u>		<u>2,485,238,553</u>	<u>1,661,206,199</u>
<u>CAPITAL EMPLOYED</u>			
Stated Capital	11	2,209,900,366	2,209,900,366
Income Surplus Account		<u>275,338,187</u>	<u>(548,694,167)</u>
		<u>2,485,238,553</u>	<u>1,661,206,199</u>



DIRECTOR


DIRECTOR
DATE: 28th March, 2006

The Notes on pages 16 to 22 form an integral part of these Accounts.

CASH FLOW STATEMENT FOR THE YEAR
ENDED 31ST DECEMBER 2005

	<u>2005</u>	<u>2004</u>
	¢	¢
<u>OPERATING ACTIVITIES</u>		
Operating (Loss)/Profit before Investment Returns and Servicing of Finance	2,139,991,238	(374,117,081)
Depreciation	186,140,055	149,416,447
Gain on Sale of Fixed Assets	(13,000,000)	(55,000,000)
Prior year Adjustment	8,142,331	-
Books Development	919,373,796	(390,725,034)
Obligations under Finance Lease	(118,991,647)	118,530,740
Stocks	(6,897,341,979)	(241,953,772)
Debtors and Prepayments	(7,148,884,983)	140,762,521
Creditors and Accrued Charges	<u>11,525,100,134</u>	<u>536,007,529</u>
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	600,528,945	(117,078,650)
<u>INVESTMENT RETURNS AND SERVICING OF FINANCE</u>		
Interest Paid	(165,473,285)	(79,583,567)
Interest Received	281,762,794	45,424
Dividends Received	49,887,000	33,396,000
Royalties Paid	(114,804,244)	(165,003,560)
Finance Charges on Machinery Leased	(15,020,940)	(15,851,183)
<u>TAXATION</u>		
Tax Paid	(204,988,700)	(65,000,000)
<u>INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets	(609,990,803)	(311,266,500)
Proceeds from Sale of Fixed Assets	13,000,000	235,000,000
<u>FINANCING ACTIVITIES</u>		
Short Term Loan Received	<u>558,746,739</u>	<u>616,235,453</u>
	393,647,506	130,893,417
<u>ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENT DURING THE YEAR</u>		
Balance 1 st January	(532,583,167)	(663,476,584)
Net Cash Inflow	<u>393,647,506</u>	<u>130,893,417</u>
Balance 31 st December	<u>(138,935,661)</u>	<u>(532,583,167)</u>

	<u>2005</u>	<u>2004</u>
	£	£
<u>ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET</u>		
Cash and Bank Balances	387,273,531	2,105,240
Bank Overdrafts	<u>(526,209,192)</u>	<u>(534,688,407)</u>
	<u>(138,935,661)</u>	<u>(532,583,167)</u>