

**PIONEER KITCHENWARE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2006**

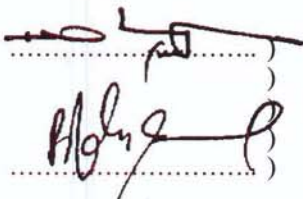
	Note	2006 €'000	2005 €'000
SALES		23,237,764	22,130,367
Cost of Sales		(18,689,872)	(19,761,838)
<b>GROSS PROFIT</b>		<u>4,547,892</u>	<u>2,368,529</u>
Selling, General and Administrative Expenses		(5,980,810)	(5,680,172)
<b>OPERATING LOSS</b>		<u>(1,432,918)</u>	<u>(3,311,643)</u>
Other Income	3	633,377	233,673
<b>LOSS BEFORE FINANCIAL CHARGES AND TAXATION</b>		<u>(799,541)</u>	<u>(3,077,970)</u>
Net Financial Charges	4	(2,076,782)	(1,326,445)
<b>LOSS BEFORE TAXATION</b>	5	<u>(2,876,323)</u>	<u>(4,404,415)</u>
Taxation	6(ii)	(24,667)	4,969
<b>LOSS AFTER TAXATION</b> transferred to Income Surplus Account		<u>(2,900,990)</u>	<u>(4,399,446)</u>

**INCOME SURPLUS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2006**

	Note	2006 €'000	2005 €'000
Balance at 1st January		(418,064)	3,981,382
Loss Profit for the year		(2,900,990)	(4,399,446)
<b>Balance at 31st December</b>		<u>(3,319,054)</u>	<u>(418,064)</u>
Earnings per Share (Cedis per share)	21	<u>(175.90)</u>	<u>(266.76)</u>

**PIONEER KITCHENWARE LIMITED**  
**BALANCE SHEET AT 31ST DECEMBER 2006**

	Note	2006 €'000	2005 €'000
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>	7	18,170,778	18,955,117
<b>INVESTMENTS</b>	8	302	302
<b>CURRENT ASSETS</b>			
Stocks	9	10,284,334	5,491,703
Debtors	10	1,301,842	1,457,781
Cash and Bank balances		82,047	212,651
Taxation	6	202,355	187,795
		<u>11,870,578</u>	<u>7,349,930</u>
<b>CURRENT LIABILITIES</b>			
Bank Overdraft	11	7,806,584	5,160,277
Creditors	12	6,646,106	2,425,583
Short-term Loan	13	2,750,000	2,000,000
Dividends	14	-	-
		<u>17,202,690</u>	<u>9,585,860</u>
<b>NET CURRENT LIABILITIES</b>		<u>(5,332,112)</u>	<u>(2,235,930)</u>
		12,838,968	16,719,489
<b>LONG-TERM LIABILITIES</b>			
Deferred Tax	15	(284,098)	(285,148)
<b>NET ASSETS</b>		<u>12,554,870</u>	<u>16,434,341</u>
<b>FINANCED BY:</b>			
<b>STATED CAPITAL</b>	16	665,548	665,548
<b>CAPITAL SURPLUS</b>	17	15,208,376	16,186,857
<b>INCOME SURPLUS</b>		<u>(3,319,054)</u>	<u>(418,064)</u>
		<u>12,554,870</u>	<u>16,434,341</u>
Net Assets per Share (Cedis per share)	21	<u>€761.26</u>	<u>€996.49</u>

  
 \_\_\_\_\_  
 \_\_\_\_\_

**DIRECTORS**

**PIONEER KITCHENWARE LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2006**

	Note	2006 €'000	2005 €'000
<b>Cash flow from operating activities</b>			
Loss before Taxation		(2,876,323)	(4,404,415)
Adjustments for:			
Depreciation		202,895	148,488
Dividend received		(1,170)	(540)
Interest received		(12)	(8,836)
Interest paid		2,081,291	1,330,929
		-----	-----
		(593,319)	(2,934,374)
(Increase)/ Decrease in Stocks		(4,792,631)	228,385
Decrease in Debtors		155,939	198,282
Increase in Creditors		4,220,523	2,239,543
		-----	-----
<i>Cash generated from operations</i>		(1,009,488)	(268,164)
Interest paid		(2,081,291)	(1,330,929)
Income taxes paid		(40,277)	(96,972)
		-----	-----
<b>Net cash from operating activities</b>		<b>(3,131,056)</b>	<b>(1,696,065)</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant & equipment		(397,037)	(118,158)
Interest received		12	8,836
Dividend received		1,170	540
		-----	-----
<b>Net cash used in investing activities</b>		<b>(395,855)</b>	<b>(108,782)</b>
<b>Cash flow from financing activities</b>			
Cash proceeds from short term borrowing		1,500,000	-
Repayment of loan		(750,000)	-
Dividend paid		-	(412,305)
		-----	-----
<b>Net cash used in financing activities</b>		<b>750,000</b>	<b>(412,305)</b>
		-----	-----
<b>Net decrease in cash and cash equivalents</b>		<b>(2,776,911)</b>	<b>(2,217,152)</b>
Cash and cash equivalents at the beginning (Note A)		(4,947,626)	(2,730,474)
		-----	-----
Balance at 31 <sup>st</sup> December		<u>(7,724,537)</u>	<u>(4,947,626)</u>
<b>Note A</b>			
Cash and cash equivalents		82,047	212,651
Bank overdraft		(7,806,584)	(5,160,277)
		-----	-----
		<u>(7,724,537)</u>	<u>(4,947,626)</u>