



PATERSON ZOCHONIS

GHANA LIMITED

ANNUAL REPORT

2001



**ANNUAL REPORTS AND FINANCIAL STATEMENTS
31ST MAY, 2001**

	PAGE
CONTENTS	
DIRECTORS, OFFICERS AND REGISTERED OFFICE	2
NOTICE OF MEETING	3
SALIENT FEATURES AND FINANCIAL CALENDAR	4
OPERATING STATEMENT REVIEW	5
REPORT OF THE DIRECTORS	6-7
STATEMENT OF DIRECTORS RESPONSIBILITIES	8
REPORT OF THE AUDITORS	9
PROFIT AND LOSS ACCOUNT	10
BALANCE SHEET	11
CONSOLIDATED CASH FLOW STATEMENT	12
NOTES TO THE ACCOUNTS	13-24

**BOARD OF DIRECTORS, OFFICIALS
AND REGISTERED OFFICE**

DIRECTORS:

Paul Michael Boyce (Chairman and Managing Director)
Felix Stephen Quachey
Philip William Davies
Kwabena Pepera
Panagiotis Giouras

SECRETARY:

Accra Nominees Limited
Mobil House
Liberia Road
P.O. Box 242
Accra

REGISTERED OFFICE:

15 Kwame Nkrumah Avenue
P.O. Box 62
Accra Ghana

AUDITORS:

Deloitte & Touche
Chartered Accountants
4 Liberation Road
P.O. Box 453
Accra

SOLICITORS:

Kudjawu & Co.
Texaco House
Derby Avenue
P.O. Box 294
Accra

BANKERS:

Standard Chartered Bank (Ghana) Limited
Barclays Bank of Ghana Limited
Ecobank (Ghana) Limited
Ghana Commercial Bank Limited
Stanbic Bank Ghana Limited

REGISTRARS:

Merchant Bank (Ghana) Limited
57 Examination Loop
North Ridge
P.O. Box 401
Accra

NOTICE OF MEETING

NOTICE IS HERBY GIVEN that the 43rd Annual General Meeting of Paterson Zochonis Ghana Limited, will be held at the British Council Hall, Accra on Friday, December 7, 2001 at 3.00 pm. to transact the following business of the Company.

AGENDA

1. To receive and consider the audited financial statements for the year ended 31st May, 2001 and the Reports of the Directors and Auditors thereon.
2. To declare a dividend
3. To re-elect Directors
4. To fix Directors' fees
5. To authorise the Directors to negotiate and determine the remuneration of the Auditors for the ensuing year.

By Order of the Board
Accra Nominees Limited
Secretaries

Accra, October 12, 2001

Note: A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him and such proxy need not be a member of the Company. A proxy form is attached. Executed forms of proxy should be deposited at the office of the Registrars, Merchant Bank (Ghana) Limited. 57 Examination Loop, North Ridge, P.O. Box 401. Accra not less than 48 hours prior to the time of the meeting.

SALIENT FEATURES AND FINANCIAL CALENDAR

	2001 ¢000	2000 ¢000
TURNOVER	82,250,227	40,957,336
PROFIT AFTER TAXATION	11,966,464	1,099,597
EARNINGS PER ORDINARY SHARE	427.37	39.27
DIVIDENDS PER ORDINARY SHARE	55.00	10.50

RESULTS

Results for the year	Announced
Report and financial statements	Circulated 21 days prior to AGM

DIVIDENDS

Ordinary dividends:

Final	Proposed ¢55 per share
	Payable

OPERATING AND FINANCIAL REVIEW

DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The Group's financial instruments, other than derivatives, comprise significant amount of cash and liquid resources, associated company loans, various items, such as trade debtors, trade creditors, associated company current accounts etc., that arise directly from its operations

No derivative transactions were entered into by the Group.

Interest rate risk

The Group now finances its operations by retained earnings and other instruments arising from its own operations. The associated company loans do not attract interest and therefore the Group was not exposed to interest rate risk.

Foreign currency risk

The Group has no overseas subsidiaries and export sales were not significant. Foreign currency exposure is not an issue.

REPORT OF THE DIRECTORS

The directors have the pleasure in submitting to the members of the Company their report together with the audited financial statements for the year ended 31 May, 2001

The Group.

The Group comprises a parent company and two wholly-owned subsidiaries, both incorporated in Ghana:

Name	Status	Nature of Business
Paterson Zochonis Ghana Limited	Holding Company	Distribution and selling of soaps, cosmetics and pharmaceuticals
Paterson Zochonis Industries (Ghana) Limited	Subsidiary Company	Manufacture of soaps, cosmetics and pharmaceuticals
Tema Thread Company Limited	Subsidiary Company	Dormant

Holding Company

The Holding Company is a subsidiary of Paterson Zochonis PLC, a Company incorporated in the United Kingdom.

Principal Activities

The Group is engaged in business to manufacture as well as purchase, distribute and sell soaps, cosmetics, and pharmaceutical products, for export and local consumption.

There was no change in the nature of the Group's business during the year under review

Group results

The profit for the year ended 31 May 2001 after taxation was ₵12 billion against a profit after tax of ₵1.1 billion in 2000.

DIVIDENDS

The Directors recommend a dividend of ₵5 (2000 ₵10.50) per share for the year under consideration, amounting to ₵1,540 million.

REPORT OF THE DIRECTORS (Cont'd)

Directors and their interests

The present membership of the Board is set out below. All directors served throughout the year. The directors' interests in the ordinary shares of the Company at 31 May 2001 were\

	2001	2000
P.M. Boyce (Chairman and Managing Director)	-	-
F.S. Quachey	30,350	30,350
P.W. Davies	-	-
Kwabena Pepera	-	-
Panagiotis Giouras	-	-

In accordance with the regulations of the Company, Felix Stephen Quachey and Philip William Davies will retire at the Annual General Meeting and being eligible, offer themselves for re-election.

Directors' Interest

The directors have no material interest in contracts entered into by the Company

Auditors

In accordance with Section 134 (5) of the Companies Code, the Auditors, Messrs. Deloitte & Touche, continue in office as Auditors of the Company.

ON BEHALF OF THE BOARD


.....
DIRECTOR


.....
DIRECTOR

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing financial statements for each financial period which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period. In preparing those financial statements, the directors are required to:

Select suitable accounting policies and then apply them consistently

Make judgements and estimates that are reasonable and prudent

State whether applicable accounting standards have been followed

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with International Accounting Standards. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the group, and to prevent and detect fraud and other irregularities.

The above statement, should be read in conjunction with the statement of the auditors' responsibilities on page 9.

**Deloitte
& Touche**

AUDITORS' REPORT TO THE MEMBERS OF PATERSON ZOCHONIS GHANA LIMITED

We have audited the financial statements on pages 10 to 24 which have been prepared under the accounting policies set out on page 13 to 14.

Respective Responsibilities of Directors and Auditors

As described on page 8 above the Company's Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards. An audit includes examinations, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, proper books have been kept and the accounts which are in agreement therewith comply with the Companies Code, 1963, (Act 179) and give a true and fair view of the state of affairs of the Company as at 31 May 2001 and of the Profit and Cash Flow for the year then ended.

Deloitte & Touche
CHARTERED ACCOUNTANTS

ACCRA: 17th October 2001

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY, 2001

	Note	The Group		The Company	
		2001 c000	2000 c000	2001 c000	2000 c000
SALES		82,250,227	40,957,336	81,027,785	40,957,336
Cost of Sales		<u>44,784,923</u>	<u>(24,261,171)</u>	<u>(68,729,795)</u>	<u>(35,358,109)</u>
GROSS PROFIT		37,465,304	16,696,165	12,297,990	5,599,227
Other Income	2	<u>304,200</u>	<u>290,038</u>	<u>176,755</u>	<u>89,215</u>
		37,769,504	16,986,203	12,474,745	5,688,42
General, administrative and selling expenses		<u>(22,374,350)</u>	<u>(15,168,368)</u>	<u>(9,390,767)</u>	<u>(5,446,800)</u>
Operating Profit		15,395,154	1,817,835	3,083,978	241,642
Net interest income		<u>2,696,433</u>	<u>358,632</u>	<u>273,808</u>	<u>35,104</u>
Profit before tax	3	18,091,587	2,176,467	3,357,786	276,746
Taxation	4	<u>(6,125,123)</u>	<u>(1,076,870)</u>	<u>(896,007)</u>	<u>(353,167)</u>
PROFIT after taxation transferred to Income Surplus Account		11,966,464	1,099,397	2,461,779	(76,421)
		=====	=====	=====	=====

INCOME SURPLUS ACCOUNT FOR THE YEAR ENDED 31 MAY, 2001

		2001 c000	2000 c000	2001 c000	2000 c000
Balance at 1 June		8,419,824	7,614,227	2,919,683	3,290,104
Profit for the year		<u>11,966,464</u>	<u>1,099,597</u>	<u>2,461,779</u>	<u>(76,421)</u>
		20,386,288	8,713,824	5,381,462	3,213,683
Proposed Dividend	10	<u>(1,540,000)</u>	<u>(294,000)</u>	<u>(1,540,000)</u>	<u>(294,000)</u>
Balance at 31 May		18,846,288	8,419,524	3,841,462	2,919,683
		=====	=====	=====	=====

**CONSOLIDATED BALANCE SHEET
AS AT 31 MAY, 2001**

	Note	The Group		The Company	
		2001 c060	2000 c000	2001 c000	2000 c000
FIXED ASSETS					
Tangible assets	5	29,493,280	30,680,104	8,652,745	8,673,937
Investments	6	20	1,020	1,798	2,798
CURRENT ASSETS					
Stocks	7	30,815,073	20,486,764	1,437,556	1,099,549
Debtors	8	3,371,765	2,243,034	3,006,448	8,495,137
Cash and Bank		15,593,069	6,055,098	14,965,472	6,043,980
		49,779,907	28,784,896	19,409,476	15,638,666
CREDITORS: amounts falling due within one year	9	(28,523,849)	(20,176,920)	(5,319,483)	(2,377,775)
NET CURRENT ASSETS		21,256,058	8,607,976	14,089,993	13,260,891
TOTAL ASSETS LESS CURRENT LIABILITIES		50,749,358	39,289,100	22,744,536	21,937,626
PROVISION FOR LIABILITIES	11	(4,696,135)	(3,662,341)	(226,014)	(340,883)
Net Assets		46,053,223	35,626,759	22,518,522	21,596,743
CAPITAL AND SURPLUS					
Stated Capital	12	11,600,000	11,600,000	11,600,000	11,600,000
Capital Surplus	13	15,606,935	15,606,935	7,077,060	7,077,060
Income Surplus		18,846,288	8,419,824	3,841,462	2,919,683
SHAREHOLDERS' FUNDS		46,053,223	35,626,759	22,518,522	21,596,743


.....
DIRECTOR


.....
DIRECTOR

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 21 MAY, 2001

	Note	The Group		The Company	
		2001 c000	2000 c000	2001 c000	2000 c000
Net Cash inflow from					
Operating Activities	20	9,109,839	5,989,090	9,819,276	5,695,466
Return on Investments and servicing of finance					
Net interest received		2,696,433	358,632	273,808	35,104
Dividend paid		(294,000)	(520,037)	(294,000)	(520,037)
Taxation and Levies					
Tax paid		(427,436)	(156,278)	(279,882)	(111,337)
Capital Expenditure and financing activities					
Purchase of fixed assets		(1,578,772)	(926,256)	(598,711)	(302,287)
Proceeds from sale of fixed assets		31,906	3,700	1,000	3,700
Increase in cash and cash equivalents		9,537,970	4,748,851	8,921,491	4,800,609
Cash and Bank at 1 June		6,055,099	1,306,247	6,043,981	1,243,371
Cash and Bank at 31 May		15,593,069	6,055,098	14,965,472	6,043,980

THE NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY, 2001

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Group financial statements

(a) **Basis of Accounting**

These financial statements have been prepared under the historical cost accounting rules as modified by the revaluation of leasehold land and buildings

(b) **Basis of Consolidation**

The consolidated financial statements incorporate the financial statements of the company and PZ Industries Ghana Limited

(c) **Tangible fixed assets**

Depreciation is provided for on a straight line basis at rates calculated to write off the gross value of each fixed asset over its estimated useful life. The rates generally in use are as follows:

Leasehold land and buildings	Period of Lease
Plant, machinery and equipment	From 10% to 20%
Motor Vehicles	25%

(d) **Stocks**

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost comprises materials, direct labour and a share of production overheads appropriate to the relevant state of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

(e) **Debtors**

Debtors are stated after providing for specific debts considered to be doubtful

(f) **Foreign Exchange**

Transaction denominated in foreign currencies are retranslated into cedis at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date. These translation differences are dealt with in the profit and loss account.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2001 (CONT'D)

(g) **Sales**

Sales represent the value of goods invoiced to customers net of returns, trade discounts and value added tax

(h) **Deferred Taxation**

Provision is made in the profit and loss account for income tax charge or relief deferred by reason of timing differences between capital allowances granted and the corresponding depreciation charges based on original cost of fixed assets

No provision is made in the profit and loss account for the potential liabilities to capital gains tax on the unrealised capital surplus on revaluation of fixed assets, if these were sold at their book value. The potential liabilities to capital gains tax is charged to capital surplus and shown as deferred tax.

(i) **Extraordinary Items**

Material items of income and expenditure which do not fall within the normal activities of the company and are unlikely to recur regularly are dealt with as extra-ordinary items.

(j) **Investments**

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

In the consolidated accounts shares in group undertakings are adjusted to the amounts of the net assets shown, in the individual subsidiaries.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2001 (CONT'D)**

2: OTHER INCOME

	The Group		The Company	
	2001 c000	2000 c000	2001 c000	2000 c000
Insurance commission	19,000	-	19,000	-
Sale of Scrap	-	2,303	-	-
Profit on Sale of Assets	28,526	3,700	-	3,700
Rent Received	252,607	105,019	153,688	80,130
Directors' fees	4,000	-	4,000	-
Sundry Income	67	5,385	67	5,385
Profit on sale of By-products	-	173,631	-	-
	<u>304,200</u>	<u>290,038</u>	<u>176,755</u>	<u>89,215</u>
	=====	=====	=====	=====

3. OPERATING PROFIT

Operating profit is after charging

	The Group		The Company	
	2001 c000	2000 c000	2001 c000	2000 c000
Directors Remuneration	285,422	200,924	78,491	1,913
Auditors Remuneration	70,000	46,000	45,500	29,900
Donations	783	1,221	783	1,221
Depreciation	2,763,216	2,527,032	619,903	500,173
Net Interest (income)/expense	(2,696,433)	(35,104)	(273,808)	(35,104)
	=====	=====	=====	=====

4. TAXATION

(a) The Company

Current year charge/(credit):

	Bal. at 1 June 00 c000	Payments c000	P & L Charge c000	Bal. at 31 May 01 c000
Corporation tax	-	(31,808)	938,993	907,185
Reconstruction levy	-	(2,650)	83,945	81,295

Previous years balances b/f

	Bal. at 1 June 00 c000	Payments c000	P & L Charge c000	Bal. at 31 May 01 c000
2000	352,231	(245,424)	-	106,807
1999	27,936	-	-	27,936
1998	2,622	-	(2,622)	-
1997	9,441	-	(9,441)	-
	<u>392,230</u>	<u>(279,882)</u>	<u>1,010,875</u>	<u>1,123,223</u>
	=====	=====	=====	=====

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2001 (CONT'D)**

4. TAXATION

(b) The Group	Bal. at 1 June 00 c000	Payments c000	P & L Charge c000	Bal. at 31 May 01 c000
Current year charge/(credit)-				
Corporation taxes	-	(85,513)	4,530,179	4,444,666
Reconstruction levy	-	(6,781)	458,071	451,290
Previous years' balances b/f				
2000	329,411	(335,142)	113,234	107,503
1999	37,996	-	(7,593)	30,403
1998	6,244	-	(6,950)	(706)
1997	8,117	-	(2,739)	5,378
1996 and prior	(139,280)	-	7,127	(132,153)
	<u>242,488</u>	<u>(427,436)</u>	<u>5,091,329</u>	<u>4,906,381</u>
	=====	=====	=====	=====

All liabilities are subject to the agreement of the Income Tax authorities

The tax charge in the Profit & Loss Account comprises:

	The Group		The Company	
	2001 c000	2000 c000	2001 c000	2000 c000
Tax, charge as above	5,091,329	449,099	1,010,875	474,288
Deferred Taxation (Note 11)	1,033,794	627,771	(114,868)	(121,121)
	<u>6,125,123</u>	<u>1,076,870</u>	<u>896,007</u>	<u>353,167</u>
	=====	=====	=====	=====

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2001 (CONT'D)**

5. TANGIBLE ASSETS	L'hold Land and Buildings c000	Plant, Machn. and Equipment c000	Motor Vehicles c000	Total c000
(a) The Company				
At 1 June 2000	8,738,992	295,805	413,027	9,447,824
Additions	-	93,387	505,324	598,711
	<u>8,738,992</u>	<u>389,192</u>	<u>918,351</u>	<u>10,046,535</u>
At 31 May 2001	<u>8,718,992</u>	<u>389,192</u>	<u>918,351</u>	<u>10,046,535</u>
Comprising:				
Original Cost of Assets				
Revalued	17,745	-	-	17,745
Surplus on Revaluations:				
1989 Valuation	675,906	-	-	675,906
1994 Valuation	2,549,378	-	-	2,549,378
1999 Valuation	5,495,963	-	-	5,495,963
	<u>8,738,992</u>	<u>-</u>	<u>-</u>	<u>8,738,992</u>
Assets at Cost	-	389,192	918,351	1,307,543
	<u>8,738,992</u>	<u>389,192</u>	<u>918,351</u>	<u>10,046,535</u>
At 31 May 2001	<u>8,738,992</u>	<u>389,192</u>	<u>918,351</u>	<u>10,046,535</u>
Depreciation:				
at 1 June 2000	492,874	122,970	158,043	773,887
Charge for the year	424,876	60,252	134,775	619,903
	<u>917,750</u>	<u>183,222</u>	<u>292,818</u>	<u>1,393,790</u>
Net Book Value:				
at 31 May 2001	<u>7,821,242</u>	<u>205,970</u>	<u>625,533</u>	<u>8,652,745</u>
At 1 June 2000	<u>8,246,118</u>	<u>172,835</u>	<u>254,984</u>	<u>8,673,937</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2001 (CONT'D)

5. TANGIBLE ASSETS	L'hold Land and Buildings c000	Plant, Machn. and Equipment c000	Motor Vehicles c000	Total c000
(b) The Group				
Gross Value				
At 1 June 2000	19,058,334	17,164,219	552,532	36,775,085
Additions	-	951,048	627,724	1,578,772
Disposals	-	(5,951)	-	(5,951)
	<u>19,058,334</u>	<u>18,109,316</u>	<u>1,180,256</u>	<u>38,347,906</u>
Comprising:				
Original Cost of Assets				
Revalued	2,312,450	-	-	2,312,450
Surplus on Revaluation:				
1989 Valuation	779,239	-	-	779,239
1994 Valuation	4,696,728	-	-	4,696,728
1999 Valuation	11,269,917	-	-	11,269,917
	<u>19,058,334</u>	<u>-</u>	<u>-</u>	<u>19,058,334</u>
Assets at Cost	<u>-</u>	<u>18,109,316</u>	<u>1,180,256</u>	<u>19,289,572</u>
At 31 May 2001	<u>19,058,334</u>	<u>18,109,316</u>	<u>1,180,256</u>	<u>38,347,906</u>
Aggregate Depreciation:				
At 1 June 2000	855,561	4,996,582	242,838	6,094,981
Charge for the year	787,563	1,817,597	158,056	2,763,216
Disposals	-	(3,571)	-	(3,571)
	<u>1,643,124</u>	<u>6,810,608</u>	<u>400,894</u>	<u>8,854,626</u>
Net Book Value:				
At 31 May 2001	<u>17,415,210</u>	<u>11,298,708</u>	<u>779,362</u>	<u>29,493,280</u>
At 1 June 2000	<u>18,202,773</u>	<u>12,167,637</u>	<u>309,694</u>	<u>30,680,104</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2001 (CONT'D)

6: INVESTMENTS HELD AS FIXED ASSETS

	The Group		The Company	
	2001 c000	2000 c000	2001 c000	2000 c000
Trade (100% Subsidiaries)				
Tema Thread Co. Ltd. (400,000 shares)	-	-	942	942
PZ Industries (Gh) Ltd (250,000 shares)	-	-	836	836
	<u>-</u>	<u>-</u>	<u>1,778</u>	<u>1,778</u>
Others				
Ghana Govt Stock	-	1,000	-	1,000
Ghana Breweries Ltd	19	19	19	19
Others	1	1	1	1
	<u>20</u>	<u>1,020</u>	<u>1,798</u>	<u>2,798</u>
	=====	=====	=====	=====

7. STOCKS

	The Group		The Company	
	2001 c000	2000 c000	2001 c000	2000 c000
Raw & Packing Materials	15,747,876	11,509,186	-	-
Work in Progress	3,015,447	2,192,897	-	-
Finished Goods	6,586,466	4,150,426	1,437,556	1,094,546
Goods in Transit	5,465,284	1,184,890	-	-
Other	-	1,449,365	-	5,003
	<u>30,815,073</u>	<u>20,486,764</u>	<u>1,437,556</u>	<u>1,099,549</u>
	=====	=====	=====	=====

8. DEBTORS

	The Group		The Company	
	2001 c000	2000 c000	2001 c000	2000 c000
Trade Debtors	2,941,249	1,859,921	2,940,650	1,859,921
Staff Debtors	58,779	57,033	45,355	49,039
Sundry Debtors	333,753	190,156	2,186	32,737
Amounts owed by associated undertaking	-	-	-	6,553,440
Prepayments and accrued income	37,984	135,924	18,257	-
	<u>3,371,765</u>	<u>2,243,034</u>	<u>3,006,448</u>	<u>8,495,137</u>
	=====	=====	=====	=====

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2001 (CONT'D)**

**9: CREDITORS: amounts falling due
within one year**

	The Group		The Company	
	2001 c000	2000 c000	2001 c000	2000 c000
Trade Creditors	1,094,179	1,184,787	38,976	1,937
Accruals and deferred income	1,720,066	455,143	1,565,952	121,978
Staff Creditors	-	614	-	-
Sundry Creditors	59,995	522,293	59,995	351,222
Amounts owed to associated companies	19,203,228	17,477,595	991,337	1,216,408
Taxation (note 4)	4,906,381	242,488	1,123,223	392,230
Dividends (note 10)	1,540,000	294,000	1,540,000	294,000
	<u>28,523,849</u>	<u>20,176,920</u>	<u>5,319,483</u>	<u>2,377,775</u>

10: DIVIDENDS

	The Group		The Company	
	2001 c000	2000 c000	2001 c000	2000 c000
Balance at 1 June	294,000	520,037	294,000	520,037
Paid during the year	(294,000)	(520,037)	(294,000)	(520,037)
	-	-	-	-
Proposed for year ended 31 May	1,540,000	294,000	1,540,000	294,000
Balance at 31 May	<u>1,540,000</u>	<u>294,000</u>	<u>1,540,000</u>	<u>294,000</u>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2001 (CONT'D)

11: PROVISION FOR LIABILITIES AND CHARGES

Deferred Taxation	The Group		The Company	
	2001 c000	2000 c000	2001 c000	2000 c000
(a) Deferred Capital Gains Tax Liability on revaluation				
Balance at 31 May	<u>(857,288)</u>	<u>(857,288)</u>	<u>(439,989)</u>	<u>(439,989)</u>
(b) Deferred Tax Relief on other timing differences				
Balance at 1 June	(2,805,053)	(2,177,282)	99,106	(22,015)
(Charge/credit to Profit and Loss Account (Note 4))	<u>(1,033,794)</u>	<u>(627,771)</u>	<u>114,868</u>	<u>121,121</u>
Balance at 31 May	<u>(3,838,847)</u>	<u>(2,805,053)</u>	<u>213,974</u>	<u>99,106</u>
TOTAL (a) + (b)	(4,696,135)	(3,662,341)	(226,015)	(340,883)

12: STATED CAPITAL

AUTHORISED: Ordinary Shares	No. of Shares		Proceeds	
	2001 c000	2000 c000	2001 c000	2000 c000
	30,000	30,000		
ISSUED:				
For cash	2,733	2,733	455,070	455,070
For Consideration other than cash	25,267	25,267	9,149,377	9,149,377
Transfer from Capital Reserve	-	-	1,995,553	1,995,553
	<u>28,000</u>	<u>28,000</u>	<u>11,600,000</u>	<u>11,600,000</u>

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2001 (CONT'D)**

13: CAPITAL SURPLUS

This represents the surplus arising from various re-evaluations of leasehold land and buildings over the years net of deferred capital gains.

14: EARNINGS PER ORDINARY SHARE

The Group basic earnings per share was calculated by dividing the earnings attributable to ordinary shareholders by the number of ordinary shares as at 31 May 2001

	2001	2000
Profit after tax for the year (c000)	11,966,464	1,099,597
Total Net Assets (c000)	46,053,223	35,626,759
Number of shares as at 31 May	28,000	28,000
Earnings per share(c)	427.37	39.27
Dividends per share (c)	55.00	10.50
Net Assets per share (c)	1,644.76	1,272.38

15. NUMBER OF SHAREHOLDERS

The number and distribution of Ordinary shareholders with equal voting rights as at 31 May 2001 was as shown below:

<u>Holdings</u>	<u>No. of Holders</u>	<u>Total Holding</u>	<u>% Holdings</u>
1-1,000	1007	280,806	1.00
1,001-5,000	267	669,088	2.39
5,001-10,000	32	221,160	0.79
10,001 and above	39	26,828,946	95.82
	1,345	28,000,000	100.00
	=====	=====	=====

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MAY 2001 (CONT'D)

16: DETAILS OF 20 LARGEST SHAREHOLDERS AT 31 MAY 2001

<u>Name of Shareholder</u>	<u>No. of Shares Held</u>	<u>Percentage (%) Holding</u>
Paterson Zochonis PLC, UK	25,267,001	90.24
African Tiger Mutual Fund Ltd.	875,000	3.13
Epack Investment Fund Ltd.	114,800	0.41
Felix Stephen Quachey	30,350	0.11
Dr. Emmanuel E. Sackey	29,000	0.10
Alhassan Iddrisu	25,930	0.09
Ghanaian Ent. Dev. Commission	25,450	0.09
Joseph Buachie	24,080	0.09
Edward T. Dodoo	23,800	0.09
Albert Kofi Acheampong	22,970	0.08
Crusader Insurance Co. Ghana Ltd.	20,800	0.07
Francis Kwasi Gyembibi	20,710	0.07
S. Oduro-Mintah	20,000	0.07
Strategic African Securities	16,795	0.6
Paterson Zochonis Prov. Fund	16,750	0.6
Timothy Aye Kusi	16,450	0.6
Emmanuel A. Clement	15,430	0.6
Mrs. Georgina Badu	15,020	0.5
D. C. Amoako	14,500	0.5
J. G. A. Renner	14,000	0.5
Reported totals	26,608,836	95.03
Not reported	1,391,164	4.97
	<u>28,000,000</u>	<u>100.00</u>
	=====	=====

17: EXCHANGE CONTROL

All remittances from Ghana are subject to the approval of the exchange control authorities.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MAY 2001 (CONT'D)**

18: CAPITAL COMMITMENTS

Commitments for Capital Expenditure outstanding at 31 May 2001 amounted to cNIL (2000 cNIL)

19: CONTINGENT LIABILITIES

There were no contingent liabilities as 31 May 2001 (2000 cNIL)

20. RECONCILIATION OF COMPANY OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	The Group		The Company	
	2001 c000	2000 c000	2001 c000	2000 c000
Operating Profit	15,395,154	1,817,835	3,083,978	241,642
Unrealised profit on closing stock	200,936	280,000	-	-
Depreciation charges	2,763,216	2,527,032	619,903	500,173
Profit on sale of fixed assets	(28,526)	(3,700)	-	(3,700)
(Increase)/decrease in stocks	(10,529,246)	(1,669,099)	(338,007)	326,019
(Increase)/decrease in Debtors	(1,129,731)	(267,908)	5,488,689	(332,401)
Increase (decrease) in creditors	2,438,036	3,304,930	964,713	4,963,733
Net cash inflow from operating activities	<u>9,109,839</u>	<u>5,989,090</u>	<u>9,819,276</u>	<u>5,695,466</u>

PROXY FORM

PATERSON ZOCHONIS GHANA LIMITED

No 0353

Annual General Meeting to be held at 3.00 p.m.
on 7th December 2001 at the British Council Hall
Accra.

I/We* _____
being a member/members of
PATERSON ZOCHONIS GHANA LIMITED
hereby appoint

** _____
or failing him, **PAUL M. BOYCE** or failing him,
PHILIP W. DAVIES or failing him,
FELIX S. QUACHEY as my/our proxy to act and vote
for me/us on my/our behalf at the Annual General
Meeting of the Company to be held on 7th December
2001

Dated the _____ day of _____
2001

Shareholder's Signature _____

RESOLUTION	FOR	AGAINST
1. To adopt the reports and audited financial statements		
2. (a) To re-appoint Mr. Felix Stephen Quachey as a Director. (b) To re-appoint Mr. Philip William Davies		
3. To fix Directors' fees.		
4. To authorise the Directors to negotiate and determine the Auditors' remuneration		

Please indicate an 'X' in the appropriate square how you wish your votes to be cast on the resolutions set out above.
Unless otherwise instructed, the proxy will vote or abstain from voting at his discretion.

(Before [posting the form, please tear off this part and retain it])

PATERSON ZOCHONIS GHANA LIMITED

ADMISSION FORM

No 0353

**ANNUAL GENERAL MEETING TO BE HELD
AT 3.00 P.M. ON 7TH DECEMBER 2001 AT
THE BRITISH COUNCIL HALL ACCRA**

IF YOU ARE UNABLE TO ATTEND THIS MEETING

A member (shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by proxy. The above proxy form has been prepared to enable you to exercise your right to vote, in case you cannot personally attend the Meeting.

Following the normal practice, the names of three Directors of the Company have been entered on the Form to ensure that someone will be at the Meeting to act as your proxy, but if you wish you may insert in the blank space on the Form (marked**) 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 one of the Directors.

Please sign the above Proxy Form and post it so as to reach the address on the front not later than 3.00 p.m. on 5th December 2001

If executed by a Body Corporate, the Proxy Form should be sealed with the Common Seal

IMPORTANT (a) The name of the shareholder must be written in **BLOCK CAPITALS** on the Proxy Form where marked*

(b) This admission Form must be produced by the shareholder or his proxy in order to obtain entrance to the Annual General Meeting

(c) Shareholders are requested to sign the Admission Form before attending the meeting

FZ/77905
CREDIT UNION ASSOCIATION OF GHANA
C/O DATABANK
P.M.B.
MINISTRIES-ACCRA

Signature of Person Attending _____

ATLANTIC SOCIETY'S CHAIRS LIMITED

Year	Description
1981	...
1982	...
1983	...
1984	...
1985	...
1986	...
1987	...
1988	...
1989	...
1990	...
1991	...
1992	...
1993	...
1994	...
1995	...
1996	...
1997	...
1998	...
1999	...
2000	...
2001	...
2002	...
2003	...
2004	...
2005	...
2006	...
2007	...
2008	...
2009	...
2010	...
2011	...
2012	...
2013	...
2014	...
2015	...
2016	...
2017	...
2018	...
2019	...
2020	...
2021	...
2022	...
2023	...
2024	...
2025	...

**THE REGISTRAR
MERCHANT BANK (GHANA) LIMITED
57 EXAMINATION LOOP
NORTH RIDGE
P. O. BOX 401
ACCRA**

2000

THE REGISTRAR
MERCHANT BANK (GHANA) LIMITED

57 EXAMINATION LOOP
NORTH RIDGE

P. O. BOX 401
ACCRA

...

...

...

...

...

...

...

...

...

...

PRINTED BY HACQUASON PRESS LIMITED TEMA TEL: 306132