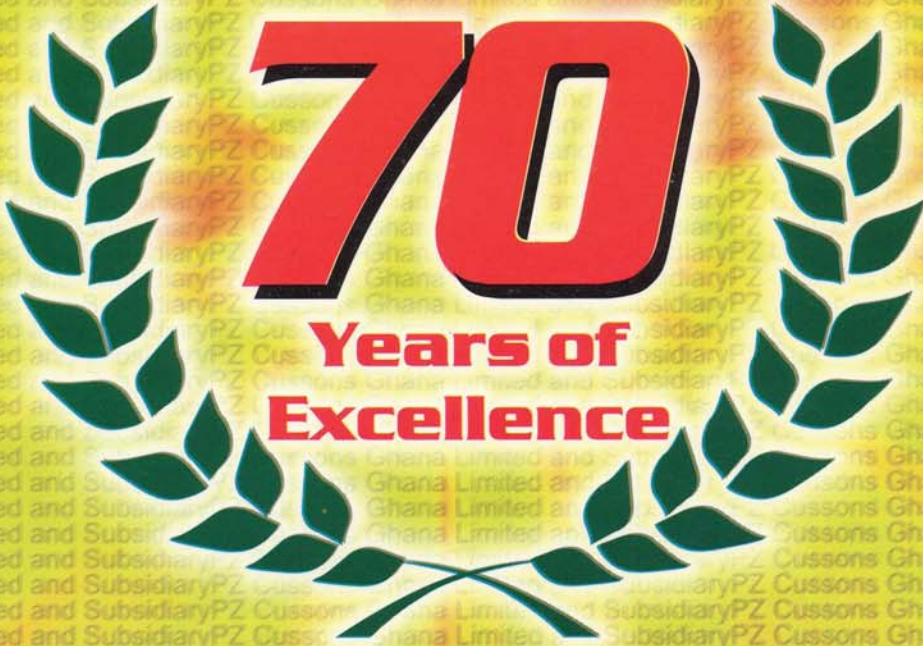


DPIC

2004 Annual Report



PZ CUSSONS GHANA LIMITED



Paterson Zochonis (PZ) was formed in Ghana (then the Gold Coast) in 1934. Paterson Zochonis Ghana became a Public Company in 1976, and was listed on the Ghana Stock Exchange within 12 months of its inception, in 1990.

From the early activities of importing, exporting and general trading, an industrial base was established in 1969.

Consequent to the Economic Recovery Programme instituted by the Government at that time, opportunity was taken in the late 80's and early 90's to rejuvenate PZ's industrial potential, concentrating on Health Care and Beauty Care products.

In 1995 a decision was made to build a new soap factory in Ghana, a total new investment to the value of approximately \$10 million.

Effectively 1st June, 2002 the Group underwent a change in name, from Paterson Zochonis to PZ Cussons. The objective of the changes was to unify the Group further under one identity, and to refresh and modernize our corporate image.

With a solid product portfolio that includes a number of well established brands such as Drastin, Alagbin, Zubes, Super Atlas, Maladrin, Robb, Venus haircare, Camel antiseptic, Imperial Leather, Premier, Cussons Baby, Canoe, Duck and Elephant, PZ Cussons can look at the future with great confidence.

Our vision is driven by our commitment to continue expanding our business through providing the consumers with goods of the highest quality standards at affordable prices, while making reasonable profits and maintaining our strong family values and respect for the environment in which we operate.

Annual Report

And Financial Statements

31st May, 2004

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Officers and Professional Advisors

Directors: P. Mouchteros (Chairman and M.D.) appointed 31/7/03
Paul Michael Boyce - retired 31/7/03
Felix Stephen Quachey
Philip William Davies
Kwabena Pepera - resigned 31/7/03
Panagiotis Giouras - resigned 31/7/03
C. Nicoloulas - appointed 31/7/03
Paul K. Pepera - appointed 31/7/03

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

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

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

Notice of Meeting

NOTICE IS HEREBY GIVEN that the 46th Annual General Meeting of PZ Cussons Ghana Limited, will be held at the Ghana National Association of Teachers (GNAT) Hall, Accra on Friday, November 26, 2004 at 3:00p.m. to transact the following business of the Company.

AGENDA

1. To receive and consider the audited financial statements for the year ended 31st May 2004 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 authorize 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, August 15, 2004

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.

Group Financial Highlights

	2004 ¢'000	2003 ¢'000	% change
Turnover	173,823,916	149,596,577	16
Operating profit	21,247,538	21,003,165	1
Profit before taxation	21,572,011	22,005,896	(2)
Profit after taxation	14,369,880	14,916,975	(4)
Operating cashflow	12,820,943	17,233,702	(26)
Shareholders' funds	116,029,601	69,889,366	66
Capital expenditure	3,449,154	4,820,839	(28)
Earnings per ordinary share (¢)	513.21	532.75	(4)
Dividends per ordinary share (¢)	72.00	65.00	11
Net assets per share (¢)	4,143.91	2,496.05	66
PBT Margin (%)	12.41	14.71	(21)
PAT Margin (%)	8.27	9.97	(17)

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.

Directors' Report

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, 2004.

The Group

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

Name	Status	Nature of Business
PZ Cussons Ghana Limited	Holding Company	Management of estates
PZ Cussons Industries Ghana Limited	Subsidiary Company	Manufacturing, distribution and sale of soaps, cosmetics and pharmaceuticals.

Parent company

The Holding Company is a subsidiary of PZ Cussons 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 2004 after taxation was ¢14.3 billion against a profit after tax of ¢14.9 billion in 2003.

Directors' Report

Dividends

The Directors recommend a dividend of ¢72 (2003: ¢65) per share for the year under consideration, amounting to ¢2.016 billion.

Directors and their interest

The present member 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 2004 were:

	2004	2003
P.Mouchteros (Managing Director)	-	-
F.S. Quachey	5,100	5,100
P.W. Davies	-	-
Paul K. Pepera	-	-
Constantin Nicoloulis	-	-

In accordance with the regulations of the Company, Messrs Paul Kwabena Pepera and Constantin Nicoloulis 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 of Directors



Director

23rd 2004



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 8.

Independent Auditors' Report To the Members of PZ Cussons Ghana Limited

We have audited the accounts of PZ Cussons Ghana Limited for the year ended 31 May 2004, which comprises the profit and loss account, the balance sheet, the cash flow statement, and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and Auditors

As described in the statement of director's responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable International Accounting Standards.

Our responsibility is to express an independent opinion on these statements based on our audit.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Code 1963 (Act 179). We also report if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

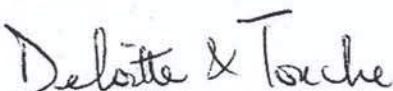
Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. 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 judgements 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, the financial statements give a true and fair view of the state of the company's affairs as at 31 May 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Company's Code 1963 (Act 179).



Chartered Accountants

4 Liberation Road

Accra

9 August
.....2004

Consolidated Profit and Loss Account For the year ended 31st May 2004

	Note	Group		Company	
		2004 ¢'000	2003 ¢'000	2004 ¢'000	2003 ¢'000
Turnover		173,823,916	149,596,577	-	2,522,975
Cost of Sales		(123,345,464)	(105,548,568)	-	(2,516,626)
Gross Profit		50,478,452	44,048,009	-	6,349
Other Income	2	660,122	2,134,443	392,860	1,968,834
		51,138,574	46,182,452	392,860	1,975,183
General, administrative and selling expenses		(29,891,036)	(25,179,287)	(389,766)	(376,202)
Operating profit		21,247,538	21,003,165	3,094	1,598,981
Net interest receivable and similar income		324,473	1,002,731	-	204,230
Profit before tax	3	21,572,011	22,005,896	3,094	1,803,211
Taxation and levies	4	(7,202,131)	(7,088,921)	(105,647)	(663,410)
Profit /(loss) after taxation transferred to Income Surplus Account		14,369,880	14,916,975	(102,553)	1,139,801

Income Surplus Account For the year ended 31 May 2004

	Note	2004 ¢'000	2003 ¢'000	2004 ¢'000	2003 ¢'000
At 1 June		43,056,484	29,959,509	2,829,011	3,791,236
Transferred from Profit/Loss account		14,369,880	14,916,975	(102,553)	857,775
Transferred from Capital Surplus Acct	13	142,205	-	142,205	-
		57,568,569	44,876,484	2,868,663	4,649,011
Dividend proposed: ¢72.00 per share(2003 ¢65.00)		(2,016,000)	(1,820,000)	(2,016,000)	(1,820,000)
At 31 May		55,552,569	43,056,484	852,663	2,829,011

**Consolidated Balance Sheet as at
31st May 2004**

	Note	Group		Company	
		2004 ¢'000	2003 ¢'000	2004 ¢'000	2003 ¢'000
Fixed Assets					
Tangible fixed assets	5	68,984,339	31,479,373	20,095,050	6,960,230
Investments	6	9,477,731	19	855	855
		<u>78,462,070</u>	<u>31,479,392</u>	<u>20,095,905</u>	<u>6,961,085</u>
Current Assets					
Stocks	7	82,086,030	47,521,383	-	-
Debtors	8	15,892,927	15,624,940	16,802,133	7,365,761
Cash in transit		1,262,179	1,019,635	-	-
Cash and Bank		9,704,815	18,799,782	358,766	215,337
		<u>108,945,951</u>	<u>82,965,740</u>	<u>17,160,899</u>	<u>17,581,098</u>
Current liabilities					
Creditors	9	56,253,748	33,299,345	176,464	176,238
Dividends payable	10	3,535,177	1,820,000	3,535,177	1,820,000
Taxation	4	3,296,149	4,749,189	10,444	335,765
		<u>63,085,074</u>	<u>39,868,534</u>	<u>3,722,085</u>	<u>2,332,003</u>
Net current assets		45,860,877	43,097,206	13,438,814	15,249,095
Total assets less current liabilities		124,322,947	74,576,598	33,534,719	22,210,180
Provision for liabilities and charges	11	(8,293,346)	(4,687,232)	(2,008,406)	(704,111)
Net assets		116,029,601	69,889,366	31,526,313	21,506,069
Capital and Surplus					
Stated Capital	12	11,600,000	11,600,000	11,600,000	11,600,000
Capital Surplus	13	48,877,032	15,232,882	19,073,650	7,077,058
Income Surplus		55,552,569	43,056,484	852,663	2,829,011
Shareholders' Funds		116,029,601	69,889,366	31,526,313	21,506,069

Approved by the Board of Directors



Director



Director

23rd July, 2004

**Consolidated Cash Flow Statement
For the Year 31st May 2004**

	Note	Group		Company	
		2004 ¢'000	2003 ¢'000	2004 ¢'000	2003 ¢'000
Net Cash flow from Operating Activities	19	12,820,943	17,233,702	919,679	(11,483,921)
Return on Investments and servicing of finance					
Net interest received		324,473	1,002,731	-	-
Dividend paid		(300,822)	(1,617,000)	(300,822)	(1,617,000)
Taxation and levies					
Tax and levies paid	4	(8,803,029)	(7,307,869)	(475,428)	(583,724)
Capital expenditure and financing activities					
Equity investment in Norpalm Limited		(9,477,712)	-	-	-
Purchase of fixed assets	5	(3,449,154)	(4,820,839)	-	-
Proceeds from sale of fixed assets	5	32,878	1,759,654	-	2,503,123
Increase in cash and cash equivalents		(8,852,423)	6,250,379	143,429	(11,181,522)
Cash and bank balance at 1 June					
Cash in transit		1,019,635	2,148,782	-	-
Cash and bank balance		18,799,782	11,420,256	215,337	11,396,859
		10,966,994	19,819,417	358,766	215,337
Cash and bank balance at 31 May					
Cash in transit		1,262,179	1,019,635	-	-
Cash and bank balance		9,704,815	18,799,782	358,766	215,337
		10,966,994	19,819,417	358,766	215,337

**Notes to the Consolidated Financial Statements
For The Year Ended 31st May,2004**

1. Accounting policies

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

(a) Basis of preparation

These financial statements have been prepared in accordance with International Accounting Standards and under the historical cost convention except as disclosed in the accounting policies below.

(b) Group accounting

The financial statements of PZ Cussons Industries Ghana Limited, a wholly owned subsidiary, has been consolidated. All intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. The accounting policies of PZ Cussons Industries Ghana Limited is consistent with the policies adopted by the Group.

(c) Property, plant and equipment

Land and buildings (except for investment property) comprise mainly factories and offices are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or its revalued amounts, to their residual values over their estimated useful life as follows:

Leasehold land and buildings	Over the life of the lease
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 is determined by standard costing method and proportionate variances adjusted. The cost of finished goods 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) Trade debtors

Trade debtors are recorded at original invoice value amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

(f) Foreign exchange

Transactions denominated in foreign currencies are translated 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 the Balance Sheet date. These translation differences are dealt with in the profit and loss account.

(g) Sales

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

**Notes to the Consolidated Financial Statements
for the Year Ended 31st May, 2004**

(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.

(k) Revenue recognition

Sales are recognised upon dispatch of products. Sales are shown net of discounts, returns and after eliminating sales within the Group.

**Notes To The Consolidation Financial Statements
For The Year ended 31st May, 2004**

2: Other income	Group		Company	
	2004 ¢'000	2003 ¢'000	2004 ¢'000	2003 ¢'000
Profit on Sale of Assets	32,878	1,567,752	-	1,535,644
Rental income	562,601	566,691	392,860	433,190
Sundry Income	64,643	-	-	-
	<u>660,122</u>	<u>2,134,443</u>	<u>392,860</u>	<u>1,968,834</u>

3: Operating profit

Operating profit is after charging:

	Group		Company	
	2004 ¢'000	2003 ¢'000	2004 ¢'000	2003 ¢'000
Directors Remuneration	591,237	483,448	-	-
Auditors Remuneration	154,950	90,300	-	-
Royalties and technical fees	3,768,768	3,459,068	-	-
Exchange losses	961,620	1,866,382	-	-
Donations	1,398	9,385	-	-
Depreciation	3,486,231	2,764,304	352,733	351,884
	<u>6,484,204</u>	<u>10,673,887</u>	<u>352,733</u>	<u>351,884</u>

4: Taxation and levies - Company	At 1/6/03 ¢'000	Payments ¢'000	P & L Charge ¢'000	At 31/5/04 ¢'000
Capital gains tax				
2003	163,310	(173,062)	9,752	-
Reconstruction levy				
2004	-	(1,510)	77	(1,433)
2003	39,974	(39,974)	-	-
2002	-	-	-	-
Corporation tax				
2004	-	(18,117)	70,976	52,859
2003	64,195	(81,353)	17,158	-
2002	68,286	(161,412)	52,144	(40,982)
	<u>335,765</u>	<u>(475,428)</u>	<u>150,107</u>	<u>10,444</u>

**Notes To The Consolidated Financial Statements
For The Year Ended 31st May, 2004**

4: Taxation and levies - Group

	<u>At 1/6/03</u> ¢'000	<u>Payments</u> ¢'000	<u>P & L Charge</u> ¢'000	<u>At 31/5/04</u> ¢'000
Capital gains tax				
2003	163,310	(173,062)	9,752	-
Reconstruction levy				
2004	-	(1,510)	539,300	537,790
2003	537,366	(537,366)	-	-
2002	-	-	-	-
Corporation tax				
2004	-	(3,814,440)	6,837,863	3,023,423
2003	4,104,545	(4,115,239)	(213,388)	(224,082)
2002	68,286	(161,412)	52,144	(40,982)
2000 or prior	(124,318)	-	124,318	-
	<u>4,749,189</u>	<u>(8,803,029)</u>	<u>7,349,989</u>	<u>3,296,149</u>

All liabilities are subject to the agreement of the Income Tax authorities.
The tax charge in the Profit & Loss Account comprises:

	Group		Company	
	2004 ¢'000	2003 ¢'000	2004 ¢'000	2003 ¢'000
Tax charge as above	7,349,989	7,340,778	150,107	676,037
Deferred Taxation(Note 11)	(147,858)	649,063	(44,460)	(12,627)
	<u>7,202,131</u>	<u>7,989,841</u>	<u>105,647</u>	<u>663,410</u>

**Notes To Consolidated Financial Statements
For The Year Ended 31st May, 2004**

5:Tangible fixed assets - Company

	Leasehold Land/builds. ¢'000	Plant, machn. & equipment ¢'000	Motor Vehicles ¢'000	Total ¢'000
Gross Value				
At 1 June 2003	8,597,200	-	-	8,597,200
Additions	-	-	-	-
Disposals	-	-	-	-
	<u>8,597,200</u>	<u>-</u>	<u>-</u>	<u>8,597,200</u>
At 31 May 2004	<u><u>8,597,200</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>8,597,200</u></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
2004 Valuation	11,497,850	-	-	11,497,850
	<u>20,236,842</u>	<u>-</u>	<u>-</u>	<u>20,236,842</u>
Assets at Cost	<u>(141,792)</u>	<u>-</u>	<u>-</u>	<u>(141,792)</u>
At 31 May 2004	<u><u>20,095,050</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>20,095,050</u></u>
Depreciation:				
At 1 June 2003	1,636,970	-	-	1,636,970
Charge for the year	352,733	-	-	352,733
Disposals/transfers	(1,989,703)	-	-	(1,989,703)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
Net Book Value:				
At 31 May 2004	<u><u>20,095,050</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>20,095,050</u></u>
At 1 June 2003	<u><u>6,960,230</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>6,960,230</u></u>

**Notes To The Consolidated Financial Statements
For The Year Ended 31st May 2004**

5: Tangible assets - Group

	Leasehold land/builds. ¢'000	Plant, machn. & equipment ¢'000	Motor vehicle ¢'000	Assets under construction ¢'000	Total ¢'000
Gross Value:					
At 1 June 2003	19,278,859	24,168,187	1,530,481	1,190,275	46,167,802
Additions	-	1,155,956	144,748	2,148,450	3,449,154
Disposals/transfers	-	2,127,545	(19,558)	(2,127,545)	(19,558)
	<u>19,278,859</u>	<u>27,451,688</u>	<u>1,655,671</u>	<u>1,211,180</u>	<u>49,597,398</u>
Comprising:					
Original Cost of Assets					
Revalued	2,581,090	-	-	-	2,581,090
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
2004 Valuation	33,708,991	-	-	-	33,708,991
	<u>53,035,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,035,965</u>
Assets at Cost	<u>(48,115)</u>	<u>27,451,688</u>	<u>1,655,671</u>	<u>1,211,180</u>	<u>30,270,424</u>
At 31 May 2004	<u>52,987,850</u>	<u>27,451,688</u>	<u>1,655,671</u>	<u>1,211,180</u>	<u>83,306,389</u>
Aggregate Depreciation:					
At 1 June 2003	3,103,178	10,651,345	933,906	-	14,688,429
Charge for the year	729,874	2,503,349	253,008	-	3,486,231
Disposals/transfers	(3,833,052)	-	(19,558)	-	(3,852,610)
At 31 May 2004	<u>-</u>	<u>13,154,694</u>	<u>1,167,356</u>	<u>-</u>	<u>14,322,050</u>
Net Book Value:					
At 31 May 2004	<u>52,987,850</u>	<u>14,296,994</u>	<u>488,315</u>	<u>1,211,180</u>	<u>68,984,339</u>
At 1 June 2003	<u>16,175,681</u>	<u>13,516,842</u>	<u>596,575</u>	<u>1,190,275</u>	<u>31,479,373</u>
Disposal of assets:					
Gross book value	-	-	19,558	-	19,558
Accum. depreciation	-	-	(19,558)	-	(19,558)
Net book value	-	-	-	-	-
Sale proceeds	-	-	32,878	-	32,878
Profit on disposal	<u>-</u>	<u>-</u>	<u>32,878</u>	<u>-</u>	<u>32,878</u>

Depreciation has been charged in the profit and loss account as follows:

	2004 ¢'000	2003 ¢'000
Cost of sales	2,503,349	2,448,406
Selling, general and administrative expenses	982,881	186,093
	<u>3,486,230</u>	<u>2,634,499</u>

**Notes To The Consolidated Financial Statements
For The Year Ended 31st May, 2004**

6: Investments held as fixed assets	Group		Company	
	2004 ¢'000	2003 ¢'000	2004 ¢'000	2003 ¢'000
PZ Cussons Industries Ltd (250,000 shares)	-	-	836	836
Others:			836	836
Ghana Breweries Ltd	19	19	19	19
Norpalm Ghana Limited.	9,477,712	-	-	-
	9,477,731	19	855	855

PZ Cussons Ghana Limited holds 100% shares in PZ Cussons Industries Ghana Limited and exercises management control in it. In accordance with Ghana Accounting Standards, PZ Cussons Industries Ghana Limited has been designated as a subsidiary.

7: Stocks	Group		Company	
	2004 ¢'000	2003 ¢'000	2004 ¢'000	2003 ¢'000
Raw & Packing Materials	55,341,378	19,089,479	-	-
Engineering spares	3,411,584	1,261,324	-	-
Finished Goods	12,721,774	7,217,186	-	-
Work in Progress	870,655	11,550,318	-	-
Goods in Transit	9,740,639	8,403,076	-	-
	82,086,030	47,521,383	-	-

8: Debtors	Group		Company	
	2004 ¢'000	2003 ¢'000	2004 ¢'000	2003 ¢'000
Trade Debtors	10,710,077	7,421,612	-	-
Amounts due from associated company	950,331	920,927	15,555,474	15,856,260
Amounts due from officers and staff	1,378,820	1,547,912	1,170,316	1,364,985
Sundry Debtors	2,749,556	5,699,645	72,714	39,016
Prepayments and accrued income	104,143	34,844	3,629	5,500
	15,892,927	15,624,940	16,802,133	17,365,761

The maximum amount of indebtedness by officers during the year amounted to ¢1.378 billion.

**Notes To The Consolidated Financial Statements
For The Year Ended 31st May, 2004**

9: Creditors	Group		Company	
	2004 ¢'000	2003 ¢'000	2004 ¢'000	2003 ¢'000
Trade creditors	3,481,304	2,331,894	-	-
Amounts due to associated companies	48,814,225	28,610,808	-	833
Sundry creditors	1,584,720	808,233	176,464	175,405
Accruals and deferred income	2,373,499	1,548,410	-	-
	<u>56,253,748</u>	<u>33,299,345</u>	<u>176,464</u>	<u>176,238</u>

10: Dividends payable	Group		Company	
	2004 ¢'000	2003 ¢'000	2004 ¢'000	2003 ¢'000
At 1 June	1,820,000	1,540,000	1,820,000	1,617,000
Payment during the year	(300,823)	(1,540,000)	(300,823)	(1,617,000)
	<u>1,519,177</u>	<u>-</u>	<u>1,519,177</u>	<u>-</u>
Proposed dividend	2,016,000	1,617,000	2,016,000	1,820,000
At 31 May	<u>3,535,177</u>	<u>1,617,000</u>	<u>3,535,177</u>	<u>1,820,000</u>

11: Provision for liabilities and charges

Deferred Taxation

(A) Deferred Capital Gains Tax Liability on revaluation	Group		Company	
	2004 ¢'000	2003 ¢'000	2004 ¢'000	2003 ¢'000
At 1 June	(857,288)	(857,288)	(439,988)	(439,988)
Charge to Profit and Loss Account	(3,753,972)	-	(1,348,755)	-
At 31 May	<u>(4,611,260)</u>	<u>(857,288)</u>	<u>(1,788,743)</u>	<u>(439,988)</u>

**Notes To The Consolidated Financial Statements
For The Year Ended 31st May, 2004**

(b) Deferred Tax Relief on other timing differences

At 1 June	(3,829,944)	(3,180,881)	(264,123)	226,601
Charge to Profit and Loss Account	147,858	(649,063)	44,460	(490,724)
At 31 May	(3,682,086)	(3,829,944)	(219,663)	(264,123)
Total	(8,293,346)	(4,687,232)	(2,008,406)	(704,111)

12: Stated Capital

	Number of shares		Proceeds	
	2004	2003	2004	2003
	¢'000	¢'000	¢'000	¢'000
Authorised:				
Ordinary Shares	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
Transferred from Capital Surplus	-	-	1,995,553	1,995,553
	28,000	28,000	11,600,000	11,600,000

There is no share in treasury and no call of instalments unpaid on any share.

	2004	2003	2004	2003
	¢'000	¢'000	¢'000	¢'000
13: Capital Surplus				
At 1 June	15,232,882	15,232,882	7,077,058	7,077,058
Transfer to Income Surplus	(142,205)	-	(142,205)	-
Revaluation Surplus	37,540,327	-	13,487,552	-
Tax provision on revaluation	(3,753,972)	-	(1,348,755)	-
At 31 May	48,877,032	15,232,882	19,073,650	7,077,058

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 2004.

	2004	2003
Profit after tax for the year(¢'000)	14,369,880	14,916,975
Total Net Assets(¢'000)	116,029,601	69,889,366
Number of shares as at 31 May ('000)	28,000	28,000
Earnings per share(¢)	513.21	532.75
Dividends per share(¢)	72.00	65.00
Net Assets per share(¢)	4,143.91	2,496.05

**Notes To The Consolidated Financial Statements
For The Year Ended 31st May, 2004**

15: Number of shareholders

The number and distribution of Ordinary Shareholders with equal voting rights as at 31 May 2004 was as shown below:

<u>Holdings</u>	<u>No. of Holders</u>	<u>Total Holding</u>	<u>% Holdings</u>
1 - 1,000	1,090	305,839	1
1,001 - 5,000	269	675,737	2
5,001 - 10,000	32	218,732	1
10,001 and above	36	26,799,692	96
	1,427	28,000,000	100
	=====	=====	=====

16: Details of 20 largest shareholders at 31 May 2004

<u>Name of Shareholder</u>	<u>No. of Shares Held</u>	<u>Percentage (%) Holding</u>
PZ Cussons PLC, U.K.	25,267,001	90.24
African Tiger Mutual Fund Ltd	875,000	3.13
Epack Investment Fund Ltd	146,576	0.52
Dr. Emmanuel E. Sackey	29,000	0.10
Alhassan Iddrisu	25,930	0.09
Ghanaian Enterprise Development 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
CDH Insurance Co. Ghana Ltd	20,800	0.07
Francis Kwasi Gyembibi	20,710	0.07
K. Pepera	19,195	0.07
PZ Cussons Ghana Provident Fund	16,750	0.06
Timothy Aye Kusi	16,450	0.06
Emmanuel A. Clement	15,430	0.06
Mrs. Georgina Badu	15,020	0.05
D. C. Amoakoh	14,500	0.05
J. G. A. Renner	14,000	0.05
M.F. Fattal	13,920	0.05
M. Amoa	13,570	0.05
Reported totals	26,620,152	95.07
Not reported	1,379,848	4.93
	28,000,000	100.00
	=====	=====

17: Exchange control

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

18: Contingent liabilities

There were no contingent liabilities at 31 May 2004 (2003 ₵NIL).

19: Reconciliation of company operating profit to net cash inflow from operating activities

	Group 2004 ¢'000	2003 ¢'000	Company 2004 ¢'000	2003 ¢'000
Operating profit	21,247,538	21,003,165	3,094	1,598,981
Depreciation charges	3,486,231	2,986,977	352,733	351,884
Profit on sale of fixed assets	(32,878)	(1,567,752)	-	(1,535,644)
(Increase)/decrease in stocks	(34,564,647)	(5,754,226)	-	2,516,626
(Increase)/decrease in debtors	(267,987)	(9,818,027)	563,626	(13,241,051)
Increase/(decrease) in creditors	22,952,686	10,383,565	226	(1,174,717)
	=====	=====	=====	=====
Net cash inflow from operating activities	12,820,943	17,233,702	919,679	(11,483,921)
	=====	=====	=====	=====

20: Related party transactions

The company is a subsidiary of PZ Cussons Plc incorporated in the United Kingdom.

The following transactions were carried out with related parties:

	2004 ¢'000	2003 ¢'000
Purchases of goods and services:		
PZ Cussons International Limited, Manchester	94,107,773	38,017,000
	=====	=====
Sale of goods:		
Parnon Limited	1,528,033	929,244
PZ Industries (Nigeria) PLC	1,348,281	6,631,187
	=====	=====
	2004	2003
Year end balances arising from related party transactions :	¢'000	¢'000
PZ Cussons International Limited - Purchases	(29,010,083)	(12,574,419)
PZ Cussons International Limited - Royalties/Technical fees	(9,647,219)	(5,878,450)
PZ Cussons International Limited - Loan Draw-down	(10,156,922)	(10,156,922)
Parnon Limited	487,968	920,926
PZ Industries (Nigeria) PLC	462,363	-
	=====	=====

PZ Cussons International Limited, Parnon Limited all in the United Kingdom and PZ Industries (Nigeria) Plc are all fellow subsidiaries of PZ Cussons Plc., and are therefore companies related through common control. The above transactions were carried out on commercial terms and conditions.

PROXY FORM

No. 0001

PZ CUSSONS GHANA LIMITED.

Annual General Meeting to be held at 3:00pm on 26th November 2004 at the Ghana National Association of Teachers (GNAT) Hall, Accra.

I/We* _____
being a member/members of PZ Cussons Ghana Limited hereby appoint.
**

of failing him, PANAGIOTIS G. MOUCHTEROS or failing him, PHILIP W. DAVIES or failing him, FELIX S. QUACHEY as/our proxy to act and vote for my/us on my/our behalf at the Annual General Meeting of the Company to be held on 26th November 2004.

Dated the _____ day of _____ 2004

Shareholder's Signature _____
{Before posting the form, please tear of this part and retain it}

RESOLUTION	FOR	AGAINST
1. To adopt the reports and audited financial statements		
(a) To re-appoint Mr. Paul Kwabena Pepera. (b) To re-appoint Mr. Constantin Nicoloulis		
3. To fix Directors fees.		
4. To authorize the Directors to negotiate and determine the Auditors' remuneration.		
<p>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.</p>		

PZ CUSSONS GHANA LIMITED
ADMISSION FORM

No. 0001

No. 0000429

ANNUAL GENERAL MEETING TO BE HELD AT 3:00PM ON 26TH NOVEMBER 2004 AT THE GHANA NATIONAL ASSOCIATION OF TEACHERS (GNAT) 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 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 the 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 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 3:00p.m. on the 24th November 2004.

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

- IMPORTANT (a) The name of the shareholder must be written in BLOCK CAPITALS on the Proxy form 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 or their proxies are requested to sign the Admission Form before attending the meeting.

Signature of Person Attending

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



MALADRIN

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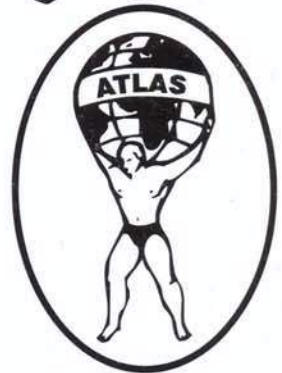
ROBB

EVERY DAY

Super



Roberts



CAMEL

DUCK
BAR SOAP

Cussons



Cussons



Baby Lotion

Lait de Bébé

PZ CUSSONS INDUSTRIES GHANA LTD.

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