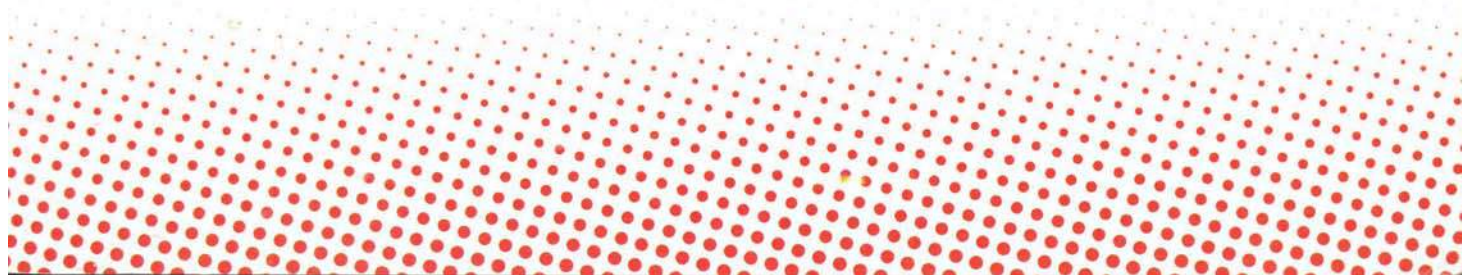


2006
Annual Report
& Consolidated
Financial Statements



PZ CUSSONS GHANA LIMITED AND SUBSIDIARY



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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.



Experience the Luxury



Notice Of Meeting

NOTICE IS HEREBY GIVEN that the 48th Annual General Meeting of PZ Cussons Ghana Limited will be held at the Kama Conference Centre, Accra on Friday November 10, 2006 at 1.00 p.m to transact the following business of the Company.

Agenda:

Ordinary Business

1. To receive and consider the Audited Financial Statements for the year ended 31st May 2006 and the Reports of the Directors and Auditors thereon.
2. To declare 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.

Special Business

1. To consider and approve the merger between PZ Cussons Ghana Limited and PZ Cussons Industries Ghana Limited in which PZ Cussons Ghana Limited will take over the assets and liabilities of PZ Cussons Industries Ghana Limited.

BY ORDER OF THE BOARD

ACCRA NOMINEES LIMITED
SECRETARIES

Accra, October 5, 2006.

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, Kwame Nkrumah Avenue, P.O. Box 401, Accra not less than 48 hours prior to the time of the meeting.

2006 Annual Report

& Consolidated
Financial Statements

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Officers & Professional Advisors

Directors: Meletis Glentzes (Chairman and M.D.) - appointed 25/11/05
Felix Stephen Quachey
Philip William Davies
C. Nicoloulas - retired 31/05/06
Paul K. Pepera
Charles B. Janney - appointed 01/06/05

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

Registered office: Plot 27/3 - 27/7
Sanyo Road, Tema Heavy Industrial Area
P. O. Box 628
Tema, 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: 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.

Group Financial Highlights

	2006	2005	
	¢'000	¢'000	% change
Turnover	223,761,509	195,979,806	14
Operating profit	33,798,689	15,716,013	115
Profit before taxation	34,703,698	16,074,728	116
Profit after taxation	22,308,461	10,019,108	123
Operating cashflow	19,902,570	12,176,120	63
Shareholders' funds	146,257,091	123,948,630	18
Earnings per ordinary share (¢)	796.73	358	123
Dividends per ordinary share (¢)	85	75	13
PBT Margin (%)	15.51	8.20	89
PAT Margin (%)	9.97	5.11	95

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.

Corporate Governance

Introduction

PZ Cussons Ghana Limited recognises the importance of good corporate governance as a means of sustained long-term viability of the business and therefore always seeks to align the attainment of the business objectives with good corporate behaviour.

In line with the framework, mission, values and business principles mandated through the group corporate accountability committee, planning takes place and resources are allocated towards achievement of accountability, compliance and reporting standards. The business adopts standard accounting practices and ensures sound internal controls to facilitate transparency in the disclosure of information and to give assurance to the reliability of the financial statements.

Board of Directors

The Board is responsible for the Company's strategic development, monitoring its business objectives and maintaining a system of effective corporate governance.

Audit Committee

The Audit Committee reviews the financial performance, risk management, compliance with policies and legislation, internal and external audit reports and business practices.

The Audit Committee comprises two non-executive and one executive director.

Internal Control

PZ Cussons Ghana Limited has put in place an internal control system that enables the company to respond appropriately to significant business, operational, financial, compliance and other risks to achieve its objectives.

Health and Safety

PZ Cussons Ghana continues to ensure that business activities are undertaken in a responsible manner and in accordance with the relevant statutory legislation and that employees at all levels participate in the development, promotion and maintenance of a safe and healthy working environment.

Environment

PZ Cussons Ghana ensures that manufacturing processes, facilities, distribution practices and products are designed to minimize the effect on the environment. With respect to the environment within which it operates, the Company continues to ensure that it complies with environmental legislation and regulations by assessing potential impacts of the business and find effective ways of reducing them.

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, 2006.

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 2006 after taxation was €22.30 billion against a profit after tax of €10.02 billion in 2005.

Dividends

The Directors recommend a dividend of €85 (2005: €75) per share for the year under consideration, amounting to €2.38 billion.

Directors and their interests

The present membership of the Board is set out below. All directors served throughout the year except Mr. Meletis Glentzes who was appointed on 23rd November 2005. The directors' interests in the ordinary shares of the Company at 31 May 2006 were:

	2006	2005
M. Glentzes (Managing Director)	-	-
F. S. Quachey	5,100	5,100
P. W. Davies	-	-
P. K. Pepera	-	-
C. Nicoloulis	-	-
C. B. Janney	-	-

In accordance with the regulations of the Company, Mr. Paul K. Pepera and Mr. Charles B. Janney will retire at the Annual General Meeting and being eligible, offer themselves for re-election. Mr. Constantin Nicoloulis retired on 31st May 2006. Mr. Christopher Davis has been appointed to the Board with effect from 1st June, 2006.

Directors' Interest

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

Audit Sub-Committee

The Committee Members are Philip William Davies, Paul K. Pepera and Charles B. Janney.

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



.....
Director

25th August, 2006

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 2006, which comprises the profit and loss account, the balance sheet, the cash flow statement, and the related notes 1 to 19. 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.

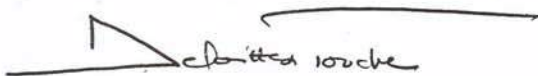
Basis of opinion

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 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Company's Code 1963 (Act 179).

A handwritten signature in black ink, appearing to read 'Dimitris Iouche'.

Chartered Accountants
4 Liberation Road
Accra

29th August, 2006

Consolidated Profit and Loss Account

For the year ended 31 May 2006

	Note	Group		Company	
		2006 c'000	2005 c'000	2006 c'000	2005 c'000
Turnover		223,761,509	195,979,806	-	-
Cost of Sales		(159,721,830)	(146,983,742)	-	-
Gross Profit		64,039,679	48,996,064	-	-
Other Income	2	10,744,065	1,330,972	10,235,798	882,868
Administrative Expenses		74,783,744	50,327,036	10,235,798	882,868
Distribution Costs		(11,199,757)	(8,999,120)	(2,150,550)	(1,429,124)
		(29,785,298)	(25,611,903)	-	-
Operating profit	3	33,798,689	15,716,013	8,085,248	(546,256)
Net interest receivable and similar income		905,009	358,715	-	2,339,566
Profit before tax		34,703,698	16,074,728	8,085,248	1,793,310
Taxation and levies	4	(12,395,237)	(6,055,620)	(2,681,487)	(75,314)
Profit/(loss) after taxation transferred to Income Surplus Account		22,308,461	10,019,108	5,403,761	1,717,996

Income Surplus Account

For the year ended 31 May 2006

	Note	Group		Company	
		2006 c'000	2005 c'000	2006 c'000	2005 c'000
At 1 June		63,471,598	55,552,490	470,659	852,663
Transferred from Profit/Loss Account		22,308,461	10,019,108	5,403,761	1,717,996
Transferred from Capital Surplus Account	13	2,173,085	-	2,173,085	-
		87,953,144	65,571,598	8,047,505	2,570,659
Dividend proposed per share (2005 c75.00)		-	(2,100,000)	-	(2,100,000)
At 31 May		87,953,144	63,471,598	8,047,505	470,659


Consolidated Balance Sheet

As at 31 May 2006

	Note	Group		Company	
		2006 c'000	2005 c'000	2006 c'000	2005 c'000
Non Current Assets					
Property, Plant & Equipment	5	75,731,255	74,162,195	16,336,063	18,695,815
Investments	6	14,052,712	9,477,712	836	836
		89,783,967	83,639,907	16,336,899	18,696,651
Current Assets					
Stocks	7	100,273,130	71,549,375	-	-
Debtors	8	24,635,112	23,697,853	26,705,978	16,730,589
Taxation	4	-	-	-	19,445
Investments		15,000,000	-	-	-
Cash and Bank		10,946,150	8,941,592	17	17,426
		150,854,392	104,188,820	26,705,995	16,767,460
Total Assets		240,638,359	187,828,727	43,042,894	35,464,111
Liabilities					
Current liabilities					
Creditors	9	74,971,763	50,034,466	45,931	211,396
Dividends payable	10	1,895,025	2,100,000	1,895,025	2,100,000
Taxation	4	3,743,805	2,715,765	1,021,453	-
		80,610,593	54,850,231	2,962,409	2,311,396
Non Current Liabilities					
Provision for liabilities and charges	11	13,770,675	9,029,866	3,532,415	2,008,406
		13,770,675	9,029,866	3,532,415	2,008,406
Total Liabilities		94,381,268	63,880,097	6,494,824	4,319,802
Net Assets		146,257,091	123,948,630	36,548,070	31,144,309
Capital and Reserves					
Stated Capital	12	11,600,000	11,600,000	11,600,000	11,600,000
Capital Surplus	13	46,703,947	48,877,032	16,900,565	19,073,650
Income Surplus		87,953,144	63,471,598	8,047,505	470,659
Shareholders' Funds		146,257,091	123,948,630	36,548,070	31,144,309

The Financial Statements were approved by the Board of Directors and authorised for issue on 16th August, 2006. They were signed on its behalf by:


.....
Director


.....
Director

25th August, 2006

Consolidated Cash Flow Statement

For the year ended 31 May 2006

	Note	Group		Company	
		2006 c'000	2005 c'000	2006 c'000	2005 c'000
Operating Activities					
Profit from Operations		33,798,689	15,716,013	8,085,248	(546,256)
Adjustment for:					
Depreciation charges		7,570,894	6,316,367	1,560,250	1,399,235
Profit on sale of fixed assets	5	(10,116,908)	29,449	(10,002,500)	–
Profit on sale of investment		–	(498,593)	–	(498,593)
Operating cash flow before movement in working capital					
(Increase)/decrease in stocks		31,252,675	21,563,236	(357,002)	354,386
(Increase)/decrease in debtors		(28,723,755)	10,536,655	–	–
Increase/(decrease) in creditors		937,259	(7,804,926)	(9,975,389)	2,404,877
Tax and levies paid	4	24,937,297	(6,219,360)	(165,465)	34,932
		(6,626,388)	(5,899,485)	(116,580)	(105,203)
Cash generated from/(used in) operations					
		19,902,570	12,176,120	(10,614,436)	2,688,992
Investing activities					
Net interest received		905,009	358,715	–	6,233
Purchase of property plant and equipment	5	(11,105,346)	(11,568,804)	(1,157,998)	–
Proceeds from sale of property/equipment	5	12,082,300	45,132	11,960,000	–
Proceeds from sale of investment		–	498,612	–	498,612
Net cash used in investing activities					
		1,881,963	(10,666,345)	10,802,002	504,845
Financing activities					
Equity Investment		(4,575,000)	–	–	–
Dividend Paid		(204,975)	(3,535,177)	(204,975)	(3,535,177)
Net cash used in financing activities					
		(4,779,975)	(3,535,177)	(204,975)	(3,535,177)
Net increase in cash and cash equivalents					
Cash and cash equivalents at 1 June		17,004,558	(2,025,402)	(17,409)	(341,340)
		8,941,592	10,966,994	17,426	358,766
Cash and cash equivalents at 31 May					
		25,946,150	8,941,592	17	17,426

Notes to the Consolidated Financial Statements

For the year ended 31 May 2006

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 33 $\frac{1}{3}$ %
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.

(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) 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.

(j) 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 Consolidated Financial Statements (cont.)

2. Other income

	Group		Company	
	2006 c'000	2005 c'000	2006 c'000	2005 c'000
Profit / (Loss) on Sale of Assets	10,116,908	(29,449)	10,002,500	-
Rental Income	364,749	602,840	233,298	384,256
Sundry Income	262,408	757,581	-	498,612
	<u>10,744,065</u>	<u>1,330,972</u>	<u>10,235,798</u>	<u>882,868</u>

3. Operating profit

Operating profit is after charging:

	2006 c'000	2005 c'000	2006 c'000	2005 c'000
Directors' Emoluments	1,167,652	701,628	-	-
Auditors' Remuneration	160,000	140,000	-	-
Royalties and Technical Fees	5,079,475	4,410,727	-	-
Exchange Losses	72,744	379,491	-	-
Donations	16,122	37,730	-	-
Depreciation	7,570,894	6,316,367	1,560,250	1,399,235
	<u>15,066,887</u>	<u>17,985,943</u>	<u>1,560,250</u>	<u>1,399,235</u>

4(a.) Taxation and levies – Company

	At 1/6/05 c'000	Payments c'000	P&L Charge c'000	At 31/5/06 c'000
Capital gains tax				
2006	-	-	1,141,418	1,141,418
Reconstruction levy				
2005	(3,126)	(23,775)	-	(26,901)
2004	(1,433)	-	-	(1,433)
Corporation tax				
2006	-	(55,000)	16,060	(38,940)
2005	37,805	(37,805)	-	-
2004	(11,709)	-	-	(11,709)
2003	-	-	-	-
2002	(40,982)	-	-	(40,982)
	<u>(19,445)</u>	<u>(116,580)</u>	<u>1,157,478</u>	<u>1,021,453</u>

Notes to the Consolidated Financial Statements (cont.)

4(b.) Taxation and levies - Group

	At 1/6/05 c'000	Payments c'000	P&L Charge c'000	At 31/5/06 c'000
Capital gains tax				
2006	-	-	1,141,418	1,141,418
Reconstruction levy				
2005	14,142	(23,775)	-	(9,633)
2004	(1,433)	-	-	(1,433)
Corporation tax				
2006	-	(3,962,243)	6,513,010	(2,550,797)
2005	2,640,370	(2,640,370)	-	-
2004	327,750	-	-	327,750
2003	(224,082)	-	-	(224,082)
2002	(40,982)	-	-	(40,982)
	2,715,765	(6,626,388)	7,654,428	3,743,805

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

	Group		Company	
	2006 c'000	2005 c'000	2006 c'000	2005 c'000
Tax charge as above	7,654,428	5,319,101	1,157,478	75,314
Deferred Taxation (Note 11)	4,740,809	736,519	1,524,009	-
	12,395,237	6,055,620	2,681,487	75,314

Notes to the Consolidated Financial Statements (cont.)

5(a.) Property, Plant & Equipment - Company

	Leasehold land/builds. c'000	Plant, machn. & equipment c'000	Motor Vehicles c'000	Total c'000
Gross Value				
At 1 June 2005	20,095,050	-	-	20,095,050
Additions	1,157,998	-	-	1,157,998
Disposals	(2,175,000)	-	-	(2,175,000)
At 31 May 2006	19,078,048	-	-	19,078,048
Comprising:				
Original cost of assets revalued	15,830	-	-	15,830
Surplus on revaluations:				
1989 to 2004 Valuation	17,904,220	-	-	17,904,220
	17,920,050	-	-	17,920,050
Assets at cost	1,157,998	-	-	1,157,998
At 31 May 2006	19,078,048	-	-	19,078,048
Accumulated Depreciation:				
At 1 June 2005	1,399,235	-	-	1,399,235
Charge for the year	1,560,250	-	-	1,560,250
Disposals	(217,500)	-	-	(217,500)
At 31 May 2006	2,741,985	-	-	2,741,985
Net Book Value:				
At 31 May 2006	16,336,063	-	-	16,336,063
At 1 June 2005	18,695,815	-	-	18,695,815

Notes to the Consolidated Financial Statements (cont.)

5(b.) Property, Plant & Equipment - Group

	Leasehold land/builds. c'000	Plant, machn. & equipment c'000	Motor vehicles c'000	Assets under construction c'000	Total c'000
Gross Value:					
At 1 June 2005	53,706,456	31,882,408	2,901,705	5,468,435	93,959,004
Additions	1,157,998	721,454	-	9,225,894	11,105,346
Transfers	1,015,905	10,641,063	831,826	(12,488,794)	-
Disposals	(2,175,000)	-	(57,592)	-	(2,232,592)
At 31 May 2006	53,705,359	43,244,925	3,675,939	2,205,535	102,831,758
Comprising:					
Original cost of assets revalued	2,579,175	-	-	-	2,579,175
Surplus on revaluations:					
1989 to 2004 Valuation	48,233,675	-	-	-	48,233,675
	50,812,850	-	-	-	50,812,850
Assets at cost	2,892,509	43,244,925	3,675,939	2,205,535	52,018,908
At 31 May 2006	53,705,359	43,244,925	3,675,939	2,205,535	102,831,758
Accumulated Depreciation:					
At 1 June 2005	2,829,884	16,016,904	950,021	-	19,796,809
Charge for the year	3,040,598	3,774,607	755,689	-	7,570,894
Disposals	(217,500)	-	(49,700)	-	(267,200)
At 31 May 2006	5,652,982	19,791,511	1,656,010	-	27,100,503
Net Book Value:					
At 31 May 2006	48,052,377	23,453,414	2,019,929	2,205,535	75,731,255
At 1 June 2005	50,876,572	15,865,504	1,951,684	5,468,435	74,162,195
Disposal of assets:					
Gross book value	2,175,000	-	57,592	-	2,232,592
Accumulated depreciation	(217,500)	-	(49,700)	-	(267,200)
Net book value	1,957,500	-	7,892	-	1,965,392
Sale proceeds	(11,960,000)	(6,000)	(116,300)	-	(12,082,300)
Profit on disposal	(10,002,500)	(6,000)	(108,408)	-	(10,116,908)
Depreciation has been charged in the profit and loss account as follows:				2006 c'000	2005 c'000
Cost of sales				4,676,900	4,575,384
Administrative & distribution expenses				2,893,994	1,740,983
				7,570,894	6,316,367

Notes to the Consolidated Financial Statements (cont.)

6. Investments held as fixed assets

	Group		Company	
	2006 c'000	2005 c'000	2006 c'000	2005 c'000
PZ Cussons Industries Ghana Ltd (250,000 shares)	-	-	836	836
Others:				
Norpalm Ghana Limited	14,052,712	9,477,712	-	-
	14,052,712	9,477,712	836	836

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.

PZ Cussons Industries (Ghana) Ltd holds 31% equity investment in Norpalm Ghana Limited. The other Shareholder with 69% is exercising management control.

7. Stocks

	2006 c'000	2005 c'000	2006 c'000	2005 c'000
Raw and packing materials	42,807,156	46,727,484	-	-
Finished products	24,020,103	16,060,555	-	-
Goods-in-transit	29,788,534	4,300,290	-	-
Engineering spares	3,657,337	4,461,046	-	-
	100,273,130	71,549,375	-	-

8. Debtors

	2006 c'000	2005 c'000	2006 c'000	2005 c'000
Trade Debtors	22,008,976	14,182,571	-	-
Amounts due from associated company	-	345,638	25,600,882	15,658,306
Amounts due from officers and staff	1,500,979	1,510,118	750,936	951,612
Prepayments and accrued income	38,578	60,518	-	-
Sundry Debtors	1,086,579	7,599,008	354,160	120,671
	24,635,112	23,697,853	26,705,978	16,730,589

The maximum amount of indebtedness by officers during the year amounted to €1.501 billion. (2005 €1.510 billion)

Notes to the Consolidated Financial Statements (cont.)

9. Creditors

	Group		Company	
	2006 c'000	2005 c'000	2006 c'000	2005 c'000
Trade creditors	1,711,485	4,647,539	-	-
Amounts due to associated companies	65,858,515	38,849,121	-	-
Accruals and deferred income	1,616,908	2,206,188	-	-
Sundry creditors	5,784,855	4,331,618	45,931	211,396
	<u>74,971,763</u>	<u>50,034,466</u>	<u>45,931</u>	<u>211,396</u>

10 (a.) Dividend - payable

	2006 c'000	2005 c'000	2006 c'000	2005 c'000
At 1 June	2,100,000	3,535,177	2,100,000	3,535,177
Payment during the year	(204,975)	(3,535,177)	(204,975)	(3,535,177)
	<u>1,895,025</u>	<u>-</u>	<u>1,895,025</u>	<u>-</u>
Dividend	-	2,100,000	-	2,100,000
At 31 May	<u>1,895,025</u>	<u>2,100,000</u>	<u>1,895,025</u>	<u>2,100,000</u>

10 (b.) Dividend - proposed

Dividend of €2.38bn (€85 per share) has been proposed by the Directors for the current year.

11. Provision for liabilities and charges

Deferred Taxation	2006 c'000	2005 c'000	2006 c'000	2005 c'000
(a) Deferred Capital Gains Tax Liability on revaluation				
At 1 June	(4,611,746)	(4,611,746)	(1,788,743)	(1,788,743)
Charge to Profit and Loss Account	1,700,482	-	1,700,482	-
At 31 May	<u>(2,911,264)</u>	<u>(4,611,746)</u>	<u>(88,261)</u>	<u>(1,788,743)</u>
(b) Deferred Tax Relief on other timing differences				
At 1 June	(4,418,120)	(3,681,601)	(219,663)	(219,663)
(Charge)/credit to Profit and Loss Account	(6,441,291)	(736,519)	(3,224,491)	-
At 31 May	<u>(10,859,411)</u>	<u>(4,418,120)</u>	<u>(3,444,154)</u>	<u>(219,663)</u>
Total	<u>(13,770,675)</u>	<u>(9,029,866)</u>	<u>(3,532,415)</u>	<u>(2,008,406)</u>

Notes to the Consolidated Financial Statements (cont.)

12. Stated Capital

	Group		Company	
	Number of shares		Proceeds	
	2006 000	2005 000	2006 c'000	2005 c'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.

13. Capital Surplus

	2006 c'000	2005 c'000	2006 c'000	2005 c'000
At 1 June	48,877,032	48,877,032	19,073,650	19,073,650
Transfer to Income Surplus	(2,173,085)	-	(2,173,085)	-
	-----	-----	-----	-----
At 31 May	46,703,947	48,877,032	16,900,565	19,073,650
	=====	=====	=====	=====

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 2006.

	2006	2005
Profit after tax for the year(c'000)	22,308,461	10,019,108
Number of shares as at 31 May ('000)	28,000	28,000
Earnings per share(¢)	797	358
Dividends per share(¢)	85	75

15. Number of shareholders

The number and distribution of Ordinary Shareholders with equal voting rights as at 31 May 2006 was as shown below:

Holdings	No. of Holders	Total Holding	% Holdings
1 - 1,000	1,254	344,078	1.23
1,001 - 5,000	280	692,462	2.47
5,001 - 10,000	37	256,418	0.92
10,001 and above	37	26,707,042	95.38
	-----	-----	-----
	1,608	28,000,000	100
	=====	=====	=====

Notes to the Consolidated Financial Statements (cont.)

16. Details of 20 largest shareholders at 31 May 2006

Name of Shareholder	No. of Shares Held	Percentage (%) Holding
PZ Cussons PLC, U.K.	25,267,001	90.24
African Tiger Mutual Fund Ltd	875,000	3.13
Dr. Emmanuel E. Sackey	29,000	0.10
Alhassan Iddrisu	25,930	0.09
Ghanaian Enterprise Development Commission	25,450	0.09
BBG/GBL Staff Provident Fund	24,951	0.09
BBG/GBLManagers Pension Fund	24,950	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
DBL/CEPS Senior staff Provident fund	15,000	0.05
Mr. D.C. Amoako	14,500	0.05
Mr. J.G.A. Renner	14,000	0.05
	-----	-----
Reported totals	26,510,987	94.68
Not reported	1,489,013	5.32
	-----	-----
	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 2006 (2005 €NIL).

Notes to the Consolidated Financial Statements (cont.)

19. 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:

	2006 c'000	2005 c'000
Purchases of goods and services:		
PZ Cussons International Limited, Manchester	73,943,732	91,338,124
Sale of goods:		
Parnon Limited	-	1,076,062
PZ Industries (Nigeria) PLC	673,435	336,717
Year end balances arising from related party transactions :	2006 c'000	2005 c'000
PZ Cussons International Limited - Purchases	(36,261,855)	(14,634,254)
PZ Cussons International Limited - Royalties/Technical fees	(19,137,420)	(14,057,946)
PZ Cussons International Limited - Loan Draw-down	(10,156,922)	(10,156,922)
PZ Cussons International Limited - Third Party Dividend	(302,316)	-
PZ Industries (Nigeria) PLC	-	345,638

PZ Cussons International Limited, Parnon Limited 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.

159
 LND
 BOX LG 720
 LEGON

PROXY FORM

No. 0000621

PZ CUSSONS GHANA LIMITED.

Annual General Meeting to be held at 1:00 pm on 10th November 2006 at the Kama Conference Centre.

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

or failing him, MELETIS GLENTZES
 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 10th November 2006.

Dated the _____ day of _____ 2006

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		
2. (a) To re-appoint Mr. Charles B. Janney (b) To re-appoint Mr. Paul K. Pepera		
3. To fix Directors fees.		
4 To approve the merger of PZ Cussons Ghana Ltd. and PZ Cussons Industries Ghana Ltd. as at 31 May 2006.		
5. To authorize 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.		

PZ CUSSONS GHANA LIMITED

ADMISSION FORM. No.

No. 0000621

ANNUAL GENERAL MEETING TO BE HELD AT 1:00 PM ON 10TH NOVEMBER 2006 AT THE KAMA CONFERENCE CENTRE.

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 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 1:00p.m. on the 10th November 2006.

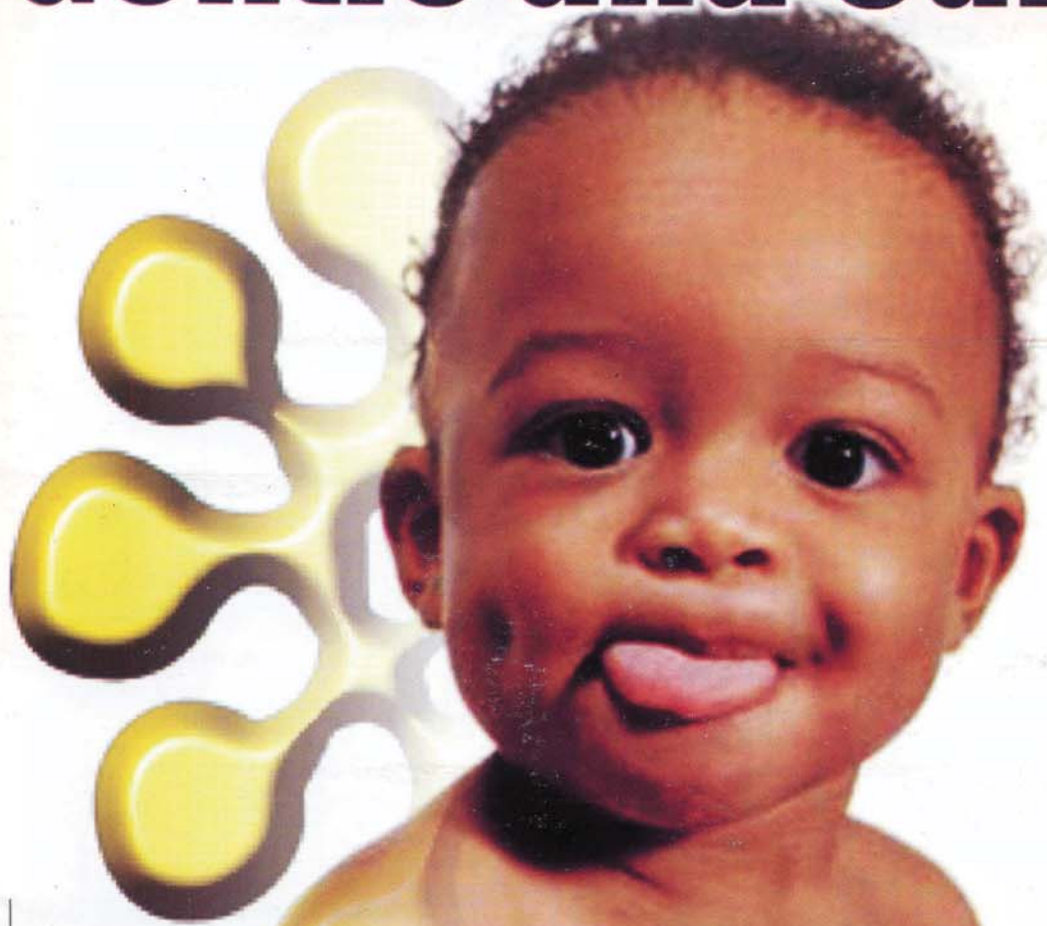
If executed by a Body Corporate, the Proxy Form should be sealed with Common Seal.

- 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

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Gentle and Caring

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Venus



PZ
Cussons

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