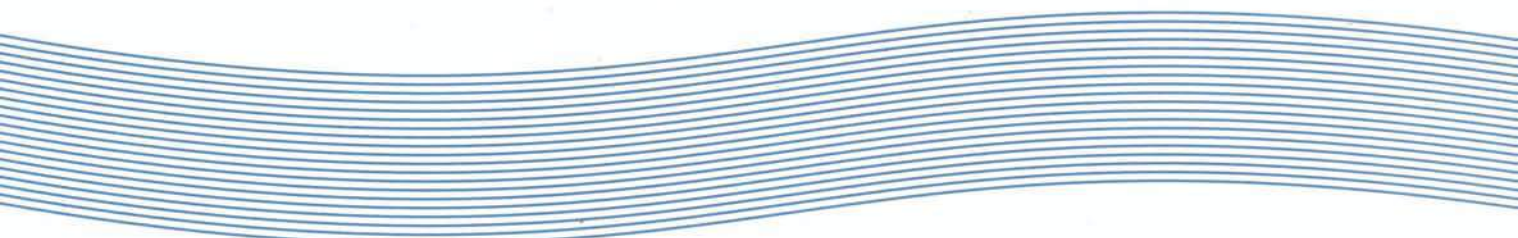




**2007**  
**Annual Report**  
& Financial Statements





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.

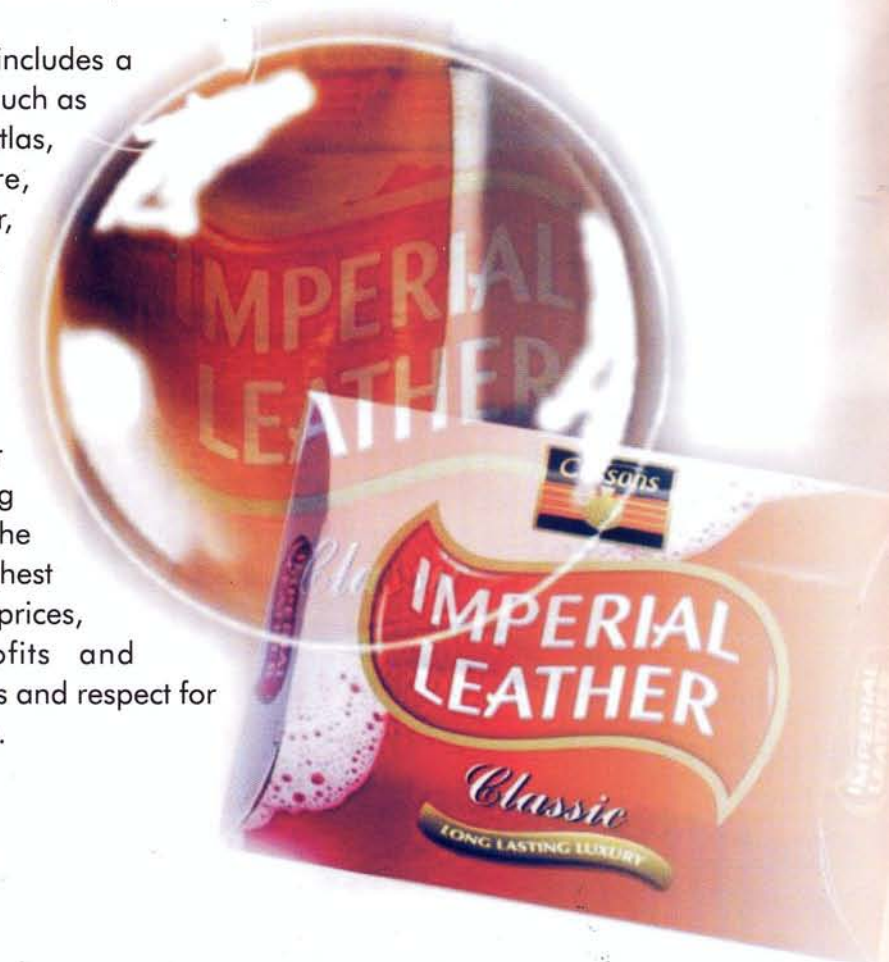
Consequent to the Economic Recovery Programme instituted by the Government at that time, opportunity was taken in the late 80's and early 90's to rejuvenate PZ's industrial potential, concentrating on Health Care and Beauty Care products.

In 1995, a decision was made to build a new soap factory in Ghana, a total new investment to the value of approximately \$1 0 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

# 2007

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## Annual Report

# contents

	Page
Officers and professional advisors	2
Notice of Meeting	3
Financial highlights	4
Operating statement review	4
Corporate governance	5
Directors' report	6-7
Statement of director's responsibilities	8
Independent auditors' report	9
Profit and loss account	10
Balance sheet	11
Cash flow statement	12
Notes to the consolidated financial statements	13-21



## Officers & Professional Advisors

**Directors:** Meletis Glentzes (Chairman and M.D.)  
 Felix Stephen Quachey  
 Philip William Davies  
 Paul K. Pepera  
 Charles B. Janney  
 Christopher Davis - appointed 01/06/06

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**Secretary:** Accra Nominees Limited  
 2nd Floor Cedar House  
 13th Samora Machel Road  
 Asylumn Down  
 P. O. Box 242  
 Accra

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

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

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

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

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

## Notice of Meeting

NOTICE IS HEREBY GIVEN that the 49th Annual General Meeting of PZ Cussons Ghana Limited will be held at the British Council Hall, Accra on Wednesday October 24th, 2007 at 1.00 p.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, 2007 and the Reports of the Directors and Auditors thereon.
2. To declare dividend.
3. To re-elect Directors.
4. To fix Director's fees
5. To authorise the Directors to negotiate and determine the remuneration of Auditors for the ensuing year.

BY ORDER OF THE BOARD

ACCRA NOMINESS LIMITED  
SECRETARIES

Accra, October 3, 2007.

**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/her 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.

## Financial Highlights

	2007 ¢'000	2006 ¢'000	% change
Turnover	291,297,204	223,761,509	30
Operating profit	32,083,966	23,054,624	39
Profit before taxation	42,637,659	34,703,698	23
Profit after taxation	33,690,327	22,308,461	51
Operating cashflow	(1,223,017)	19,902,570	(106)
Shareholders' funds	177,567,418	146,257,091	21
Earnings per ordinary share (¢)	1,203.23	796.73	51
Dividends per ordinary share (¢)	105	85	24
PBT Margin (%)	14.64	15.51	(6)
PAT Margin (%)	11.57	9.97	16

## Operating and Financial Review

### Derivatives and other financial instruments

The Company'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 Company.

### Interest rate risk

The company 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 company was not exposed to interest rate risk.

### Foreign currency risk

The company 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 seek 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 Limited 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 Limited ensures that manufacturing processes, facilities, distribution practices and products are designed to minimise 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 impact 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, 2007.

### Parent company

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

### Principal activities

The company 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 company's business during the year under review.

### Merger

PZ Cussons Ghana Limited merged with PZ Cussons Industries Ghana Limited in which PZ Cussons Ghana Limited took over the assets and liabilities of PZ Cussons Industries Ghana Limited as at 31 May 2006.

### Results

The profit for the year ended 31 May 2007 after taxation was €33.69 billion against a profit after tax of €22.30 billion in 2006.

### Dividends

The Directors recommend a dividend of €105 (2006: €85) per share for the year under consideration, amounting to €2.94 billion.

### 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 2007 were:

	2007	2006
M. Glentzes (Managing Director)	-	-
C. Davis	-	-
F. S. Quachey	5,100	5,100
P. W. Davies	-	-
P. K. Pepera	-	-
C. B. Janney	-	-

In accordance with the regulations of the Company, Messrs Felix S. Quachey and Philip W. 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.

**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



Meletis Glentzes  
Director



Charles Benjamin Janney  
Director

23rd August, 2007

## Statement of Directors' Responsibilities

The directors are responsible of 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.

## **Independent Auditors' Report to the Members of PZ Cussons Ghana Limited**

We have audited the accompanying financial statements of PZ Cussons Ghana Limited as at 31 May, 2007, set out on pages 10 to 21, which have been prepared on the basis of the significant accounting policies on page 13 to 14 and other explanatory notes on pages 15 to 21.

### **Directors' responsibility for the financial statements**

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with the Companies Code 1963, (Act 179). These responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditors' responsibility**

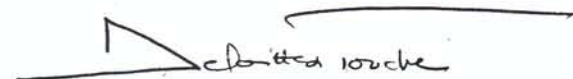
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the company has kept proper accounting records and the financial statements are in agreement with the records in all material respects and give in the prescribed manner, information required by the Companies Code 1963, (Act 179). The financial statements give a true and fair view of the financial position of the company as at 31 May 2007, and of its financial performance and cash flow for the year then ended and are drawn up in accordance with relevant International Financial Reporting Standards.



Chartered Accountants  
Accra, Ghana

25th August, 2007



## Income statement

For the year ended 31 May 2007

	Note	2007 c'000	2006 c'000 (restated)
<b>Revenue</b>		<b>291,297,204</b>	223,761,509
Cost of Sales		(203,722,127)	(159,721,830)
<b>Gross Profit</b>		<b>87,575,077</b>	64,039,679
Other operating income		—	—
Distribution cost		(41,504,773)	(29,785,298)
Administrative cost		(13,986,338)	(11,199,757)
<b>Operating profit</b>	<b>3</b>	<b>32,083,966</b>	23,054,624
Investment revenues		899,246	905,009
Other Income	<b>2</b>	9,654,447	10,744,065
<b>Profit before tax</b>		<b>42,637,659</b>	34,703,698
Taxation	<b>4</b>	(8,947,332)	(12,395,237)
<b>Profit/(loss) for the year transferred to Income Surplus Account</b>		<b>33,690,327</b>	22,308,461
<b>Earnings per share</b>		<b>1,203</b>	797

## Income Surplus Account

For the year ended 31 May 2007

	Note	2007 c'000	2006 c'000 (restated)
At 1 June		87,953,144	63,471,598
Transferred from Profit/Loss Account		33,690,327	22,308,461
Transferred from Capital Surplus Account	<b>13</b>	1,860,315	2,173,085
		<b>123,503,786</b>	87,953,144
Dividend approved per share (2006 c85)		2,380,000)	—
<b>At 31 May</b>		<b>121,123,786</b>	87,953,144

# Balance Sheet

as at 31 May 2007

	Note	2007 c'000	2006 c'000 (restated)
<b>Assets</b>			
<b>Non-current Assets</b>			
Property, plant & equipment	5	91,282,381	75,731,255
Investments	6	14,052,712	14,052,712
		<u>105,335,093</u>	<u>89,783,967</u>
<b>Current Assets</b>			
Inventories	7	124,924,956	100,273,130
Trade and other receivables	8	52,149,458	24,635,112
Investments		-	15,000,000
Cash and Bank		8,295,480	10,946,150
		<u>185,369,894</u>	<u>150,854,392</u>
<b>Total Assets</b>		<u><b>290,704,987</b></u>	<u><b>240,638,359</b></u>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Stated Capital	12	11,600,000	11,600,000
Capital Surplus	13	44,843,632	46,703,947
Income Surplus		121,123,786	87,953,144
		<u>177,567,418</u>	<u>146,257,091</u>
<b>Total equity</b>		<u><b>177,567,418</b></u>	<u><b>146,257,091</b></u>
<b>Current liabilities</b>			
Trade and other payables	9	93,944,430	74,971,763
Current tax liabilities	4	2,531,937	3,743,805
Dividend payable	10	2,147,695	1,895,025
Provision for liabilities and charges	11	14,513,507	13,770,675
		<u>113,137,569</u>	<u>94,381,268</u>
<b>Total liabilities</b>		<u><b>113,137,569</b></u>	<u><b>94,381,268</b></u>
<b>Total equity and liabilities</b>		<u><b>290,704,987</b></u>	<u><b>240,638,359</b></u>

The Financial Statements were approved by the Board of Directors and authorised for issue on 14th August, 2007. They were signed on its behalf by:



**Meletis Glentzes**  
Director  
23rd August, 2007



**Charles Benjamin Janney**  
Director

# Cash Flow Statement

## For the year ended 31 May 2007

		2007	2006
	Note	c'000	c'000
			(restated)
<b>Operating activities</b>			
Profit for the year		32,791,081	21,403,452
<b>Adjustment for:</b>			
Depreciation charges	5	9,110,648	7,570,894
Increase/(decrease) in provisions and charges	11	742,832	4,740,809
Profit on sale of property, plant & equipment	5	(9,462,205)	(10,116,908)
Income tax expense	4	8,204,500	7,654,428
		-----	-----
<b>Operating cash flow before movements in working capital</b>		<b>41,386,856</b>	<b>31,252,675</b>
(Increase)/decrease in inventories	7	(24,651,826)	(28,723,755)
(Increase)/decrease in receivables	8	(27,514,346)	(937,259)
Increase/(decrease) in payables	9	18,972,667	24,937,297
Income tax paid	4	(9,416,368)	(6,626,388)
		-----	-----
Net cash from/(used in) operating activities		(1,223,017)	19,902,570
		-----	-----
<b>Investing Activities</b>			
Net interest received		899,246	905,009
Purchase of property, plant & equipment	5	(26,435,107)	(11,105,346)
Proceeds from sale of property, plant & equipment	5	11,235,538	12,082,300
		-----	-----
<b>Net cash used in investing activities</b>		<b>(14,300,323)</b>	<b>1,881,963</b>
		-----	-----
<b>Financing Activities</b>			
Dividend paid	10	(2,127,330)	(204,975)
Equity investment		-	(4,575,000)
		-----	-----
<b>Net cash used in financing activities</b>		<b>(2,127,330)</b>	<b>(4,779,975)</b>
		-----	-----
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(17,650,670)</b>	<b>17,004,558</b>
Cash and cash equivalents at 1 June		25,946,150	8,941,592
		-----	-----
<b>Cash and cash equivalents at 31 May</b>		<b>8,295,480</b>	<b>25,946,150</b>
		=====	=====



# Notes to the Financial Statements

For the year ended 31 May 2007

## 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) 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%

### (c) Inventories

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.

### (d) Trade receivables

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.

### (e) 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.

## Notes to the Financial Statements (cont.)

### (f) Sales

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

### (g) 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.

### (h) 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.

### (i) Revenue recognition

Sales are recognised upon dispatch of products and customer acceptance. Sales are shown net of discounts and returns.

Interest income is recognised as it accrues

## Notes to the Financial Statements (cont.)

2: Other income		
	2007 c'000	2006 c'000
Profit / (Loss) on sale of assets	9,462,205	10,116,908
Rental income	32,000	364,749
Sundry income	160,242	262,408
	<b>9,654,447</b>	<b>10,744,065</b>
	=====	=====

3: Operating profit		
Operating profit is after charging:		
	2007 c'000	2006 c'000
Directors' Emoluments	927,796	1,167,652
Auditors' Remuneration	134,125	160,000
Royalties and technical fees	6,253,924	5,079,475
Exchange losses	639,984	72,744
Donations	83,201	16,122
Depreciation	9,110,648	7,570,894
	=====	=====

4: Taxation and levies				
	At 01/06/06 c'000	Payments c'000	P & L Charge c'000	At 31/05/07 c'000
<b>Capital gains tax</b>				
2007	-	-	526,051	526,051
2006	1,141,418	(1,141,418)	-	-
<b>Reconstruction levy</b>				
2005	9,633	-	9633	-
2004	(1,433)	1,423	10	-
<b>Corporation tax</b>				
2007	-	(5,592,612)	7,637,438	2,044,826
2006	2,550,767	(2,589,707)	-	(38,940)
2005	-	(31,892)	31,892	-
2004	327,750	(34,943)	(292,807)	-
2003	224,082	(27,219)	251,301	-
2002	(40,982)	-	40,982	-
	<b>3,743,805</b>	<b>(9,416,368)</b>	<b>8,204,500</b>	<b>2,531,937</b>
	=====	=====	=====	=====

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

Tax charge as above	8,204,500	7,654,428
Deferred Taxation (Note 11)	742,832	4,740,809
	<b>8,947,332</b>	<b>12,395,237</b>
	=====	=====



## Notes to the Financial Statements (cont.)

<b>5: Property, Plant &amp; Equipment</b>					
	<b>Leasehold land/builds. c'000</b>	<b>Plant, machn. &amp; equipment c'000</b>	<b>Motor vehicles c'000</b>	<b>Assets under construction c'000</b>	<b>Total c'000</b>
<b>Gross Value:</b>					
At 1 June 2006	53,705,359	43,244,925	3,675,939	2,205,535	<b>102,831,758</b>
Additions	–	251,181	–	26,183,926	<b>26,435,107</b>
Transfers	739,095	22,457,000	2,381,302	(25,577,397)	<b>–</b>
Disposals	(2,100,000)	–	(194,313)	–	<b>(2,294,313)</b>
<b>At 31 May 2007</b>	<b>52,344,454</b>	<b>65,953,106</b>	<b>5,862,928</b>	<b>2,812,064</b>	<b>126,972,552</b>
<b>Comprising:</b>					
Original cost of assets revalued	2,466,071	–	–	–	<b>2,466,071</b>
Surplus on revaluation: 1989 to 2004	46,246,779	–	–	–	<b>46,246,779</b>
	48,712,850	–	–	–	<b>48,712,850</b>
Assets at cost	3,631,604	65,953,106	5,862,928	2,812,064	<b>78,259,702</b>
<b>At 31 May 2007</b>	<b>52,344,454</b>	<b>65,953,106</b>	<b>5,862,928</b>	<b>2,812,064</b>	<b>126,972,552</b>
<b>Accumulated Depreciation:</b>					
At 1 June 2006	5,652,982	19,791,511	1,656,010	–	<b>27,100,503</b>
Charge for the year	2,745,083	5,386,739	978,826	–	<b>9,110,648</b>
Transfers / adjustment	–	–	–	–	<b>–</b>
Disposals	(326,667)	–	(194,313)	–	<b>(520,980)</b>
<b>At 31 May 2007</b>	<b>8,071,398</b>	<b>25,178,250</b>	<b>2,440,523</b>	<b>–</b>	<b>35,690,171</b>
<b>Net Book Value:</b>					
At 31 May 2007	<b>44,273,056</b>	<b>40,774,856</b>	<b>3,422,405</b>	<b>2,812,064</b>	<b>91,282,381</b>
At 1 June 2006	48,052,377	23,453,414	2,019,929	2,205,535	<b>75,731,255</b>
<b>Disposal of assets:</b>					
Gross book value	2,100,000	–	194,313	–	<b>2,294,313</b>
Accumulated depreciation	(326,667)	–	(194,313)	–	<b>(520,980)</b>
Net book value	1,773,333	–	–	–	<b>1,773,333</b>
Sale proceeds	(11,140,538)	–	(95,000)	–	<b>(11,235,538)</b>
<b>Profit on disposal</b>	<b>(9,367,205)</b>	<b>–</b>	<b>(95,000)</b>	<b>–</b>	<b>(9,462,205)</b>

	<b>2007 c'000</b>	<b>2006 c'000</b>
Depreciation has been charged in the profit and loss account as follows:		
Cost of sales	<b>5,933,493</b>	4,676,900
Selling, general and administrative expenses	<b>3,177,155</b>	2,893,994
	<b>9,110,648</b>	<b>7,570,894</b>

## Notes to the Financial Statements (cont.)

### 6: Investments held as fixed assets

	2007	2006
	c'000	c'000
Norpalm Ghana Limited	14,052,712	14,052,712
	-----	-----
	<b>14,052,712</b>	<b>14,052,712</b>
	=====	=====

PZ Cussons Ghana Limited holds 31% equity investment in Norpalm Ghana Limited. The other shareholder with 69% is exercising management control.

### 7: Inventories

	2007	2006
	c'000	c'000
Raw and packing materials	66,697,844	42,807,156
Finished products	46,618,501	24,020,103
Goods-in-transit	7,644,405	29,788,534
Engineering spares	3,964,206	3,657,337
	-----	-----
	<b>124,924,956</b>	<b>100,273,130</b>
	=====	=====

### 8: Trade and other receivables

	2007	2006
	c'000	c'000
Trade Debtors	44,834,003	22,008,976
Amounts due from officers and staff	708,693	1,500,979
Prepayments and accrued income	643,608	38,578
Sundry Debtors	5,963,154	1,086,579
	-----	-----
	<b>52,149,458</b>	<b>24,635,112</b>
	=====	=====

The maximum amount of indebtedness by officers during the year amounted to ₵709 million.

### 9: Trade and other payables

	2007	2006
	c'000	c'000
Trade creditors	2,189,050	1,711,485
Amounts due to associated companies	82,350,119	65,858,515
Accruals and deferred income	4,142,400	1,616,908
Sundry creditors	5,262,861	5,784,855
	-----	-----
	<b>93,944,430</b>	<b>74,971,763</b>
	=====	=====



## Notes to the Financial Statements (cont.)

### 10: Dividends payable

	2007 ¢'000	2006 ¢'000
At 1 June	1,895,025	2,100,000
Payment during the year	(2,127,330)	(204,975)
	-----	-----
Proposed dividend	(232,305)	1,895,025
	2,380,000	-
	-----	-----
At 31 May	<b>2,147,695</b>	<b>1,895,025</b>
	=====	=====

### 11: Provision for liabilities and charges

	2007 ¢'000	2006 ¢'000
<b>Deferred Taxation</b>		
(a) <i>Deferred Capital Gains Tax Liability on revaluation</i>		
At 1 June	(2,911,264)	(4,611,746)
Charge to Profit and Loss Account	(290,414)	1,700,482
	-----	-----
At 31 May	<b>(3,201,678)</b>	<b>(2,911,264)</b>
	=====	=====
(b) <i>Deferred Tax Relief on other timing differences</i>		
At 1 June	(10,859,411)	(4,418,120)
(Charge)/credit to Profit and Loss Account	(452,418)	(6,441,291)
	-----	-----
At 31 May	(11,311,829)	(10,859,411)
	=====	=====
<b>Total</b>	<b>(14,513,507)</b>	<b>(13,770,675)</b>
	=====	=====

### 12: Stated Capital

	Number of shares		Proceeds	
	2007 000	2006 000	2007 ¢'000	2006 ¢'000
Authorised: Ordinary Shares	<b>30,000</b>	30,000		
	=====	=====	=====	=====
Issued: For cash	<b>2,733</b>	2,733	<b>455,070</b>	455,070
For consideration other than cash	<b>25,267</b>	25,267	<b>9,149,377</b>	9,149,377
Transferred from Capital Surplus	-	-	<b>1,995,553</b>	1,995,553
	=====	=====	=====	=====
	<b>28,000</b>	28,000	<b>11,600,000</b>	11,600,000
	=====	=====	=====	=====

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



## Notes to the Financial Statements (cont.)

### 13: Capital Surplus

	2007 ¢'000	2006 ¢'000
At 1 June	46,703,947	48,877,032
Transfer to Income Surplus	(1,860,315)	(2,173,085)
<b>At 31 May</b>	<b>44,843,632</b>	<b>46,703,947</b>
	=====	=====

### 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 2007.

	2007	2006
Profit after tax for the year (¢'000)	33,690,327	22,308,461
Number of shares as at 31 May (000)	28,000	28,000
Earnings per share(¢)	1,203	797
Dividends per share(¢)	105	85

### 15: Number of shareholders

The number and distribution of Ordinary Shareholders with equal voting rights as at 31 May 2007 was as shown below:

Holdings	No. of Holders	Total Holding	% Holdings
1-1,000	1274	343,230	1.22
1,001 - 5,000	282	697,657	2.49
5,001-10,000	37	256,595	0.92
10,001 and above	36	26,702,518	95.37
	<b>1,629</b>	<b>28,000,000</b>	<b>100</b>
	=====	=====	=====

## Notes to the Financial Statements (cont.)

### 16: Details of 20 largest shareholders at 31 May 2007

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
BBGN/GBL Staff Provident Fund	24,951	0.09
BBGN/GBL Managers 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. JGA Renner	14,000	0.05
Reported totals	26,510,987	94.68
Not reported	1,489,013	5.32
	<b>28,000,000</b>	<b>100.00</b>

### 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 2007 (2006 €NIL).

## Notes to the 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:

	2007 €'000	2006 €'000
<b>Purchases of goods and services:</b>		
PZ Cussons International Limited, Manchester	116,482,880	73,943,732
PZ Industries (Nigeria) Plc	24,074,854	-
PT PZ Cussons Indonesia	199,088	-
PZ Cussons (Thailand) Ltd	14,563,088	-
	=====	=====

#### Sale of goods:

PZ Industries (Nigeria) Plc	1,388,288	673,435
	=====	=====

#### Year end balances arising from related party transactions :

PZ Cussons International Limited - Purchases	(36,216,016)	(36,261,855)
PZ Cussons International Limited - Royalties/Technical fees	(19,512,894)	(19,137,420)
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	(16,265,198)	-
PT PZ Cussons Indonesia	(199,088)	-
	=====	=====

PZ Cussons International Limited, PZ Industries (Nigeria), PT PZ Cussons Indonesia and PZ Cussons (Thailand) Ltd 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.

### 20: Liquidation of subsidiary

On 1 June 2007, PZ Cussons Industries Ghana Limited, a 100% owned subsidiary of PZ Cussons Ghana Limited, was liquidated and the net assets were taken over, at book value, by PZ Cussons Ghana Limited.

The comparative balances include those of the subsidiary.

### 21: Cash and cash equivalent

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and in banks.

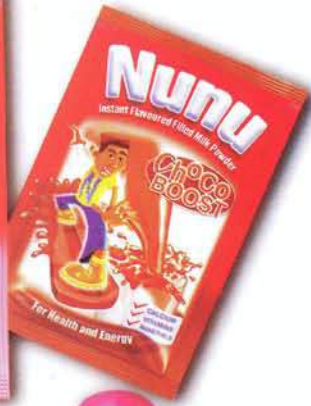
### 22: Events after the balance sheet date

There were no significant events after the balance sheet date that needs to be disclosed.



# Nunu

FLAVOURS



## PROXY FORM

PZ CUSSONS GHANA LIMITED.

Annual General Meeting to be held at 1:00 pm on 24th October 2007 at the British Council Hall.

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 24th October 2007.

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 2007

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	<input type="checkbox"/>	<input type="checkbox"/>
2. To declare dividend	<input type="checkbox"/>	<input type="checkbox"/>
3. (a) To re-elect Mr. Felix S. Quachey (b) To re-elect Mr. Philip W. Davies	<input type="checkbox"/>	<input type="checkbox"/>
4. To fix Directors fees.	<input type="checkbox"/>	<input type="checkbox"/>
5. To authorize the Directors to negotiate and determine the Auditors' remuneration.	<input type="checkbox"/>	<input type="checkbox"/>
<b>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.</b>		

PZ CUSSONS GHANA LIMITED

ADMISSION FORM. No.

ANNUAL GENERAL MEETING TO BE HELD AT 1:00 PM ON 24TH OCTOBER 2007  
AT THE BRITISH COUNCIL HALL.

**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 24th October 2007.

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.

PZ/221261

1110

Signature of Person Attending.....MR J.O.C. NKUM  
C/O DATABANK,  
PMB, MINISTRIES  
ACCRA

THE REGISTRAR  
MERCHANT BANK (GHANA) LIMITED  
57 EXAMINATION LOOP  
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PZ Cussons Ghana Ltd.  
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