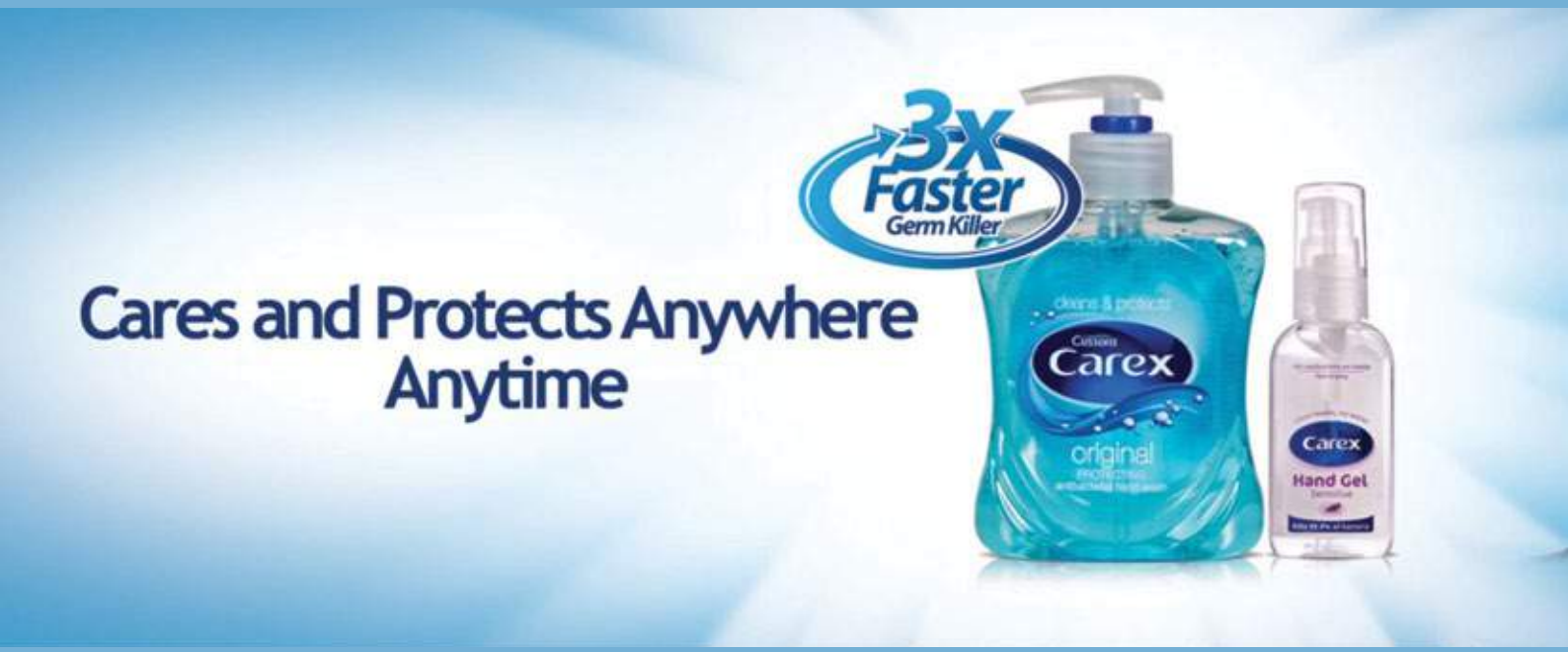
2012

ANNUAL REPORT

& FINANCIAL STATEMENT



PZ Cussons ...makes things better ...makes better things

Patterson 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.

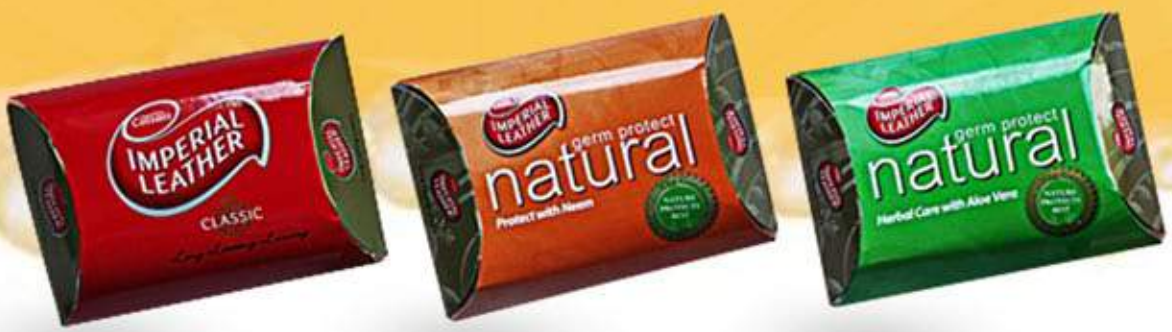
Consequent to the Economic Recovery Programme instituted by the Government at that time, opportunity was taken in the late 80's and 90's to rejuvenate PZ's industrial potential, concentrating on Health Care and Beauty Care products.

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.

Effective 1st June,2002, the group underwent a change in name, from Paterson Zochonis to PZ Cussons. The objective of the change 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 Camel Antiseptic, Imperial Leather, Nunu Milk, Haier Thermocool, Carex, Duck, Drastin, Premier, Robb, Cussons Baby, 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 profit and maintaining our strong family values and respect for the environment in which we operate.



One of life's little luxuries

PZ Cussons

Contents

Corporate Information

Directors	Paul K. Pepera James Berkeley Judson Philip William Davies Charles B. Janney Helena Adu-Gyamfi Christopher Davis	(Chairman) (Managing Director)
Secretary	Accra Nominees Limited 2nd Floor, Cedar House 13 Samora Machel Road Asylum Down P. O. Box GP242 Accra -Ghana	
Registered office	Plot 27/3-27/7 Sanyo Road Tema Heavy Industrial Area P. O. Box 628 Accra, Ghana	
Auditor	PricewaterhouseCoopers Chartered Accountants No.12, Airport City Una Home 3rd Floor PMB CT 42 Cantonments, Accra	
Solicitors	Minka-Premo & Co P. O. Box 14951, Accra Ofori Adusei Law Consult P. O. Box M378, Accra	
Bankers	Access Bank Ghana Limited Barclays Bank of Ghana Limited Ecobank Ghana Limited Ghana Ghana Commercial Bank Limited Guarantee Trust Bank (Ghana) Limited Standard Chartered Bank Ghana Limited Zenith Bank (Ghana) Limited	
Registrars	Merchant Bank (Ghana) Limited	

Notice of Meeting

NOTICE is hereby given that the 54th Annual General Meeting of the Shareholders of PZ Cussons Ghana Limited will be held at the Ghana-India Kofi Annan Center for Excellence in ICT, Ringway Estates, Accra (near the Ghana Institute of Journalism) on Friday, September 28, 2012 at 11 O'clock in the forenoon to transact the following:

AGENDA

ORDINARY BUSINESS

- To receive and consider the Reports of the Directors, Auditors and the Audited Financial Statements for the year ended May 31, 2012.
- To re-elect Directors.
- To fix the remuneration of the Directors.
- To authorise the Directors to fix the remuneration of the Auditors for the ensuing year.

Dated this 27th day of July, 2012

By order of the Board
ACCRA NOMINEES LIMITED
COMPANY SECRETARIES

Note:

A member of the Company entitled to attend and vote may appoint a proxy to attend and vote in his/her stead. A proxy need not be a member of the Company. Completed proxy forms should be deposited at the offices of the Registrars, Merchant Bank (Ghana) Limited, Ridge, Accra not less than 48 hours before the appointed time of the meeting. Failure to submit the forms before the **48 hour deadline** will result in the Proxy not being admitted to, or participating in, the meeting. A Form of Proxy is provided in the Annual Report.

Chairman's Statement

2012 was a year where much of the world continued to suffer from economic challenges. Europe was challenged by the Euro crisis and in the UK, Europe and the US we have seen rising unemployment and reduced growth rates. These issues have slowed growth in emerging economies across the world, including China and India.

In Ghana, we saw continued strong double digit GDP growth throughout the calendar year 2011 (GDP growth in Q4 2011 was +16% Year on Year) driven partly by oil revenues and partly by sustained strong gold and cocoa exports. Unfortunately much of this growth has been adversely affected by a sharp decline of over 25% in the value of the Ghana Cedi in the year ended 31st May 2012.

PZ Cussons Ghana has however maintained strong growth during the period, with sales revenues increasing by over 24% and strong gains in most of our core markets. Our key brands - Camel, Imperial Leather, Cussons Baby, Robb and Carex - have all grown strongly and this success has been supported by robust growth for Haier Thermocool and Nunu.

Much of this growth is the result of our continued investment in distribution and brand equity building activities for our core brands. We have launched a popular TV show (Agrofie), opened two new retail stores for our Electrical brands and supported, with new advertising campaigns, our key brands throughout the year.

In March, together with PZ Cussons International in Manchester, we announced the closure of our manufacturing operations in Ghana as part of a group wide initiative to optimise our supply chain and restructure our manufacturing footprint around the world. As a result of this decision, we have made provision in this year's results of GH¢7.7 million associated with the closing of our manufacturing facility of our Tema site. It is our conviction that this development will prove to be highly beneficial in the medium term, allowing us to source our inputs in the most advantageous manner and concentrate our resources on our core strategies of promoting leading brands through a first class distribution system and a great team of people. We are sure that the shareholders will see the benefits of this in future results.

Considering these changes, the Board proposes no dividend this year and also no increase in directors' remuneration.

The outlook for our business is that 2012/13 will continue to be influenced by the challenging global economic environment and the continued weakness of the Ghana Cedi. However, we do anticipate profitable growth as the effects of our ongoing investment in our brands, our distribution, our supply chain and our people and processes continues to deliver improved results.

We are committed to further increasing shareholders' value through the delivery of quality, value and innovation through our products and services to our Ghanaian consumers, whilst ensuring we continue to fulfil our corporate and social responsibilities.

At this point, I would like to extend my thanks and appreciation to our Management and Staff whose hard work, commitment and continuous focus on improvement and change have been the major driving force in delivering this year's successes.

PAUL KWABENA PEPERA

FINANCIAL HIGHLIGHTS

	2012 GH¢	2011 GH¢	% Change
Turnover	**82,322,463**	66,184,295	24
Operating profit before exceptional item	**8,630,066**	7,748,747	11
Operating profit after exceptional item	**965,066**	7,748,747	(88)
Profit after income tax	**763,610**	6,314,191	(88)
Cash generated from/(used in) operating activities	**7,571,435**	(4,774,963)	159
Shareholders' funds	**31,327,691**	31,196,881	0.4
Basic earnings per share (GH¢)	**0.0063**	0.2255	(97)
PBT Margin (%)	**0.7**	11.4	(94)
PAT Margin (%)	**0.9**	9.5	(91)

Operating and Financial Review

Derivatives and other financial instruments

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

At the close of the financial year, the Company had two hedged positions of US$1 million each maturing in June and July 2012 respectively, to hedge its currency risk exposure.

Interest rate risk

The Company finances its operations from income surplus account and other instruments arising from its own operations including related party loan for the purchase of crude palm oil (CPO) for PZ Wilmar, Nigeria which attracted interest at a rate of 2% per annum. This cost was however passed on to PZ Wilmar for settlement.

In 2012 financial year, the Company continued its leasing arrangement with Access Bank Ghana Limited (formerly Intercontinental Bank Ghana Limited) and Barclays Bank of Ghana Limited to lease vehicles for its Distributors (DPs) and Staff. This arrangement attracted variable interest rate whereby monthly interest rate charged varied in relation to prevailing interest charges of the bank.

In 2012, the Company's exposure to interest rate risk was minimal as interest rates were maintained for the leasing arrangement at 23.5% by Access Bank Ghana Limited and Barclays Bank of Ghana Limited at 19%. The interest costs on DP vans were passed on to DPs.

Foreign currency risk

The Company has no overseas subsidiaries but export sales were 10% of domestic turnover. In addition, the Company was also exposed to foreign currency volatility through imports. Overall, the Ghana Cedi depreciated by over 25% during the year impacting negatively on profitability. This risk was managed prudently via price increases where possible and hedged positions during the fourth quarter (Q4) when the rate of devaluation became volatile. At the end of May 2012, the Company had 2 hedged positions of US$1 million each maturing in June and July 2012 respectively. These have been assessed to confirm profit or loss positions of the hedge of which the outcome is favourable. On exports proceeds however, we managed the exposure via Letters of credit to minimise delayed payments. Since currency risk exposure was a major challenge in 2012, the Company will continue to monitor and use hedge and forward instruments to manage its foreign currency risk in 2013 financial year.

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 PZ Cussons Group corporate accountability committee, planning takes place and resources are allocated toward achievement of accountability, compliance and reporting standard. 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 of 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 directors and one executive director.

Internal Control

PZ Cussons Ghana Limited has in place an internal control system that enables the Company to respond appropriately to significant business, operational 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 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 finding effective ways of reducing them.

...makes things better ...makes better things

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 2012.

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, Electrical appliances, Nutritional products, Cosmetics, and Pharmaceutical products.
There was no change in the nature of the Company's business during the year under review

Financial Results

The financial results of the Company for the year ended 31 May 2012 are set out below:

	GH¢
Profit before exceptional item and income tax for the year is	8,281,356
from which is deducted exceptional item of	(7,665,000)
giving profit before income tax for the year of	616,356
to which is added income tax credit of	147,254
giving a profit for the year of	763,610
to which is added surplus brought forward on income surplus account of	25,571,307
from which is deducted dividend approved of	(632,800)
giving a surplus carried forward on income surplus account of	25,702,117

Dividend

The directors do not recommend the payment of dividend for the year ended 31 May 2012 (2011: GH¢0.0226 per share). The shareholders approved the 2011 dividend at an Annual General Meeting on 30 September 2011.

Directors and their interests

The present membership of the Board is set out on page 2. All directors served throughout the year. None of the directors had interests in the ordinary shares of the Company at 31 May 2012.

Directors' interests in contracts

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

Auditor

In accordance with Section 134 (5) of the Companies Code, 1963 (Act 179), the auditor, Messrs PricewaterhouseCoopers, has expressed willingness to continue in office as auditor of the Company.

BY ORDER OF THE BOARD:

Paul Kwabena Pepera
Chairman
Date: 20th July,2012

James Berkeley Judson
Director
Date: 20th July,2012

Statement of Directors' Responsibilities

The directors are responsible for preparing financial statements for each financial year 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 or loss and cash flows for that period. In preparing these financial statements, the directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that are reasonable and prudent and followed International Financial Reporting Standards and complied with the requirements of the Companies Code, 1963 (Act 179).

The directors are responsible for ensuring that the Company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company. The directors are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Paul Kwabena Pepera
Chairman
Date: 20th July,2012

James Berkeley Judson
Director
Date: 20th July,2012

Paul Kwabena Pepera
CHAIRMAN

James Berkeley Judson
MANAGING DIRECTOR

Christopher Davis
EXECUTIVE DIRECTOR

Charles B. Janney
CORPORATE AFFAIRS DIRECTOR

Helena Adu-Gyamfi
FINANCE DIRECTOR

Philip William Davies
NON-EXECUTIVE DIRECTOR

Independent Auditor's Report

to the Members of PZ Cussons Ghana Limited Report on the Financial Statements

We have audited the accompanying financial statements of PZ Cussons Ghana Limited set out on pages 10 to 40. These financial statements comprise the statement of financial position as at 31 May 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and with the requirements of the Companies Code, 1963 (Act 179) and for such internal control, as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the 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 about 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 of financial statements that give a true and fair view 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 the directors, 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 accompanying financial statements give a true and fair view of the financial position of PZ Cussons Ghana Limited as at 31 May 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179).

REPORT ON OTHER LEGAL REQUIREMENTS

The Companies Code, 1963 (Act 179) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii. in our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books; and

iii. the Company's balance sheet (statement of financial position) and profit and loss account (included in the statement of comprehensive income) are in agreement with the books of account.

PRICEWATERHOUSECOOPERS

Chartered Accountants
Accra, Ghana
30 July 2012
Michael Asiedu-Antwi (101032)

pwc

Statement of Financial Position

(All amounts are expressed in Ghana cedis unless otherwise stated)

	Notes	2012	At 31 May 2011
Assets			
Non-current assets			
Property, plant and equipment	3	**9,825,119**	10,012,320
Finance lease receivables	6(b)	**480,048**	490,815
Investments	4	**1,405,271**	1,405,271
Deferred income tax	13	**765,915**	-
		12,476,353	11,908,406
Current assets			
Inventories	5	**22,278,658**	23,756,337
Finance lease receivables	6(b)	**480,624**	350,402
Current income tax	22	**-**	120,694
Trade and other receivables	6(a)	**22,464,907**	17,155,818
Cash and cash equivalents	26	**4,577,824**	3,654,087
		49,802,013	45,037,338
Total assets		**62,278,366**	56,945,744
Equity attributable to owners			
Stated capital	7	**2,160,000**	1,160,000
Capital surplus account	8	**3,465,574**	4,465,574
Income surplus account	9	**25,702,117**	25,571,307
Total equity		**31,327,691**	31,196,881
Liabilities			
Non-current liabilities			
Borrowings	11	**659,978**	697,936
Deferred income tax	13	**-**	1,174,917
		659,978	1,872,853
Current liabilities			
Trade and other payables	10	**26,404,931**	16,498,709
Borrowings	11	**1,880,621**	6,248,598
Current income tax	22	**368,349**	-
Dividend payable	12	**1,636,796**	1,128,703
		30,290,697	23,876,010
Total liabilities		**30,950,675**	25,748,863
Total equity and liabilities		**62,278,366**	56,945,744

The notes on pages 14 to 40 are an integral part of these financial statements.

The financial statements on pages 10 to 40 were approved by the Board of Directors on 20th July 2012 and signed on its behalf by:

Paul Kwabena Pepera
Chairman

James Berkeley Judson
Director

Statement of Comprehensive Income

(All amounts are expressed in Ghana cedis unless otherwise stated)

				Year ended 31 May	
				2012	**2011**
	Notes	**Before exceptional item**	**Exceptional item**		
Revenue	14	82,322,463	-	**82,322,463**	66,184,295
Cost of sales	15	(54,210,120)	-	**(54,210,120)**	(43,903,964)
Gross profit		28,112,343	-	**28,112,343**	22,280,331
Distribution costs	16	(16,270,342)	-	**(16,270,342)**	(12,163,607)
Administrative costs	17	(4,842,403)	-	**(4,842,403)**	(4,366,116)
Other income	18	1,630,468	-	**1,630,468**	1,998,139
Other operating costs	19	-	(7,665,000)	**(7,665,000)**	-
Operating profit		8,630,066	(7,665,000)	**965,066**	7,748,747
Finance costs	20	(348,710)	-	**(348,710)**	(174,862)
Profit before income tax		8,281,356	(7,665,000)	**616,356**	7,573,885
Income tax credit/(expense)	23	147,254	-	**147,254**	(1,259,694)
Profit for the year		8,428,610	(7,665,000)	**763,610**	6,314,191
Other comprehensive income -		-	-	**-**	-
Total comprehensive income for the year		8,428,610	(7,665,000)	**763,610**	6,314,191
Earnings per share (GH¢)					
Basic	30			**0.0063**	0.2255

The notes on pages 14 to 40 are an integral part of these financial statements.

Statement of Changes in Equity

(All amounts are expressed in Ghana cedis unless otherwise stated)

	Stated capital	Capital surplus account	Income surplus account	Total
Year ended 31 May 2012				
At 1 June 2011				
Comprehensive income:	1,160,000	4,465,574	25,571,307	**31,196,881**
Profit or loss	-	-	763,610	**763,610**
Other comprehensive income	-	-	-	**-**
Total comprehensive income	-	-	763,610	**763,610**
Transaction with owners:				
Dividend relating to 2011	-	-	(632,800)	**(632,800)**
Transfer to stated capital	1,000,000	(1,000,000)	-	-
At 31 May 2012	**2,160,000**	**3,465,574**	**25,702,117**	**31,327,691**
Year ended 31 May 2011				
At 1 June 2010	1,160,000	4,465,574	19,637,916	25,263,490
Comprehensive income:				
Profit or loss	-	-	6,314,191	6,314,191
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	6,314,191	6,314,191
Transaction with owners:				
Dividend relating to 2010	-	-	(380,800)	(380,800)
At 31 May 2011	1,160,000	4,465,574	25,571,307	31,196,881

The notes on pages 14 to 40 are an integral part of these financial statements.

Statement of Cash Flows

(All amounts are expressed in Ghana cedis unless otherwise stated)

	Notes	Year ended 31 May 2012	2011
Cash flows from operating activities			
Cash generated from/(used in) operations	25	**9,199,111**	(2,828,413)
Interest received	18	**25,569**	209,097
Interest paid	20	**(348,710)**	(174,862)
Tax paid	22	**(1,304,535)**	(1,980,785)
Net cash generated from /(used in) operating activities		**7,571,435**	(4,774,963)
Cash flows from investing activities			
Dividend received	18	**54,578**	367,703
Purchase of property, plant and equipment	3	**(2,152,609)**	(1,778,433)
Proceeds from sale of property, plant and equipment	3	**968,175**	228,833
Net cash used in investing activities		**(1,129,856)**	(1,181,897)
Cash flows from financing activities			
Finance lease drawdown	11(b)	**983,422**	1,122,890
Finance lease repaid	11(b)	**(770,392)**	(429,192)
Draw down of related party loans	11(a)	**3,059,478**	4,516,503
Repayment of related party loans	11(a)	**(8,665,643)**	(199,876)
Dividend paid	12	**(124,707)**	-
Net cash (used in) / generated from financing activities		**(5,517,842)**	5,010,325
Net increase /(decrease) in cash and cash equivalents		**923,737**	(946,535)
Cash and cash equivalents at 1 June		**3,654,087**	4,600,622
Cash and cash equivalents at 31 May	26	**4,577,824**	3,654,087

The notes on pages 14 to 40 are an integral part of these financial statements.

NOTES

1. General information

PZ Cussons Ghana Limited is involved in the manufacture, purchase and distribution of electrical appliances, nutritional products, personal & home care and health care products such as soaps, cosmetics and pharmaceutical products.

The Company is a limited liability company incorporated and domiciled in Ghana. The address of its registered office is Plot 27/3-27/7 Sanyo Road, Tema Heavy Industrial Area, P. O. Box 628, Tema, Ghana. The Company is listed on the Ghana Stock Exchange.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of PZ Cussons Ghana Limited have been prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings and certain financial instruments to the extent required or permitted under IFRS and set out in the relevant accounting policies below. The financial statements are presented in Ghana Cedis (GH¢).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.24.

2.1.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Company

The amendments to existing standards below are relevant to the Company's operations

Standard	Title	Applicable for financial years beginning on/after
IAS 1	Presentation of financial statements	1 January 2011
IAS 24	Related party disclosures	1 January 2011
IFRS 7	Financial instruments: Disclosures	1 January 2011

- The amendment to IAS 1, 'Presentation of financial statements' is part of the 2010 Annual Improvements and clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. The application of this amendment has no significant impact on the Company in the current financial year.
- The amendment to IAS 24, 'Related party disclosures' clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The amended definition means that some entities will be required to make additional disclosures, e.g., an entity that is controlled by an individual that is part of the key management personnel of another entity is now required to disclose transactions with that second entity. The amended standard currently has no impact on the Company's financial statements.

- The amendments to IFRS 7, 'Financial Instruments - Disclosures' are part of the 2010 Annual Improvements and emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments. The amendment has also removed the requirement to disclose the following:
  - Maximum exposure to credit risk if the carrying amount best represents the maximum exposure to credit risk;
  - Fair value of collaterals; and
  - Renegotiated assets that would otherwise be past due but not impaired.

The application of the above amendment has simplified financial risk disclosures made by the Company.

Other amendments and interpretations to standards became mandatory for the year beginning 1 January 2011 but had no significant effect on the Company's financial statements.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

Numerous new standards, amendments and interpretations to existing standards have been issued but are not yet effective. Below is the list of new standards that are likely to be relevant to the Company. However, the directors are yet to assess the impact on the Company's operations.

Standard	Title	Applicable for financial years beginning on/after
IAS 1	Presentation of financial statements	1 July 2012
IFRS 9	Financial instruments	1 January 2013
IFRS 7	Fair value measurement	1 January 2013

IAS 1, 'Presentation of financial statements'

The amendment changes the disclosure of items presented in other comprehensive income (OCI) in the statement of comprehensive income. Entities will be required to separate items presented in other comprehensive income ("OCI") into two groups, based on whether or not they may be recycled to profit or loss in the future. Items that will not be recycled will be presented separately from items that may be recycled in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately..

The title used by IAS 1 for the statement of comprehensive income has changed to 'statement of profit or loss and other comprehensive income', though IAS 1 still permits entities to use other titles.

IFRS 9, 'Financial instruments'

IFRS 9, was issued in November 2009 and October 2010 and replaces those parts of IAS 39 relating to the classification and measurement of financial instruments.

IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument.

For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch. The Company is yet to assess IFRS 9's full impact.

IFRS 13, 'Fair value measurement'

IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across all IFRSs. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRS. The Company is yet to assess the full impact of IFRS 13.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

2.2 Property, plant and equipment

Buildings on leasehold land, comprising mainly factories and offices, are stated in the statement of financial position at deemed cost at the date of transition to IFRS less accumulated depreciation and any accumulated impairment losses. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Assets in the course of construction are carried at cost less any recognised impairment losses. Cost includes professional fees and other directly attributable costs which are capitalised in accordance with IAS 16, Property, plant and equipment.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost or deemed cost amounts to their residual values, over their estimated useful life as follows:

Leasehold buildings	Over the life of the lease
Plant, machinery and equipment	10% to 33$^{1}/_{3}$%
Motor vehicles	25%

Depreciation commences when the assets are ready for their intended use.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other income in profit or loss.

2.3 Leases

Leases are accounted for in accordance with IAS 17 and IFRIC 4. They are divided into finance lease and operating lease.

(a) The Company is the lessee

(i) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

(ii) Finance lease

Leases are classified as finance leases whenever the terms of the lease involve the substantial transfer of all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised as assets of the Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding

liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between financing charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases are depreciated over the useful life of such assets.

(b) The Company is the lessor

When assets are held subject to a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using net investment method (before tax), which reflects a constant periodic rate of return.

2.4 Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit (CGU) to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than the carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the first in, first out (FIFO) method. The cost of finished goods comprises materials, direct labour and a share of production overheads appropriate to the relevant stage of production. Net realisable value is the estimated selling price in the ordinary course of business less costs of completion and selling expenses.

2.6 Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability the debtor will enter bankruptcy and default or delinquency in payments is considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of trade receivables is reduced through the use of an allowance account and the amount of loss is recognised in profit or loss within "distribution costs". When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against "distribution costs" in profit or loss.

2.7 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at bank and bank overdraft.

2.8 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.9 Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events at the reporting date; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. An increase in provisions is recognised as an expense in profit or loss.

2.10 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred.

Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.11 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.12 Current and deferred income tax

Tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current income tax is the amount of tax payable on taxable profit for the year in accordance with the Income Tax Act, 2000 (Act 592) as amended.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination

that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.13 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.14 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of discounts, Value Added Tax (VAT) and returns.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and the risk and rewards have been transferred.

The Company sells its products on mainly wholesale basis through its distribution partners (DPs). Sale of goods are recognised when the Company has delivered products to the DPs, the DPs have full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the DPs acceptance of the products.

Delivery does not occur until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the DPs, and the DPs have accepted the products in accordance with the sales contract.

No element of financing is deemed present as the sales are made with credit terms of 30 days to 150 days, which is consistent with the market practice.

Other revenues earned by the Company are recognised on the following basis:

Interest income	–	on an accrual basis using the effective interest rate method.
Dividend income	–	when the Company's right to receive payment is established.
Rent income	–	on a straight line basis over the period of the lease.

2.15 Foreign currency translation

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (functional currency). The Company's functional currency is Ghana cedis (GH¢).

Transactions and balances

Other currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in currencies other than Ghana cedis at the reporting date are translated into Ghana cedis at the exchange rates ruling at that date. Gains and losses resulting from these translations are recognised in profit or loss.

2.16 Financial assets

Financial assets are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

2.16.1 Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. The Company's loans and receivables comprise 'trade and other receivables' (Note 6a), finance lease receivables (Note 6b) and cash and cash equivalents in the statement of financial position (Note 26).

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

2.16.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Financial instruments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within 'other income' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of other income when the Company's right to receive payments is established. Dividend income on available for sale equity instruments are recognised in profit or loss as part of other income when the Company's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in profit or loss as 'other income'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in profit or loss as part of other income.

2.17 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.18 Impairment of financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss.

2.19 Derivative financial instruments

The Company's activities expose it primarily to the financial risks of changes in foreign exchange rates

The occasional use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles in the use of financial derivatives consistent with the Company's risk management strategy. The Company does not use derivative financial instruments for speculative purposes.

Derivative financial instruments are initially measured at fair value at the contract date, and are remeasured to fair value at subsequent reporting dates. The derivatives do not qualify for hedge accounting. Changes in the fair value of derivatives are recognised immediately in profit or loss. These derivatives are trading derivatives and are classified as a current asset or liability.

2.20 Employee benefits

(i) Retirement benefit obligations

The Company operates defined contribution retirement benefit schemes for its employees. The Company and all its employees contribute to the appropriate National Social Security Fund, which is defined contribution scheme.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Company's contributions to the defined contribution schemes are recognised as an employee benefit expense when they fall due. The Company has no further payment obligations once the contributions have been paid.

(ii) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Committee that makes strategic decisions.

2.22 State capital

Ordinary shares are classified as equity. All shares were issued at no par value.

2.23 Exceptional items

The Company adopts a columnar statement of comprehensive income format to highlight significant items within the Company results for the year. Such items are considered by the directors to be exceptional in nature rather than being a representative of the underlying trading of the Company. The directors apply judgement in assessing the particular items, which by virtue of their scale and nature should be disclosed in a separate column of the statement of comprehensive income and notes to the financial statements as 'Exceptional items'. The directors believe that the separate disclosure of these items is relevant to an understanding of the Company's financial performance.

2.24 Critical accounting estimates and assumptions

The following critical accounting estimates were made in the preparation of PZ Cussons Ghana Limited's financial statements.

Property, plant and equipment

Critical estimates are made by the directors in determining depreciation rates for property, plant and equipment. The rates used are set out in note 2.2.

Income tax

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final outcome of these matters are different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

Receivables

Critical estimates are made by the directors in determining the recoverable amount of impaired receivables. The carrying amount of impaired receivables is set out in notes 27.1.

Inventories

Critical estimates are made by the directors in determining the recoverable amount of inventories.

2.25 Critical judgements in applying the entity's accounting policies

In the process of applying the Company's accounting policies, management has made judgement in determining:

- the classification of non-current assets;
- whether assets are impaired; and
- provisions and contingent liabilities.

3. Property, plant and equipment

	Buildings on leasehold land	Plant machinery & equipment	Motor vehicles	Assets under construction	Total
At 1 June 2010					
Cost	6,851,668	8,943,714	1,209,179	125,190	17,129,751
Accumulated depreciation	(1,686,728)	(4,848,436)	(684,968)	-	(7,220,132)
Net book amount	5,164,940	4,095,278	524,211	125,190	9,909,619
Year ended 31 May 2011					
Opening net book amount	5,164,940	4,095,278	524,211	125,190	9,909,619
Additions	-	19,858	589,351	1,169,224	1,778,433
Transfers	410,250	304,978	-	(715,228)	-
Disposals	-	(129,635)	(10,582)	-	(140,217)
Depreciation charge	(348,334)	(842,504)	(344,677)	-	(1,535,515)
Closing net book value	5,226,856	3,447,975	758,303	579,186	10,012,320
At 31 May 2011					
Cost	7,261,917	8,869,608	1,742,413	579,186	18,453,124
Accumulated depreciation	(2,035,061)	(5,421,634)	(984,109)	-	(8,440,804)
Net book amount	5,226,856	3,447,974	758,304	579,186	10,012,320
Year ended 31 May 2012					
Opening net book amount	5,226,856	3,447,974	758,304	579,186	**10,012,320**
Additions	-	1,730	-	2,150,879	**2,152,609**
Transfers	1,072,447	890,495	501,055	(2,463,997)	**-**
Disposals	-	(854,560)	(40,259)	-	**(894,819)**
Depreciation charge	(368,324)	(698,382)	(378,285)	-	**(1,444,991)**
Closing net book value	**5,930,979**	**2,787,257**	**840,815**	**266,068**	**9,825,119**
At 31 May 2012					
Cost	8,334,364	8,207,563	1,911,327	266,068	**18,719,322**
Accumulated depreciation	(2,403,385)	(5,420,306)	(1,070,512)	-	**(8,894,203)**
Net book amount	**5,930,979**	**2,787,257**	**840,815**	**266,068**	**9,825,119**

The Company's buildings on leasehold land were last revalued on 31 December 2004 by independent valuers. Valuations were made on the basis of recent market transactions on arm's length terms. The revaluation surplus net of applicable deferred income taxes was credited to equity and is shown as 'capital surplus account' in equity (Note 8).

The revaluation amount of the said buildings were used as deemed cost in the first year of the adoption of International Financial Reporting Standards (IFRS).

The Company in 2012 renewed its leasehold with the government for another 50 years and the lease cost has been capitalised to be amortised over 25 years.

If the buildings on leasehold land were stated on the historical cost basis, the amounts would be as follows:

	2012	2011
	GH¢	GH¢
Cost	242,896	242,896
Accumulated depreciation	(108,155)	(96,627)
	134,741	146,269
Profit on disposal of property, plant and equipment		
Cost	1,885,106	455,060
Accumulated depreciation	(990,287)	(314,843)
Net book value	894,819	140,217
Sale proceeds	(968,175)	(228,833)
Profit on disposal	(73,356)	(88,616)

Property, plant and equipment include motor vehicles with net book value of **GH¢799,907** (2011: GH¢618,506) held under finance lease.

	2012	2011
Cost - capitalised finance leases	1,318,051	828,681
Accumulated depreciation	(518,144)	(210,175)
	799,907	618,506
Depreciation charge		
Depreciation has been charged to profit or loss as follows:		
Cost of sales	666,887	789,274
Distribution costs	378,322	278,329
Administrative costs	399,782	467,912
	1,444,991	1,535,515

4. Investments

Norpalm Ghana Limited	1,405,271	1,405,271

Non-current asset investments comprise a 31% shareholding of the share capital of Norpalm Ghana Limited, an oil palm plantation company incorporated in Ghana. The Company does not exercise significant influence over the affairs of Norpalm Ghana Limited as it does not have the power to influence the financial and operating policies of the entity. The investment is therefore not treated as an associated company.

5. Inventories

	2012	2011
Raw and packing materials	9,283,773	12,962,674
Finished products	9,302,787	8,509,335
Goods-in-transit	3,278,797	1,809,439
Engineering spares	413,301	474,889
	22,278,658	23,756,337

During the year ended 31 May 2012 GH¢426,455 (2011: GH¢690,847) was charged to profit or loss for damaged, obsolete and lost inventories.

6 (a). Trade and other receivables

	2012	2011
	GH¢	GH¢
Trade receivables	17,464,261	13,638,833
Provision for impairment	(896,759)	(777,826)
Trade receivables-net	16,567,502	12,861,007
Amount due from officers and staff	270,920	234,233
Prepayments and accrued income	303,727	959,569
Sundry receivables	5,322,758	3,101,009
	22,464,907	17,155,818

The maximum amount of officers and staff indebtedness during the year did not exceed **GH¢290,925** (2011: GH¢242,045).

The fair values of trade receivables, amounts due from officers and staff, and sundry receivables approximate their carrying value.

Movements on the provision for impairment of trade receivables are as follows:

	2012	2011
At 1 June	777,826	819,289
Provision for receivables impairment	175,347	52,682
Uncollectible receivables written-off	(56,414)	(94,145)
At 31 May	896,759	777,826

The creation and release of provision for impaired receivables has been included in 'distribution cost' in profit or loss. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security.

6(b). Finance lease receivables

As at 31 May 2012, the Company had finance lease agreements with Access Bank Ghana Limited and Barclays Bank of Ghana Limited to finance fifty-two vans for its Distribution Partners. The receivables from the Distribution Partners under the sub-lease agreement are as follows:

	2012	2011
	GH¢	GH¢
Gross finance lease receivables – minimum lease receipts:		
Not later than 1 year	605,372	557,145
Later than 1 year and no later than 5 years	604,646	502,413
	1,210,018	1,059,558
Unearned future finance income on finance leases	(249,346)	(218,341)
Net investment in finance lease	960,672	841,217
The net investment in finance leases is analysed as follows:		
Not later than 1 year	480,624	350,402
Later than 1 year and no later than 5 years	480,048	490,815
	960,672	841,217

The related finance lease obligation to Access Bank Ghana Limited and Barclays Bank of Ghana Limited is presented in note 11 (b).

7. Stated capital

	Number of shares		Proceeds	
	2012	2011	2012	2011
Authorised:	000	'000	000	'000
Ordinary Shares	200,000	30,000	-	-
Issued:				
For cash	2,733	2,733	45,507	45,507
For consideration other than cash	25,267	25,267	914,938	914,938
Transferred from capital surplus account in accordance with section 66 (c) and section 74 (i) of the Companies Code, 1963 (Act 179)	140,000	-	1,199,555	199,555
	168,000	28,000	2,160,000	1,160,000

There was no unpaid liability on shares. There were no treasury shares and no calls or instalments unpaid.

At an AGM in September 2011, shareholders of the Company approved the issue of bonus shares to members. The Company therefore issued 140 million bonus shares (5 for every 1 held) during the year and transferred GH¢1 million from capital surplus account into stated capital. The members also approved an increase in authorised number of shares from 30 million to 200 million. Total issued shares stood at 168 million at the end of the year.

8. Capital surplus account

	2012	2011
	GH¢	GH¢
At 1 June	4,465,574	4,465,574
Transfer to stated capital	(1,000,000)	-
At 31 May	3,465,574	4,465,574

The capital surplus account is the reserve account for revaluations of buildings. During the year, the shareholders, by a special resolution, transferred GH¢1 million from capital surplus account to stated capital in accordance with Section 74 (i) of the Companies Code, 1963 (Act 179).

9. Income surplus account

At 1 June	25,571,307	19,637,916
Profit for the year	763,610	6,314,191
Dividend approved	(632,800)	(380,800)
At 31 May	25,702,117	25,571,307

10. Trade and other payables

Trade payables	3,283,574	3,783,733
Amount due to related parties (Note 24(d))	13,180,917	10,528,391
Accruals and deferred income	9,542,670	1,842,961
Sundry payables	397,770	343,624
	26,404,931	16,498,709

11. Borrowings

Current		
Related party loans	1,015,695	5,634,660
Finance lease obligations	864,926	613,938
	1,880,621	6,248,598
Non - current		
Finance lease obligation	659,978	697,936
Total borrowings	2,540,599	6,946,534

(a) Related party loans

	2012	2011
At 1 June	5,634,660	1,307,672
Draw down	3,059,478	4,516,503
Exchange loss	987,200	10,361
	9,681,338	5,834,536
Repayment	(8,665,643)	(199,876)
At 31 May	1,015,695	5,634,660

Related party loans comprise:

(i) Loan from PZ Cussons Nigeria

The Company obtained an interest free unsecured loan facility of US$408,360 from PZ Cussons (Nigeria) Plc in 2009 to finance the rental of the new showroom for electrical products. The loan was fully repaid during the year.

(ii) Loans from PZ Cussons International Limited

Related party loans from PZ Cussons International Limited comprise a loan facility of US$5 million and an interest free cash advance of GH¢1,015,695 for working capital purposes.

In 2011, the Company obtained a US$5 million unsecured facility to finance the purchase of Crude Palm Oil (CPO). The facility attracts interest of 3 month USD LIBOR plus 1.50%. The loan was fully repaid during the year.

(b) Finance lease obligations

The Company entered into a finance lease agreement with Access Bank Ghana Limited and Barclays Bank of Ghana Limited to finance fifty-two (52) vans for its Distribution Partners and thirty eight (38) vehicles for the Company.

The finance lease obligations are as follows:

Gross finance lease liabilities – minimum lease payments:	**2012**	2011
	GH¢	GH¢
Not later than 1 year	**1,115,339**	883,256
Later than 1 year and no later than 5 years	**749,475**	825,734
	1,864,814	1,708,990
Future finance charges on finance leases	**(339,910)**	(397,116)
Present value of finance lease liabilities	**1,524,904**	1,311,874
The present value of finance lease liabilities is as follows:		
Not later than 1 year	**864,926**	613,938
Later than 1 year and no later than 5 years	**659,978**	697,936
	1,524,904	1,311,874

The movement in the finance lease obligation is as follows:

	At 1 June 2011	**Drawdown**	**Repayment**	**At 31 May 2012**
Lease obligations	1,311,874	983,422	(770,392)	1,524,904
	At 1 June 2010	**Drawdown**	**Repayment**	**At 31 May 2011**
Lease obligations	618,176	1,122,890	(429,192)	1,311,874

(c) Bank Overdraft

At the reporting date, the Company had an approved unsecured overdraft facility with Standard Chartered Bank Ghana Limited not exceeding **GH¢1,000,000** (2011: GH¢1,000,000).

12. Dividend payable

	2012	2011
	GH¢	GH¢
At 1 June	1,128,703	747,903
Approved during the year	632,800	380,800
Payments during year	(124,707)	-
At 31 May	**1,636,796**	1,128,703

13. Deferred income tax

The gross movement on deferred income tax account is as follows:

	2012	2011
At 1 June	1,174,917	1,198,155
Released to profit or loss	(1,940,832)	(23,238)
At 31 May	(765,915)	1,174,917

Deferred income tax liabilities/(assets)

	Accelerated tax depreciation	Others	Total
At 1 June 2010	1,554,549	(356,394)	1,198,155
Released to profit or loss	(130,873)	107,635	(23,238)
At 31 May 2011	1,423,676	(248,759)	1,174,917
Released to profit or loss	910	(1,941,742)	(1,940,832)
At 31 May 2012	**1,424,586**	**(2,190,501)**	**(765,915)**

14. Revenue

Revenue is recognised on dispatch and customer acceptance of goods. Revenue comprises the value of goods and services invoiced to third parties less VAT, discounts, commissions and returns.

	2012	2011
	GH¢	GH¢
Revenue by type		
Sale of goods	82,322,463	66,184,295
Revenue by customer		
Third parties	75,132,374	61,877,685
Related parties (note 24(a))	7,190,089	4,306,610
	82,322,463	66,184,295
Revenue by type of sales		
Export sales	9,598,347	6,438,392
Local sales	72,724,116	59,745,903
	82,322,463	66,184,295

15. Cost of sales

Cost of goods sold comprises raw materials, conversion costs and materials sourcing expenses.

Cost of sales include:

	2012	2011
	GH¢	GH¢
Depreciation on factory buildings and plant and machinery	666,887	789,274
Material cost	45,877,573	37,770,500
Staff costs (Note 21)	2,465,559	2,388,700
Other overheads	5,200,101	2,955,490
	54,210,120	43,903,964

16. Distribution costs

	2012	2011
Selling and distribution costs include:		
Advertising and promotion	4,654,363	2,827,440
Staff costs (Note 21)	2,493,821	1,729,008
Depreciation	378,322	278,329
Royalties and technical service fees	1,708,940	1,415,500
Provision for impairment on trade receivables	240,102	52,682

17. Administrative costs

	2012	2011
Administrative expenses include:		
Depreciation	399,782	467,912
Staff costs (Note 21)	2,006,676	1,764,452
Auditor's remuneration	40,538	32,517
Directors' remuneration	441,971	333,546
Donation	42,107	21,224

18. Other income

	2012	2011
Interest income	25,569	209,097
Dividend income	54,578	367,703
Profit on disposal of property, plant and equipment (note 3)	73,356	88,616
Rental income	549,719	373,428
Sundry income and others	927,246	959,295
	1,630,468	1,998,139

19. Exceptional item

The Company announced the closure of its manufacturing operations in Ghana as part of a PZ Cussons group wide initiative to optimise its supply chain and restructure its manufacturing footprint around the world. Exceptional item relates to redundancies and other costs provided for in respect of the closure of manufacturing operations of the Company.

20. Finance costs

	2012	2011
	GH¢	GH¢
Interest on finance lease	186,516	174,862
Interest on intra group loan	162,194	-
	348,710	174,862

21. Staff cost

Staff costs are charged to cost of sales, distribution costs and administrative costs as shown below:

	2012	2011
a) Cost of sales		
Remuneration to employees	2,210,884	2,119,252
Post employment benefits – defined contribution	88,579	94,939
Social security costs	166,096	174,509
	2,465,559	2,388,700
b) Distribution costs		
Remuneration to employees	2,189,573	1,503,074
Post employment benefits – defined contribution	102,616	76,277
Social security costs	201,632	149,657
	2,493,821	1,729,008
c) Administrative costs		
Remuneration to employees	1,819,145	1,603,037
Post employment benefits – defined contribution	63,365	55,903
Social security costs	124,166	105,512
	2,006,676	1,764,452

The number of employees at year end was **354** (2011: 376).

22. Current income tax

Year ended 31 May 2012

Year of assessment	At 01/06/11	Payments during the year	Charge for the year	At 31/05/12
Capital gains tax				
2008	23,980	(23,849)	-	131
Corporation tax				
2012	-	(1,280,686)	1,793,578	512,892
2011	(129,000)	-	-	(129,000)
2010	12,452	-	-	12,452
Up to 2009	(28,126)	-	-	(28,126)
	(120,694)	(1,304,535)	1,793,578	368,349

Year ended 31 May 2011

Year of assessment	At 01/06/11	Payments during the year	Charge for the year	At 31/05/12
Capital gains tax				
2008	23,980	-	-	23,980
Corporation tax				
2011	-	(1,411,932)	1,282,932	(129,000)
2010	314,367	(301,915)	-	12,452
Up to 2009	238,812	(266,938)	-	(28,126)
	577,159	(1,980,785)	1,282,932	(120,694)

All tax liabilities are subject to the agreement of the Ghana Revenue Authority.

23. Income tax expense

	2012	2011
	GH¢	GH¢
The tax charge in profit or loss comprise:		
Current income tax (Note 22)	1,793,578	1,282,932
Deferred income tax (Note 13)	(1,940,832)	(23,238)
	(147,254)	1,259,694

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the statutory income tax rate applicable to profits. This is explained as follows:

	2012	2011
Profit before income tax	616,356	7,573,885
Tax calculated at statutory income tax rate of 25%	154,089	1,893,471
Tax effect of:		
Income not subject to tax	-	(136,430)
Profit on export sales taxed at a lower rate	(271,884)	(334,640)
Dividend income taxed at a lower rate	(40,553)	(62,509)
Tax deductible expenditure not recognised in profit or loss	-	(45,138)
Expenses not deductible for tax purposes	10,527	8,423
Rent income taxed at a lower rate	(93,452)	(63,483)
Differences in opening tax written down values of assets	89,812	-
Other non-temporary differences	4,207	-
	(147,254)	1,259,694

24. Related party transactions

The Company is controlled by PZ Cussons Plc (incorporated in the United Kingdom), which owns 90.24% of the Company's share capital. The remaining 9.76% are widely held. The following transactions were carried out with fellow subsidiaries during the year.

	2012	2011
	GH¢	GH¢
a) Sales of goods and services		
PZ Industries (Nigeria) Plc	**7,190,089**	4,306,610
b) Purchases of goods and services:		
PZ Cussons International Limited, Manchester	**9,115,749**	10,319,356
PZ Industries (Nigeria) Plc	**14,248,231**	9,775,395
PT PZ Cussons Indonesia	**1,931,150**	1,238,304
PZ Cussons East Africa	**-**	74,124
Parnon Limited	**1,842,848**	2,075,728
PZ Cussons Thailand	**207,374**	151,049
FC Limited (Seven scents Limited)	**1,005,833**	793,616
Total	**28,351,185**	24,427,572

(c) Transactions with directors and key management personnel

The following information is presented in accordance with IAS 24 'Related Party Disclosure', which requires disclosure of the employee benefits of directors and other key management personnel

Directors and other key management personnel:

	2012	2011
Salaries and other short-term benefits	**538,569**	354,442
Employer social security charges on emoluments	**70,014**	46,077

(d) Year end payable balances arising from related party transactions are as follows:

	2012	2011
PZ Cussons Polska	**18,656**	9,682
PZ Cussons International Limited - Purchases	**3,174,462**	3,207,259
PZ Cussons International Limited - Royalties/Technical fees	**978,853**	1,342,764
PZ Cussons International Limited - Third Party Dividend	**-**	134,383
PZ Cussons (Nigeria) Plc- Purchases	**5,660,539**	4,402,767
PT PZ Cussons Indonesia- Purchases	**776,462**	284,754
PZ Cussons (Thailand) Limited - Purchase	**60,261**	57,621
PZ Cussons East Africa Limited- Purchases	**38,000**	61,549
Parnon Limited - Purchases	**1,691,726**	763,248
Seven Scent Limited- Purchases	**781,958**	264,364
	13,180,917	10,528,391

(e) Year end related party loan balance

	2012	2011
PZ Cussons International Limited	**1,015,695**	5,532,195
PZ Cussons (Nigeria) Plc	**-**	102,465
	1,015,695	5,634,660

25. Cash generated from/(used in) operations

	2012	2011
Profit before income tax	**616,356**	7,573,885
Depreciation	**1,444,991**	1,535,515
Profit on disposal of property, plant and equipment	**(73,356)**	(88,616)
Dividend received	**(54,578)**	(367,703)
Interest income	**(25,569)**	(209,097)
Interest expense	**348,710**	174,862
Exchange loss adjustment on related party loans	**987,200**	10,361
Decrease/(increase) in inventories	**1,477,679**	(8,325,227)
Increase in finance lease receivables	**(119,455)**	(403,525)
Increase in trade and other receivables	**(5,309,089)**	(7,023,055)
Increase in trade and other payables	**9,906,222**	4,294,187
Cash generated from/(used in) operations	**9,199,111**	(2,828,413)

26. Cash and cash equivalents

Cash and cash equivalents comprise cash held and short term bank deposits with an original maturity of three months or less. The carrying amount of these approximate to their fair values. For the purposes of statement of cash flows, the year- end cash and cash equivalents comprise the following:

	2012	2011
Bank and cash balances	**4,577,824**	3,654,087

27. Financial risk management

The Company's operations expose it to a variety of financial risks that include credit risk, liquidity risk, the effects of changes in foreign currency exchange rates and interest rates. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance. The primary risks faced by the Company are exchange rate risk and credit risk.

Risk management is carried out by the treasury department under PZ Cussons group policies and approved by the Board of Directors. Treasury identifies, evaluates and manages financial risks. The Board provides written principles for overall risk management, as well as written policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investing excess liquidity.

27.1 Credit risk management

Credit risk is the risk that financial loss arises from the failure of a customer or counterparty to meet its obligations under a contract. It arises principally from selling goods on credit to distribution partners. The Company has dedicated standards, policies and procedures to control and monitor all such risks. Although the Company is potentially exposed to credit loss in the event of non-performance by counterparties, such credit risk is controlled through credit control policy whereby credit sales are only made to established dealers. Strict control is exercised through the monitoring of cash received from

customers and provision is made for specific doubtful debts where necessary. The Company has a task force which follows up collection of outstanding receivables. The Company does not believe it is exposed to any material concentrations of credit risk.

The amount that best represents the Company's maximum exposure to credit risk at 31 May 2012 and 2011 is the carrying value of trade receivables, sundry receivables, and cash and cash equivalents in the statement of financial position.

Credit quality of financial assets

(i) Trade receivables

The carrying value of trade receivables comprise:

	2012	2011
Neither past due nor impaired	**12,971,139**	9,042,104
Past due but not impaired	**3,539,949**	3,762,708
Impaired	**56,414**	56,195
	16,567,502	12,861,007

As of 31 May 2012, trade receivables of **GH¢3,539,949** (2011: GH¢3,762,708) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2012	2011
1 to 6 months	**2,516,713**	2,741,885
Over 6 months	**1,023,236**	1,020,823
	3,539,949	3,762,708

As of 31 May 2012, trade receivables of **GH¢953,173** (2011: GH¢834,021) were impaired and provided for. The amount of the provision was **GH¢896,759** as of 31 May 2012 (2011: GH¢777,826).

	2012	2011
1 to 6 months	**168,828**	86,252
Over 6 months	**784,345**	747,769
	953,173	834,021

(ii) Staff receivables

Staff receivables are recovered through the monthly payroll in accordance with the payment plan. Staff receivables are neither past due nor impaired.

(iii) Sundry receivables

There were no impaired sundry receivables at the reporting date.

(iv) Cash and cash equivalents

The Company manages credit risk relating to cash and cash equivalents by having banking relationships with only reputable well established financial institutions licensed by the Bank of Ghana.

27.2 Liquidity risk management

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company maintains a strong liquidity position and manages the liquidity profile of its assets, liabilities and commitments so that cash flows are appropriately balanced and all funding obligations are met when due.

The Company has an overdraft facility with Standard Chartered Bank Ghana Limited which provides the Company with an option to maintaining liquidity and continuity in funding.

Maturity analysis of financial liabilities

All financial liabilities fall due for payment within twelve months with the exception of finance lease of vehicles which fall due more than one year as shown in Note 11 (b).

The amounts disclosed in the table below show contractual undiscounted cash flows for financial liabilities analysed into the relevant maturity grouping based on the remaining period at the reporting date to the contractual maturity date.

	At 31 May 2012		At 31 May 2011	
	Less than 1 year	**More than 1 year**	Less than 1 year	More than 1 year
Trade and other payables	**16,862,261**	**-**	14,655,748	-
Finance lease obligations	**1,115,339**	**749,475**	883,256	825,734
Related party loans	**1,015,695**	**-**	5,634,660	-
	18,993,295	**749,475**	21,173,664	825,734

27.3 Market risk management

Market risk is the risk that movements in market rates, including foreign exchange rates, interest rates, equity and commodity prices will reduce the Company's income or the value of its portfolios. The management of market risk is undertaken using risk limits approved by the Finance Director under a delegated authority.

(i) Foreign exchange risk

The Company's activities expose it to the financial risks of changes in foreign currency exchange rates. However, apart from purchases, the Company occasionally makes significant sales in currencies other than its functional currency. Per the Company's treasury policy, the Company has resorted to using foreign currency forward contracts to manage these exposures due to the volatility of the Ghana Cedi.

At 31 May 2012, if the Ghana Cedi had weakened/strengthened by 10 % against the US dollar and with all other variables held constant, post-tax profit for the year would have been **GH¢919,913** (2011: GH¢1,024,714) lower/higher, mainly as a result of foreign exchange losses/gains on translation of US dollar-denominated intercompany payables/receivables.

(ii) Commodity price risk

The Company is exposed to commodity price risk. To manage its price risk arising from changes in crude palm oil and crude palm kernel, the Company has entered into a strategic alliance with Norpalm Ghana Limited for the purchase of palm oil and crude palm kernel. In addition, the Company uses 2 months forward exchange rates to cost commodity products to deal with exposures arising from changes in commodity prices.

At 31 May 2012, if the prices of Crude palm oil and palm kernel oil had increased/decreased by 10% with all other variables held constant, post-tax profit for the year would have been **GH¢1,895,256** (2011: GH¢607,634) lower/higher.

(iii) Interest rate risk

The Company's exposure to the risk for changes in market interest rates relates primarily to the Company's finance lease obligations with a floating interest rate. In 2012, the Company's exposure to interest rate was minimal as interest rate was stable at 23.5% throughout 2012 financial year.

The Company calculates the impact on profit and loss of a defined interest rate shift. Based on the simulation performed, the impact on post-tax profit of a 1% shift would be a maximum increase or decrease in finance cost of **GH¢11,437** (2011: GH¢10,607) per annum.

27.4 Fair values of financial assets and liabilities

Financial instruments utilised by the Company during the years ended 31 May 2012 and 31 May 2011 with information regarding the methods and assumptions used to calculate fair values, can be summarised as follows:

Current and non-current investments

In accordance with IAS 39 'Financial instruments: Recognition and measurement', unlisted investments are held in the Company's statement of financial position at cost because their fair value cannot be measured reliably due to the lack of quoted market prices.

Current assets and liabilities

Financial instruments included within current assets and current liabilities (excluding cash and borrowings) are generally short term in nature and accordingly their fair values approximate to their book values.

Borrowings

The fair value of finance lease obligations at 31 May 2012 is estimated not to be materially different to its carrying value.

The financial instruments held by the Company do not either individually or as a class, create a potentially significant exposure to market, credit, liquid or cash flow interest rate risks.

Financial instruments by category

	Loans and receivables	Available-for-sale	Total
At 31 May 2012			
Financial assets			
Investment	-	1,405,271	**1,405,271**
Finance lease receivables	960,672	-	**960,672**
Trade and other receivables	22,161,180	-	**22,161,180**
Cash and bank balances	4,577,824	-	**4,577,824**
Total financial assets	**27,699,676**	**1,405,271**	**29,104,947**

	Other financial liabilities at amortised cost	Total
At 31 May 2012		
Financial liabilities		
Trade and other payables	16,862,261	**16,862,261**
Borrowings	2,540,599	**2,540,559**
Total financial liabilities	19,402,860	**19,402,860**

Financial instruments by category	Loans and receivables	Available-for-sale	Total
At 31 May 2011			
Financial assets			
Investment	-	1,405,271	1,405,271
Finance lease receivables	841,217	-	841,217
Trade and other receivables	16,196,249	-	16,196,249
Cash and bank balances	3,654,087	-	3,654,087
Total financial assets	20,691,553	1,405,271	22,096,824

	Other financial liabilities at amortised cost	Total
At 31 May 2011		
Financial liabilities		
Trade and other payables	14,655,748	14,655,748
Borrowings	6,946,534	6,946,534
Total financial liabilities	21,602,282	21,602,282

27.5 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholders and benefits to other stakeholders and to maintain optimal capital structure to reduce cost of capital.

The Company maintains an optimal capital structure by controlling the amount of dividends paid to shareholders and sourcing from companies within the PZ Cussons Plc group on negotiated credit terms.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including

'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The Company's cash and cash equivalents exceed its borrowings and as such the gearing ratio is not calculated:

	2012	2011
Total borrowings (Note 11)	**2,540,599**	6,946,534
Cash and cash equivalent (Note 26)	**4,577,824**	3,654,087
Total equity	**31,327,691**	31,196,881

28. Segmental Reporting

Management has determined the operating segments based on the reports reviewed by the Executive Committee that are used to make strategic decisions. The Committee considers the business from a product perspective. The leadership team assesses the performance of the operating segments based on a measure of operating profit. Operating profit is based on IFRS principles and as such reconciliation of Non - IFRS to the financial statements information based on IFRS is not required. The Company has two main business segments:

- Core – incorporating home care, personal care and nutrition products
- Electricals – incorporating television sets, home theatre, DVD players, air-conditioners, fridges etc.

The Company's reporting segments are based on products grouped under the above business segments.

The segment information provided to the Executive Committee for the reportable segments for the year ended 31 May 2012 and 2011 are as follows:

	Core		Electricals		Total	
	GH¢'000 2012	GH¢'000 2011	GH¢'000 2012	GH¢'000 2011	GH¢'000 2012	GH¢'000 2011
Revenues from external customers	**61,588**	52,430	**13,544**	9,448	**75,132**	61,878
Revenues from related parties	**7,190**	4,306	**-**	-	**7,190**	4,306
Operating costs	**(64,249)**	(51,425)	**(11,073)**	(9,008)	**(75,322)**	(60,433)
Other operating costs	**-**	-	**-**	-	**(7,665)**	-
Other income	**-**	-	**-**	-	**1,630**	1,998
Operating profit	**4,529**	5,311	**2,471**	440	**965**	7,749
Finance costs		-	**-**	-	**(349)**	(175)
Profit before income tax	**-**	-	**-**	-	**616**	7,574
Income tax credit / (expense)	**-**	-	**-**	-	**147**	(1,260)
Profit after income tax	**-**	-	**-**	-	**763**	6,314

No measure of total assets and liabilities are reviewed by the executive team. Hence no disclosure of total assets and liabilities for the reporting segments has been made. There are no non-current assets outside Ghana. There is no single external customer which contributes more than 10% of the Company's revenues.

29. Post employment benefits

The Company has a defined contribution scheme by which statutory contributions are made to the Social Security Fund (SSF) on behalf of employees. The employee and the employer contribute 5.5% and 13% respectively to the fund.

In addition, the Company contributes 7% whilst employees contribute 7% into a separate Fund (Provident Fund) on behalf of employees. For the year ended 31 May 2012, the Company contributed **GH¢254,561** (2011: GH¢227,119) into the fund.

30. Earnings per ordinary share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2012	2011
Profit after income tax for the year	**763,610**	6,314,191
Weighted average number of shares in issue (in '000)	**121,333**	28,000
Basic earnings per share (GH¢)	**0.0063**	0.2255

There were no potentially dilutive shares outstanding at 31 May 2012 or 2011. Diluted earnings per share are therefore the same as basic earnings per share.

31. Dividend per ordinary share

The dividend approved in 2011 was GH¢632,800 (GH¢0.0226 per share). All Shareholders (except group) have since been paid. Directors are not proposing dividend for 2012 financial year.

32. Contingent liabilities

There were no contingent liabilities at 31 May 2012 (2011: nil).

33. Capital commitments

There were no capital commitments at 31 May 2012 (2011: nil).

34. Events after reporting period

There were no significant events after the reporting date that needs to be adjusted or disclosed.

35. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 20th July 2012.

Shareholders' Information

1) Number of shareholders

The number and distribution of Ordinary Shareholders with equal voting rights as at 31 May 2012 was as shown below:

Holdings	No. of Holders	Total Holding	% Holdings
1 - 1,000	1,261	2,025,588	1
1,001 - 5,000	282	4,155,390	2
5,001 - 10,000	32	1,318,944	1
10,001 and above	40	160,500,078	96
	1,615	168,000,000	100

2) Details of 20 largest shareholders at 31 May 2012

Name of Shareholder	Shares Held	% Holding
PZ Cussons (Holding) Limited	**151,602,006**	90.24
African Tiger Mutual Fund Ltd	**5,250,000**	3.13
SCBN/DATABANK Balanced Fund Ltd	**555,444**	0.33
SCB/IFUND Mutual Fund Ltd	**377,400**	0.22
CEPS Senior Staff Provident Fund	**180,000**	0.11
Dr. Emmanuel E. Sackey	**174,000**	0.10
Ghanaian Enterprise Development Commission	**152,700**	0.09
CEPS Junior Staff Provident Fund	**152,616**	0.09
Buachie Joseph Kwabena	**144,480**	0.09
Dodoo Edward T.	**142,800**	0.09
Acheampong Albert K.	**137,820**	0.08
CDH Insurance Company Ltd	**124,800**	0.07
Pepera Kwabena	**115,170**	0.07
DATABANK Staff Provident Fund	**103,230**	0.06
PZ Cussons Ghana Prov. Fund	**100,500**	0.06
Kusi Timothy Aye	**98,700**	0.06
Clement Emmanuel A.	**92,580**	0.06
Badu Georgina	**90,120**	0.05
Amoakoh Diamond C.H	**87,000**	0.05
Mr. J.G.A Renner	**84,000**	0.05
Reported Totals	**159,765,366**	95.10
Not Reported	**8,234,634**	4.90
	168,000,000	**100.00**

3) Directors' shareholding

No director held shares in the Company as at 31 May 2012.


NEW LOOK
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PZ Cussons Ghana Limited

PROXY FORM FOR USE AT THE 54TH ANNUAL GENERAL MEETING TO BE HELD AT THE GHANA-INDIA KOFI ANNAN CENTER FOR EXCELLENCE IN ICT, RINGWAY ESTATES, ACCRA (NEAR THE GHANA INSTITUTE OF JOURNALISM) ON FRIDAY SEPTEMBER 28, 2012 AT 11 O'CLOCK IN THE FORENOON

I/We _ being a member(s)

of **PZ CUSSONS GHANA LIMITED** hereby appoint _ _ _ _ _ _ _ _ _ _ _ _ _ _ or failing him/her the Chairman as my/our Proxy to vote for me/us, and on my/our behalf at the Annual General Meeting of the Company to be held on the **28th day of September, 2012** and at any and every adjournment thereof.

This form to be used:-

1.	*in favour of against	the Resolution to adopt the Reports of the Directors, Auditors and the Financial Statements of the Company for the year ended May 31, 2012.
2.	*in favour of against	the Resolution to re-elect Mr. Paul Kwabena Pepera as a Director of the Company.
3.	*in favour of against	the Resolution to re-elect Mr. Charles Benjamin Janney as a Director of the Company.
4.	*in favour of against	the Resolution to fix the remuneration of the Directors.
5.	*in favour of against	the Resolution to authorise the Directors to fix the remuneration of the Auditors.

On any other business transacted at the meeting and unless otherwise instructed in paragraphs 1 to 5 under Ordinary Business above, the resolutions to which reference is made in those paragraphs, the proxy will vote as he/she thinks fit.

*** Strike out whichever is not desired**

_ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _

Signature of Shareholder

Signed this _ _ _ _ day of _ _ _ _ _ _ _ _ _ _ _ _ _ 2012.

THIS PROXY FORM SHOULD NOT BE COMPLETED AND SENT TO THE REGISTERED OFFICE IF THE MEMBER WILL BE ATTENDING THE MEETING.

1. A member (Shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by proxy. The Proxy Form has been prepared to enable you exercise your vote if you cannot personally attend.

2. Provision has been made on the Form for the Chairman of the meeting to act as your Proxy but if you so wish, you may insert in the blank space 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 the Chairman.

3. In case of joint holders, each joint holder must sign.

4. If executed by a Corporation, the Proxy Form must bear its Common Seal or be signed on its behalf by a Director.

5. Please sign the above Proxy Form and post it so as to reach the address shown overleaf not later than 4.00 p.m. on Wednesday September 26, 2012.

6. The Proxy must produce the Admission Card with the Notice of the Meeting to obtain entrance to the meeting.

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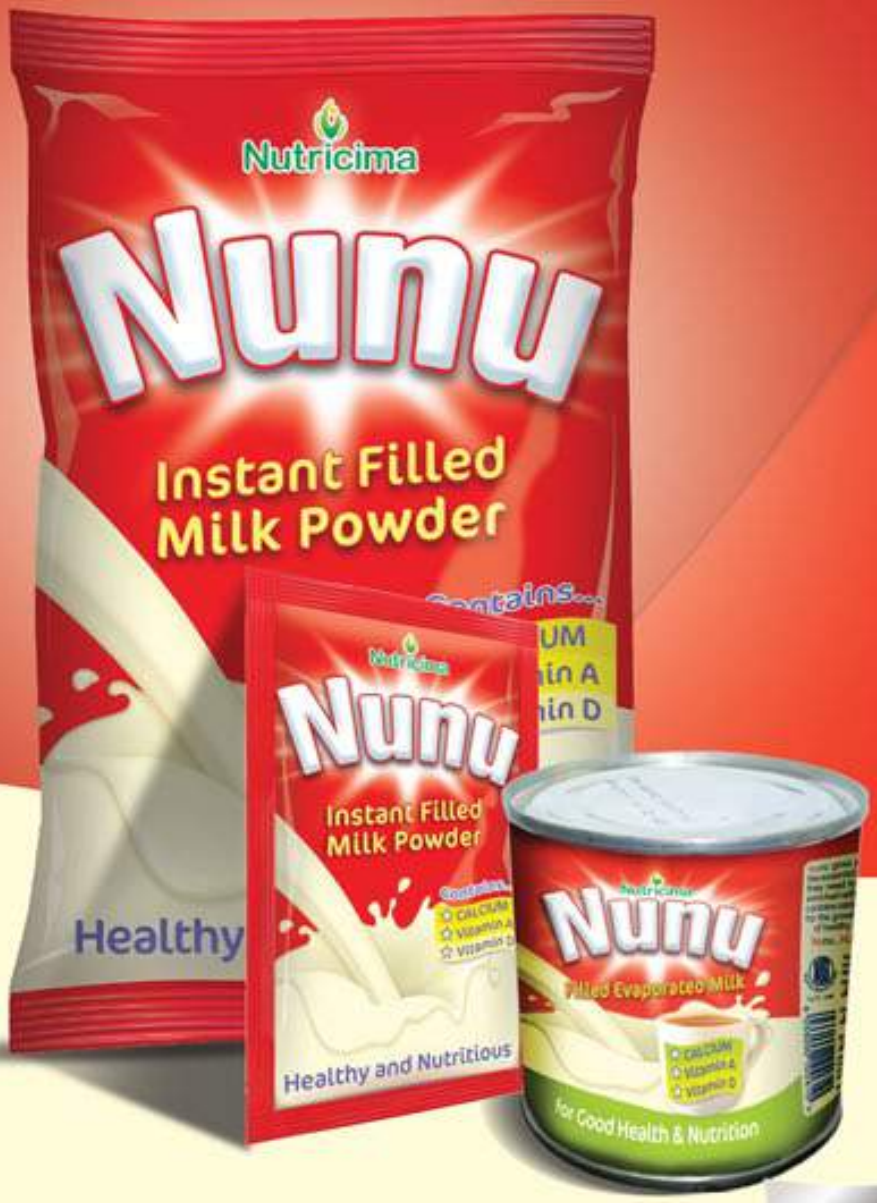

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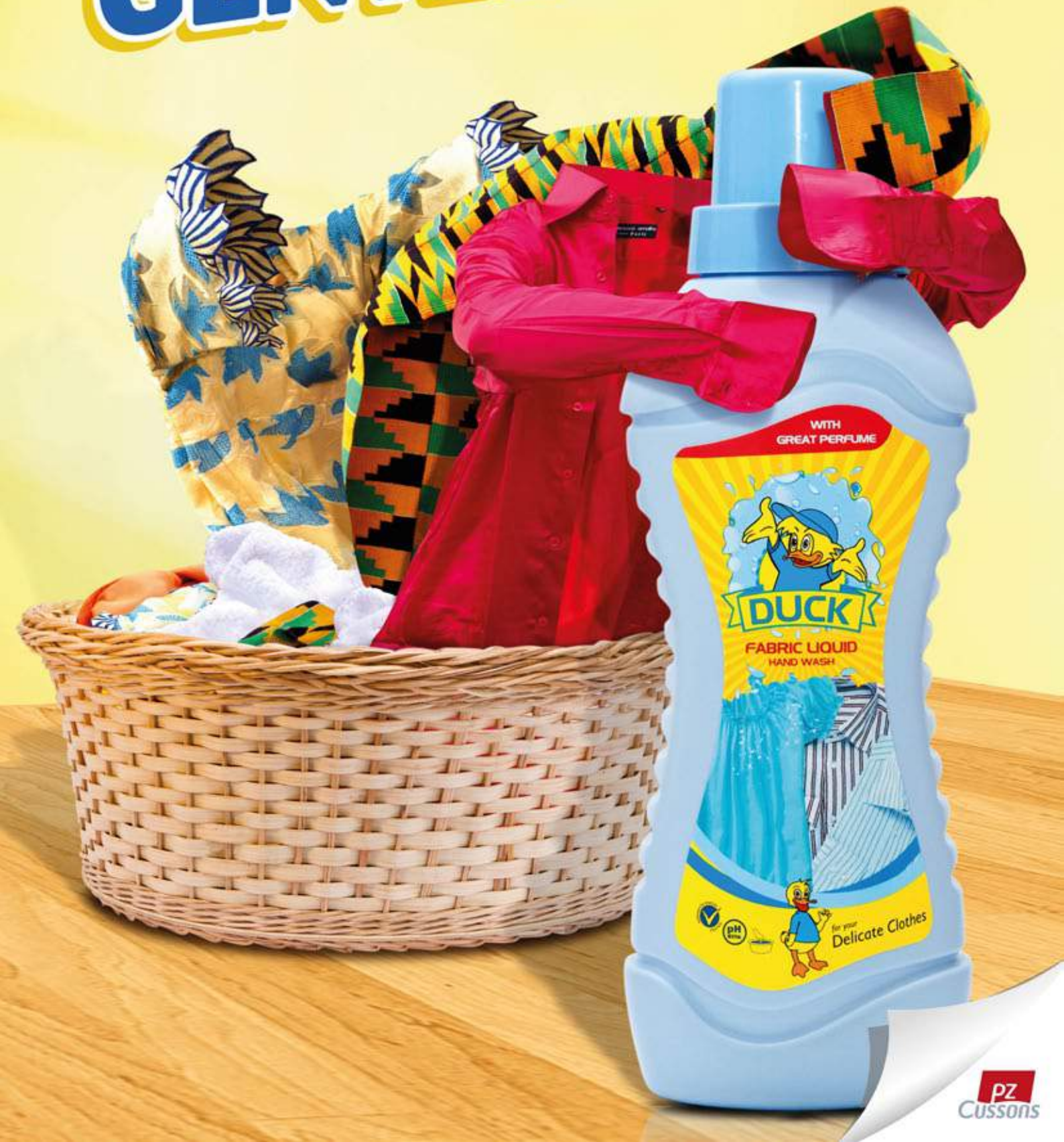

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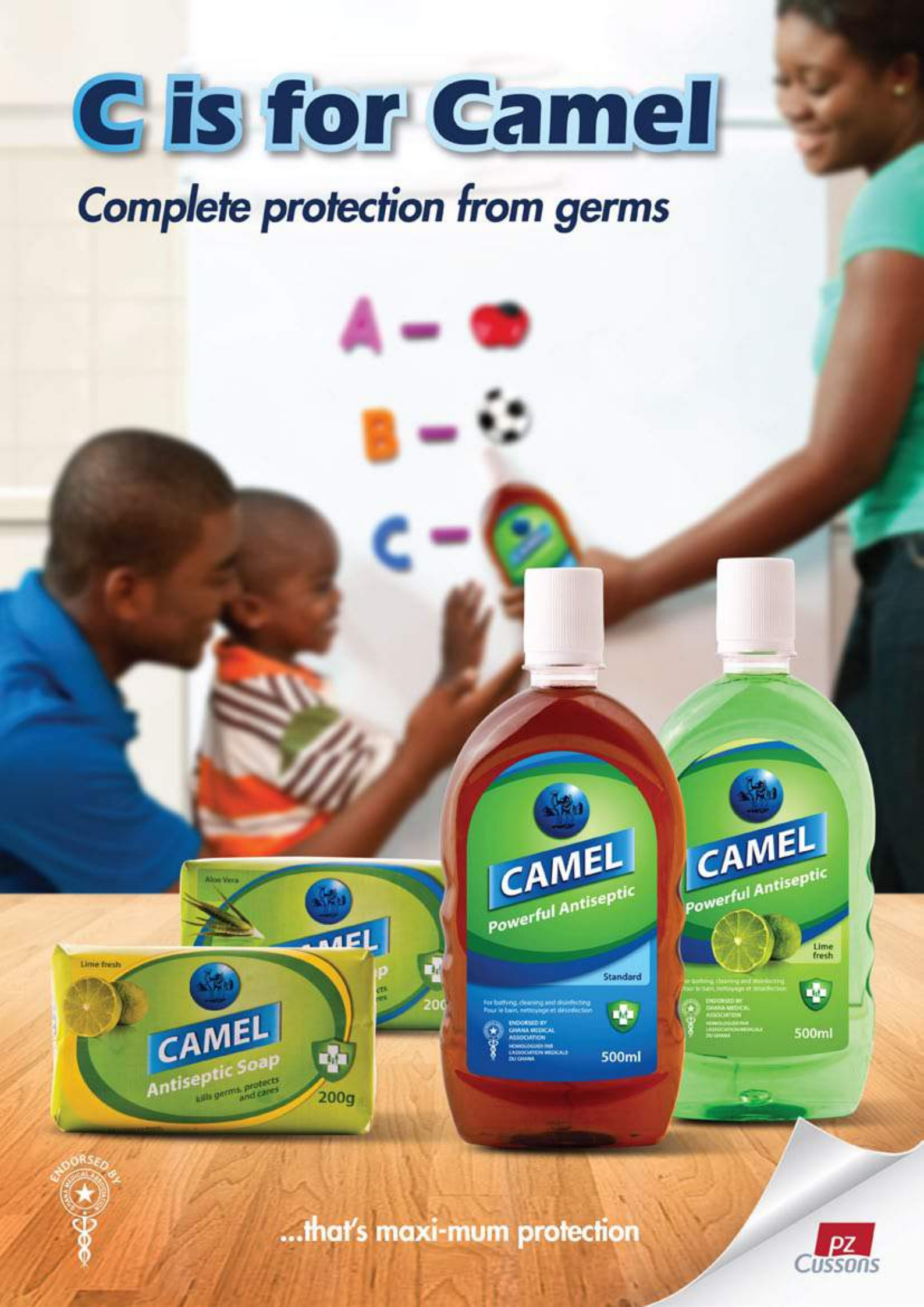

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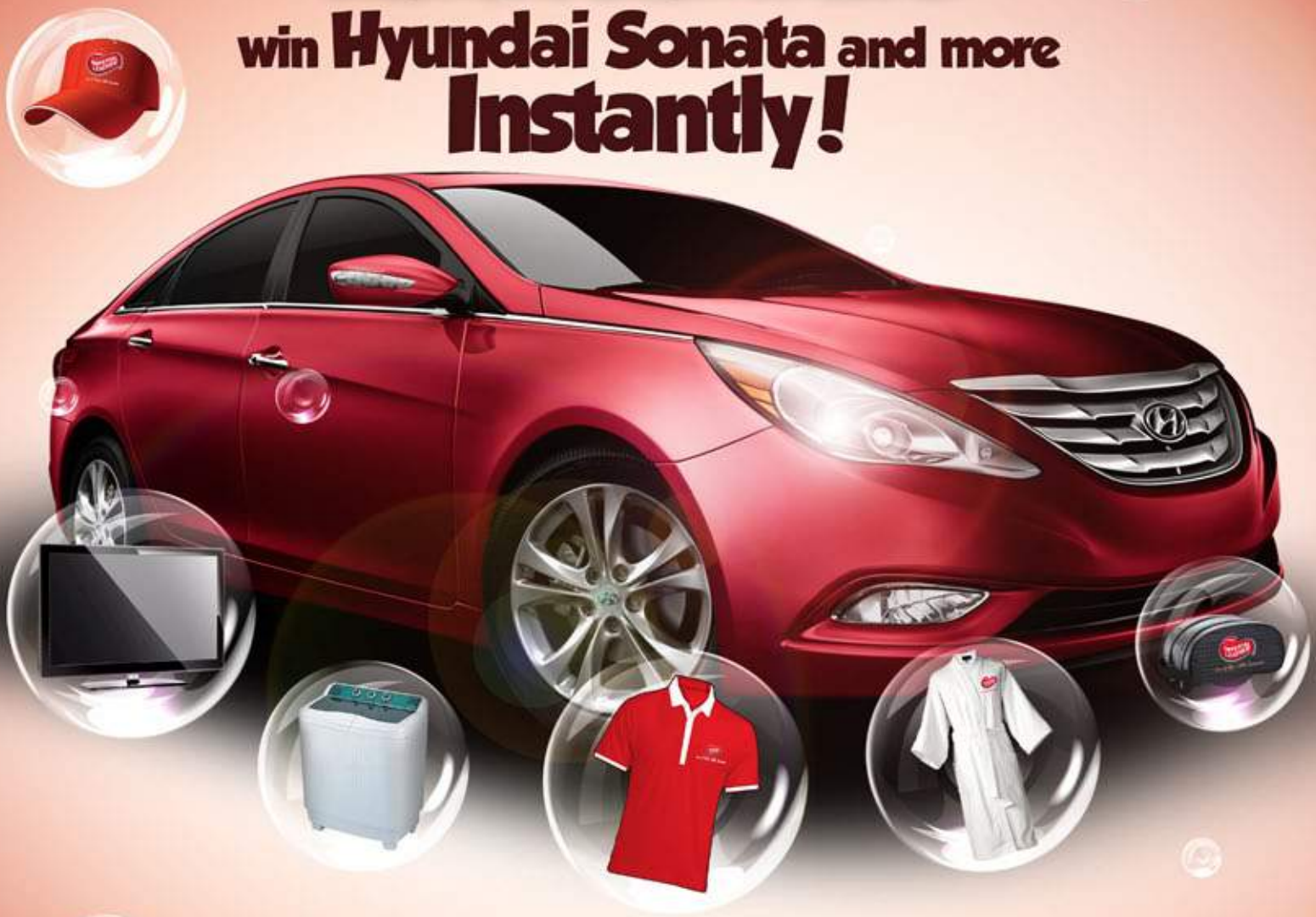

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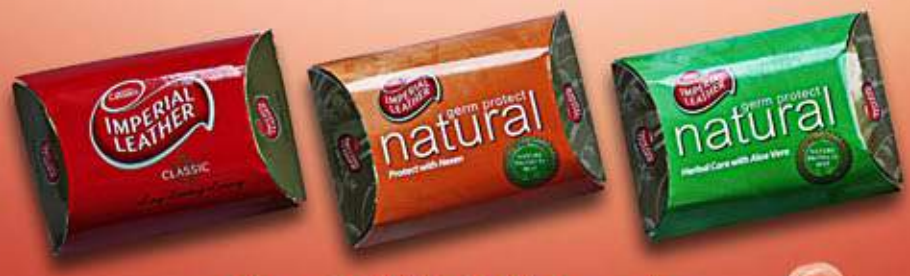

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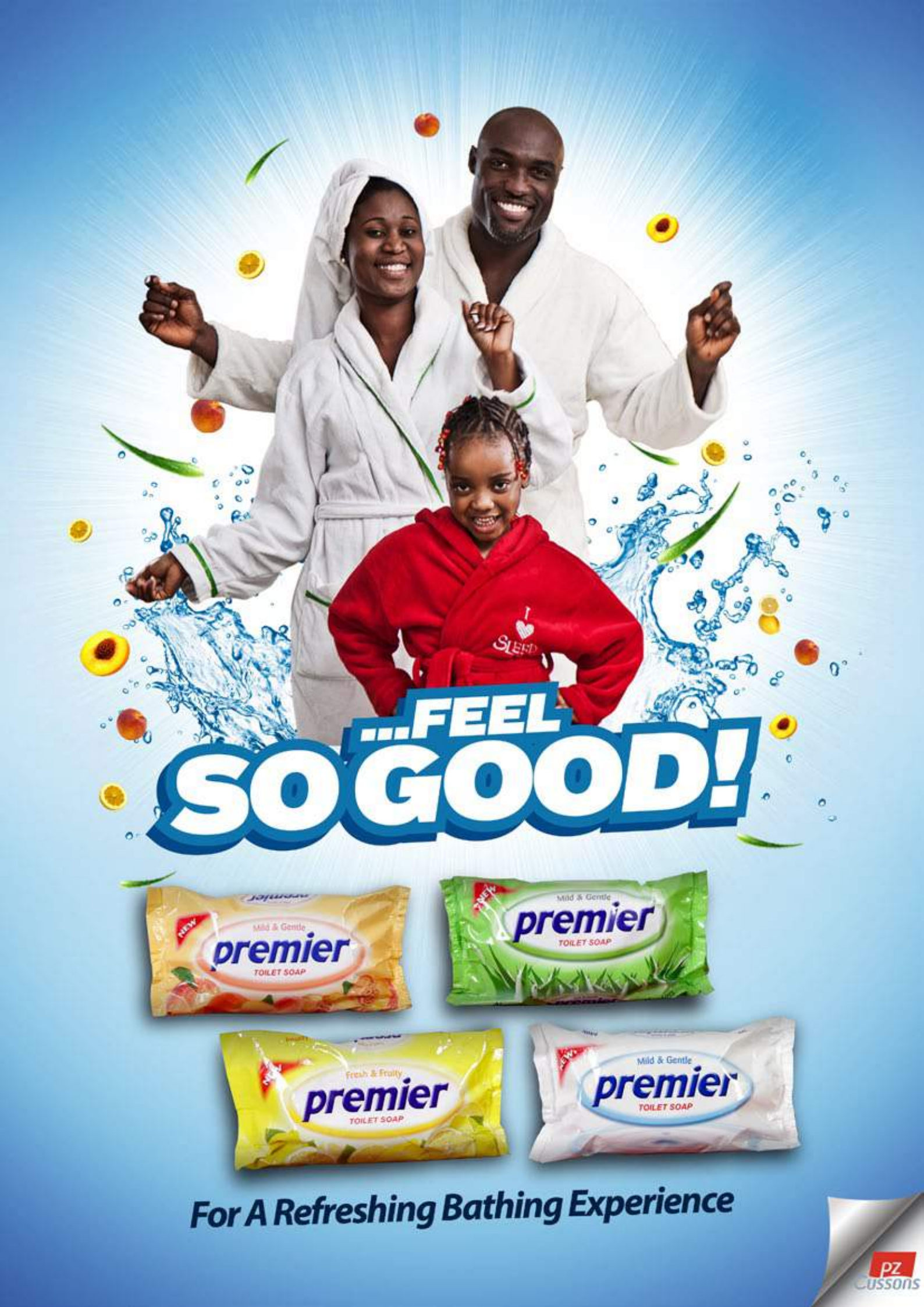
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