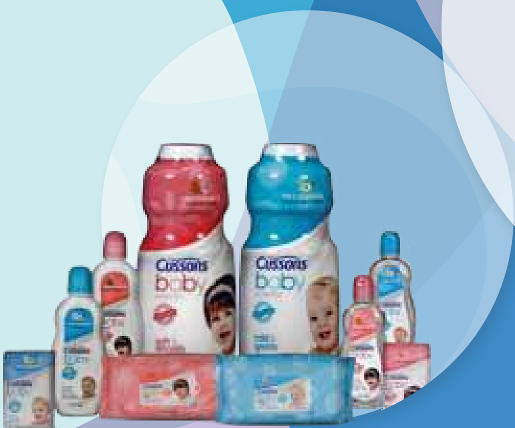


PZ Cussons Ghana Limited

Annual Report & Accounts 2013

Our History

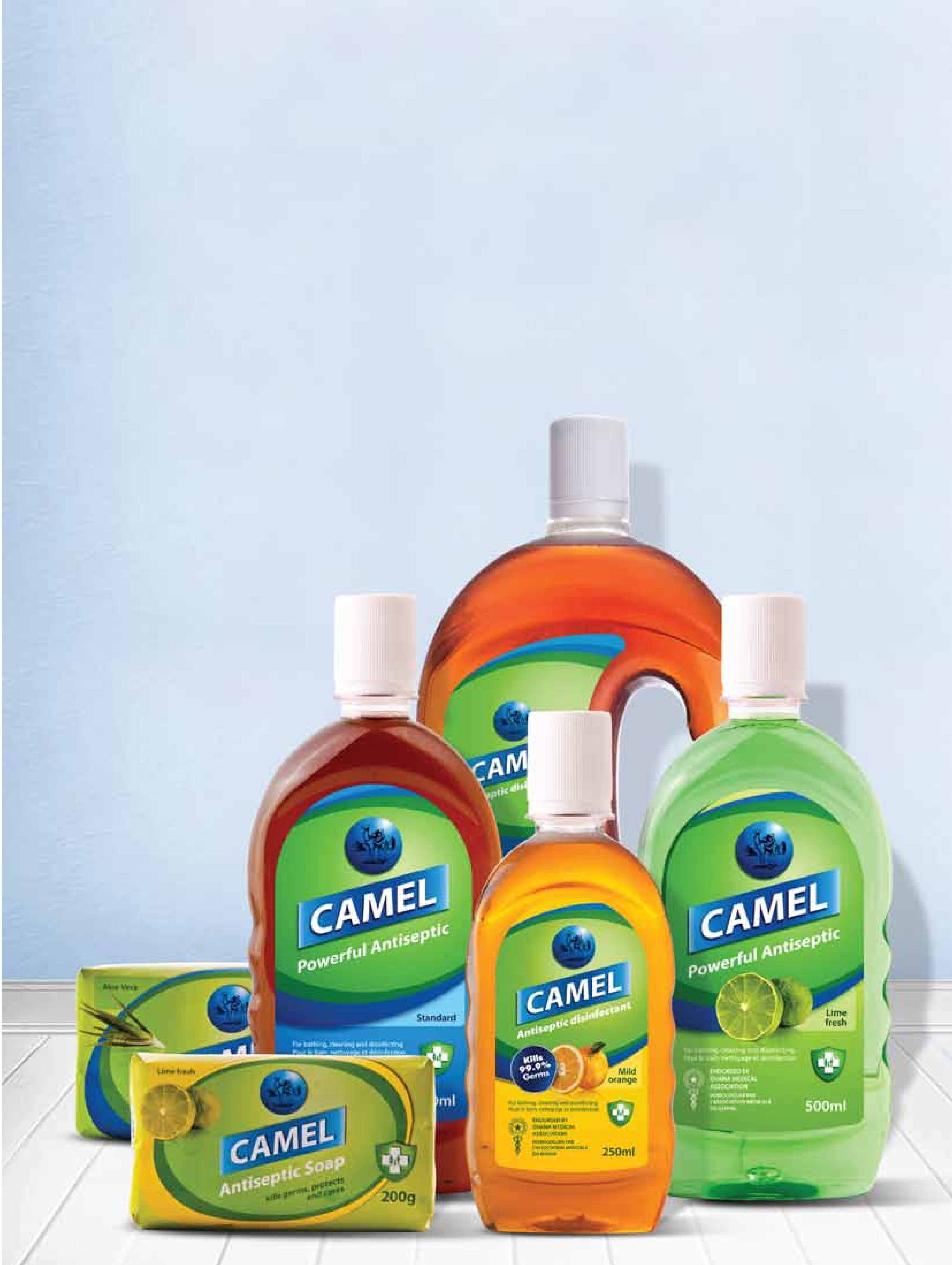
Patterson Zochonis (PZ) was formed in Ghana (then Gold Coast) in 1934. Paterson Zochonis Ghana became A Public Company on 1976, and was listed on the Ghana Stock Exchange within 12 months of its inception, in 1990.

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 products.

Effective 1st June, 2002, the group underwent change in name ,from Patterson Zochonis to PZ Cusssons. 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 to expand 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.



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P Z CUSSONS GHANA LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2013

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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 Tema, 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 Legal Ink (Lawyers and Notaries) No. F89/7 Emmaus Road Off 2nd Labone Street PMB 24 Kanda Accra	
Bankers	Access Bank Ghana Limited Barclays Bank of Ghana Limited Ecobank Ghana Limited 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 55th Annual General Meeting of the Shareholders of PZ Cussons Ghana Limited will be held at the Ghana-India Kofi Annan Centre for Excellence in ICT, Ringway Estates, Accra (near the Ghana Institute of Journalism) on Friday September 27, 2013 at 11 O'clock in the forenoon to transact the following:

AGENDA

ORDINARY BUSINESS

1. To receive and consider the Reports of the Directors, Auditors and the Audited Financial Statements for the year ended May 31, 2013.
2. To declare dividend
3. To re-elect Directors.
4. To fix the remuneration of the Directors.
5. To authorise the Directors to fix the remuneration of the Auditors for the ensuing year.

Dated this 17th day of July, 2013

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

The Global economy continues to slowly recover after a number of years of contraction. Within Ghana we see a generally positive outlook and the economy delivered a strong 6.5% GDP growth in 2012 calendar year (excluding any impact for oil). A number of challenges have however emerged – with rapid Ghana Cedi devaluation, creeping inflation (now 10.9% - May 2013) and falling prices for our major export commodities of Cocoa and Gold.

At PZ Cussons Ghana, we have maintained our record of strong growth during the period, with total sales revenues increasing by over 16% and Sales to 3rd Parties growing 27%. Strong gains continue to be recorded for all our focus brands, which have all recorded 'double digit' growth. Our Camel, Cussons Baby, Robb and Carex brands continue to enjoy strong No 1 positions in their respective categories.

In the year, we have also seen record market shares for Imperial Leather, Premier, and Nunu. Haier-Thermocool continues to grow strongly and we are pleased to confirm that in Financial Year 2013 we opened our 5th 'Coolworld' Retail Showroom in Kumasi to complete our nationwide presence.

Much of this growth is the result of our continued investment in distribution and brand equity building activities for our focus brands. Our brand activation activity continues to grow and this is resulting in growth in our brand awareness and market shares.

As announced in March 2012, we completed the closure of our manufacturing operations in Ghana as part of the group wide initiative to optimise our supply chain around the world. As a result of the closure, we have made an additional provision in this year's results for exceptional cost of GH¢0.5mln (PY GH¢7.6mln) associated with closing the manufacturing facility at our Tema site.

The benefits from this closure of the manufacturing facility in Tema have already begun to be evident and with this in mind, the Board proposes to pay a dividend of GH¢0.0046 per share (2012:nil).

The outlook for our business is that 2013/2014 will continue to be influenced by the challenging global economic environment and the continued weakening of the Ghana Cedi. We do however anticipate profitable growth as the effects of our on-going investment in our brands, our distribution, our supply chain and our people and processes continue to deliver improved results.

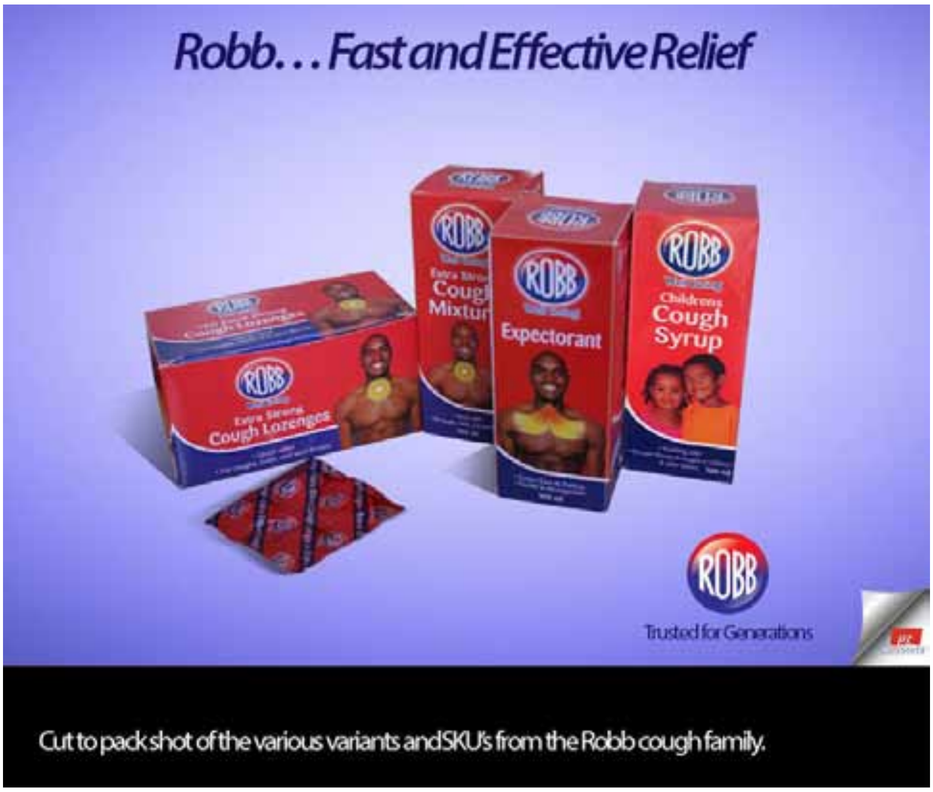
We are committed to further increasing shareholder value from our focus on delivering quality, value and innovation through our products and services to our Ghanaian consumers, whilst ensuring we continue to fulfil our corporate and social responsibilities.

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

	2013 GH¢	2012 GH¢	% Change
Revenue	95,742,084	82,322,463	16.3
Operating profit before exceptional item	10,494,452	8,281,356	26.7
Operating profit after exceptional item	10,013,235	616,356	1524.6
Profit after income tax	7,861,160	763,610	929.5
Cash generated from operating activities	127,768	7,571,435	(98.3)
Shareholders' funds	39,188,851	31,327,691	25.1
Basic earnings per share (GH¢)	0.0468	0.0063	643
PBT Margin (%)	10.5	0.7	1,400
PAT Margin (%)	8.2	0.9	811



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.

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 2013.

Parent company

The Company is a subsidiary of PZ Cussons (Holdings) Limited, utlimate parent company 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 except for the closure of the company's manufacturing operations in Ghana.

Financial Results

The financial results of the Company for the year ended 31 May 2013 are set out below:

	GH¢
Profit before exceptional item and income tax for the year is	10,494,452
from which is deducted exceptional item of	(481,217)
giving profit before income tax for the year of	10,013,235
from which is deducted income tax of	(2,152,075)
giving a profit for the year of	7,861,160
to which is added surplus brought forward on income surplus account of	25,702,117
from which is deducted dividend approved of	-
giving a surplus carried forward on income surplus account of	33,563,277

Dividend

The directors recommend the payment of dividend per share for the year ended 31 May 2013 of GH¢0.0046 (2012:Nil) which amounts to GH¢772,800(2012:Nil).

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 2013.

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 Act, 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	James Berkeley Judson
Chairman	Director
Date:17th July, 2013	Date: 17th July, 2013

Statement of Directors' Responsibilities

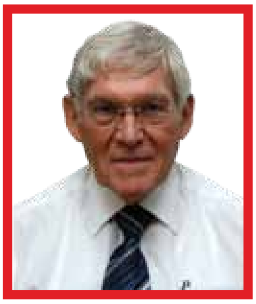
Paul Kwabena Pepera
Chairman

James Berkeley Judson
Managing Director

Christopher Davis
Executive Director

Charles B. Janney
HR & Corporate Affairs Director

Helena Adu-Gyamfi
Finance Director



Philip William Davies
Non-Executive Director

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 Act, 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: 17th July, 2013

James Berkeley Judson
Director
Date: 17th July, 2013

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 44. These financial statements comprise the statement of financial position as at 31 May 2013, 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 Act, 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 2013, 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 Act, 1963 (Act 179).

REPORT ON OTHER LEGAL REQUIREMENTS

The Companies Act, 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

Signed by: Michael Asiedu-Antwi (ICAG/P/1138)
For and on behalf of:
PricewaterhouseCoopers (ICAG/F/028)
Chartered Accountants
Accra, Ghana
25th July, 2013

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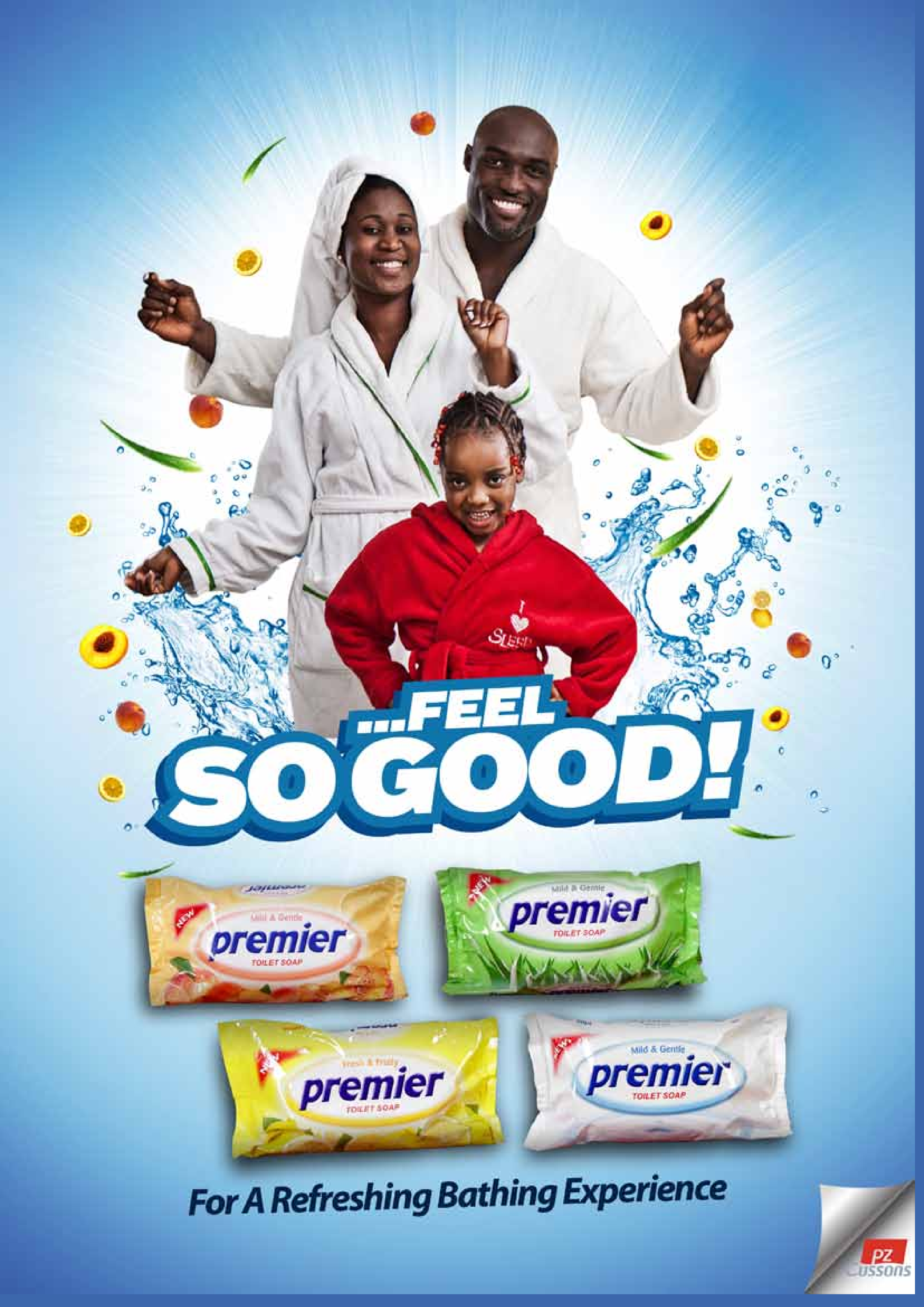
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SO GOOD!
NEW
Mild & Gentle
premier
TOILET SOAP
Fresh & Fruity
For A Refreshing Bathing Experience
PZ
Cussons

Statement of Financial Position

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

		At 31 May	
	Notes	2013	2012
Assets			
Non-current assets			
Property, plant and equipment	3	10,095,792	9,825,119
Finance lease receivables	6(b)	543,310	480,048
Investments	4	1,405,271	1,405,271
Deferred income tax	13	-	765,915
		12,044,373	12,476,353
Current assets			
Inventories	5	24,834,613	22,278,658
Finance lease receivables	6(b)	543,963	480,624
Current income tax	22	265,607	-
Trade and other receivables	6(a)	30,673,173	22,464,907
Cash and cash equivalents	26	4,544,988	4,577,824
		60,862,344	49,802,013
Total assets		72,906,717	62,278,366
Equity attributable to owners			
Stated capital	7	2,160,000	2,160,000
Capital surplus account	8	3,465,574	3,465,574
Income surplus account	9	33,563,277	25,702,117
Total equity		39,188,851	31,327,691
Liabilities			
Non-current liabilities			
Borrowings	11	709,996	659,978
Deferred income tax	13	1,024,689	-
		1,734,685	659,978
Current liabilities			
Trade and other payables	10	28,400,214	26,404,931
Borrowings	11	1,946,171	1,880,621
Current income tax	22	-	368,349
Dividend payable	12	1,636,796	1,636,796
		31,983,181	30,290,697
Total liabilities		33,717,866	30,950,675
Total equity and liabilities		72,906,717	62,278,366

The notes on pages 16 to 44 are an integral part of these financial statements.
The financial statements on pages 10 to 44 were approved by the Board of Directors on 17 July 2013 and signed on its behalf by:

Paul Kwabena Pepera
Chairman

James Berkeley Judson
Managing Director

Statement of Comprehensive Income

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

	Notes	Before exceptional item	exceptional item	Year ended 31 May 2013	2012
Revenue	14	95,742,084		95,742,084	82,322,463
Cost of sales	15	(61,143,374)		(61,143,374)	(54,210,120)
Gross profit		34,598,710		34,598,710	28,112,343
Distribution costs	16	(20,622,887)		(20,622,887)	(16,270,342)
Administrative costs	17	(5,699,173)		(5,699,173)	(4,842,403)
Other income	18	2,520,824		2,520,824	1,630,468
Other operating costs	19	-	(481,217)	(481,217)	(7,665,000)
Operating profit		10,797,474	(481,217)	10,316,257	965,066
Finance costs	20	(303,022)	-	(303,022)	(348,710)
Profit before income tax		10,494,452	(481,217)	10,013,235	616,356
Income tax(expense)/credit	23	(2,152,075)	-	(2,152,075)	147,254
Profit for the year		8,342,377	(481,217)	7,861,160	763,610
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		8,342,377	(481,217)	7,861,160	763,610
Earnings per share (GH¢)					
Basic and diluted	30			0.0468	0.0063

The notes on pages 16 to 44 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 2013				
At 1 June 2012	2,160,000	3,465,574	25,702,117	31,327,691
Comprehensive income:				
Profit or loss	-	-	7,861,160	7,861,160
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	7,861,160	7,861,160
Transaction with owners:	-	-	-	-
At 31 May 2013	2,160,000	3,465,574	33,563,277	39,188,851
Year ended 31 May 2012				
At 1 June 2011	1,160,000	4,465,574	25,571,307	31,196,881
Comprehensive income:				
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

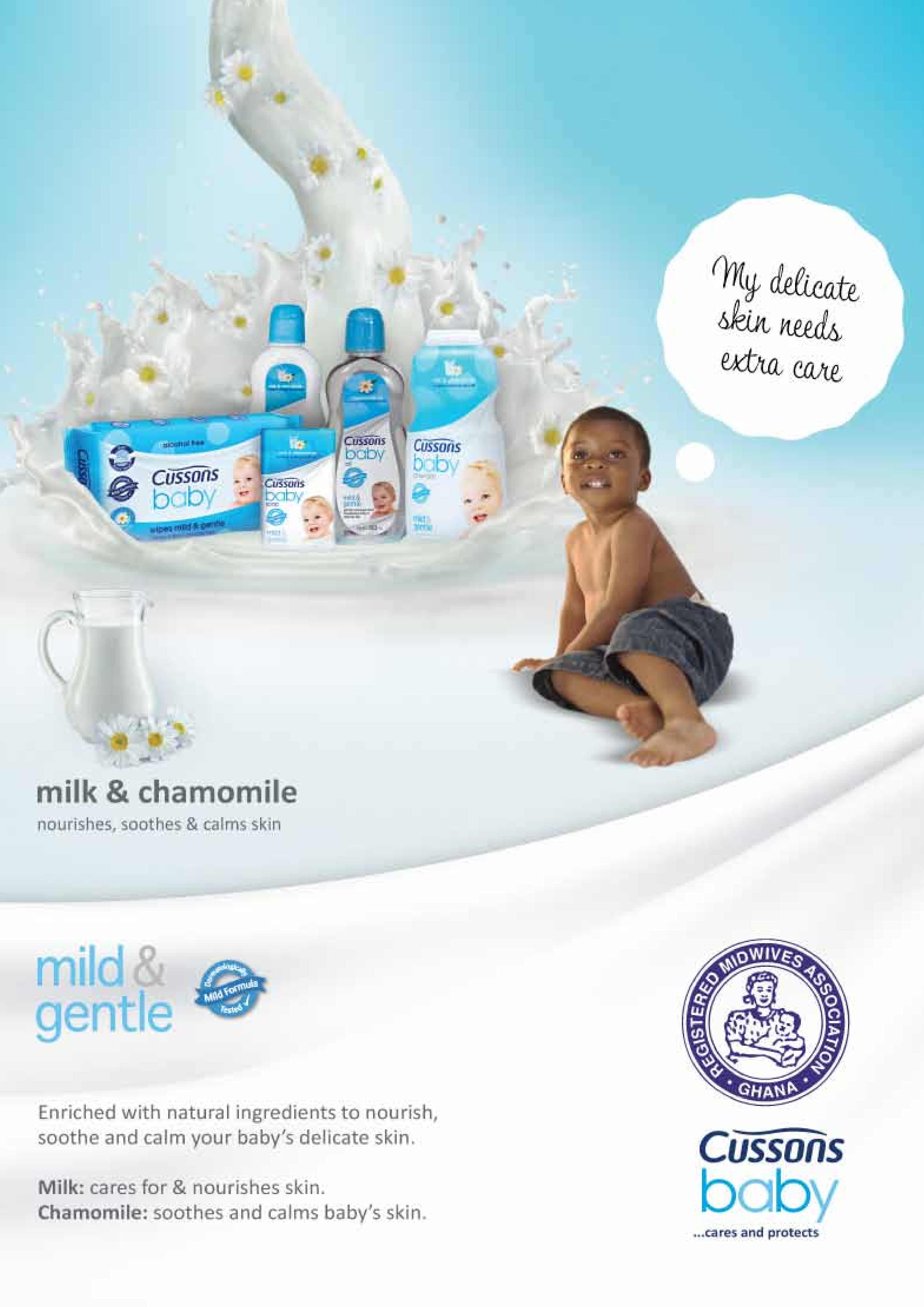
The notes on pages 16 to 44 are an integral part of these financial statements.

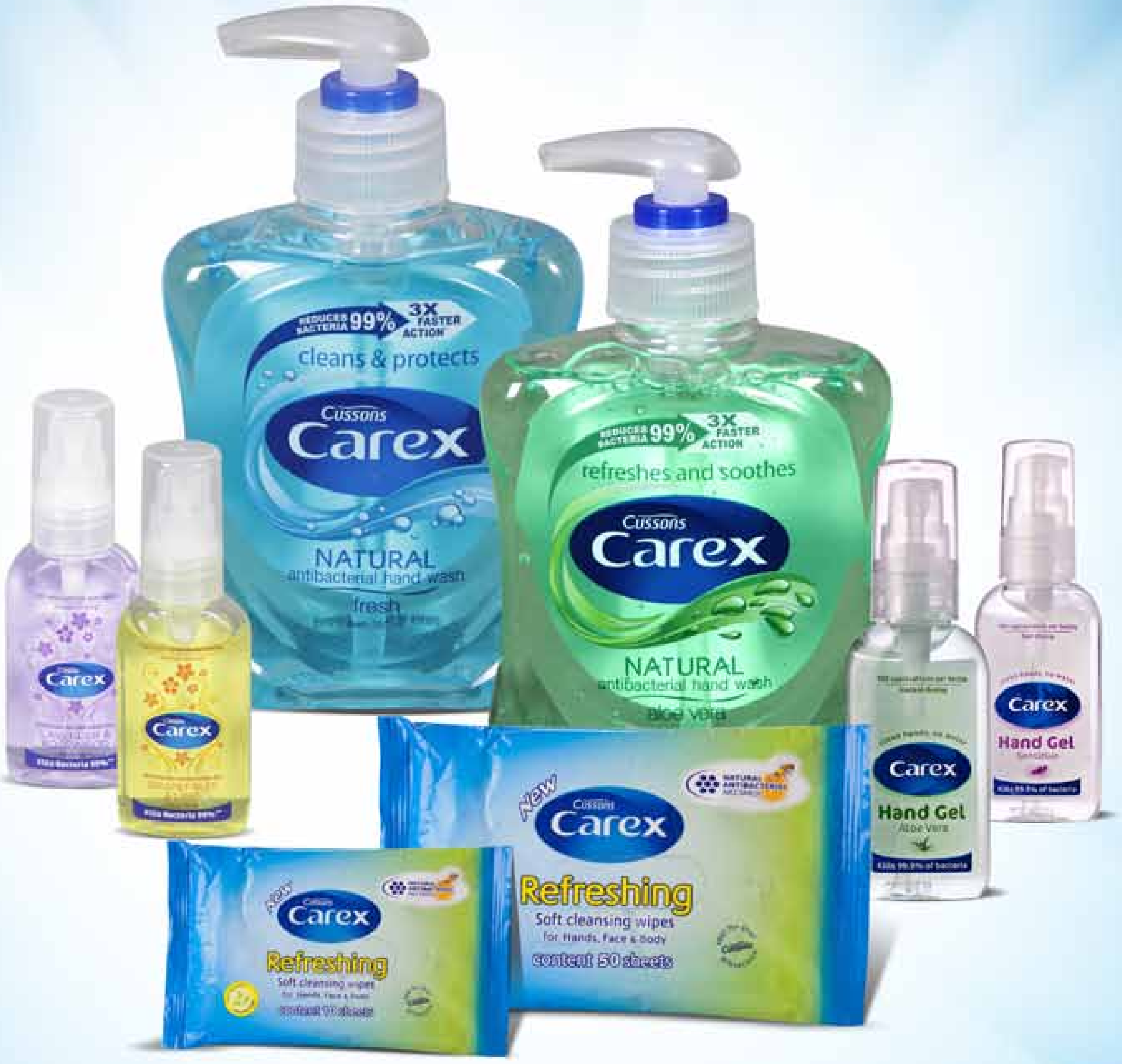
Statement of Cash Flow

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

		Year ended 31 May	
	Note	2013	**2012**
Cash flows from operating activities			
Cash generated from operations	25	1,426,217	9,199,111
Interest received	18	-	25,569
Interest paid	20	(303,022)	(348,710)
Tax paid	22	(995,427)	(1,304,535)
Net cash generated from operating activities		127,768	7,571,435
Cash flows from investing activities			
Dividend received	18	758,986	54,578
Purchase of property, plant and equipment	3	(2,898,654)	(2,152,609)
Proceeds from sale of property, plant and equipment	3	1,863,496	968,175
Net cash used in investing activities		(276,172)	(1,129,856)
Cash flows from financing activities			
Finance lease drawdown	11(b)	1,265,075	983,422
Finance lease repaid	11(b)	(1,149,507)	(770,392)
Draw down of related party loans	11(a)	-	3,059,478
Repayment of related party loans	11(a)	-	(8,665,643)
Dividend paid	12	-	(124,707)
Net cash generated from/(used in) financing activities		115,568	(5,517,842)
Net (decrease)/increase in cash and cash equivalents		(32,836)	923,737
Cash and cash equivalents at 1 June		4,577,824	3,654,087
Cash and cash equivalents at 31 May	26	4,544,988	4,577,824

The notes on pages 16 to 44 are an integral part of these financial statements.


My delicate skin needs extra care
alcohol free
Cussons baby
milk & chamomile
nourishes, soothes & calms skin
mild & gentle
Mild Formula Tested
Enriched with natural ingredients to nourish, soothe and calm your baby's delicate skin.
Milk: cares for & nourishes skin.
Chamomile: soothes and calms baby's skin.
REGISTERED MIDWIVES ASSOCIATION · GHANA ·
Cussons baby
...cares and protects



Cussons
Carex

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PZ Cussons

Notes to the Accounts

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 have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The measurement basis applied is the historical cost basis, except for land and buildings, which have been measured at fair value. 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 following amendment to IFRS was effective for the first time for the financial year and is expected to have a material impact on the Company.

Standard	Title	Applicable for financial years beginning on/after
IAS 12	Income taxes	1 January 2012

IAS 12, 'Income taxes'

Amendment to IAS 12, 'Income taxes', on deferred tax currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. It can be difficult and subjective to assess whether recovery will be through use or through sale when the asset is measured using the fair value model in IAS 40, 'Investment property'.

This amendment therefore introduces an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, 'Income taxes - recovery of revalued non-depreciable assets', will no longer apply to investment properties carried at fair value.
The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is withdrawn.

(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 2015
IFRS 13	Fair value measurements	1 January 2013

Notes to the Accounts, continued

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

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. The directors believe that the amendment will not have significant impact on the financial statements of the Company when adopted.

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 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 directors are yet to assess IFRS 9's full impact on the Company's operations and intend to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2015.

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

IFRS 13, 'Fair value measurements'

IFRS 13, 'Fair value measurement', 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 IFRSs.
The requirements, which are largely aligned between IFRSs 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 IFRSs or US GAAP. The application of IFRS 13 may enhance fair value disclosures in certain circumstances.

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.

Notes to the Accounts, continued

2.2 Property, plant and equipment (continued)

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 33⅓%
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 as 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 as 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.

Notes to the Accounts, continued

2.4 Impairment of non-financial assets(continued)

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.

Notes to the Accounts, continued

2.10 Borrowings (continued)

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 tax 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.

Notes to the Accounts, continued

2.14 Revenue recognition (continued)

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.

Notes to the Accounts, continued

2.16.2 Recognition and measurement (continued)

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.

Notes to the Accounts, continued

2.20 Employee benefits (Continued)

(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 Stated 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 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 judgements

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

Useful lives of Property, plant and equipment

The Company determines the estimated useful lives and related depreciation charges for its property, plant and equipment.Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. 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.

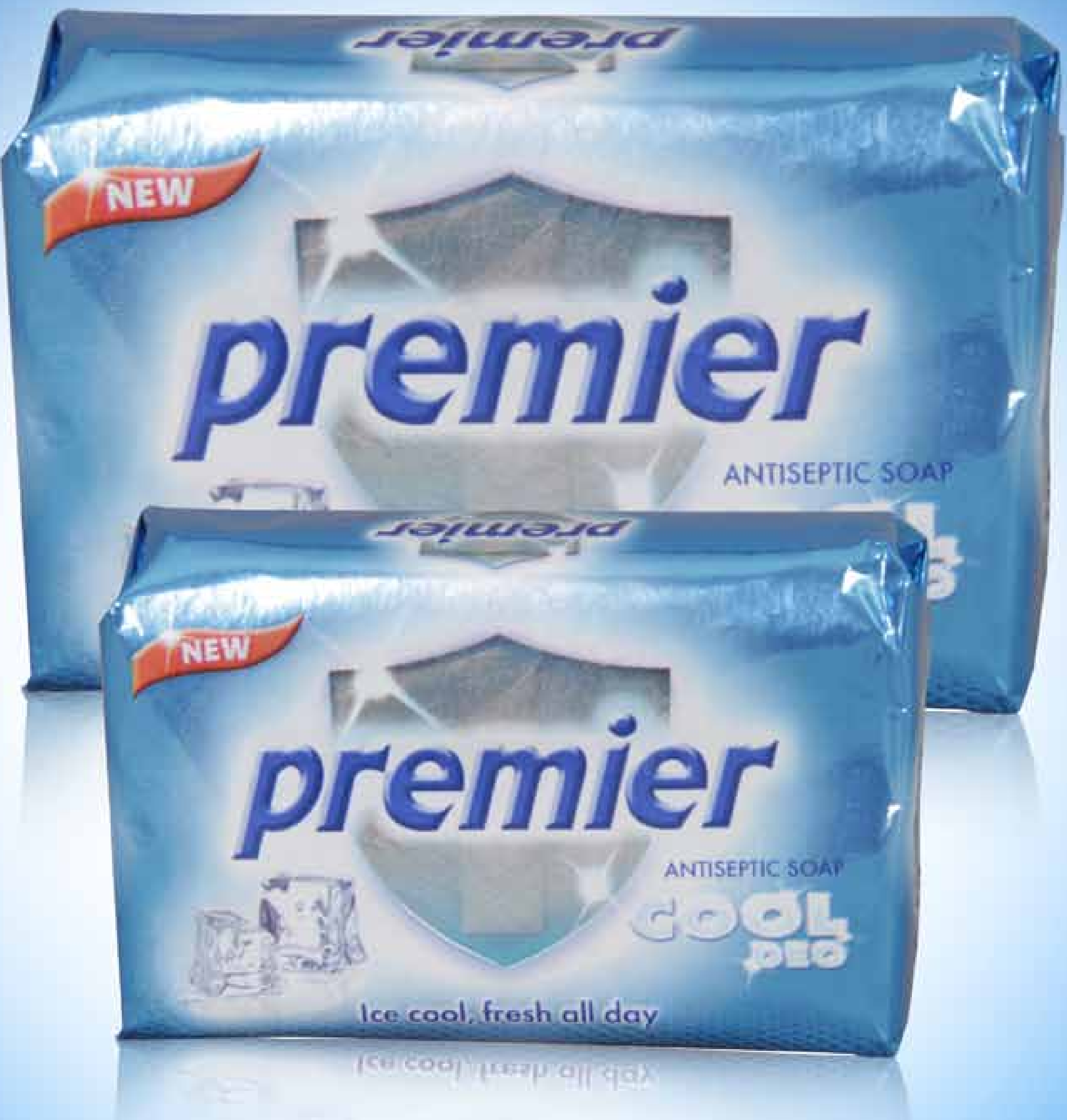
Inventories

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.


NEW
premier
ANTISEPTIC SOAP
COOL DEO
Ice cool, fresh all day

Notes to the Accounts, continued

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

3. Property, plant and equipment

At 1 June 2011	Buildings on leasehold land	Plant machinery & equipment	Motor vehicles	Assets under construction	Total
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 value	5,226,856	3,447,974	758,304	579,186	10,012,320
Year ended 31 May 2012					
Opening net book value	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 value	5,930,979	2,787,257	840,815	266,068	9,825,119
Year ended 31 May 2013					
Opening net book value	5,930,979	2,787,257	840,815	266,068	9,825,119
Additions	-		-	2,898,654	2,898,654
Transfers	1,292,334	633,812	991,350	(2,917,496)	-
Disposals	-	(1,004,221)	(27,717)	-	(1,031,938)
Depreciation charge	(407,754)	(703,962)	(484,327)	-	(1,596,043)
Closing net book value	6,815,559	1,712,886	1,320,121	247,226	10,095,792
At 31 May 2013					
Cost	9,626,698	6,954,451	2,714,095	247,226	19,542,470
Accumulated depreciation	(2,811,139)	(5,241,565)	(1,393,974)	-	(9,446,678)
Net book value	6,815,559	1,712,886	1,320,121	247,226	10,095,792

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).

Notes to the Accounts, continued

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

3. Property, plant and equipment (continued)

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).

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

	2013	2012
Cost	242,896	242,896
Accumulated depreciation	(113,013)	(108,155)
	129,883	134,741
Profit on disposal of property, plant and equipment		
Cost	2,075,507	1,885,106
Accumulated depreciation	(1,043,569)	(990,287)
Net book value	1,031,938	894,819
Sale proceeds	(1,863,496)	(968,175)
Profit on disposal	(831,558)	(73,356)
- Attributable to assets disposed-off in the ordinary course of business (Note 18)	(110,726)	(73,356)
- Attributable to assets disposed-off as part of Restructuring (Note 19)	(720,832)	-
	(831,558)	(73,356)

Property, plant and equipment include motor vehicles with net book value of GH¢1,071,461 (2012: GH¢799,907) held under finance lease.

	2013	2012
Cost - capitalised finance leases	1,842,737	1,318,051
Accumulated depreciation	(771,276)	(518,144)
	1,071,461	799,907

Depreciation charge

Depreciation has been charged to profit or loss as follows:

	2013	2012
Cost of sales	520,446	666,887
Distribution costs	574,997	378,322
Administrative costs	500,600	399,782
	1,596,043	1,444,991

4. Investments

	2013	2012
Norpalm Ghana Limited	1,405,271	1,405,271

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.

Notes to the Accounts, continued

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

5. Inventories

	2013	2012
Raw and packing materials	3,857,386	9,283,773
Finished products	17,727,765	9,302,787
Goods-in-transit	2,844,666	3,278,797
Engineering spares	404,796	413,301
	24,834,613	22,278,658

During the year ended 31 May 2013 GH¢375,567 (2012: GH¢426,455) was charged to profit or loss for damaged, obsolete and lost inventories.

6 (a) Trade and other receivables

	2013	2012
Trade receivables	22,575,346	17,464,261
Provision for impairment	(875,744)	(896,759)
Trade receivables-net	21,699,602	16,567,502
Amount due from officers and staff	229,790	270,920
Prepayments and accrued income	683,462	303,727
Sundry receivables	8,060,319	5,322,758
	30,673,173	22,464,907

The maximum amount of officers and staff indebtedness during the year did not exceed GH¢255,220 (2012: GH¢290,925).

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:

	2013	2012
At 1 June	896,759	777,826
Provision for receivables impairment	450,173	175,347
Provision written back	(459,520)	-
Uncollectible receivables written-off	(11,668)	(56,414)
At 31 May	875,744	896,759

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 but has set up an insurance fund whereby a portion of rebate paid to customers are withheld and invested for future collateral.

Notes to the Accounts, continued

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

6(b) Finance lease receivables

As at 31 May 2013, the Company had finance lease agreements with Access Bank Ghana Limited and Barclays Bank of Ghana Limited to finance sixty-two vans for its Distribution Partners. The receivables from the Distribution Partners under the sub-lease agreement are as follows:

Gross finance lease receivables – minimum lease receipts:	2013	2012
Not later than 1 year	674,514	605,372
Later than 1 year and no later than 5 years	673,704	604,646
	1,348,218	1,210,018
Unearned future finance income on finance leases	(260,945)	(249,346)
Net investment in finance lease	1,087,273	960,672

The net investment in finance leases is analysed as follows:		
Not later than 1 year	543,963	480,624
Later than 1 year and no later than 5 years	543,310	480,048
	1,087,273	960,672

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

The authorised shares of the company are 200,000,000 ordinary shares of no par value, part of which have been issued as follows:

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

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

Notes to the Accounts, continued

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

8. Capital surplus account

	2013	2012
At 1 June	3,465,574	4,465,574
Transfer to stated capital	-	(1,000,000)
At 31 May	3,465,574	3,465,574

The capital surplus account is the reserve account for revaluations of buildings. In 2012, 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 Act, 1963 (Act 179).

9. Income surplus account

	2013	2012
At 1 June	25,702,117	25,571,307
Profit for the year	7,861,160	763,610
Dividend approved	-	(632,800)
At 31 May	33,563,277	25,702,117

10. Trade and other payables

Trade payables	1,500,645	3,283,574
Amount due to related parties (Note 24(d))	22,279,652	13,180,917
Accruals and deferred income	4,358,099	9,542,670
Sundry payables	261,818	397,770
	28,400,214	26,404,931

11. Borrowings

Current		
Related party loans	1,015,695	1,015,695
Finance lease obligations	930,476	864,926
	1,946,171	1,880,621
Non - current		
Finance lease obligation	709,996	659,978
Total borrowings	2,656,167	2,540,599

Notes to the Accounts, continued

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

11. Borrowings (continued)

(a) Related party loans

	2013	2012
At 1 June	1,015,695	5,634,660
Draw down	-	3,059,478
Exchange loss	-	987,200
	1,015,695	9,681,338
Repayment	-	(8,665,643)
At 31 May	1,015,695	1,015,695

Related party loans is an unsecured, interest free cash advance from PZ Cussons (International) Limited for working capital purposes:

(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 sixty-two(62) 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:	2013	2012
Not later than 1 year	1,088,270	1,115,339
Later than 1 year and no later than 5 years	817,923	749,475
	1,906,193	1,864,814
Future finance charges on finance leases	(265,721)	(339,910)
Present value of finance lease liabilities	1,640,472	1,524,904

The present value of finance lease liabilities is as follows:

Not later than 1 year	930,476	864,926
Later than 1 year and no later than 5 years	709,996	659,978
	1,640,472	1,524,904

Notes to the Accounts, continued

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

11. Borrowings (continued)

The movement in the finance lease obligation is as follows:

	At 1 June 2012	Drawdown	Repayment	At 31 May 2012
Lease obligations	1,524,904	1,265,075	(1,149,507)	1,640,472

	At 1 June 2011	Drawdown	Repayment	At 31 May 2012
Lease obligations	1,311,874	983,422	(770,392)	1,524,904

(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(2012: GH¢1,000,000).

12. Dividend payable

	2013	2012
At 1 June	1,636,796	1,128,703
Approved during the year	-	632,800
Payments during year	-	(124,707)
At 31 May	1,636,796	1,636,796

13. Deferred income tax

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

	2013	2012
At 1 June	(765,915)	1,174,917
Released to profit or loss	1,790,604	(1,940,832)
At 31 May	1,024,689	(765,915)

Deferred income tax liabilities/(assets)

	Accelerated tax depreciation	Others	Total
At 1 June 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)
Released to profit or loss	(160,196)	1,950,800	1,790,604
At 31 May 2013	1,264,390	(239,701)	1,024,689

Notes to the Accounts, continued

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

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.

	2013	2012
Revenue by type		
Sale of goods	95,742,084	82,322,463
Revenue by customer		
Third parties	95,250,132	75,132,374
Related parties (note 24(a))	491,952	7,190,089
	95,742,084	82,322,463
Revenue by type of sales		
Export sales	2,905,534	9,598,347
Local sales	92,836,550	72,724,116
	95,742,084	82,322,463

15. Cost of sales

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

Cost of sales include:	2013	2012
Depreciation on factory buildings and plant and		
Machinery (Note 3)	520,446	666,887
Material cost	54,830,245	45,877,573
Staff costs (Note 21)	2,102,842	2,465,559
Other overheads	3,689,841	5,200,101
	61,143,374	54,210,120

16. Distribution costs

Selling and distribution costs include:		
Advertising and promotion	5,582,275	4,654,363
Staff costs (Note 21)	3,329,158	2,493,821
Depreciation (Note 3)	574,998	378,322
Royalties and technical service fees	2,173,260	1,708,940
Provision for impairment on trade receivables	(18,884)	240,102

Notes to the Accounts, continued

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

17. Administrative costs

Administrative expenses include:

	2013	2012
Depreciation (Note 3)	500,603	399,782
Staff costs(Note 21)	2,146,115	2,006,676
Auditor's remuneration	67,557	40,538
Directors' remuneration	617,005	441,971
Donation	46,803	42,107

18. Other income

Interest income	-	25,569
Dividend income	758,986	54,578
Profit on disposal of property, plant and equipment (Note 3)	110,726	73,356
Rental income	578,028	549,719
Sundry income and others	1,073,084	927,246
	2,520,824	1,630,468

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 net of gains on disposal of property, plant and equipment arising from the restructuring (Note 3).

20. Finance costs

	2013	2012
Interest on finance lease	303,022	186,516
Interest on intra group loan	-	162,194
	303,022	348,710

21. Staff cost

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

a) Cost of sales	2013	2012
Remuneration to employees	1,890,405	2,210,884
Post-employment benefits – defined contribution	69,797	88,579
Social security costs	142,640	166,096
	2,102,842	2,465,559

Notes to the Accounts, continued

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

21. Staff cost (continued)

b) Distribution costs

	2013	2012
Remuneration to employees	2,943,279	2,189,573
Post-employment benefits – defined contribution	127,238	102,616
Social security costs	258,641	201,632
	3,329,158	2,493,821
c) Administrative costs		
Remuneration to employees	1,905,364	1,819,145
Post-employment benefits – defined contribution	82,763	63,365
Social security costs	157,988	124,166
	2,146,115	2,006,676

The number of employees at year end was **154**(2012: 354).

22. Current income tax

Year ended 31 May 2013 **Year of assessment**	At 01/06/12	Payments during the year	Charge for the year	At 31/05/13
Capital gains tax				
2008	131	(28,124)	-	(27,993)
Corporation tax				
2013	-	(598,954)	361,471	(237,483)
2012	512,892	(368,349)	-	(144,543)
Up to 2011	(144,674)	-	-	(144,674)
	368,349	(995,427)	361,471	(265,607)

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)
Up to 2010	(15,674)	-	-	(15,674)
	(120,694)	(1,304,535)	1,793,578	368,349

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

Notes to the Accounts, continued

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

23. Income tax expense

The tax charge in profit or loss comprise:	2013	2012
Current income tax (Note 22)	361,471	1,793,578
Deferred income tax (Note 13)	1,790,604	(1,940,832)
	2,152,075	(147,254)

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:

	2013	2012
Profit before income tax	10,013,235	616,356
Tax calculated at statutory income tax rate of 25%	2,503,309	154,089
Tax effect of:		
Profit on export sales taxed at a lower rate	(15,359)	(271,884)
Dividend income subject to final tax	(189,746)	(40,553)
Expenses not deductible for tax purposes	11,700	10,527
Rent income taxed at a lower rate	(98,265)	(93,452)
Differences in opening tax written down values of assets	(10,921)	89,812
Other non-temporary differences	(48,643)	4,207
	2,152,075	(147,254)

24. Related party transactions

The Company is owned by PZ Cussons (Holdings) Limited with the ultimate parent company 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.

(a) Sales of goods and services	2013	2012
PZ Industries (Nigeria) Plc.	491,952	7,190,089

(b) Purchases of goods and services:

PZ Cussons International Limited, Manchester	15,669,003	9,115,749
PZ Industries (Nigeria) Plc.	24,790,842	14,248,231
PT PZ Cussons Indonesia	2,874,508	1,931,150
ParnonLimited	2,440,620	1,842,848
PZ Cussons Thailand	478,124	207,374
FC Limited (Seven scents Limited)	-	1,005,833
Total	46,253,097	28,351,185

Notes to the Accounts, continued

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

24. Related party transactions (continued)

(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.

	2013	2012
Directors and other key management personnel:	GH¢	GH¢
Salaries and other short-term benefits	797,361	538,569
Employer social security charges on emoluments	107,643	70,014

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

	2013	2012
PZ Cussons Polska	-	18,656
PZ Cussons International Limited - Purchases	7,034,919	3,174,462
PZ Cussons International Limited - Royalties/Technical fees	1,285,058	978,853
PZ Cussons (Nigeria) Plc.- Purchases	12,579,823	5,660,539
PT PZ Cussons Indonesia- Purchases	670,836	776,462
PZ Cussons (Thailand) Limited - Purchase	74,192	60,261
PZ Cussons East Africa Limited- Purchases	-	38,000
Parnon Limited - Purchases	634,824	1,691,726
Seven Scent Limited- Purchases	-	781,958
	22,279,652	13,180,917

(e) **Year-end related party loan balance**		
PZ Cussons International Limited (Note 11(a))	1,015,695	1,015,695

25. Cash generated from operating activities

	2013	2012
Profit before income tax	10,013,235	616,356
Depreciation	1,596,043	1,444,991
Profit on disposal of property, plant and equipment	(831,558)	(73,356)
Dividend received	(758,986)	(54,578)
Interest income	-	(25,569)
Interest expense	303,022	348,710
Exchange loss adjustment on related party loans	-	987,200
Decrease/(increase) in inventories	(2,555,955)	1,477,679
Increase in finance lease receivables	(126,601)	(119,455)
Increase in trade and other receivables	(8,208,266)	(5,309,089)
Increase in trade and other payables	1,995,283	9,906,222
Cash generated from operations	1,426,217	9,199,111

Notes to the Accounts, continued

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

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:

	2013	2012
Bank and cash balances	4,544,988	4,577,824

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 2013 and 2012 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:

	2013	2012
Neither past due nor impaired	16,293,387	12,971,139
Past due but not impaired	5,303,413	3,539,949
Impaired	978,546	953,173
	22,575,346	17,464,261

Notes to the Accounts, continued

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

27. Financial risk management (continued)

27.1 Credit risk management (continued)

As of 31 May 2013, trade receivables of GH¢5,303,413 (2012: GH¢3,539,949) 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:

	2013	2012
1 to 6 months	4,543,781	2,516,713
Over 6 months	759,632	1,023,236
	5,303,413	3,539,949

As of 31 May 2013, trade receivables of GH¢978,546 (2012: GH¢953,173) were impaired and provided for. The amount of the provision was GH¢875,744 as of 31 May 2013 (2012: GH¢896,759).

	2013	2012
1 to 6 months	59,649	168,828
Over 6 months	918,897	784,345
	978,546	953,173

(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.

Notes to the Accounts, continued

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

27. Financial risk management (continued)

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 2013		At 31 May 2012	
	Less than 1year	More than 1year	Less than 1year	More than 1year
Trade and other payables	24,042,115	-	16,862,261	-
Finance lease obligations	1,088,270	817,923	1,115,339	749,475
Related party loans	1,015,695	-	1,015,695	-
	26,146,080	817,923	18,993,295	749,475

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 is allowed to use foreign currency forward contracts to manage these exposures due to the volatility of the Ghana Cedi.

At 31 May 2013, 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¢4,386,420 (2012: GH¢919,913) 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 2months forward exchange rates to cost commodity products to deal with exposures arising from changes in commodity prices.

At 31 May 2013, 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¢2,193,210 (2012: GH¢1,895,256) lower/ higher.

Notes to the Accounts, continued

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

27. Financial risk management (continued)

27.3 Market risk management (continued)

(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 2013, the Company's exposure to interest rate was minimal as interest rate was stable at 23.5% throughout 2013 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¢9,938 (2012: GH¢11,437) per annum.

27.4 Fair values of financial assets and liabilities

Financial instruments utilised by the Company during the years ended 31 May 2013 and 31 May 2012 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 2013 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 2013			
Financial assets			
Investment	-	1,405,271	1,405,271
Finance lease receivables	1,087,273	-	1,087,273
Trade and other receivables	29,989,711	-	29,989,711
Cash and bank balances	4,544,988	-	4,544,988
Total financial assets	35,621,972	1,405,271	37,027,243

Notes to the Accounts, continued

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

27. Financial risk management (continued)

27.4 Fair values of financial assets and liabilities (continued)

Financial instruments by category (continued)

	Other financial liabilities at amortised cost	Total
At 31 May 2013		
Financial liabilities		
Trade and other payables	24,042,115	24,042,115
Borrowings	2,656,167	2,656,167
Total financial liabilities	26,698,282	26,698,282

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	2,540,599
Total financial liabilities	19,402,860	19,402,860

Notes to the Accounts, continued

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

27. Financial risk management (continued)

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:

	2013	2012
Total borrowings (Note 11)	2,656,167	2,540,599
Cash and cash equivalent (Note 26)	4,544,988	4,577,824
Total equity	39,188,851	31,327,691

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.

Notes to the Accounts, continued

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

28. Segmental Reporting (continued)

The segment information provided to the Executive Committee for the reportable segments for the years ended 31 May 2013 and 2012 are as follows:

	2013	2012
Turnover		
Core	79,534,923	68,778,188
Electrical Appliances	16,207,161	13,544,275
	95,742,084	82,322,463
Segment operating Cost		
Core	74,637,170	64,249,650
Electrical Appliances	12,828,264	11,073,215
	87,465,434	75,322,865
Segment contribution		
Core	4,897,753	4,528,538
Electrical Appliances	3,378,897	2,471,060
	8,276,650	6,999,598

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 2013, the Company contributed GH¢279,798(2012: GH¢254,561) 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.

Profit after income tax for the year	7,861,160	763,610
Weighted average number of shares in issue (in '000)	168,000	121,333
Basic earnings per share (GH¢)	0.0468	0.0063

There were no potentially dilutive shares outstanding at 31 May 2013 or 2012. Diluted earnings per share are therefore the same as basic earnings per share.

Notes to the Accounts, continued

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

31. Dividend per ordinary share

No dividend was approved in 2012. Directors are proposing dividend of GH¢772,800 for 2013 financial year.

32. Contingent liabilities

There were no contingent liabilities at 31 May 2013 (2012: nil).

33. Capital commitments

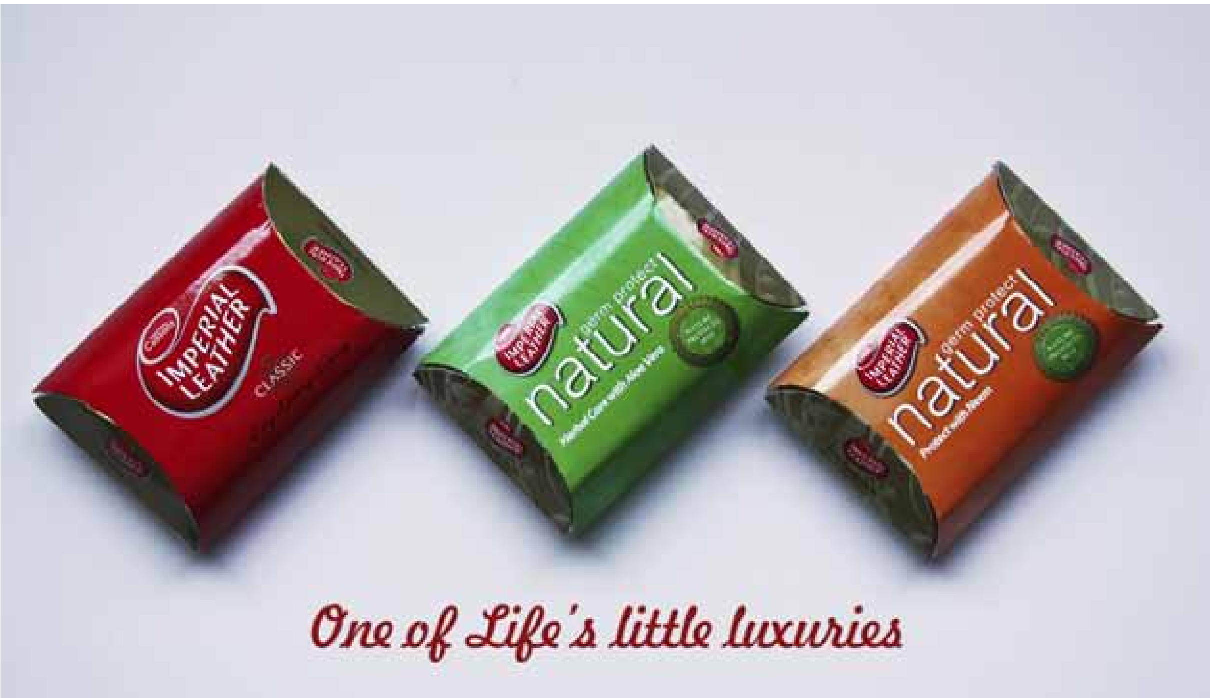
There were no capital commitments at 31 May 2013 (2012: nil).

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 17 July 2013.



Shareholders' Information

1) Number of shareholders

The number and distribution of Ordinary Shareholders with equal voting rights as at 31 May 2013 was as shown below:

Holdings	No. of Holders	Total Holding	% Holdings
1 - 1,000	665	314,426	0.19
1,001 - 5,000	589	1,204,737	0.72
5,001 - 10,000	116	776,369	0.46
10,001 and above	290	165,704,468	98.63
	1,660	168,000,000	100.00

2) Details of 20 largest shareholders at 31 May 2013

Name of Shareholder	Shares held	% Holdings
PZ Cussons (Holding) Limited	151,602,006	90.24
African Tiger Mutual Fund Ltd	5,250,000	3.13
SCBN/DATABANK Balanced Fund Ltd	660,804	0.39
SCB/IFUND Mutual Fund Ltd	377,400	0.22
CEPS Senior Staff Provident Fund	180,000	0.11
Ghanaian Enterprise Development Commission	152,700	0.09
CEPS Junior Staff Provident Fund	152,616	0.09
Mr J. K. Buachie	144,480	0.09
Mr E.T Dodoo	142,800	0.09
Mr A.K Acheampong	137,820	0.08
Nsiah Ghana Limited	124,800	0.07
Mr K Pepera	115,170	0.07
PZ Cussons Ghana Prov. Fund	100,500	0.06
Mr T. A. Kusi	98,700	0.06
Mr E.A Clement	92,580	0.06
Mrs G. Badu	90,120	0.05
Dr E.E. Sackey	87,000	0.05
Dr D.C Amoakoh	87,000	0.05
Mr V.A. Sackey	87,000	0.05
Mr J.G.A Renner	84,000	0.05
Reported Totals	159,767,496	95.10
Not Reported	8,232,504	4.90
	168,000,000	100.00

3) Directors' shareholding

No director held shares in the Company as at 31 May 2013.

Proxy Form

PROXY FORM FOR USE AT THE 55TH ANNUAL GENERAL MEETING TO BE HELD AT THE GHANA-INDIA KOFI ANNAN CENTRE FOR EXCELLENCE IN ICT, RINGWAY ESTATES, ACCRA (NEAR THE GHANA INSTITUTE OF JOURNALISM) ON FRIDAY SEPTEMBER 27, 2013 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 **27th day of September 2013** 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, 2013.

2. *in favour of / against — the Resolution to declare dividends.

3. *in favour of / against — the Resolution to re-elect Mr Christopher W. Davis as a Director of the Company.

4. *in favour of / against — the Resolution to re-elect Mrs Helena Adu-Gyamfi as a Director of the Company.

5. *in favour of / against — the Resolution to fix the remuneration of the Directors.

6. *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**

Signed this …………… day of …………………………….. 2013. ....
Signature of Shareholder

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.

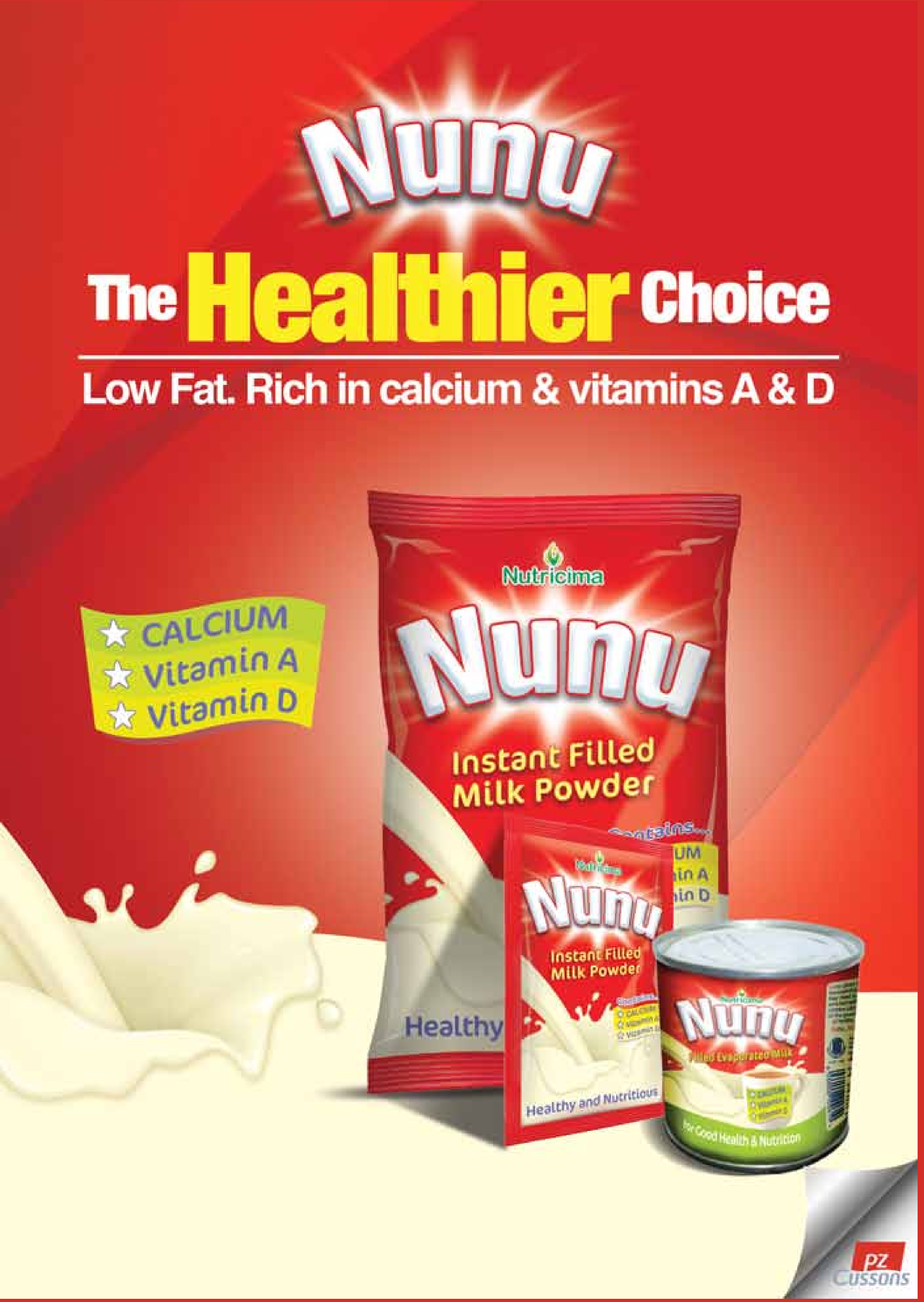
5. Please sign the above Proxy Form and post it so as to reach the address shown overleaf not later than 4.00 p.m. on Wednesday September 25, 2013.

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

Five Year Financial Summary

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

	2013	2012	2011	2010	2009
ASSETS EMPLOYED					
Non-Current assets	12,044	12,476	11,908	11,612	11,758
Net Current Assets	28,879	18,745	21,161	15,319	11,284
	40,923	31,221	33,069	26,931	23,042
Deferred Taxation	(1,025)	766	(1,175)	(1,198)	(1,353)
Borrowings	(710)	(660)	(698)	(470)	(246)
Net Assets	39,188	31,327	31,196	25,263	21,443
FUNDS EMPLOYED					
Stated capital	2,160	2,160	1,160	1,160	1,160
Capital Surplus	3,465	3,465	4,465	4,465	4,465
Income Surplus	33,563	25,702	25,571	19,638	15,818
Total Equity	39,188	31,327	31,196	25,263	21,443
TURNOVER AND PROFITS					
Turnover	95,742	82,322	66,184	54,807	44,643
Profit before taxation	10,013	616	7,574	5,062	1,007
Profit after taxation(transferred to Income Surplus)	7,861	764	6,314	3,819	837
Proposed Dividend	773	-	633	364	-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Vitamin A
Vitamin D
Nutricima
Nunu
Instant Filled Milk Powder
Healthy
Nunu
Instant Filled Milk Powder
Healthy and Nutritious
Nutricima
Nunu
Filled Evaporated Milk
For Good Health & Nutrition
PZ Cussons

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