

## NOTICE OF MEETING

NOTICE is hereby given that the 58<sup>th</sup> 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, 30 September 2016 at 11 O'clock in the forenoon to transact the following:

### AGENDA

#### ORDINARY BUSINESS

1. To receive and consider the Report of the Directors, Report of the Auditors and the Audited Financial Statements for the year ended 31 May 2016.
2. To declare a dividend
3. To appoint Directors.
4. To re-elect Directors.
5. To fix the remuneration of the Directors.
6. To authorise the Directors to fix the remuneration of the Auditors for the ensuing year.

**Dated this 18th day of August, 2016**

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, Universal Merchant Bank 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.

## REPORT OF THE INDEPENDENT AUDITOR 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 18 to 53. These financial statements comprise the statement of financial position as at 31 May 2016, 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 2016, 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 (ICAG/F/2016/028)**

**Chartered Accountants**

**Signed by: Oseini Amui (ICAG/P/1139)**

**Accra, Ghana**

**5 September 2016**



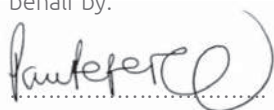
## STATEMENT OF FINANCIAL POSITION AT 31 MAY 2016

((All amounts are in Ghana cedis)


	Note	At 31 May	
		2016	2015
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	10,247,430	12,131,530
Investments	5	1,405,271	1,405,271
Deferred income tax assets	17	-	2,083,703
Finance lease receivables	7	1,296,381	1,553,167
Investment properties	8	25,250,801	
		38,199,883	17,173,671
<b>Current assets</b>			
Inventories	6	27,969,287	26,205,083
Finance lease receivables	7	1,047,829	877,733
Current income tax assets	26	-	210,917
Trade and other receivables	9	32,853,238	52,550,771
Cash and cash equivalents	29	7,459,307	5,740,514
		69,329,661	85,585,018
<b>Total assets</b>		107,529,544	102,758,689
<b>Equity attributable to owners</b>			
Stated capital	10	2,160,000	2,160,000
Capital surplus account	11	3,465,574	3,465,574
Income surplus account	12	30,273,447	28,344,249
<b>Total equity</b>		35,899,021	33,969,823
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	13	39,567,410	41,452,742
Borrowings	14	23,255,859	22,999,913
Dividend payable	15	2,334,165	2,334,165
Current income tax liability	26	28,933	-
Provisions for other liabilities	16	1,419,845	230,000
		66,606,212	67,016,820
<b>Non-current liabilities</b>			
Borrowings	14	279,477	1,772,046
Deferred income tax liabilities	17	4,744,834	-
		5,024,311	1,772,046
<b>Total liabilities</b>		71,630,523	68,788,866
<b>Total equity and liabilities</b>		107,529,544	102,758,689

The notes on pages 24 to 53 are an integral part of these financial statements.

The financial statements on pages 18 to 53 were approved by the Board of Directors on 18th August 2016 and signed on its behalf by:



**Paul Kwabena Pepera**  
Chairman



**Oluwasegun Agbekeye**  
Head of Finance



**David Afflu**  
Business Unit Director

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MAY 2016

(All amounts are in Ghana cedis)

	Note	Year ended 31 December	
		2016	2015
<b>Revenue</b>	18	<b>118,279,459</b>	118,948,017
Cost of sales	19	<b>(88,055,530)</b>	(88,218,668)
<b>Gross profit</b>		<b>30,223,929</b>	30,729,349
Distribution costs	20	<b>(17,439,580)</b>	(24,000,240)
Administrative costs	21	<b>(15,813,466)</b>	(9,684,148)
Other income	22	<b>9,274,737</b>	8,839,195
Fair value gain on investment property	8	<b>24,144,675</b>	-
Other operating costs	23	<b>(17,597,035)</b>	(7,156,179)
<b>Operating profit/ (loss)</b>		<b>12,793,260</b>	(1,272,023)
Finance costs	24	<b>(2,533,735)</b>	(2,852,525)
<b>Profit/ (loss) before income tax</b>		<b>10,259,525</b>	(4,124,548)
Income tax (expense)/ credit	27	<b>(8,330,327)</b>	1,381,800
<b>Profit/ (loss) for the year</b>		<b>1,929,198</b>	(2,742,748)
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>1,929,198</b>	(2,742,748)
<b>Profit/ (loss) per share (GH¢)</b>			
Basic and diluted	34	<b>0.0115</b>	(0.0163)

The notes on pages 24 to 53 are an integral part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY AT 31 MAY 2016

(All amounts are in Ghana cedis)

	Stated capital	Capital surplus account	Income surplus account	Total
<b>Year ended 31 May 2016</b>				
At 1 June 2015	2,160,000	3,465,574	28,344,249	<b>33,969,823</b>
<b>Comprehensive income:</b>				
Profit for the year	-	-	1,929,198	<b>1,929,198</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	1,929,198	<b>1,929,198</b>
<b>At 31 May 2016</b>	<b>2,160,000</b>	<b>3,465,574</b>	<b>30,273,447</b>	<b>35,899,021</b>
<b>Year ended 31 May 2015</b>				
At 1 June 2014	2,160,000	3,465,574	31,086,997	36,712,571
<b>Comprehensive income:</b>				
Loss for the year	-	-	(2,742,748)	(2,742,748)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income</b>	-	-	(2,742,748)	(2,742,748)
At 31 May 2015	2,160,000	3,465,574	28,344,249	33,969,823

The notes on pages 24 to 53 are an integral part of these financial statements.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2016

(All amounts are in Ghana cedis)

	Note	Year ended 31 May	
		2016	2015
<b>Cash flows from operating activities</b>			
Cash generated from operations	28	6,596,708	14,581,042
Interest paid	24	(2,533,735)	(2,852,525)
Tax paid	26	(1,261,940)	(371,416)
<b>Net cash generated from operating activities</b>		<b>2,801,033</b>	11,357,101
<b>Cash flows from investing activities</b>			
Dividend received	22	347,998	949,989
Purchase of property, plant and equipment	4	(756,015)	(2,924,745)
Proceeds from sale of property, plant and equipment	4	-	571,328
<b>Net cash used in investing activities</b>		<b>(408,017)</b>	(1,403,428)
<b>Cash flows from financing activities</b>			
Finance lease repaid		(1,944,027)	-
Finance lease received		-	218,836
<b>Net cash generated from financing activities</b>		<b>(1,944,027)</b>	218,836
<b>Net increase in cash and cash equivalents</b>		<b>448,989</b>	10,172,509
Cash and cash equivalents at 1 June		5,740,514	(4,431,995)
<b>Cash and cash equivalents at 31 May</b>	29	<b>6,189,503</b>	5,740,514

The notes on pages 24 to 53 are an integral part of these financial statements.