



Delivering Quality **Innovation**



## Mission

We are an international, entrepreneurial conglomerate operating locally to enhance the lives of all consumers through quality, value and innovation, day after day.

## Vision

We shall profitably grow our business, strengthening our product portfolio, enhancing the lives of our employees, consumers and all other stakeholders, by living and breathing our shared values, everyday.







**IT'S COOL  
TO BE COOL**



• deodorizing and cooling effect • antiseptic soap kills 99.9% of bacteria •

## Shareholder's Admission Form

Please admit shareholder.....

Or in his/her place Mr/Mrs/Miss.....

To represent him/her at the 63rd ANNUAL GENERAL MEETING of this Company to be  
held at 10.00 a.m. on Thursday, 15 September 2011 at Transcorp Metropolitan Hotel, Calabar.

THIS FORM SHOULD BE COMPLETED, TORN OFF, AND PRODUCED BY THE SHAREHOLDER  
OR HIS/HER NOMINEE IN ORDER TO GAIN ENTRANCE TO THE MEETING.



**R.A. Alade**

*Company Secretary*



NEW

# Cussons baby

nourishes, soothes & calms skin



with



milk & chamomile



# TABLE OF CONTENTS

|  |    |
|--|----|
| Shareholder's Admission form                                 | 3  |
| Board of Directors, Officers and other Corporate Information | 6  |
| Results at a Glance  | 7  |
| Directors Profile  | 8  |
| Notice of Meeting  | 10 |
| Chairman's Statement   | 12 |
| Report of the Directors                                      | 15 |
| Report of Directors Responsibilities                         | 24 |
| Report of the Independent Auditors                           | 27 |
| Report of the Audit Committee                                | 29 |
| Statement of Significant Accounting Policies                 | 30 |
| Profit and Loss Accounts                                     | 35 |
| Balance Sheets   | 36 |
| Statement of Cash Flows                                      | 38 |
| Performance Indicators                                       | 39 |
| Notes to the Financial Statement                             | 40 |
| Statement of Value Added                                     | 52 |
| Group Five-Year Financial Statement                          | 53 |
| Share Capital History  | 56 |
| Shareholders' Information                                    | 59 |
| Some Major Distributors                                      | 61 |

# Board of Directors, Officers and other Corporate Information

|   |  |
|---|--|
| <b>Directors</b>  |  |
| Professor E.C. Edozien, OFR   | Chairman: Non - Executive              |
| Mr. B. Oyelola  | Vice Chairman: Non - Executive         |
| Mr. C. Giannopoulos ( Greek)  | Managing Director / Chief Executive    |
| Mr. L. Batagarawa   | Independent                            |
| Ms. J. Coker  | Executive ( Appointed w.e.f 05/07/11)  |
| Mrs E. Ebi  | Independent                            |
| Mr. A. Goma   | Executive ( Appointed w.e.f 05/07/11)  |
| Mr. M. Hayatu-Deen  | Independent                            |
| Mrs. O.T. Ifaturoti   | Executive                              |
| Mr. A. kristiansson ( Swedish)  | Executive                              |
| Mr. A. Raji   | Executive                              |
| Mr. P. Usoro, SAN   | Independent (Appointed w.e.f 15/07/11) |
| <b>Company Secretary</b>  |  |
| Mr. R.A. Alade  |  |
| <b>Registered Office</b>  |  |
| 45/47 Town Planning Way<br>Ilupeju Industrial Estate<br>P.M.B 21132<br>Ikeja                            |  |
| <b>Registration Number</b>  |  |
| RC. 693   |  |
| <b>Registrars</b>   |  |
| First Registrars Nigeria Limited<br>Plot 2 Abebe Village Road<br>Iganmu Complex<br>P.M.B 12692<br>Lagos |  |
| <b>Auditors</b>   |  |
| PricewaterhouseCoopers ( Chartered Accountants)<br>252E, Muri Okunola Street<br>Victoria Island         |  |

# Results at a Glance

For the year ended 31 May 2011

|   | The Group     |               |                              |
|---|---------------|---------------|------------------------------|
|   | 2011<br>N'000 | 2010<br>N'000 | %<br>Increase/<br>(decrease) |
| Turnover  | 65,877,984    | 62,667,910    | 5                            |
| Profit before taxation                              | 8,025,266     | 7,951,448     | 1                            |
| Taxation and non controlling interest               | (2,807,736)   | (2,649,706)   | 6                            |
| Profit after taxation attributable to members       | 5,217,530     | 5,301,742     | (2)                          |
| At year end:  |               |               |                              |
| Share Capital                                       | 1,588,191     | 1,588,191     |                              |
| Shareholders Funds                                  | 41,193,341    | 38,707,544    |                              |
| Per 50k share data:                                 |               |               |                              |
| Based on 3,176,381,636 ordinary shares of 50k each: |               |               |                              |
| Earnings per share                                  | N1.64         | N1.67         |                              |
| Stock exchange quotations: At 31 May 2011           |               |               |                              |
| As at May   | N35.00        | N31.74        |                              |
| Number of employees                                 | 2,921         | 3,232         |                              |





### **Professor Emmanuel Edozien**

Professor Edozien is a former professor of International Economics and Development at the University of Ibadan where he also served as the Dean, Faculty of Social Sciences. He was a former Chief Economic Adviser to the President of Nigeria. He is on the Board of many companies as well as chairing many government policy panels and task forces.

He was appointed as the Chairman of the Board of Directors of the Company in 2006.



### **Mr. Tunde Oyelola**

Mr. Oyelola is a Chemical Engineer who worked for 30 years with the PZ Cussons Group in different senior management positions and retired as the Deputy Chief Executive in 2007. He is a fellow, Nigerian Society of Chemical Engineers, member, Nigerian Institute of Management and Vice President, Manufacturers Association of Nigeria (MAN). He was appointed as the Vice Chairman of the Board of Directors in 2008.



### **Mr. Christos Giannopoulos**

Mr. Giannopoulos joined the PZ Cussons Group in 1988 with a degree in Business Administration specialising in Marketing from Derby University, United Kingdom. He had occupied several managerial positions in the United Kingdom, Australia, Kenya and Indonesia before he joined the Nigerian subsidiary in 2002. He was appointed to the Board in 2004.



### **Mr. Lawal Batagarawa**

Mr Batagarawa is a graduate of Engineering and Applied Mathematics from the Ahmadu Bello University. He was appointed to the Board in 2008. He has been a lecturer in the Katsina State College of Arts, Science and Technology, a Permanent Secretary in Kaduna state and between 1999 and 2003 he was Minister for Education and later a Minister for Defence. Between 2003 and 2007 he was the Special Adviser to the President on Intra-Party Relations.





**Mr. Anders Kristiansson**

Mr. Kristiansson holds a Master of Science degree of the Gothenburg School of Economics and Law. Before he joined the PZ Cussons Group in 2008 he had worked with Procter and Gamble in Scandinavia and in South Africa. He had also worked as the Global Divisional Controller for Eaton Automotive as well as the Director of Financial Operations for Celtel (now Airtel) covering for all Africa operations. He joined the PZ Cussons Group in 2008 and was appointed to the Board the same year.



**Ms. Joyce Coker**

Ms. Coker, a seasoned Human Resources practitioner is a University of Lagos graduate of History. She also holds a Master of Arts in Human Resources Management from the University of Westminster, London. Prior to joining the company in July 2011 she had worked in Universal Commercial Plc, London as Human Resources Manager, Accenture as Human Resources Analyst, Heirs Alliance as Head, Human Resources Management and the Unilever Group based in Kenya where she was the HR Business partner for the Central Africa region.



**Mr. Adewale Raji**

Mr Raji is a Humanities graduate of the University of Jos. He also has a MBA in Marketing. He joined the group over two decades ago during which period he had worked in various sections of the business. He became the Director of Distribution Services in 2005 and was appointed to the Board in 2006.



**Mrs. Elizabeth Ebi**

Mrs Ebi is the Chief Executive Officer of Futureview Financial Services Limited. She joined the Board in 2008 with over 23 years management experience in the Financial Services sector. Between 1999 and 2006, she was a member of the Technical Committee of National Council on Privatisation. She is also on the board of FUG Pensions Limited.



**Mr. Paul Usoro, SAN**

Mr Usoro was educated at the Obafemi Awolowo University Ile-Ife. He is the senior partner of Paul Usoro & Co. a law firm founded by him and which has grown to become one of Nigeria's leading Commercial law practices. Apart from being a foremost litigator, he is acclaimed as one of Nigeria's leading communications law expert and has diverse experience and skills in commercial law. He has served as the chief legal consultant for Nigeria's first ever spectrum auction in 2001 which produced the first set of Nigeria's GSM operators. He has also worked with the National Assembly in producing the Nigeria Communication Act, 2003. He currently sits on the Board of Airtel Nigeria Limited, Marina Securities Limited and Premium Pensions Limited. He joined the Board in July 2011.



**Mrs. Yomi Ifaturoti**

Mrs Ifaturoti, an alumnus of the University of Ibadan holds a BSc in Pharmacology and Diploma in Sales. She is also a Fellow of the Chartered National Institute of Marketing of Nigeria. She has wide experience in Marketing and general Administrative management spanning over 27 years 19 of which she spent in the PZ Cussons Group. She was appointed to the Board in 2006 and she is currently the Group Corporate Affairs & Admin Director.



**Mr. Alex Goma**

Mr. Goma is a Biochemistry graduate of the University of Port-Harcourt. He is an experienced business manager with significant expertise in sales and trade marketing of Fast Moving Consumer Goods (FMCG) spanning six countries in Africa. Before he joined the Company in 2010 as Commercial Director, he had worked in Procter & Gamble in Nigeria, Ghana and Egypt, British America Tobacco in Senegal, Gambia, and Mauritania and Guinness Nigeria Plc where he was the Sales Director.



**Mr. Mohammed Hayatu-Deen**

Mr. Hayatu-Deen joined the Board in 2008 with a portfolio of diverse experience from the private and public sector. He was former Group Managing Director of New Nigerian Development Company, Former Managing Director of FSB International Bank Plc. He is currently on the Board of several companies and was a member of the Presidential Advisory Committee.



# Notice of Meeting

Notice is hereby given that the 63<sup>rd</sup> Annual General Meeting of PZ Cussons Nigeria Plc will be held at Transcorp Metropolitan Hotel, Calabar on Thursday, 15 September 2011 at 10.00 a.m. for the following purposes:


## Ordinary Business

1. To receive the accounts for the year ended 31 May 2011 and the reports of the directors, audit committee and independent auditors thereon.
2. To declare a dividend.
3. (a) To re-elect directors;  
(b) To consider a resolution to re-elect Professor E.C. Edozien, OFR, a director retiring by rotation who is over 70 years of age, special notice having been given to the company pursuant to section 256 of the Companies and Allied Matters Act.
4. To authorise the directors to fix the remuneration of the independent auditors.
5. To elect members of the audit committee.

## Special Business

6. To approve the remuneration of the directors.
7. To consider and if thought fit, pass the following resolutions as Ordinary Resolutions:
  - a. "That the authorised share capital of the company be and is hereby increased to N2 billion by the creation of 800 million ordinary shares of 50 kobo each ranking in all respects pari passu with the existing shares of the company"
  - b. "That pursuant to Article 117 of the Articles of Association of the company, the directors have recommended that the sum of N397,047,705 from the revenue reserve of the company be capitalised into 794,095,410 units of ordinary shares of 50 kobo each and be appropriated and allotted to members whose names appear in the Register of Members at the close of business on 19 August 2011 in the proportion of one (1) new share for every four (4) shares held by them on that date, subject to the approval of the appropriate regulatory authorities; the shares so distributed being treated for all purposes as capital and not as income, ranking pari passu with the existing shares of the company, provided that the shares issued pursuant to this resolution shall not rank for dividend recommended for the year ended 31 May 2011".

## BY ORDER OF THE BOARD



R.A. Alade  
Company secretary  
45/47, Town Planning Way  
Ilupeju Industrial Estate  
Lagos

27 July 2011

## Proxy

A member of the company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her place and such proxy need not be a member of the company. A detachable proxy form is on page 67. Executed proxy forms should be deposited at the registered office of the company, 45/47, Town Planning Way, Ilupeju Industrial Estate, P.M.B. 21132, Ikeja, not later than 10.00a.m. on Tuesday 13 September 2011.

## Dividend warrants

The board has recommended dividend payment which if approved, is payable less withholding tax. Dividend warrants will be posted on 22 September 2011.

## Closure of Register of Members

The Register of Members and Transfer book will be closed from Monday 22 August 2011 to Friday 26 August 2011 (both dates inclusive) for the purpose of updating the Register of Members. Accordingly, dividends will only be paid to shareholders whose names appear on the Register of Members as at close of business on Friday 19 August 2011.

## Audit Committee

In accordance with section 359 (5) of the Companies and Allied Matters Act, any member may nominate a shareholder as a member of the Audit Committee, by giving notice in writing of such nomination to reach the Company Secretary at least 21 days before the Annual General Meeting.



# Introducing

PZ  
Cussons Nigeria Plc.

24 HRS

germ free protection  
for cleaner, safer homes.



with

All around Nigeria, people are joining the hygienic revolution by cleaning their homes with the new Morning Fresh 3-in-1 multipurpose cleaner.

Morning Fresh 3-in-1 multisurface hygienic cleaner contains the active ingredient Byotrol, which keeps working for up to 24hours even after the surface is dry, leaving your floors clean and germ free.

New Morning Fresh 3-in-1 multisurface hygienic cleaner comes in 3 fragrances: Fresh Lavender, Fresh Pine and Fresh Lemon. ... **Cleans, Freshens and Protects.**

Morning Fresh 3-in-1 multisurface hygienic cleaner **24hrs protection for your family**





## **Professor E. C. Edozien, OFR Chairman**

Distinguished Shareholders, I welcome you to the 63rd Annual General Meeting of your company to present to you the Annual Report and Financial Statements for the financial year ended 31 May 2011.

In doing so, I am happy to report that your company has performed well during a challenging year, and experienced once again another year of growth, and enhanced shareholder value.



# Chairman's Statement

## Business Environment

During the period under review, the world economy witnessed significant recovery, especially in Asia and in some other emerging markets. However, the Euro zone countries continued to face significant challenges with Greece requiring a second rescue package, and a number of other Euro zone countries facing ongoing issues. The US economy was also challenged with the debt levels becoming critical and unemployment rate remaining quite high. The main part of the global economic growth over the short to medium term is expected to come from emerging markets. Nigeria has, in this capacity, received increased attention from investors, especially after the successful elections.

The core fundamentals of the Nigerian economy remained relatively healthy with a GDP growth rate of 7.8% during 2010. The oil price rose above USD 100 by January 2011, following unrest in the Middle East and ended at USD 119 by May 2011 compared to USD 79 by May 2010. The oil production rate stabilized and remained above 2.1 million barrels per day throughout the year.

With these core fundamentals improving, Nigeria should be positioned for a period of substantial growth and relative prosperity. However, there were some concerns. Inflation remained at a high level, with the 12 month average rate increasing from 11.6% last year, to 12.6%. There were significant material price increases for oil based, or derived, raw materials such as the key materials for Laundry and Soap products. The Naira was relatively stable with a marginal decrease for the USD from N149 by May 2010 to N153 by May 2011. However, the country's external reserves decreased from USD 39 billion by May 2010 to USD 32 billion by May 2011. A substantial proportion of the decrease was applied in defending further devaluation of the Naira.

Overall, the successful elections and growing confidence in Nigeria, plus strong core economic fundamentals give us reasons to be positive about the future for the country and your company. But this, we hasten to add, can only be achieved if security and infrastructural challenges, among others, are creatively and vigorously addressed.

## Results

I am pleased to announce that our company performed well during the period. The Fast Moving Consumer Goods - FMCG - sector was very competitive, with somewhat lower growth levels than we had seen in prior years and

very intense competition. Despite this, the turnover of your company increased by 5% from N62.7 billion last year to N65.9 billion this year. The pre-tax profit remained flat compared to last year at N8.0 billion, as the competitive landscape did not enable us to fully reflect raw material cost increases, and the focus was on maintaining and growing market share. Net profit after tax and minority interests contracted marginally from N5.3 billion to N5.2 billion.

## Dividends and Bonus

Based on the results of the year ended 31 May 2011, the Board of Directors is recommending to the shareholders at this Annual General Meeting a dividend of N2,732 million representing 86 kobo per share. The dividend will be paid subject to the deduction of withholding tax at the appropriate rate.

In addition, the Board of Directors recommends a bonus issue of 1 new share for every 4 existing shares held at 19 August 2011.

## Products

Our brands continued to be very well patronized by consumers, and maintained their leadership position in the various market categories. The company's brands are today present in almost every Nigerian household.

Our HPZ business continued to expand and launched an exciting new range of split air-conditioners, which was very well received by the consumers. The market share also grew for fridges and washing machines. HPZ remains very strong in the refrigerator segment with both the Jumbo and Casarte fridges being launched during the year.

The new Premier Cool deo soap range which was launched during the year has been very successful. PZ Cussons continued to be the market leader in the Soap segment with Premier, Joy, Imperial Leather, Cussons Baby and Carex. Venus and Joy had a good year. Other Personal Care segments, such as Mother and Baby, Traditional Creams and Gels also performed well.

The products from the new Detergent Tower have been very positively received by the consumers, which has strengthened our position in the detergent segment.

The new and improved Zip detergent formula has created a strong momentum behind the brand. The Tempo white bulk detergent which was launched during the year has



further strengthened our leadership in the bulk detergent segment. The other detergents and laundry soap products, Jet, Duck, Canoe and Rex have continued to perform well. Roberts grew significantly behind the launch of a new liquid size and the Roberts Soap. Morning Fresh continues to be the leading Dish Washing solution in Nigeria.

### **The Board**

Mrs. Biola Olubiyi resigned as a Director with effect from 7 December 2010. Mr. Tolis Loizos also resigned as a Director on 31 May 2011, following his retirement from the service of the Group after 27 years, 7 of which he served on the Board.

On your behalf, I thank Mrs. Olubiyi and Mr. Loizos for their service and valuable contributions to the growth of the company and wish them every success in all their future endeavours

To fill the vacancies created by the resignations, the board appointed Ms. Joyce Coker and Mr. Alex Goma, both of whom are seasoned professionals and have excelled in their chosen fields. In addition, Mr. Paul Usoro, SAN has joined the board as a non-executive director. The board will be seeking the shareholders approval for these appointments at the Annual General Meeting.

### **Staff**

The company's ability to overcome the challenges it faced, was due to the efforts of its loyal and dedicated employees, who are its most treasured assets.

A number of staff trainings were conducted during the year. A formal training program is in place for the more senior managers of the company, in addition to the several existing developmental programs for the junior levels. A number of employees have also been on short term postings to other subsidiaries within the PZ Group as part of their development programs.

A new batch from the graduate training scheme has graduated and is starting to contribute to the business. This scheme provides accelerated training for young talented graduates, in order to give them a broad based understanding of our business and the chance to make contributions as early as possible in their careers. The objective is to use this scheme, along with the other employee development programs, to ensure that we develop the future leaders of the business, who can take the company to the next level.

### **Corporate Social Responsibility**

The PZ Cussons Foundation, which has been up and running for the last four years, continues to support community projects in Nigeria. In addition to the 19 projects which were completed and commissioned during prior years, the following projects were completed during the year under review:

- A block of classrooms and borehole in support of Shehu Malami Primary School, Sokoto;
- A block of classrooms and borehole in support of Ogbaru Community in Onitsha;
- A block of classrooms in support of the Edirin Sokoh Skill Acquisition Centre, Ughelli;
- A health centre in support of Isanlu Community in Kogi State;
- A health centre in support of the Mbamba Bamako Health Initiative for Ardo Community in Yola Adamawa State;
- A Train-the-Trainer scheme involving recruitment of teachers of Core Subjects for the Jigawa State College of Education;
- A block of classrooms and borehole in support of Educare Trust, Ibadan.

These projects are consistent with our commitment to support community based projects around the country in the areas of education, health, and provision of portable water.

### **The Future**

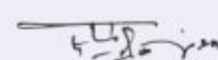
We view the future of our business in Nigeria with great optimism and are investing to be able to maximize the opportunities that a revitalized Nigerian economy will bring in the future.

The company's investment into improving our manufacturing and distribution facilities under the "Project Unity" program was concluded during the year with the upgrade of the white goods manufacturing and distribution facilities in Illupeju. The new Detergent Tower in Ikorodu which was completed at the end of last year is now fully operational and has enabled us to provide new and innovative products to the Nigerian consumers, while increasing our production capacity. In total, Project Unity represents a N10 billion investment into upgrading our Nigerian manufacturing and distribution facilities.

### **Conclusion**

I wish to thank management and staff for their productive efforts and dedication. I warmly acknowledge the loyalty of our distributors for being partners in the growth of the business; the consumers for their trust and product loyalty; my fellow shareholders for their confidence and commitment. Finally, I thank my colleagues on the board for their support and cooperation at all times.

I thank you all for your kind attention.



Profession E. C. Edozien, OFR

Chairman

# Report of the Directors

For the year ended 31 May 2011

## Accounts, Results and Appropriation

The Directors present their report together with the group financial statements as at 31 May 2011 which disclose the state of affairs of the company.

|  |              |
|--|--------------|
|  | <b>N'000</b> |
| Group profit after taxation and non controlling interest | 5,217,530    |

The directors are pleased to recommend to the shareholders the payment of a dividend of N2,732 million (2010: N2,732 million) that is 86 kobo per share (2010: 86 kobo per share) to be paid on 22 September 2011, and a bonus issue of 1 new share for every 4 existing shares held as at 19 August 2011.

## Legal Form

The company was incorporated in Nigeria on 4 December 1948 under the name of PB Nicholas & Company Limited. The name was changed to Alagbon Industries Limited in 1960. It became a public company in 1972 and was granted a listing on the Nigerian Stock Exchange. The name was again changed to Paterson Zochonis Industries Limited on 24 November 1976, and in compliance with the Companies and Allied Matters Act, it changed its name to Paterson Zochonis Industries Plc on 22 November 1990. On 21 September 2006, the company adopted its present name of PZ Cussons Nigeria Plc. The company is a subsidiary of PZ Cussons Plc, Manchester, UK.

## Principal Activities

The principal activities of the group are the manufacture, distribution and sale of a wide range of consumer products and home appliances which are leading brand names throughout the country in detergent, soap, pharmaceuticals, cosmetics, confectionery, refrigerators, freezers and air-conditioners. The group also distributes the products of Nutricima Limited, Harefield Industrial Nigeria Limited and PZ Wilmar Limited.

## Board of Directors

The following persons served as Directors during the year:

|                           |   |
|---------------------------|---|
| Prof. E.C. Edozien, OFR   | Chairman                                |
| B. Oyelola                | Vice Chairman                           |
| C. Giannopoulos (Greek)   | Managing Director/Chief Executive       |
| L. Batagarawa             | Independent                             |
| E. Ebi (Mrs)              | Independent                             |
| M. Hayatu-Deen            | Independent                             |
| O.T. Ifaturoti (Mrs.)     | Executive                               |
| A. Kristiansson (Swedish) | Executive                               |
| A. Loizos (Greek)         | Executive (Resigned on 31 May 2011)     |
| A. Olubiyi (Mrs)          | Executive (Resigned on 7 December 2010) |
| A. Raji                   | Executive                               |



# Report of the Directors cont'd

For the year ended 31 May 2011

Since the last annual general meeting, Mrs. A. Olubiyi and Mr. A. Loizos retired from the board. To fill the vacancies created by their retirement the board appointed Ms. J. Coker and Mr. A. Goma. In addition Mr. P. Usoro, SAN has joined the board as a non - executive director. The new directors will be presented for election at the Annual General Meeting.

In accordance with Article 90 of the company's Articles of Association, Mrs E. Ebi and Mr. A. Raji will retire by rotation at the meeting and will offer themselves for re-election.

Professor Edozien will also retire by rotation at the meeting and will offer himself for re-election notwithstanding that he is over 70 years of age. Special notice of the proposal has been given to the Company pursuant to section 256 of the Companies and Allied Matters Act.

## Directors' Interest in Shares

The interests of each director in the issued share capital of the company as recorded in the Register of Members for the purpose of Section 275 of the Companies and Allied Matters Act and in compliance with the listing requirements of the Nigerian Stock Exchange are as follows:

|                         | Number of Shares |           |
|-------------------------|------------------|-----------|
|                         | 2011             | 2010      |
| Professor E. C. Edozien | 4,026,775        | 4,026,775 |
| Mr. B. Oyelola          | 209,798          | 209,798   |
| Mrs O.T. Ifaturoti      | 9,796            | 9,796     |
| Mr. A.A. Raji           | 116,167          | 83,570    |
| Mrs E. Ebi (Direct)     | -                | -         |
| (Indirect)              | 100,000          | 100,000   |
| Mr. M. Hayatu-Deen      | -                | -         |
| Mr. L. Batagarawa       | 16,565           | 16,565    |
| Ms. J. Coker            | -                | -         |
| Mr. A. Goma             | -                | -         |
| Mr. Paul Usoro          | -                | -         |

There was no change in the above holdings as at 27 July 2011.

## Directors' Interest in Contracts

In accordance with Section 277 of the Companies and Allied Matters Act, no director of the company notified the company of any declarable interest in any contract in which he was involved during the year under review.



# Report of the Directors cont'd

For the year ended 31 May 2011

## Meetings of the Board of Directors

The Board of Directors meets quarterly and additional meetings are convened as required. Material decisions are sometimes taken between meetings by way of written resolutions as provided for in the company's Articles of Association.

The directors are provided with comprehensive reports of the activities of all the various business units as well as important corporate events at each of the quarterly meetings. They are also briefed on all business developments between meetings. The board met four times during the 2011 financial year.

The meetings of the Board were presided over by the chairman, and in his absence, the vice chairman. In all cases, written notices of meetings along with the agenda were circulated at least fourteen days before meetings. The minutes of the meetings were appropriately recorded and circulated.

In accordance with Section 258(2) of the Companies and Allied Matters Act, the record of the directors' attendance at board meetings during the year will be made available for inspection at the annual general meeting.

## Major Shareholdings

According to the Register of Members as at 31 May 2011, PZ Cussons (Holdings) Limited UK held 2,122,113,883 shares, which is 66.81% of the paid-up capital of the company.

## Analysis of Shareholdings

The shareholding pattern of the company as at 31 May 2011 as advised by the Registrar is as stated below:

| Range                      | Number of holders | Units                | Percentage (%) |
|----------------------------|-------------------|----------------------|----------------|
| 1 - 1000                   | 25,255            | 11,258,613           | 0.35           |
| 1,001 - 5000               | 23,748            | 58,784,071           | 1.85           |
| 5,001 - 10,000             | 12,280            | 87,197,553           | 2.75           |
| 10,001 - 50,000            | 14,197            | 269,053,540          | 8.47           |
| 50,001 - 100,000           | 1,157             | 80,207,196           | 2.53           |
| 100,001 - 500,000          | 844               | 164,769,753          | 5.19           |
| 500,001 - 1,000,000        | 79                | 53,103,654           | 1.67           |
| 1,000,001 - 5,000,000      | 79                | 153,795,947          | 4.84           |
| 5,000,001 - 50,000,000     | 15                | 176,097,426          | 5.54           |
| 50,000,001 - 2,122,113,883 | 1                 | 2,122,113,883        | 66.81          |
| <b>Total</b>               | <b>77,655</b>     | <b>3,176,381,636</b> | <b>100.00</b>  |

According to the Register of Members as at 31 May 2011, no individual shareholder held more than 5% of the issued share capital of the company except PZ Cussons (Holdings) Limited UK.

# Report of the Directors cont'd

For the year ended 31 May 2011

## CORPORATE GOVERNANCE REPORT

The Board is committed to meeting standards of best practices set out in the Code of Corporate Governance (the "Code") published by the Securities and Exchange Commission.

This report describes how the Board has been complying with the Code as well as best practices in corporate governance.

### Board Composition

The Articles of Association of the company provides for a maximum of fifteen directors. As at the date of this report, the Board comprised twelve directors six of them (including the chairman and the vice chairman) are non- executive directors while six are executive directors.

### Attendance at Meetings

In line with the Code, the table below shows the frequency of the board meetings during the year and members attendance at these meetings:

| Director                    | Meeting Dates |          |          |          |
|-----------------------------|---------------|----------|----------|----------|
|                             | 22/07/10      | 21/09/10 | 21/01/11 | 28/03/11 |
| Professor E.C. Edozien, OFR | A             | P        | P        | P        |
| Mr. B. Oyelola              | P             | P        | A        | A        |
| Mr. C. Giannopoulos         | A             | P        | P        | P        |
| Mr. L. Batagarawa           | P             | P        | P        | P        |
| Mrs. E. Ebi                 | P             | P        | A        | P        |
| Mr. M. Hayatu-Deen          | A             | A        | A        | P        |
| Mrs. O. T. Ifaturoti        | P             | P        | P        | P        |
| Mr. A. Kristiansson         | A             | P        | P        | P        |
| Mr. A. Loizos               | P             | P        | P        | P        |
| Mrs. A. Olubiyi             | P             | P        | *        | *        |
| Mr. A. Raji                 | P             | P        | P        | P        |

A = Apologies

\* = Not on the board at that date.

### Independent Directors

In compliance with the Code, three (3) of the five (5) non – executive directors who were on the board during the year are independent directors who have no significant shareholding interest or any special business relationship with the company.

### Separation of the position of the Chairman and Chief Executive

In line with best practices the roles of the chairman and the chief executive are separate and no one individual combines the two positions.

The position of the chairman is held by Professor Edozien, a non - executive director while the office of the chief executive is occupied by Mr. Giannopoulos.

Furthermore, while the chairman is responsible for the running of the Board, the chief executive is responsible for co-ordinating the running of the business and implementing strategies.

# Report of the Directors cont'd

For the year ended 31 May 2011

## Board Operations

The Board is the ultimate governing body of the company and it is responsible for its overall supervision, by ensuring that the company is appropriately managed to achieve the set strategic objectives.

The specific issues reserved for the Board include:

- The ultimate direction of the Company, and in particular the conduct and supervision of the business
- Determination of the company's organisation
- Risk Management and Internal controls
- Supervision with respect to compliance with the law
- Corporate Governance matters
- Periodic and regular review of actual business performance relative to established objectives
- Communication with shareholders

## Committees of the Board

The Board has established Standing Committees whose terms of reference clearly set out their roles, responsibilities and scope of authority. Each Committee is chaired by a non - executive director to ensure strict compliance with best practices in corporate governance. Furthermore, the Chairman of the Board of Directors is not a member of any of these committees.

### i. Audit Committee

The Committee is established to perform the functions listed in section 359(5) of the Companies and Allied Matters Act. Its major functions include: approval of the annual audit plan of the independent auditors, review and approval of the audit scope and review of the audit report on internal weaknesses observed by both the internal auditors and the independent auditors.

The Committee comprised three representatives of the shareholders one of whom is the chairman and three representatives of the Board, two of whom are non - executive directors.

The following directors served on the Committee during the year.

- Mr. L. Batagarawa
- Mr. B. Oyelola
- Mrs. O.T. Ifaturoti

### ii. Risk Management Committee

The Committee has responsibility for the following:

- review of the Company's risk management policies and the adequacy and effectiveness of control,
- review of the compliance level with applicable regulatory requirements that may impact the Company's risk profile, and
- review of the changes in the business environment and other factors relevant to the company's risk profile.

The Committee is made up of six members namely:

- Mr. L. Batagarawa                      Chairman
- Mr. C. Giannopoulos
- Mrs E. Ebi
- Mr. B. Oyelola
- Mr. A. Raji
- Mr. A. Kristiansson



# Report of the Directors cont'd

For the year ended 31 May 2011

### iii. Governance/People Committee

The Committee advises the board on corporate governance matters particularly issues relating to insider dealings and price sensitive information, staff welfare and remuneration, talent management and other strategic employee relations matters.

The Committee comprises four members namely:

- Mr. M. Hayatu-Deen Chairman
- Mr. C. Giannopoulos
- Mr. A. Kristiansson
- Mrs. O.T. Ifaturoti

### iv. Leadership Team

The leadership team comprises the executive directors and other senior managers occupying strategic roles in the business. The leadership team is responsible for setting overall corporate targets, agreeing priorities, allocating resources and monitoring plans and superintending the day to day affairs of the business. The Committee is chaired by the Chief Executive Officer.

The members are:

- Mr. C. Giannopoulos
- Mr. A. Raji
- Mr. K. Kristiansson
- Mr. G. Sotiropoulos
- Mrs. O.T. Ifaturoti
- Mr. A. Kokinnis
- Mr. P. Katsis
- Mr. A. Goma
- Ms. J. Coker

### Internal Control

The Board maintained a sound system of internal control to safeguard shareholders' investments and the company's assets. The system of internal control provides reasonable assurance against material loss. The responsibilities include oversight function of internal audit and control, risk assessment and compliance, conformity and contingency planning and formalization and improvement of the business process.

### Communication with Shareholders

The company is committed to an open and consistent communication policy with shareholders and other stakeholders. The guiding principle is that equal treatment are given to all shareholders in equal situations, price sensitive information is published timely in a full, simple and transparent format.

The directors produce detailed annual reports and financial statements according to relevant local and international standards.

Furthermore, all shareholders have equal opportunity at the annual general meeting to present questions to the Board and make comments on any aspect of the financial statements.

### Insider Dealing

The company has regulations guiding the directors, members of the audit committee and other officers of the company on periods when they and /or persons connected to them cannot lawfully effect transactions

# Report of the Directors cont'd

For the year ended 31 May 2011

on the company's shares as well as the disclosure requirements when effecting any transactions on the shares of the company.

## Compliance Statement

The directors confirm that the company complied with the provisions of the Code with the following exceptions:

- **Code 4.3:** The board recognises that the Code requires that the majority of the board members should be non-executive directors. The company did not fully comply with this provision as the board had equal number of executive and non- executive directors. It is however planned to comply with this provision during the subsequent financial years.
- **Code 12.2:** The Code specifies that every director should attend at least two thirds of all board meetings. The company did not comply with this provision in respect of two of its directors. One of the directors was on a long overseas trip for medical treatment while the other was on a national assignment.
- **Code 15.1:** The company did not carry out a formal annual evaluation of the performance of the board and individual directors as required by the Code.
- **Code 34.4.(h):** The Code requires that the number of meetings of the committees and attendance during the year should be disclosed. Apart from the Audit Committee and the Leadership Team, the other committees did not meet as they were inaugurated close to the end of the financial year.

## E - Dividend

In line with the company's aim of value creation for its shareholders, they were encouraged to embrace the e-dividend and e-bonus introduced in the capital market. This is to enable prompt crediting of shareholders bank accounts with dividend and their CSCS account with bonus shares. This will also eliminate the cost of posting dividend warrants and bonus certificates as well as the risks of them being lost in the post.

Accordingly, First Registrars Nigeria Limited has produced the relevant form for completion by shareholders for this purpose.

## Fixed Assets

Movements in fixed assets during the year are shown in Note 6 on page 42 and 43. In the opinion of the directors, the market value of the group's fixed assets is not lower than the value shown in the financial statements.

## Donations and Charitable Gifts in the Year

The company made donations in the year to the following charitable organisations:

|  |              |
|--|--------------|
| PZ Cussons Foundation -                    | N 50,000,000 |
| African Roundtable and Conference on CSR - | N150, 000    |
| Nigeria Legion -                           | N100, 000    |

## Distributors and Suppliers

The group has 26 distribution depots across the country with over 1,000 distributors.

The group also obtained its requirements from both local and overseas suppliers. The principal overseas suppliers are associated companies in the PZ Cussons Plc group. The major local suppliers include its



# Report of the Directors cont'd

For the year ended 31 May 2011

subsidiary companies, PZ Power Limited, PZ Tower Limited and HPZ Limited. The transactions are carried out at arms length.

## Research and Development

The group's research and development efforts, supported through licensing and technical services agreement with overseas associated companies in the PZ Cussons Plc group, are designed to ensure a constant programme of product improvement and new product introduction.

## Employment and Employees

### i. Employment of disabled person

The group's policy provides for due priority to be accorded to disabled persons in recruitment for any available position where their incapacity will not expose them to danger or serious disadvantage.

Employees who become disabled in the course of their employment are retained and redeployed wherever possible within the context of the above policy. However, the group had no registered disabled person in its employment during the year under review.

### ii. Health, Safety and Welfare

The group recognizes the health and safety of its employees, customers, contractors, neighbours and all stakeholders as a top priority and forms an integral part of its business activities.

We are committed to maintaining a safe work place at all sites, depot and business units across the country so as to avoid accidents and ill health due to work situation.

We regard occupational health and safety as a fundamental business responsibility and review health and safety matters on a regular basis to ensure that our activities are undertaken in a responsible manner and in accordance with relevant laws and regulations. All categories of staff are trained in occupational health and safety and they are provided with protective equipment while emphasizing their role in conforming to safety standards.

We further recognize that health and safety practice is fundamental to good manufacturing practice. The roll out of our world class manufacturing programme has ensured that our factories are pleasant work places. In addition we are equipped with modern facilities to handle emergencies. We conduct risk assessments to identify significant health and safety related risks which arise from all activities undertaken including periodic reviews to ensure new activities and processes are covered.

The group employ health and safety specialists and promote on-site medical facilities for employees. The standards of health and safety at work are continually monitored and improved through regular safety audits and risk assessments.

Finally, the group maintains subsidized staff canteen facilities at each of its factories in Aba, Ikorodu and Ilupeju.

### iii. Employee involvement and training

The group is committed to keeping employees fully informed as much as possible regarding the group's performance and progress through regular briefings and meetings. Their views are sought wherever

# Report of the Directors cont'd

For the year ended 31 May 2011

practicable on matters which particularly affect them as employees. The group believes that professional and technical expertise of its managers and staff constitute a major asset, and investment in developing such skills continues to receive constant attention.

The group's skill-base has been steadily expanding with the range of training provided including short courses and this has broadened the opportunities for career development within the group.

Incentives schemes designed to meet the circumstances of each individual are implemented wherever appropriate and some of these schemes include bonus and international position under an exchange programme with associated foreign companies.

## **Independent Auditors**

PricewaterhouseCoopers having indicated their willingness to continue in office as the Company's independent auditors in accordance with Section 357(2) of the Companies and Allied Matters Act. A resolution will be proposed authorizing the directors to fix their remuneration.

## **BY ORDER OF THE BOARD**



**R. A. Alade**  
**Company Secretary**  
Lagos, Nigeria  
27 July 2011



**R. A. Alade**  
Company Secretary



# Statement of Directors' Responsibilities

For the year ended 31 May 2011

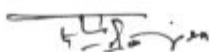
The Companies and Allied Matters Act requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the company at the end of the year and of its profit or loss. This responsibility includes:

- a. ensuring that the company keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the company and comply with the requirements of the Companies and Allied Matters Act;
- b. designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; and
- c. preparing the company's financial statements using suitable accounting policies supported by reasonable and prudent judgements and estimates, that are consistently applied.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with Nigerian Statements of Accounting Standards and the requirements of the Companies and Allied Matters Act.

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the company and of its profit or loss. The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the company will not remain a going concern for at least twelve months from the date of this statement.



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**Director**  
27 July 2011



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**Director**  
27 July 2011

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THE FIRST HIGH-QUALITY SKIN CARE BRAND  
DEVELOPED SPECIFICALLY TO SATISFY THE  
NEEDS OF AFRICAN SKIN.





A QUALITY PRODUCT FROM **Nutricima**

There's more to the new NUNU evaporated milk than just a different look. Now, you and your family can enjoy a creamier, tastier, more satisfying milk packed with nutrition and goodness.

Also choose from our wide range of milk products from powdered to flavoured milk.



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MUMS CHOOSE**  
**Nunu**

**NOW  
FULL CREAM  
EVAPORATED  
MILK**



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# Report of the Independent Auditors



## REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF PZ CUSSONS NIGERIA PLC

### Report on the financial statements

We have audited the accompanying separate and consolidated financial statements of PZ Cussons Nigeria Plc (the company) and its subsidiaries (together "the group") which comprise the balance sheets as of 31 May 2011 and the profit and loss accounts and statements of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

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

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with Nigerian Statements of Accounting Standards and with the requirements of the Companies and Allied Matters Act and for such internal control, as the directors determine necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an independent 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 our audit to obtain reasonable assurance that the financial statements are free from material misstatement.

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



# Report of the Independent Auditors cont'd

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

## *Opinion*

In our opinion the accompanying financial statements give a true and fair view of the state of the financial affairs of the company and the group at 31 May 2011 and of their profits and cash flows for the year then ended in accordance with Nigerian Statements of Accounting Standards and the Companies and Allied Matters Act.

## **Report on other legal requirements**

The companies and Allied Matters Act requires that in carrying out our audit we consider and report to you 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;
- iii) The company's balance sheet and profit and loss account are in agreement with the books of account.

The logo for PricewaterhouseCoopers, featuring a large stylized 'P' followed by the company name in a cursive script.

Chartered Accountants  
Lagos, Nigeria



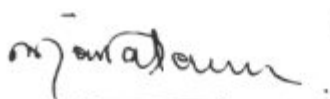
27 July 2011

# Report of the Audit Committee

## TO THE MEMBERS OF PZ CUSSONS NIGERIA PLC

In compliance with the provisions of Section 359(6) of the Companies and Allied Matters Act, the members of the Audit Committee hereby confirm as follows:

- (a) We have reviewed the scope and planning of the audit for the year ended 31 May 2011 and we confirm that they were adequate.
- (b) The company's reporting and accounting policies as well as the internal control systems conform with legal requirements and agreed ethical practices.
- (c) We are satisfied with the management's responses to the independent auditors' findings on management matters for the year ended 31 May 2011.



**Professor R.I Salawu**  
Chairman  
Audit Committee  
27 July 2011

## Members of the Audit Committee

|                                 |   |                             |
|---------------------------------|---|-----------------------------|
| Professor R.I Salawu (Chairman) | - | Shareholders Representative |
| Mr. O.I. Obarinde               | - | Shareholders Representative |
| Mr. E.A. Akinduro               | - | Shareholders Representative |
| Mr. B. Oyelola                  | - | Director                    |
| Mr. L. Batagarawa               | - | Director                    |
| Mrs.O.T. Ifaturoti              | - | Director                    |



# Statement of Significant Accounting Policies

The following are the significant accounting policies adopted by the company and the group in the preparation of its financial statements:

**1. Basis of Accounting**

The financial statements are prepared in compliance with Nigerian Statements of Accounting Standards (SAS). The financial statements are presented in the functional currency, Nigerian Naira (N). The financial statements are prepared under the historical cost convention as modified by the inclusion of freehold and leasehold properties at professional valuation.

**2. Basis of Consolidation**

The consolidated financial statements include those of the holding company and all its subsidiaries for the year ended 31 May 2011. Subsidiary undertakings are those companies in which the group, directly or indirectly, has an interest of more than one-half of the voting rights or over which the group has power to exercise control. Subsidiary undertakings have been fully consolidated. All intercompany transactions, balances and unrealised surpluses and deficits on transactions between group companies are eliminated. The accounting policies for the subsidiaries are consistent with the policies adopted by the group. The subsidiaries are:

- HPZ Limited
- PZ Power Company Limited
- PZ Tower Limited
- Roberts Pharmaceuticals Limited

**3. Fixed Assets**

Land and buildings are stated at their professional valuation at 31 May 2004 plus subsequent additions at cost less accumulated depreciation. Other fixed assets are stated at cost less accumulated depreciation.

**4. Depreciation**

Depreciation is charged on a straight line basis at annual rates which are expected to write off the cost or revalued amount of the assets over their anticipated useful lives:

|                           | %                              |
|---------------------------|--------------------------------|
| Freehold land             | - Nil                          |
| Buildings:                |                                |
| Freehold                  | - 2                            |
| Leasehold - over 50 years | - 2                            |
| - under 50 years          | - over the period of the lease |
| Plant and machinery       | - 8                            |
| Office equipment          | - 20                           |
| Motor vehicles            | - 25                           |
| Capital work in progress  | - Nil                          |

Minor items of furniture and fittings are not capitalised but expensed on acquisition.

The annual rates, are consistent with those of prior years. The last change to the depreciation rates was as of 2006/07, when the depreciation rates for Plant and Machinery were reduced from 12% to 8% following a review of the estimated useful lives of this asset class by the board.

# Statement of Significant Accounting Policies

## 5. Long Term Investments

Investments are stated at cost less provision for diminution in value.

## 6. Revenue Recognition

Turnover represents the net invoice value of sales less trade promotion cost to external customers by the group. The domestic sales of Nutricima Limited and Harefield Industrial Nigeria Limited which were historically included as part of PZ Cussons Nigeria Limited are no longer consolidated with the evolvement of the arrangement between the companies and PZ Cussons Nigeria Plc into an agency relationship.

Major items of revenue received in advance in respect of future years are accounted for as deferred income.

## 7. Segment Reporting

The consolidation of the Group Financial Statements were prepared and presented on the basis of business and geographical segment of operation indicated in the notes to the Financial Statements.

## 8. Debtors

Debtors are stated after deduction of specific provision for any debt considered doubtful of recovery.

## 9. Stocks and Work-In-Progress

Stocks are stated at the lower of cost and net realisable value after making provision for obsolete and damaged items. In the case of goods manufactured by the group, cost includes materials, direct labour and production overheads. The company does not maintain work-in-progress at year end because production activities are stopped few days before the end of each financial year.

## 10. Taxation

Income tax expense is the aggregate of the charge to the profit and loss account in respect of current income tax, education tax and deferred income tax.

Current income tax is the amount of income tax payable on the taxable profit for the year determined in accordance with the Companies Income Tax Act (CITA). Education tax is assessed at 2% of the assessable profits.

Deferred income tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred income tax liability is settled.

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

## 11. Dividends

In accordance with SAS 23 dividend distribution to the group's shareholders is recognised as a liability in the financial statement in the period in which they are approved by shareholders.



# Statement of Significant Accounting Policies

## 12. Foreign Currencies

Transactions in foreign currencies are recorded in Naira at the rates of exchange ruling at the time they arise. Assets and liabilities denominated in foreign currencies are converted to Naira at the rates of exchange ruling at the balance sheet date.

Gains or losses arising there from are included in the profit and loss account.

## 13. Retirement Benefit Schemes

The company operates a contributory staff pension scheme for its staff in accordance with the Pension Reform Act 2004. The company and employees contribute 15% and 10% respectively of the employees' pensionable emoluments.

## 14. Leases

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 the profit and loss account on a straight-line basis over the period of the lease.

## 15. Provisions

Provisions are recognised when the company has a present obligation, whether legal or constructive, as a result of a past event for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation in accordance with SAS 23.

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for extra relief

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Cussons





**FINANCIALS**



# Profit and Loss Accounts

For the year ended 31 May 2011

|  | Note | The Group     |               | The Company   |               |
|--|------|---------------|---------------|---------------|---------------|
|  |      | 2011<br>N'000 | 2010<br>N'000 | 2011<br>N'000 | 2010<br>N'000 |
| <b>Turnover</b>  | 2    | 65,877,984    | 62,667,910    | 65,877,984    | 62,667,910    |
| Cost of sales  |      | 47,425,476    | (45,381,207)  | (54,129,454)  | (50,159,515)  |
| <b>Gross Profit</b>  |      | 18,452,508    | 17,286,703    | 11,748,530    | 12,508,395    |
| Selling and distribution expenses                                    |      | (7,023,803)   | (6,020,698)   | (4,602,529)   | (4,325,829)   |
| Administrative expenses  |      | (3,717,368)   | (3,481,444)   | (3,174,192)   | (2,605,246)   |
| Other operating income   | 3    | 439,579       | 309,379       | 905,261       | 1,157,441     |
| Operating profit   |      | 8,150,916     | 8,093,940     | 4,877,070     | 6,734,761     |
| Interest expenses  |      | (125,650)     | (142,492)     | (110,519)     | (134,856)     |
| <b>Profit before taxation</b>  | 4    | 8,025,266     | 7,951,448     | 4,766,551     | 6,599,905     |
| <b>Taxation</b>  | 5.1  | (2,328,200)   | (2,366,806)   | (1,432,314)   | (1,834,681)   |
| <b>Profit after taxation</b>   |      | 5,697,066     | 5,584,642     | 3,334,237     | 4,765,224     |
| Non controlling interest   | 13   | (479,536)     | (282,900)     | -             | -             |
| <b>PROFIT ATTRIBUTABLE TO MEMBERS TRANSFERRED TO GENERAL RESERVE</b> | 17   | 5,217,530     | 5,301,742     | 3,334,237     | 4,765,224     |
| <b>PER SHARE DATA (KOBO):</b>  |      |               |               |               |               |
| Earnings per share   | 23   | 164           | 168           | 105           | 150           |

The accounting policies on pages 30 to 32 and other explanatory notes on pages 40 to 51 form part of these financial statements.



# Balance Sheets

As at 31 May 2011

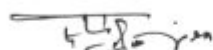
|   | Note | The Group     |               | The Company   |               |
|---|------|---------------|---------------|---------------|---------------|
|   |      | 2011<br>N'000 | 2010<br>N'000 | 2011<br>N'000 | 2010<br>N'000 |
| <b>FIXED ASSETS</b>                                   | 6    | 25,034,942    | 24,737,693    | 19,135,657    | 22,454,373    |
| <b>LONG-TERM INVESTMENTS</b>                          |      |               |               |               |               |
| Shares in subsidiaries                                | 7    | -             | -             | 526,406       | 516,406       |
| <b>CURRENT ASSETS</b>                                 |      |               |               |               |               |
| Stocks  | 8    | 17,481,616    | 15,353,525    | 11,978,715    | 11,925,600    |
| Debtors   | 9    | 14,851,931    | 8,506,607     | 8,865,618     | 8,091,245     |
| Due from group company                                |      | 7,435,538     | 1,030,395     | 10,968,892    | 1,084,559     |
| Deposit for letters of credit                         |      | 311,333       | 37,909        | 48,023        | 9,003         |
| Bank deposits, cash at bank and in hand               | 19   | 3,811,169     | 9,302,384     | 3,296,493     | 8,388,170     |
|   |      | 43,891,587    | 34,230,820    | 35,157,741    | 29,498,577    |
| <b>CREDITORS: Amounts falling due within one year</b> |      |               |               |               |               |
| Trade creditors                                       |      | 2,172,019     | 1,521,586     | 1,756,592     | 1,194,677     |
| Other creditors and accruals                          | 10.1 | 9,399,479     | 5,260,033     | 7,096,354     | 4,218,925     |
| Due to parent company                                 |      | 8,210,338     | 6,302,807     | 7,699,587     | 9,552,462     |
| Taxation  | 5.2  | 2,305,423     | 2,183,975     | 1,380,598     | 1,459,486     |
|   |      | 22,087,259    | 15,268,401    | 17,933,131    | 16,425,550    |
| <b>NET CURRENT ASSETS</b>                             |      | 21,804,328    | 18,962,419    | 17,224,610    | 13,073,027    |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |      | 46,839,270    | 43,700,112    | 36,886,673    | 36,043,806    |
| Deferred taxation                                     | 12   | (3,670,536)   | (3,369,160)   | (3,605,286)   | (3,364,923)   |
| <b>PROVISION FOR LIABILITIES AND CHARGES</b>          |      |               |               |               |               |
| Non controlling interest                              | 13   | (1,975,393)   | (1,623,408)   | -             | -             |
| <b>NET ASSETS</b>                                     |      | 41,193,341    | 38,707,544    | 33,281,387    | 32,678,883    |
| <b>CAPITAL AND RESERVES</b>                           |      |               |               |               |               |
| Share capital   | 14   | 1,588,191     | 1,588,191     | 1,588,191     | 1,588,191     |
| Share premium   | 15   | 6,878,269     | 6,878,269     | 6,878,269     | 6,878,269     |
| Revaluation reserve                                   | 16   | 7,514,153     | 7,514,153     | 7,514,153     | 7,514,153     |
| Revenue reserve                                       | 17   | 25,212,728    | 22,726,931    | 17,300,774    | 16,698,270    |
|   |      | 41,193,341    | 38,707,544    | 33,281,387    | 32,678,883    |

## Balance Sheet Cont'd

As at 31 May 2011

The financial statements on pages 35 to 38 were approved by the Board of Directors on 27 July 2011 and signed on its behalf by:

Prof. E.C. Edozien, OFR



A. Kristiansson



Directors

The accounting policies on pages 30 to 32 and other explanatory notes on pages 40 to 51 form part of these financial statements.



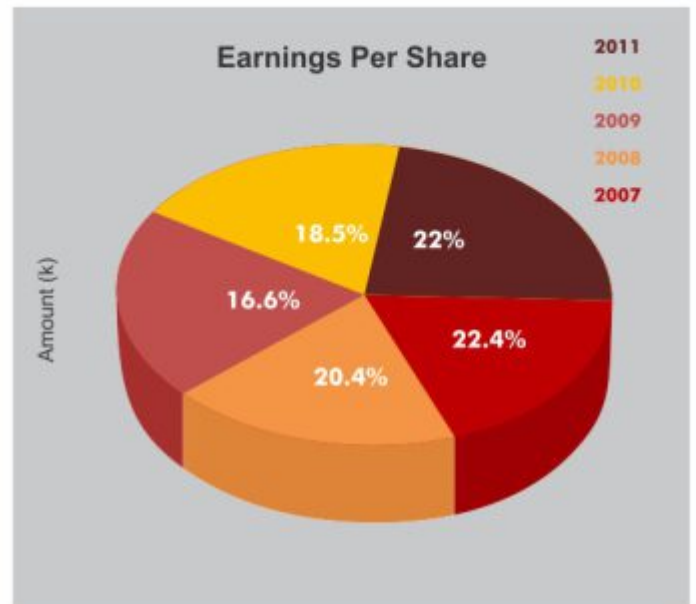
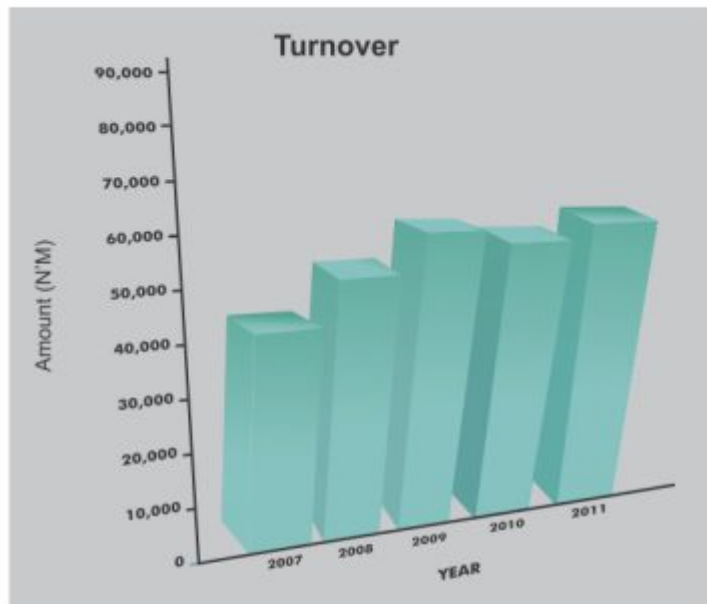
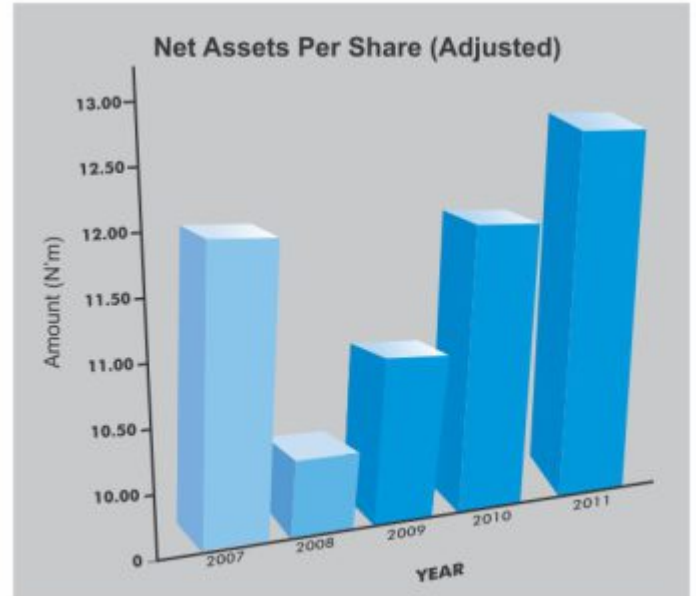
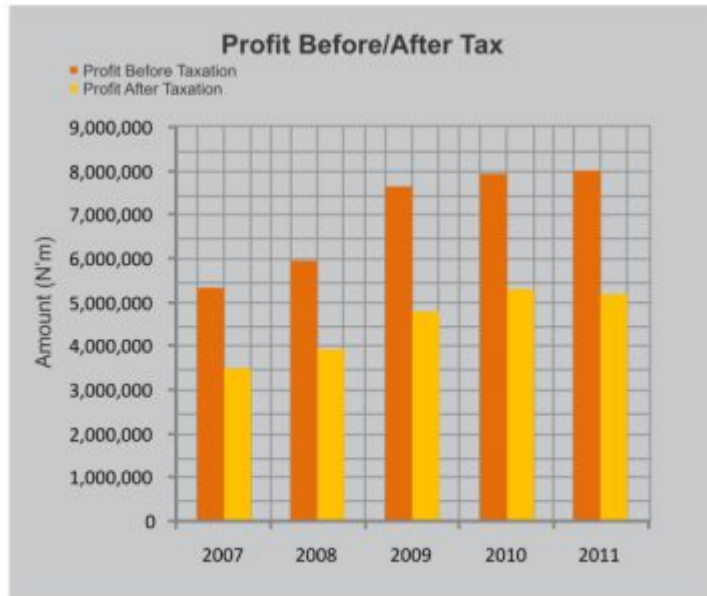
# Statement of Cash Flows

For the year ended 31 May 2011

|   | Note | The Group          |                    | The Company        |                    |
|---|------|--------------------|--------------------|--------------------|--------------------|
|   |      | 2011<br>N'000      | 2010<br>N'000      | 2011<br>N'000      | 2010<br>N'000      |
| <b>Cash flows from operating activities</b>                   |      |                    |                    |                    |                    |
| Cash generated from operations                                | 18   | 3,058,810          | 17,076,500         | 2,165,807          | 15,336,558         |
| VAT paid  | 10.2 | (1,574,097)        | (1,081,671)        | (988,614)          | (819,074)          |
| Tax paid  | 5.2  | (1,905,376)        | (1,891,053)        | (1,270,839)        | (949,916)          |
| Net cash (used) / provided by operating activities            |      | <b>(420,663)</b>   | <b>14,103,776</b>  | <b>(93,646)</b>    | <b>13,567,568</b>  |
| <b>Cash flows from investing activities</b>                   |      |                    |                    |                    |                    |
| Purchase of fixed assets                                      | 6.1  | (2,105,091)        | (5,154,893)        | (2,161,296)        | (4,841,184)        |
| Equity investment in subsidiary                               | 7    | -                  | -                  | (10,000)           | -                  |
| Proceeds from sale of fixed assets                            |      | 19,473             | 92,676             | 15,517             | 89,911             |
| Net cash used by investing activities                         |      | <b>(2,085,618)</b> | <b>(5,062,217)</b> | <b>(2,155,779)</b> | <b>(4,751,273)</b> |
| <b>Cash flows from financing activities</b>                   |      |                    |                    |                    |                    |
| Dividend paid by parent company to third parties              | 11   | (2,731,733)        | (2,159,648)        | (2,731,733)        | (2,159,648)        |
| Dividend paid to Non-controlling interest                     | 13.1 | (127,551)          | (233,718)          | -                  | -                  |
| Interest expenses   |      | (125,650)          | (142,492)          | (110,519)          | (134,856)          |
| Net cash used by financing activities                         |      | <b>(2,984,934)</b> | <b>(2,535,858)</b> | <b>(2,842,252)</b> | <b>(2,294,504)</b> |
| <b>Net (decrease) / increase in cash and cash equivalents</b> |      | <b>(5,491,215)</b> | <b>6,505,701</b>   | <b>(5,091,677)</b> | <b>6,521,791</b>   |
| <b>Cash and cash equivalents at 1 June</b>                    |      | <b>9,302,384</b>   | <b>2,796,683</b>   | <b>8,388,170</b>   | <b>1,866,379</b>   |
| <b>Cash and cash equivalents at 31 May</b>                    | 19   | <b>3,811,169</b>   | <b>9,302,384</b>   | <b>3,296,493</b>   | <b>8,388,170</b>   |

The accounting policies on pages 30 to 32 and other explanatory notes on pages 40 to 51 form part of these financial statements

# Performance Indicators





# Notes to the Financial Statements

For the year ended 31 May 2011

## 1. THE COMPANY AND THE GROUP

- The Company was incorporated in Nigeria on 4 December 1948 under the name of P.B. Nicholas and Company Limited. Its name was changed to Alagbon Industries Limited in 1953 and to Associated Industries Limited in 1960. The Company became a public company in 1972 and was granted a listing on the Nigerian Stock Exchange. The name was changed to Paterson Zochonis Industries Limited on 24 November 1976 and in compliance with the Companies and Allied Matters Act, it changed its name to Paterson Zochonis Industries Plc on 22 November 1990. On 21 September, 2006, the company adopted its present name of PZ Cussons Nigeria Plc. The principal activities of the group are the manufacture, distribution and sale of a wide range of consumer products and home appliances through owned and leased locations/depots as feasible. These products are leading brand names throughout the country in detergent, soap, pharmaceuticals, cosmetics, confectionery, refrigerators, freezers and air-conditioners. The group also distributes the products of Nutricima Limited, Harefield Industrial Nigeria Limited and PZ Wilmar Limited.

PZ Tower Limited commenced trading operations on 1 March 2011. This has enabled the provision of new and innovative detergent products to the Nigeria consumers, while increasing production capacity.

## 2. Consolidation

The group financial statements comprise the financial statements of PZ Cussons Nigeria Plc (the company), HPZ Limited in which the company holds an equity of 74.99%, PZ Power Company Limited in which the company holds 99.9999%, PZ Tower Limited in which the company holds 99.9999% and Robert Pharmaceuticals Limited, a wholly owned subsidiary which is currently non-trading. The accounting and year end of the company and its subsidiaries are all made up to 31 May. Inter-company transactions are eliminated in the group accounts.

| 3. Segment report                              | THE GROUP         |                   |
|--|-------------------|-------------------|
|  | 2011<br>N'000     | 2010<br>N'000     |
| <b>Turnover by business sector</b>             |                   |                   |
| Branded Consumer Goods                         | 44,833,028        | 42,589,824        |
| Durable Electrical Appliances                  | 21,044,956        | 20,078,086        |
|  | <b>65,877,984</b> | <b>62,667,910</b> |
| <b>Profit before tax by business sector</b>    |                   |                   |
| Branded Consumer Goods                         | 5,212,000         | 6,288,173         |
| Durable Electrical Appliances                  | 2,813,266         | 1,663,275         |
|  | <b>8,025,266</b>  | <b>7,951,448</b>  |
| <b>Depreciation Expense by business sector</b> |                   |                   |
| Branded Consumer Goods                         | 1,665,728         | 1,462,883         |
| Durable Electrical Appliances                  | 85,263            | 103,927           |
|  | <b>1,750,991</b>  | <b>1,566,810</b>  |
| <b>Fixed asset by business sector (NBV)</b>    |                   |                   |
| Branded Consumer Goods                         | 24,471,549        | 24,152,212        |
| Durable Electrical Appliances                  | 563,393           | 585,481           |
|  | <b>25,034,942</b> | <b>24,737,693</b> |
| <b>Net asset by business sector</b>            |                   |                   |
| Branded Consumer Goods                         | 33,294,922        | 33,839,911        |
| Durable Electrical Appliances                  | 7,898,419         | 4,867,633         |
|  | <b>41,193,341</b> | <b>38,707,544</b> |

# Notes to the Financial Statements Cont'd

For the year ended 31 May 2011

|   | The Group         |                   | The Company       |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2011<br>N'000     | 2010<br>N'000     | 2011<br>N'000     | 2010<br>N'000     |
| <b>2. TURNOVER</b>                            |                   |                   |                   |                   |
| Turnover Analysed by Geographical location    |                   |                   |                   |                   |
| Analysis by location:                         |                   |                   |                   |                   |
| Nigeria                                       | 64,291,153        | 61,369,478        | 64,291,153        | 61,369,478        |
| Exports                                       | 1,586,831         | 1,298,432         | 1,586,831         | 1,298,432         |
|   | <b>65,877,984</b> | <b>62,667,910</b> | <b>65,877,984</b> | <b>62,667,910</b> |
| <b>3. OTHER OPERATING INCOME</b>              |                   |                   |                   |                   |
| Sales of scrap                                | 115,071           | 89,428            | 105,733           | 159,506           |
| Interest income                               | 229,572           | 127,031           | 174,543           | 127,031           |
| Income from subsidiary                        | -                 | -                 | 382,449           | 630,703           |
| Rent received                                 | 94,936            | 92,920            | 242,536           | 240,201           |
|   | <b>439,579</b>    | <b>309,379</b>    | <b>905,261</b>    | <b>1,157,441</b>  |
| <b>4. PROFIT BEFORE TAXATION</b>              |                   |                   |                   |                   |
| This is stated after charging or (crediting): |                   |                   |                   |                   |
| Depreciation(Note 6.1 and 6.2)                | 1,750,991         | 1,566,810         | 1,444,288         | 1,299,502         |
| Directors' emoluments (Note 20.2):            |                   |                   |                   |                   |
| Fees  | 5,600             | 4,900             | 5,600             | 4,900             |
| Others emoluments                             | 124,140           | 127,030           | 124,140           | 127,030           |
| Interest expenses                             | 125,650           | 142,492           | 110,519           | 134,856           |
| (Gain) / loss on exchange                     | (167,965)         | 110,778           | (15,748)          | 52,303            |
| Staff retirement benefits                     | 296,481           | 236,035           | 296,481           | 205,442           |
| Auditors' remuneration                        | 23,155            | 21,655            | 15,420            | 15,420            |
| <b>5. TAXATION</b>                            |                   |                   |                   |                   |
| <b>.1 Per profit and loss account</b>         |                   |                   |                   |                   |
| Income tax                                    | 1,854,749         | 1,624,319         | 1,077,405         | 1,092,706         |
| Education tax                                 | 172,075           | 186,135           | 114,546           | 147,268           |
|   | 2,026,824         | 1,810,454         | 1,191,951         | 1,239,974         |
| Deferred tax (Note 12)                        | 301,376           | 556,352           | 240,363           | 594,707           |
|   | <b>2,328,200</b>  | <b>2,366,806</b>  | <b>1,432,314</b>  | <b>1,834,681</b>  |
|   |                   |                   |                   |                   |

# Notes to the Financial Statements Cont'd

For the year ended 31 May 2011

| 5. TAXATION (Cont'd)  | The Group        |                  | The Company      |                  |
|---|------------------|------------------|------------------|------------------|
|   | 2011<br>N'000    | 2010<br>N'000    | 2011<br>N'000    | 2010<br>N'000    |
| <b>.2 Per balance sheet</b>   |                  |                  |                  |                  |
| At 1 June 2010  | 2,183,975        | 2,264,574        | 1,459,486        | 1,169,428        |
| Charge for the year   | 2,026,824        | 1,810,454        | 1,191,951        | 1,239,974        |
| Payment during the year   | (1,905,376)      | (1,891,053)      | (1,270,839)      | (949,916)        |
| At 31 May 2011  | <b>2,305,423</b> | <b>2,183,975</b> | <b>1,380,598</b> | <b>1,459,486</b> |
| <b>.3</b> The charge for taxation in these financial statements is based on the provisions of the Companies Income Tax Act and Education Tax Act. |                  |                  |                  |                  |

| 6. FIXED ASSETS       |  |   |                                 |  |   |                            |                   |
|-----------------------|--|---|---------------------------------|--|---|----------------------------|-------------------|
| .1 The Group          |  |   |                                 |  |   |                            |                   |
|                       | Freehold<br>land and<br>buildings<br>N'000 | Leasehold<br>land and<br>buildings<br>N'000 | Plant and<br>machinery<br>N'000 | Capital<br>work-in-<br>progress<br>N'000 | Office<br>furnitures<br>and fittings<br>N'000 | Motor<br>Vehicles<br>N'000 | Total<br>N'000    |
| <b>Cost/valuation</b> |  |   |                                 |  |   |                            |                   |
| At 1 June 2010        | 29,048                                     | 12,038,566                                  | 13,215,514                      | 4,488,431                                | 1,302,893                                     | 963,693                    | 32,038,145        |
| Additions             | -  | -   | -                               | 2,095,091                                | -   | 10,000                     | 2,105,091         |
| Reclasifications      | -  | 2,386,904                                   | 3,151,637                       | (5,986,566)                              | 288,371                                       | 159,654                    | -                 |
| Write-off             | -  | -   | (116,992)                       | -  | -   | -                          | (116,992)         |
| Disposals             | -  | -   | (12,003)                        | -  | -   | (77,086)                   | (89,089)          |
| At 31 May 2011        | 29,048                                     | 14,425,470                                  | 16,238,156                      | 596,956                                  | 1,591,264                                     | 1,056,261                  | 33,937,155        |
| <b>Depreciation</b>   |  |   |                                 |  |   |                            |                   |
| At 1 June 2010        | 3,412                                      | 1,143,013                                   | 4,695,495                       | -  | 779,076                                       | 679,456                    | 7,300,452         |
| Charge for the year   | 581  | 261,931                                     | 1,080,145                       | -  | 265,501                                       | 142,833                    | 1,750,991         |
| On write-off          | -  | -   | (76,788)                        | -  | -   | -                          | (76,788)          |
| On disposals          | -  | -   | (3,370)                         | -  | -   | (69,072)                   | (72,442)          |
| At 31 May 2011        | 3,993                                      | 1,404,944                                   | 5,695,482                       | -  | 1,044,577                                     | 753,217                    | 8,902,213         |
| <b>Net book value</b> |  |   |                                 |  |   |                            |                   |
| At 31 May 2011        | <b>25,055</b>                              | <b>13,020,526</b>                           | <b>10,542,674</b>               | <b>596,956</b>                           | <b>546,687</b>                                | <b>303,044</b>             | <b>25,034,942</b> |
| At 31 May 2010        | <b>25,636</b>                              | <b>10,895,553</b>                           | <b>8,520,019</b>                | <b>4,488,431</b>                         | <b>523,817</b>                                | <b>284,237</b>             | <b>24,737,693</b> |



# Notes to the Financial Statements Cont'd

For the year ended 31 May 2011

| <b>.2 The Company</b>  | <b>Freehold<br/>land and<br/>buildings<br/>N'000</b> | <b>Leasehold<br/>land and<br/>buildings<br/>N'000</b> | <b>Plant and<br/>machinery<br/>N'000</b> | <b>Capital<br/>work-in-<br/>progress<br/>N'000</b> | <b>Office<br/>furnitures<br/>and fittings<br/>N'000</b> | <b>Motor<br/>Vehicles<br/>N'000</b> | <b>Total<br/>N'000</b> |
|------------------------|--|---|--|--|---|-------------------------------------|------------------------|
| <b>Cost/valuation:</b> |  |   |  |  |   |                                     |                        |
| At 1 June 2010         | 29,048   | 11,941,033  | 10,989,595                               | 4,126,054  | 1,145,403   | 773,733                             | 29,004,866             |
| Additions              | -  | -   | -  | 2,161,296  | -   | -                                   | 2,161,296              |
| Reclassifications      | -  | 998,839   | 432,534                                  | (1,812,479)  | 243,952   | 137,154                             | -                      |
| Inter group transfers  | -  | -   | -  | (4,007,663)  | -   | 1,105                               | (4,006,558)            |
| Write-off              | -  | -   | (50,968)                                 | -  | -   | -                                   | (50,968)               |
| Disposals              | -  | -   | (12,003)                                 | -  | -   | (51,754)                            | (63,757)               |
| At 31 May 2011         | 29,048   | 12,939,872  | 11,359,158                               | 467,208  | 1,389,355   | 860,238                             | 27,044,879             |
| <b>Depreciation:</b>   |  |   |  |  |   |                                     |                        |
| At 1 June 2010         | 3,412  | 1,131,935   | 4,098,313                                | -  | 749,703   | 567,130                             | 6,550,493              |
| Charge for the year    | 581  | 247,366   | 852,617                                  | -  | 239,845   | 103,879                             | 1,444,288              |
| On write-off           | -  | -   | (36,279)                                 | -  | -   | -                                   | (36,279)               |
| On disposals           | -  | -   | (3,370)                                  | -  | -   | (45,910)                            | (49,280)               |
| At 31 May 2011         | 3,993  | 1,379,301   | 4,911,281                                | -  | 989,548   | 625,099                             | 7,909,222              |
| <b>Net book value:</b> |  |   |  |  |   |                                     |                        |
| At 31 May 2011         | <b>25,055</b>  | <b>11,560,571</b>                                     | <b>6,447,877</b>                         | <b>467,208</b>                                     | <b>399,807</b>  | <b>235,139</b>                      | <b>19,135,657</b>      |
| At 31 May 2010         | <b>25,636</b>  | <b>10,809,098</b>                                     | <b>6,891,282</b>                         | <b>4,126,054</b>                                   | <b>395,700</b>  | <b>206,603</b>                      | <b>22,454,373</b>      |

**.3** Land and buildings were professionally valued at 31 May 2004 by Messrs Ora Ebgunike & Associates, Estate Surveyors and Valuers on the following bases:

- Factory land and buildings  
Existing use basis, being the depreciated replacement cost plus site value.
- Commercial land and buildings  
Open market value on the basis of existing use.

The surplus on revaluation of N2,171,703,000 and accumulated depreciation of N822,702,000 were transferred to revaluation reserve. The company no longer revalues its land and building.

# Notes to the Financial Statements Cont'd

For the year ended 31 May 2011

|   | The Group         |                   | The Company       |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2011<br>N'000     | 2010<br>N'000     | 2011<br>N'000     | 2010<br>N'000     |
| .4 Commitments for capital expenditure not provided for in these financial statements amounted to:  |                   |                   |                   |                   |
| Authorised and contracted   | 706,129           | 462,906           | 685,411           | 456,522           |
| Authorised but not contracted   | 982,314           | 1,187,382         | 802,144           | 1,141,244         |
| .5 Included in the value of land and buildings are revalued and purchased properties as follows:  |                   |                   |                   |                   |
| Land held under statutory right of occupancy  | 29,048            | 29,048            | 29,048            | 29,048            |
| Land held under sublease:   |                   |                   |                   |                   |
| - 50 years and above  | 12,652,299        | 11,262,847        | 12,354,788        | 11,355,949        |
| - under 50 years  | 1,773,171         | 775,719           | 585,084           | 585,084           |
|   | <b>14,454,518</b> | <b>12,067,614</b> | <b>12,968,920</b> | <b>11,970,081</b> |
| .6 The depreciation charge for the year is derived from:  |                   |                   |                   |                   |
| Historical cost   | 1,596,826         | 1,412,645         | 1,290,123         | 1,145,337         |
| Revaluation   | 154,165           | 154,165           | 154,165           | 154,165           |
|   | <b>1,750,991</b>  | <b>1,566,810</b>  | <b>1,444,288</b>  | <b>1,299,502</b>  |
| .7 The depreciation charge for the year is included in:   |                   |                   |                   |                   |
| Cost of sales   | 1,021,137         | 942,503           | 994,462           | 725,695           |
| Administrative and distribution expenses  | 729,854           | 624,307           | 449,826           | 573,807           |
|   | <b>1,750,991</b>  | <b>1,566,810</b>  | <b>1,444,288</b>  | <b>1,299,502</b>  |
| <b>7. SHARES IN SUBSIDIARIES AT COST</b>  |                   |                   |                   |                   |
| Subsidiary companies:   |                   |                   |                   |                   |
| HPZ Limited   | -                 | -                 | 504,406           | 504,406           |
| Roberts Pharmaceuticals Limited   | -                 | -                 | 2,000             | 2,000             |
| PZ Power Company Limited  | -                 | -                 | 10,000            | 10,000            |
| PZ Tower Limited  | -                 | -                 | 10,000            | -                 |
|   | <b>-</b>          | <b>-</b>          | <b>526,406</b>    | <b>516,406</b>    |
| The investments in HPZ Limited, Roberts Pharmaceuticals Limited, PZ Power Company Limited and PZ Tower Limited represent 74.99%, 100%, 99.99999% and 99.99999% of the equities respectively.                                |                   |                   |                   |                   |
| Robert Pharmaceutical Limited has since ceased trading but the directors are of the opinion that the values of the company's shares in its subsidiaries are not less than their realisable value at the balance sheet date. |                   |                   |                   |                   |

# Notes to the Financial Statements Cont'd

For the year ended 31 May 2011

|   | The Group         |                   | The Company       |                   |
|---|-------------------|-------------------|-------------------|-------------------|
|   | 2011<br>N'000     | 2010<br>N'000     | 2011<br>N'000     | 2010<br>N'000     |
| <b>8. STOCKS</b>                        |                   |                   |                   |                   |
| Raw materials                           | 9,390,879         | 7,779,702         | 6,781,307         | 5,958,397         |
| Goods in transit                        | 432,886           | 628,869           | 402,671           | 525,480           |
| Finished goods                          | 6,517,374         | 5,927,157         | 3,924,993         | 4,608,505         |
| Spare parts and tools                   | 1,140,477         | 1,017,797         | 869,744           | 833,218           |
|   | <b>17,481,616</b> | <b>15,353,525</b> | <b>11,978,715</b> | <b>11,925,600</b> |
| <b>9. DEBTORS</b>                       |                   |                   |                   |                   |
| Trade debtors                           | 8,059,455         | 6,731,586         | 4,501,281         | 6,731,586         |
| Prepayments                             | 124,592           | 104,062           | 73,135            | 89,835            |
| Other debtors                           | 6,667,884         | 1,670,959         | 4,291,202         | 1,269,824         |
|   | <b>14,851,931</b> | <b>8,506,607</b>  | <b>8,865,618</b>  | <b>8,091,245</b>  |
| <b>10. OTHER CREDITORS AND ACCRUALS</b> |                   |                   |                   |                   |
| .1 Other creditors                      | 5,231,066         | 3,208,010         | 4,788,416         | 2,301,046         |
| VAT payable (Note 10.2)                 | 217,638           | 277,499           | 154,223           | 164,423           |
| Provisions and accruals                 | 2,341,469         | 536,727           | 544,409           | 515,659           |
| Unclaimed dividend                      | 1,609,306         | 1,237,797         | 1,609,306         | 1,237,797         |
|   | <b>9,399,479</b>  | <b>5,260,033</b>  | <b>7,096,354</b>  | <b>4,218,925</b>  |
| .2 VAT Payable:                         |                   |                   |                   |                   |
| At 1 June                               | 277,499           | 29,074            | 164,423           | 52,700            |
| Deductions in the year                  | 1,514,236         | 1,330,096         | 978,414           | 930,797           |
| Payments during the year                | (1,574,097)       | (1,081,671)       | (988,614)         | (819,074)         |
| At 31 May (Note 10.1)                   | <b>217,638</b>    | <b>277,499</b>    | <b>154,223</b>    | <b>164,423</b>    |
| <b>11. DIVIDENDS PAYABLE</b>            |                   |                   |                   |                   |
| Dividend declared (Note 17)             | 2,731,733         | 2,159,648         | 2,731,733         | 2,159,648         |
| Paid during the year                    | (2,731,733)       | (2,159,648)       | (2,731,733)       | (2,159,648)       |
| At 31 May                               | -                 | -                 | -                 | -                 |



# Notes to the Financial Statements Cont'd

For the year ended 31 May 2011

|   | The Group        |                  | The Company      |                  |
|---|------------------|------------------|------------------|------------------|
|   | 2011<br>N'000    | 2010<br>N'000    | 2011<br>N'000    | 2010<br>N'000    |
| <b>12. DEFERRED TAXATION</b>              |                  |                  |                  |                  |
| At 1 June                                 | 3,369,160        | 2,812,808        | 3,364,923        | 2,770,216        |
| Profit and loss account (Note 5.1)        | 301,376          | 556,352          | 240,363          | 594,707          |
| At 31 May                                 | <b>3,670,536</b> | <b>3,369,160</b> | <b>3,605,286</b> | <b>3,364,923</b> |
| <b>13. NON CONTROLLING INTEREST</b>       |                  |                  |                  |                  |
| <b>.1 Movement during the year</b>        |                  |                  |                  |                  |
| At 1 June 2010                            | 1,623,408        | 1,574,226        | -                | -                |
| Retained Profit for the year              | 479,536          | 282,900          | -                | -                |
| HPZ dividend paid                         | (127,551)        | (233,718)        | -                | -                |
| At 31 May 2011                            | <b>1,975,393</b> | <b>1,623,408</b> | -                | -                |
| <b>.2 Represented by:</b>                 |                  |                  |                  |                  |
| Interest in HPZ equity                    | 168,225          | 168,225          | -                | -                |
| Interest in HPZ retained earnings         | 1,807,168        | 1,455,183        | -                | -                |
|   | <b>1,975,393</b> | <b>1,623,408</b> | -                | -                |
| <b>14. SHARE CAPITAL</b>                  |                  |                  |                  |                  |
| Ordinary shares of 50k each:              |                  |                  |                  |                  |
| <b>.1 Authorised:</b>                     |                  |                  |                  |                  |
| 3,200,000,000 ordinary shares of 50k each | <b>1,600,000</b> | <b>1,600,000</b> | <b>1,600,000</b> | <b>1,600,000</b> |
| <b>.2 Issued and fully paid:</b>          |                  |                  |                  |                  |
| 3,176,381,636 ordinary shares of 50k each | <b>1,588,191</b> | <b>1,588,191</b> | <b>1,588,191</b> | <b>1,588,191</b> |

# Notes to the Financial Statements Cont'd

For the year ended 31 May 2011

|                                       | The Group         |                   | The Company       |                   |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                       | 2011<br>N'000     | 2010<br>N'000     | 2011<br>N'000     | 2010<br>N'000     |
| <b>15. SHARE PREMIUM</b>              |                   |                   |                   |                   |
| At 31 May                             | <b>6,878,269</b>  | <b>6,878,269</b>  | <b>6,878,269</b>  | <b>6,878,269</b>  |
| <b>16. REVALUATION RESERVE</b>        |                   |                   |                   |                   |
| At 31 May                             | <b>7,514,153</b>  | <b>7,514,153</b>  | <b>7,514,153</b>  | <b>7,514,153</b>  |
| <b>17. REVENUE RESERVE</b>            |                   |                   |                   |                   |
| At 1 June                             | 22,726,931        | 19,584,837        | 16,698,270        | 14,092,694        |
| Transfer from profit and loss account | 5,217,530         | 5,301,742         | 3,334,237         | 4,765,224         |
| Dividend paid (Note 11)               | (2,731,733)       | (2,159,648)       | (2,731,733)       | (2,159,648)       |
| At 31 May                             | <b>25,212,728</b> | <b>22,726,931</b> | <b>17,300,774</b> | <b>16,698,270</b> |
|                                       |                   |                   |                   |                   |

## .1 Dividends

In respect of the current year, the directors propose that a dividend of 86 kobo per ordinary share be paid to shareholders. The dividend of N2,731,733,000 is subject to approval by shareholders at the Annual General Meeting after the deduction of withholding tax at the appropriate rate. Consequently, it has not been included as a liability in these financial statements.

# Notes to the Financial Statements Cont'd

For the year ended 31 May 2011

|  | The Group        |                   | The Company      |                   |
|--|------------------|-------------------|------------------|-------------------|
|  | 2011<br>N'000    | 2010<br>N'000     | 2011<br>N'000    | 2010<br>N'000     |
| <b>18. RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b> |                  |                   |                  |                   |
| Profit before tax  | 8,025,266        | 7,951,448         | 4,766,551        | 6,599,905         |
| <b>Adjustment to reconcile net income to cash provided :</b>                         |                  |                   |                  |                   |
| Depreciation   | 1,750,991        | 1,566,810         | 1,444,288        | 1,299,502         |
| Intercompany transfers of fixed assets   | -                | -                 | 4,006,558        | -                 |
| Fixed assets written off   | 40,204           | 310,595           | 14,689           | 180,599           |
| Profit on disposal of fixed assets   | (2,826)          | (41,062)          | (1,040)          | (15,572)          |
| Interest expenses  | 125,650          | 142,492           | 110,519          | 134,856           |
|  | 9,939,285        | 9,930,283         | 10,341,565       | 8,199,290         |
| <b>Changes in assets and liabilities:</b>  |                  |                   |                  |                   |
| Increase in debtors  | (6,345,324)      | (1,587,646)       | (774,373)        | (1,601,973)       |
| (Increase) / decrease in deposit for letters of credit                               | (273,424)        | 1,449,594         | (39,020)         | 1,453,808         |
| (Increase) / decrease in stocks  | (2,128,091)      | 5,278,432         | (53,115)         | 3,153,905         |
| (Increase) / decrease due from group   | (6,405,143)      | 511,152           | (9,884,333)      | 456,988           |
| Increase in trade creditors  | 650,433          | 929,393           | 561,915          | 690,825           |
| Increase in other creditors and accruals   | 5,713,543        | 1,466,223         | 3,866,043        | 1,481,667         |
| Increase / (decrease) in credit due to parent company                                | 1,907,531        | (900,931)         | (1,852,875)      | 1,502,048         |
| <b>Net cash provided by operating activities</b>                                     | <b>3,058,810</b> | <b>17,076,500</b> | <b>2,165,807</b> | <b>15,336,558</b> |



# Notes to the Financial Statements Cont'd

For the year ended 31 May 2011

|  | The Group             |                       | The Company           |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 2011<br>N'000         | 2010<br>N'000         | 2011<br>N'000         | 2010<br>N'000         |
| <b>19. RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>   |                       |                       |                       |                       |
| Cash and cash equivalents  | 3,811,169             | 9,302,384             | 3,296,493             | 8,388,170             |
| <b>20. DIRECTORS AND STAFF REMUNERATION</b>  |                       |                       |                       |                       |
| .1 Chairman and Directors' emoluments:   | <b>2011<br/>N'000</b> | <b>2010<br/>N'000</b> | <b>2011<br/>N'000</b> | <b>2010<br/>N'000</b> |
| Chairman   | 1,280                 | 700                   | 1,280                 | 700                   |
| Other Directors  | 128,460               | 131,230               | 128,460               | 131,230               |
|  | <b>129,740</b>        | <b>131,930</b>        | <b>129,740</b>        | <b>131,930</b>        |
| .2 As fees   | 5,600                 | 4,900                 | 5,600                 | 4,900                 |
| Other emoluments   | 124,140               | 127,030               | 124,140               | 127,030               |
|  | <b>129,740</b>        | <b>131,930</b>        | <b>129,740</b>        | <b>131,930</b>        |
| .3 Number of Directors excluding the Chairman, whose emoluments fell within the following ranges were: |                       |                       |                       |                       |
| <b>N</b>   | <b>N</b>              |                       |                       |                       |
| 12,370,001 - 14,074,000  | -                     | 1                     | -                     | 1                     |
| 15,000,000 - 17,424,000  | 3                     | 3                     | 3                     | 3                     |
| 19,000,000 - 24,000,000  | 2                     | 2                     | 2                     | 2                     |
| 26,188,551 - 30,262,288  | 1                     | 1                     | 1                     | 1                     |
| .4 Directors with no emoluments  | 5                     | 5                     | 5                     | 5                     |
|  | <b>N'000</b>          | <b>N'000</b>          | <b>N'000</b>          | <b>N'000</b>          |
| .5 Highest paid Director   | 30,262                | 26,189                | 30,262                | 26,189                |

# Notes to the Financial Statements Cont'd

For the year ended 31 May 2011

- .6 The number of employees in receipt of emoluments excluding allowances and pension cost within the following ranges were:

| N                   | N         |
|---------------------|-----------|
| 100,000 -           | 200,000   |
| 200,001 -           | 300,000   |
| 300,001 -           | 400,000   |
| 400,001 -           | 500,000   |
| 500,001 -           | 600,000   |
| 600,001 -           | 700,000   |
| 700,001 -           | 800,000   |
| 800,001 -           | 900,000   |
| 900,001 -           | 1,000,000 |
| 1,000,001 -         | 1,100,000 |
| 1,100,001 -         | 1,200,000 |
| 1,200,001 -         | 1,300,000 |
| 1,300,001 -         | 1,400,000 |
| 1,400,001 -         | 1,500,000 |
| 1,500,001 and above |           |

| The Group    |              |
|--------------|--------------|
| NUMBER       |              |
| 2011         | 2010         |
| 45           | 35           |
| 75           | 67           |
| 82           | 64           |
| 61           | 56           |
| 227          | 254          |
| 456          | 428          |
| 548          | 645          |
| 356          | 482          |
| 249          | 422          |
| 186          | 228          |
| 129          | 118          |
| 75           | 56           |
| 64           | 52           |
| 64           | 36           |
| 304          | 289          |
| <b>2,921</b> | <b>3,232</b> |

- .7 The average number of persons employed during the year and the related staff costs were as follows:

Production  
Sales and distribution  
Administration

| The Group    |              |
|--------------|--------------|
| NUMBER       |              |
| 2011         | 2010         |
| 1,934        | 2,190        |
| 727          | 723          |
| 260          | 319          |
| <b>2,921</b> | <b>3,232</b> |

The aggregate cost of these employees was  
N6,707,640,000 (2010 - N5,925,521,000)

Wages and salaries  
Social security and other costs  
Pension costs

| 2011<br>N'000    | 2010<br>N'000    |
|------------------|------------------|
| 6,195,368        | 5,490,378        |
| 296,481          | 236,035          |
| 215,791          | 199,108          |
| <b>6,707,640</b> | <b>5,925,521</b> |

The Company in agreement with the employees decided to discontinue with the staff gratuity scheme effective from December 2006.

# Notes to the Financial Statements Cont'd

For the year ended 31 May 2011

## 21. TECHNICAL SERVICES AGREEMENTS

Amounts payable under the technical services and licensing agreements are based on applicable turnover. The charge in these accounts amounted to N3,019,067,255 (2010 - N3,129,207,889).

## 22. RELATED PARTY TRANSACTIONS

During the year, the company traded with its parent company, subsidiary and associated companies in the PZ Cussons Plc group on terms similar to such transactions entered into with third parties.

|                                       | 2011<br>N'000     | 2010<br>N'000     |
|---------------------------------------|-------------------|-------------------|
| <b>Purchase of goods and services</b> |                   |                   |
| PZ Cussons International Limited      | 38,865,837        | 37,213,343        |
| HPZ Limited                           | 21,044,956        | 20,078,086        |
| PZ Power Company limited              | 1,220,172         | 882,984           |
| PZ Tower Limited                      | 2,458,294         | -                 |
|                                       | <b>63,589,259</b> | <b>58,174,413</b> |

## 23. EARNINGS PER SHARE

Basic earnings per share is based on the number of shares issued and fully paid at the end of each year while adjusted earnings per share is based on the number of shares issued and fully paid as at 31 May 2011.

## 24. GUARANTEES AND FINANCIAL COMMITMENTS

### .1 Contingent liabilities

There are legal actions against the company pending in various courts of law. According to lawyers acting on behalf of the company, the liabilities arising, if any, are not likely to be significant.

There are no material contingent liabilities as at the end of the year which have not been provided for in the financial statements.

### .2 Financial commitments

The Directors are of the opinion that all known liabilities and commitments, which are relevant in assessing the company's state of affairs, have been taken into account in the preparation of these financial statements.

## 25. POST BALANCE SHEET EVENTS

There are no significant post balance sheet events which would have had any material effect on the balance sheet as at 31 May 2011.

## 26. COMPARATIVE FIGURES

Certain prior year's figures have been reclassified in line with current year's presentation for more meaningful comparison.



# Statements of Value Added

For the year ended 31 May 2011

|  | The Group         |            |                   |            | The Company       |            |                   |            |
|--|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|------------|
|  | 2011<br>N'000     | %          | 2010<br>N'000     | %          | 2011<br>N'000     | %          | 2010<br>N'000     | %          |
| Turnover   | 65,877,984        |            | 62,667,910        |            | 65,877,984        |            | 62,667,910        |            |
| Other operating income   | 439,579           |            | 309,379           |            | 905,261           |            | 1,157,441         |            |
| Brought-in-materials and services:                             |                   |            |                   |            |                   |            |                   |            |
| - Imported   | (35,714,200)      |            | (34,079,087)      |            | (38,601,808)      |            | (35,275,401)      |            |
| - Local  | (13,993,816)      |            | (13,311,931)      |            | (16,153,134)      |            | (15,366,031)      |            |
| <b>VALUE ADDED</b>   | <b>16,609,547</b> | <b>100</b> | <b>15,586,271</b> | <b>100</b> | <b>12,028,303</b> | <b>100</b> | <b>13,183,919</b> | <b>100</b> |
| <b>APPLIED AS FOLLOWS:</b>                                     |                   |            |                   |            |                   |            |                   |            |
| <b>To pay employees:</b>                                       |                   |            |                   |            |                   |            |                   |            |
| - Salaries, wages and other benefits                           | 6,707,640         | 40         | 5,925,521         | 38         | 5,706,945         | 47         | 5,149,656         | 39         |
| <b>To pay government:</b>                                      |                   |            |                   |            |                   |            |                   |            |
| - Income and education taxes                                   | 2,026,824         | 12         | 1,810,454         | 12         | 1,191,951         | 10         | 1,239,974         | 9          |
| <b>To pay providers of capital:</b>                            |                   |            |                   |            |                   |            |                   |            |
| - Bank interest  | 125,650           | 1          | 142,492           | 1          | 110,519           | 1          | 134,856           | 1          |
| <b>Retained for replacement of assets and business growth:</b> |                   |            |                   |            |                   |            |                   |            |
| - Deferred taxation  | 301,376           | 2          | 556,352           | 4          | 240,363           | 2          | 594,707           | 6          |
| - Non controlling interest                                     | 479,536           | 3          | 282,900           | 2          | -                 | -          | -                 | -          |
| - Depreciation   | 1,750,991         | 11         | 1,566,810         | 10         | 1,444,288         | 12         | 1,299,502         | 10         |
| - Profit attributable to members                               | 5,217,530         | 31         | 5,301,742         | 33         | 3,334,237         | 28         | 4,765,224         | 36         |
|  | <b>16,609,547</b> | <b>100</b> | <b>15,586,271</b> | <b>100</b> | <b>12,028,303</b> | <b>100</b> | <b>13,183,919</b> | <b>100</b> |

Value added represents the additional wealth which the group has been able to create by its own and its employees' efforts. This statement shows the allocation of that wealth to employees, government, providers of capital and the amount retained for the future creation of more wealth.

# Group Five-Year Financial Summary

For the year ended 31 May 2011

|   | 2011<br>N'000     | 2010<br>N'000     | 2009<br>N'000     | 2008<br>N'000     | 2007<br>N'000     |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>ASSETS EMPLOYED</b>                          |                   |                   |                   |                   |                   |
| Fixed assets                                    | 25,034,942        | 24,737,693        | 21,511,819        | 18,143,134        | 16,366,285        |
| Net current assets                              | 21,804,328        | 18,962,419        | 18,440,665        | 18,141,476        | 17,075,075        |
|   | 46,839,270        | 43,700,112        | 39,952,484        | 36,284,610        | 33,441,360        |
| Deferred taxation                               | (3,670,536)       | (3,369,160)       | (2,812,808)       | (2,508,476)       | (2,078,389)       |
| Non controlling interest                        | (1,975,393)       | (1,623,408)       | (1,574,226)       | (1,061,938)       | (795,525)         |
|   | <b>41,193,341</b> | <b>38,707,544</b> | <b>35,565,450</b> | <b>32,714,196</b> | <b>30,567,446</b> |
| <b>FUNDS EMPLOYED</b>                           |                   |                   |                   |                   |                   |
| Share capital                                   | 1,588,191         | 1,588,191         | 1,588,191         | 1,588,191         | 1,270,553         |
| Share premium                                   | 6,878,269         | 6,878,269         | 6,878,269         | 6,878,269         | 6,878,269         |
| Revaluation reserve                             | 7,514,153         | 7,514,153         | 7,514,153         | 7,594,030         | 7,637,514         |
| Other reserves                                  | 25,212,728        | 22,726,931        | 19,584,837        | 16,653,706        | 14,781,110        |
|   | <b>41,193,341</b> | <b>38,707,544</b> | <b>35,565,450</b> | <b>32,714,196</b> | <b>30,567,446</b> |
| <b>TURNOVER AND PROFITS</b>                     |                   |                   |                   |                   |                   |
| Turnover  | 65,877,984        | 62,667,910        | 63,800,733        | 55,239,418        | 45,494,687        |
| Profit before taxation                          | 8,025,266         | 7,951,448         | 7,671,087         | 5,980,297         | 5,355,885         |
| Profit after taxation (attributable to members) | 5,217,530         | 5,301,742         | 4,818,611         | 3,950,935         | 3,512,347         |
| Proposed dividend                               | 2,731,733         | 2,731,733         | 2,168,375         | 1,969,357         | 1,804,185         |
| <b>PER 50K SHARE DATA (Kobo)</b>                |                   |                   |                   |                   |                   |
| Earnings per share                              | 164               | 167               | 152               | 124               | 138               |
| Adjusted earnings per share                     | 164               | 167               | 152               | 124               | 111               |
| Proposed dividend per share                     | 86                | 86                | 68                | 62                | 71                |
| Dividend cover                                  | 1.91              | 1.95              | 2.22              | 2.01              | 1.94              |

**Notes:** Basic earnings and dividend per share are based on profit after tax and on the number of ordinary shares issued and fully paid at the end of each year.

Adjusted earnings per share represents profit after tax at the end of each year divided by the number of shares issued and fully paid as at 31 May 2011.

Dividend cover (times) is the basic earnings per share divided by dividend per share.

Dividend on these financial statements reflect the actual dividend declared during the year whether recognised in the accounts or not in line with SAS 23.



  
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# Share Capital History

The company was incorporated with an authorised share capital of £40,000 divided into 40,000 ordinary shares £1 each. The company became a public limited liability company and had its shares subdivided into ordinary shares of 50 Kobo each on 19 July 1972, following which its shares were quoted on the Exchange in the same year.

The following changes has since taken place in the company's authorised capital:

|   |                 |                            |
|---|-----------------|----------------------------|
| On 27th April 1951 by   | £60,000 to      | £100,000 in shares of £1   |
| On 30th January 1968 by   | £150,000 to     | £250,000 in shares of £1   |
| On 14th May 1970 by   | £350,000 to     | £600,000 in shares of £1   |
| On 9th February 1971 by   | £400,000 to     | £1,000,000 in shares of £1 |
| <i>(On 19th July 1972 the shares of £1 each ere each sub-divided into 4 shares of 5/-each.<br/>At that date the capital of the Company was £1,000,000 divided in 4,000,000 ordinary shares of 5/-each</i> |                 |                            |
| On 12th November 1973 by  | N500, 000 to    | N2, 500,000                |
| On 18th November 1974 by  | N500,000 to     | N3,000,000                 |
| On 8th January, 1976 by   | N2,500,000 to   | N5,500,000                 |
| On 24th November, 1976 by   | N2,500,000 to   | N5,500,000                 |
| On 13th April, 1977 by  | N4,000,000 to   | N12,000,000                |
| On 17th March, 1978 by  | N3,000,000 to   | N15,000,000                |
| On 26th November 1980 by  | N3,500,000 to   | N18,500,000                |
| On 24th November 1981 by  | N5,000,000 to   | N23,500,000                |
| On 23rd November 1982 by  | N5,500,000 to   | N29,000,000                |
| On 24th November 1988 by  | N11,000,000 to  | N40,000,000                |
| On 23rd November 1989 by  | N35,000,000 to  | N75,000,000                |
| On 22nd November 1990 by  | N75,000,000 to  | N150,000,000               |
| On 24th November 1994 by  | N135,000,000 to | N285,000,000               |
| On 23rd November 1995 by  | N265,000,000 to | N550,000,000               |
| On 21st November 1996 by  | N300,000,000 to | N850,000,000               |
| On 16th November 2000 by  | N150,000,000 to | N1,000,000,000             |
| On 31st October 2002 by   | N250,000,000 to | N1,250,000,000             |
| On 21st October 2004 by   | N250,000,000 to | N1, 500,000,000            |
| On 20th September 2007 by   | N100,000,000 to | N1,600,000,000             |

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# Shareholders' Information

| Share Certificate Issued |                        | Dividends declared in the last 12 years |                |
|--------------------------|------------------------|---|----------------|
| Date Issued              | Basis                  | Year to 31 May                          | Payment Number |
| 13/11/73                 | Bonus of 1 for 4       |   |                |
| 19/11/74                 | Bonus of 1 for 5       |   |                |
| 06/04/76                 | 1 AIL for 1 PZNL share |   |                |
| 07/02/77                 | Bonus of 1 for 2       |   |                |
| 28/10/77                 | Public issue for cash  |   |                |
| 31/03/78                 | Bonus of 1 for 4       |   |                |
| 23/12/80                 | Bonus of 1 for 4       |   |                |
| 21/12/81                 | Bonus of 1 for 4       |   |                |
| 17/01/83                 | Bonus of 1 for 4       |   |                |
| 16/12/1988               | Bonus of 1 for 4       |   |                |
| 31/12/90                 | Bonus of 1 for 4       | 1999                                    | 31             |
| 31/12/1991               | Bonus of 1 for 4       | 2000                                    | 32             |
| 28/11/92                 | Bonus of 1 for 4       | 2001                                    | 33             |
| 25/11/93                 | Bonus of 1 for 4       | 2002                                    | 34             |
| 24/11/94                 | Bonus of 1 for 4       | 2003                                    | 35             |
| 23/11/95                 | Bonus of 1 for 4       | 2004                                    | 36             |
| 19/02/97                 | Bonus of 1 for 4       | 2005                                    | 37             |
| 04/09/00                 | Rights issue for cash  | 2006                                    | 38             |
| 25/11/02                 | Bonus of 1 for 5       | 2007                                    | 39             |
| 18/11/04                 | Bonus of 1 for 4       | 2008                                    | 40             |
| 28/03/06                 | Rights issue for cash  | 2009                                    | 41             |
| 20/09/07                 | Bonus of 1 for 4       | 2010                                    | 42             |

## FORFEITURE OF UNCLAIMED DIVIDEND

By section 385 of the Companies and Allied Matters Act, dividends are special debts due to, and recoverable by shareholders within 12 years. Dividend declared up to the year ended 31st May 1997 and payable from 1998 (Dividend Number 24 to 29) which remain unclaimed will therefore cease to be recoverable by this year (2011/12). This unclaimed dividend will be credited to General Reserves in 2011/12. The dividend payment and value of unclaimed dividends in this category are as follows:

| <b>Dividend Number</b> | <b>Value(N)</b>          |
|------------------------|--------------------------|
| Dividend number 24     | 1,339,546                |
| Dividend number 25     | 2,533,768                |
| Dividend number 26     | 4,153,821                |
| Dividend number 27     | 7,226,086                |
| Dividend number 28     | 14,390,167               |
| Dividend number 29     | 23,639,018               |
|                        | <b><u>53,282,406</u></b> |



A photograph of three friends—a man and two women—laughing and sitting outdoors in a sunny, grassy area. The man is on the left, looking towards the women. The woman in the center has long dark hair and is wearing large hoop earrings and a beaded necklace. The woman on the right is also laughing, with her hand near her mouth. The background is a soft-focus green landscape.

**Life's more fun with friends**



*...my best beauty buddy*

With your girlfriends and the **Joy Beauty Range** to keep you all looking good, there's no limit to the fun you'll have. Use **Joy Hair Care Products** for gorgeously soft, shiny, manageable hair and **Joy Skin Care Products** for smooth, silky, touchable soft skin. The new **Joy Beauty Range** will keep you and your girls looking good from head to toe.



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CHIEF G.O NWALIE  
GODDY ENTER NIG LTD  
SUNNY C IGWE COS NIG  
G.M. OKAFOR & SONS LTD  
JABNEEL FOODS & COSMET

### **ABUJA DEPOT**

CHINEME OGO NIG. ENT.  
AMOS INVESTMENT CO  
MR. DONATUS I. UGWUOKE  
FOMI ENTERPRISES  
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### **BENIN DEPOT**

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BRAVO ASSOCIATES  
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### **KADUNA DEPOT**

OLADUNNI & SONS ENT  
MORG COMPANY NIG  
ANCHAW GEN. ENT.  
FUNMILAYO OGUNTOYE

### **KANO DEPOT**

BALA MAIGISHIRI & SONS  
ALH YUSUF ABDULAH  
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### **LOKOJA DEPOT**

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### **MAIDUGURI DEPOT**

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ALH. BULAMA BUKAR  
ALH. BUKAR KARAS

### **MAKURDI DEPOT**

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ALHAJI SALIHU MUSA  
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### **PORT-HARCOURT DEPOT**

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### **WARRI DEPOT**

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### **YOLA DEPOT**

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### **ZARIA DEPOT**

M/S AMOS NDUKAUBA & SONS  
BAKO ZUNTU & COMPANY  
MAIZARE & SONS ENT

# Wave them goodbye!

NEW



## The New Joy Pimplex Facial Soap

- Kills germs that cause Pimples
- Heals blemishes, leaving no marks
- Moisturises the skin to give a youthful look



*...my best beauty buddy*

Please credit my account at Central Securities Clearing Systems Limited (CSCS) with all subsequent allotments and bonuses due to me from holdings in the companies listed.

## Instructions

Please fill the form and return to the address below

### The Registrar

**First Registrars Nigeria Ltd.**  
2, Abebe Village road, Iganmu  
P.M.B. 12692 Lagos. Nigeria.

### Shareholder's Account Information

| Last Name            | First Name | Other Names |
|----------------------|------------|-------------|
| <input type="text"/> |            |             |

Address Line 1

|      |       |                      |                      |
|------|-------|----------------------|----------------------|
| City | State | <input type="text"/> | <input type="text"/> |
|------|-------|----------------------|----------------------|

|         |             |                      |                      |
|---------|-------------|----------------------|----------------------|
| Country | Postal Code | <input type="text"/> | <input type="text"/> |
|---------|-------------|----------------------|----------------------|

|                  |                |                      |                      |
|------------------|----------------|----------------------|----------------------|
| Mobile Telephone | E-Mail Address | <input type="text"/> | <input type="text"/> |
|------------------|----------------|----------------------|----------------------|

|           |                      |                      |                      |
|-----------|----------------------|----------------------|----------------------|
| Signature | Corporate Stamp/Seal | <input type="text"/> | <input type="text"/> |
|-----------|----------------------|----------------------|----------------------|

### CSCS Details

Authorised Signature & Stamp of Stockbroker

**Please attach a copy of your CSCS statement to this form as evidence that a CSCS account has been opened for you.**





## Instructions

Only clearing Banks are acceptable

Please complete the form and return to the address below

**The Registrar**  
**First Registrars Nigeria Ltd.**  
**Abebe Village Road, Iganmu**  
**P.M.B. 12692 Lagos. Nigeria.**

We hereby request that from now on, all my/our dividend warrant(s) due to me/us from my/our holdings PZ Cussons Nigeria Plc be paid directly to my/our bank named below:

Bank Name

Bank Address

Bank Account Number

## Shareholder's Account Information

Surname

First Name  Other Names

Address

Country  State

Mobile Telephone

E-mail Address

Signature

Joint/Company's Signatories

Company Seal

Sort Code (very Important):

Authorised signature & Stamp of Banker

The Registrar  
First Registrars Nigeria Limited  
Plot 2, Abebe Village Road,  
Iganmu,  
Lagos, Nigeria



**PZ CUSSONS NIGERIA PLC**  
**(RC 693)**

## Proxy Form

(Please tear off and complete)

I/We.....  
Of.....  
.....

Being a member/members of PZ CUSSONS NIGERIA PLC  
Hereby appoint\*

.....  
Of.....

or failing him/her, the Chairman of the meeting as my/our  
proxy to act and vote for me/us and on my/our behalf at  
the 63rd Annual General Meeting of the company to be  
held at 10.00 a.m. on Thursday, 15 September, 2011 and  
at any Adjournment thereof.

|    | Resolution **   | For | Against |
|----|---|-----|---------|
| 1. | To receive the report and accounts.                                 |     |         |
| 2. | To declare a dividend.  |     |         |
| 3. | To re-elect directors.  |     |         |
| 4. | To authorise the directors to fix the remuneration of the auditors. |     |         |
| 5. | To elect members of the audit committee.                            |     |         |
| 6. | To fix the remuneration of the directors                            |     |         |
| 7. | To increase the share capital                                       |     |         |
| 8. | To authorise bonus issue  |     |         |

\*\* Please indicate with an 'X' in the appropriate space how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed, the proxy will vote or abstain at his/her discretion.

As witness my/our hand(s) this.....day of September, 2011

Signed .....

- NOTE:**
- (i.) THIS PROXY FORM SHOULD NOT BE COMPLETED AND RETURNED IF THE MEMBER WILL BE ATTENDING THE MEETING
  - (ii.) A member entitled to attend and vote at the general meeting is entitled to and may, if he/she wishes, appoint a proxy to act for him/her. All proxy forms must be deposited at the registered office of the company shown overleaf not less than 48 hours before the time for holding the meeting. A proxy need not be a member of the company.
  - (iii.) The chairman of the meeting has been printed on the form to ensure that someone will be at the meeting to act as your proxy but if you wish you may appoint anyone else instead, by entering the person's name in the blank space (marked\*) above.
  - (iv.) In the case of joint shareholders, anyone of such may complete the form but the names of all joint shareholders must be stated.
  - (v.) It is a requirement of the law under the Stamp Duties Act, Cap.411 Laws of the Federation of Nigeria, 1990 that any instrument of proxy to be used for the purpose of voting by any person entitled to vote at any meeting of shareholders must be duly stamped by the Commissioner or Stamp Duties.
  - (vi.) If the shareholder is a corporation this form must be under its common seal or under the hand of some officer or attorney duly authorized in that behalf

Affix postage  
stamp here

The Company Secretary,  
PZ Cussons Nigeria Plc,  
45/47, Town Planning Way,  
Ilupeju Industrial Estate,  
P.M.B. 21132,  
Ikeja.

## PZ Cussons Nigeria PLC

45/47 Town Planning Way  
Ilupeju Industrial Estate  
P.M.B 21132, Ikeja, Lagos, Nigeria  
Te: 01-2717153-4, Fax: 01-2702876  
Website: [www.pzcussonsnig.com](http://www.pzcussonsnig.com)