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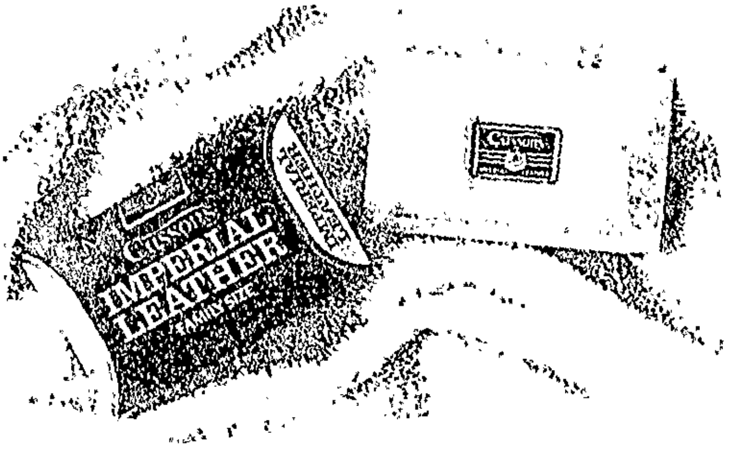
Paterson Zochonis plc

ANNUAL REPORT
AND ACCOUNTS
31 MAY 1992


Cussons
IMPERIAL LEATHER
FAMILY SIZE


Cussons
Pearl


Cussons
GRAPHITE
AFTER SHAVE


IMPERIAL LEATHER


Crack open the bubbly
IMPERIAL LEATHER
Shower


Lime lite


NEW RICHER & FRESHER
Cussons
MORNING FRESH
SUPER CONCENTRATED


NEW
1001
CARPET SHAMPOO
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CARPET SHAMPOO
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HOUSEHOLD
& CARPET CLEANER
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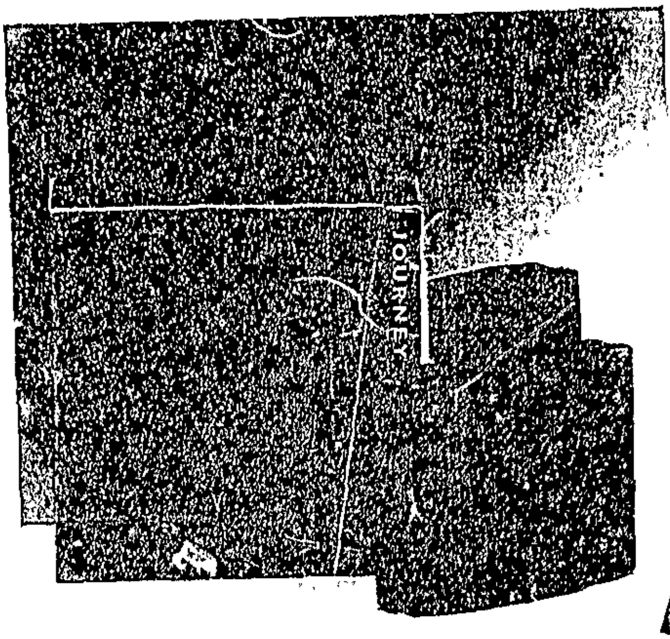
Cussons
RUMOURS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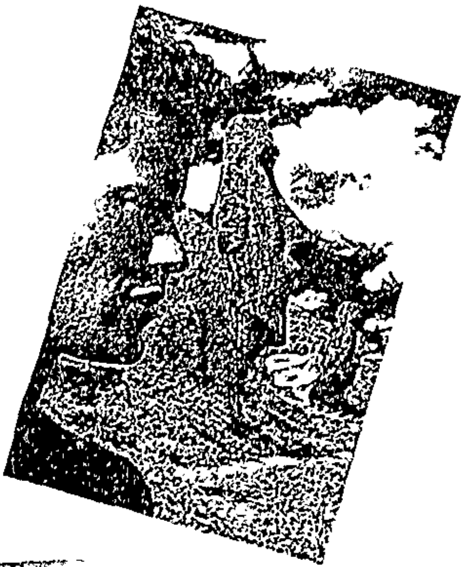


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Contents

Directors

Chairman
J. B. ZOCHONIS

Deputy chairman
A. J. GREEN

Managing
G. A. LOUPOS

P. GIOURAS
C. N. GREEN
K. HERBERT
A. G. KANELLIS
J. R. L. LEE*
L. LOUDIADIS
A. WHITTAKER, F.C.A.
S. W. WILTSHIRE*
*non-executive

Secretary
T. F. G. HARRISON, F.C.A.

Registered office
Bridgewater House
60 Whitworth Street
Manchester M1 6LU

Registered number
Company registered number 19457

Registrars
Barclays Registrars
P.O. Box 34
Octagon House
Gadbrook Park
Northwich
Cheshire CW9 7RD

Chairman's statement

I would like, as I have in previous years, to start this statement by thanking our staff not as a matter of routine, but in the conviction that it is upon the efforts of all our staff that the profits reported in these accounts are built.

The results shown in the accounts are commented upon in some detail in the directors' report. Generally speaking, when viewed against a background of world recession, currency fluctuations and in particular the 40% devaluation of the Nigerian currency I think they should be regarded as satisfactory. The coming year may not be an easy one for us, but our brands in the markets in which we trade are strong, our staff in the areas which are relatively new to us are gaining the experience necessary for success and our balance sheet is extremely healthy. It is too early to try to forecast the year's results but it appears that for the first half-year our profits should not be less than for the corresponding six months of last year.

On a more personal note this year has seen the retirement of John Giannopoulos after 43 years of service, of which 33 years were spent in Africa. John came to Manchester in 1982 after a very successful career in Africa, culminating in his role as chief executive in Nigeria. Both in Africa and the UK he gave sterling service to the group and his wide experience and keen intellect will be sadly missed by the board. We all extend to him and his wife Rania, our best wishes for a long and happy retirement.

The announcement was made in October that Anthony Green had been elected deputy chairman. Anthony, who joined the company in 1975 has gained wide experience in East and West Africa, South East Asia and the UK and this well deserved promotion not only brings younger blood to the forefront of the company but also confirms the family's continued commitment to the group.

Finally, I think the time is right to announce that I shall be retiring from the company in a year's time, that is after the 1993 annual general meeting. By that time I shall be in my 65th year, having been with PZ for 40 years. I have had the privilege of serving on the board for 36 years and for the past 22 years as chairman. Needless to say my interest in and commitment to PZ will be utterly unaffected by my retirement.

JOHN ZOCHONIS
Chairman

Report of the directors

The directors submit their report for the year ended 31st May 1992, together with the balance sheet of the company and the consolidated balance sheet and profit and loss account of the company and its subsidiaries as on that date.

Review of the business

Profit before taxation, £26.6m showed a 5% increase over the previous year with the gain in operating profits sufficient to cover the fall in investment income and a lower contribution from associated companies. Taxation absorbed broadly the same percentage of profits as last year and after minority interests and preference dividends the profit attributable to ordinary capital amounted to £16.0m against £13.9m in 1991. Earnings per share increased from 32.19p to 33.79p.

The directors are recommending a final dividend of 9.20p per share which together with the interim dividend of 2.25p gives a total distribution of 11.45p, an increase of 10% over the total of 10.40p last year.

Profits of the Nigerian companies were lower in sterling terms, following a 40% devaluation of the local currency in March 1992. Pressures from inflation and diminished consumer purchasing power continued but all companies performed well, maintaining their volumes and increasing local currency profits. Despite the difficult economic conditions the Nigerian authorities made significant progress towards settling arrears under rescheduling arrangements with Western export credit agencies and banks. Operating profits include £7.3m (1991—£2.2m) received pursuant to such arrangements in respect of debts for which provision was made in previous years.

Operations in Kenya and Ghana continued to make good progress and elsewhere in Africa group profits have benefited from the closure last year of loss making operations.

In the UK Cussons made modest gains in turnover and profit which was a very satisfactory performance against the depressed economic background, and exports showed further improvement. Minerva, in Greece, again achieved higher sales and significantly higher profits from edible oil sales.

In Australia the market continued to be extremely depressed and Cussons did well to halt last year's downturn and to generate some gains in both turnover and profits. The factory expansion will be commissioned next year. Sales in the South East Asia operations moved ahead but progress is slower than hoped for. In some cases margins there are not yet sufficient to cover operating costs, but future prospects justify the continued efforts.

The fall in investment income compared with 1991 resulted from the lower prevailing interest rates and a need to make provision for the fall in value of certain equity and US dollar investments. Such falls were not significant in terms of total group investments.

Currency translation deficits on overseas net assets £11.7m (1991 –£6.1m) were dealt with through reserves. Of this amount £9.8m related to the Nigerian subsidiary and associated companies following the devaluation referred to above.

Present indications for the half year to 30th November 1992 are that pre-tax profits will be not less than those of the same period last year.

Results and dividends

	£000	£000
Profit attributable to the members of the company as shown on page 8		16,804
Dividends:		
Preference: as shown on page 18 note 11		770
		16,034
Ordinary:		
Interim at 2.25p (1991—2.15p)	1,068	
Proposed final at 9.20p (1991—8.25p)	4,365	
		5,433
Profit retained		£10,601

Principal activities

The principal activities of the group and its associated companies are as follows:

In the United Kingdom:
The manufacture of soaps, toiletries and household products for home and export markets.
The supply of general merchandise and the provision of industrial supplies and services principally to group and associated companies.

In Africa:
The manufacture of soaps, detergents, toiletries, cosmetics, pharmaceuticals, confectionery, packaging materials, refrigerators, air conditioners and sewing threads.
General merchanting.

In Greece.
The processing of edible oils and fats.

In Australia:
The manufacture of soaps, detergents and toiletries.

In Indonesia and Thailand:
The manufacture of soaps and toiletries.

Further details of these and other group activities are given on pages 26 to 28.

Directors

The present directors of the company are shown on page 2.

Mr. J. Giannopoulos resigned from the board of directors on 5th May 1992 on his retirement from active service with the group.

The directors retiring by rotation are Mr. A. G. Kanellis, Mr. J. R. L. Lee and Mr. A. Whittaker who, being eligible, offer themselves for re-election.

None of the directors retiring by rotation has a service contract which does not expire within one year, with either the company or any of its subsidiaries.

Non-executive directors

Mr. J. R. L. Lee
A former director of Paterson Zochonis (U.K.) Ltd., Mr. Lee was a member of parliament between 1970 and 1992. He held ministerial appointments in Defence and Employment and was latterly Minister of Tourism.
Appointed to the board of Paterson Zochonis plc in 1990.

Mr. S. W. Wiltshire
Was for many years a director of J. Henry Schroder Wagg & Co. Ltd.
Appointed to the board of Paterson Zochonis plc in 1985.

08-01-93

Report of the directors *continued*

Directors' interests

The directors' interests in the share capital of the company at 31st May 1992 (1st June 1991 or date of appointment if later) were as follows:

Beneficial	Ordinary shares		'A' ordinary shares		7¼% cumulative preference shares		10% cumulative preference shares	
J. B. Zochonis	2,784,845	2,784,845	3,211,729	3,211,729	19,165	19,165	100	100
A. J. Green	77,048	77,048	25,666	25,666	871	871	—	—
G. A. Loupos	136,710	136,710	34,766	41,066	100	100	100	100
P. Giouras	15,000	15,000	9,801	9,801	—	—	—	—
C. N. Green	76,580	76,580	13,165	13,165	870	870	—	—
K. Herbert	1,000	1,000	—	—	—	—	—	—
A. G. Kanellis	69,530	69,530	—	—	—	—	100	100
J. R. L. Lee	23,700	23,700	6,600	6,600	—	—	—	—
L. Loudiadis	30,000	30,000	19,641	19,641	—	—	—	—
A. Whittaker	45	45	8,436	9,436	—	—	100	100
S. W. Wiltshire	—	—	1,000	1,000	—	—	—	—
Total	3,204,458	3,204,458	3,330,704	3,33[illegible]04	21,006	21,006	400	400
Non-beneficial								
J. B. Zochonis	4,251,250	4,253,000	206,279	209,765	—	—	—	1,084
A. J. Green	—	—	15,000	15,000	—	—	—	—
G. A. Loupos	4,391,800	4,391,800	439,901	439,901	4,673	4,673	37,417	37,417
C. N. Green	—	—	15,000	15,000	—	—	—	—
A. G. Kanellis	—	—	90,400	84,100	—	—	—	—
J. R. L. Lee	1,050	1,050	—	—	—	—	105	105
A. Whittaker	5,756,403	5,759,753	705,724	702,910	1,004	1,004	7,348	8,432
Sub-total	14,400,503	14,405,603	1,472,304	1,466,676	5,677	5,677	44,870	47,038
Less duplication (see note)	8,502,500	8,504,250	517,958	515,144	—	—	—	1,084
Total	5,898,003	5,901,353	954,346	951,532	5,677	5,677	44,870	45,954

Directors' interests at 16th October 1992 were unchanged except for the following:

Non-beneficial	Ordinary shares	'A' ordinary shares	7¼% cumulative preference shares	10% cumulative preference shares
J. B. Zochonis	4,253,250	206,279	—	—
A. J. Green	1,999,290	1,881,435	3,000	—
C. N. Green	999,645	948,219	1,000	—
Sub-total	7,252,185	3,035,933	4,000	—
Less duplication (see note)	999,645	948,219	1,000	—
Total	6,252,540	2,087,714	3,000	—

Note Certain of the directors' non-beneficial interests appear more than once where such directors are co-trustees. The totals show the total interest of the directors excluding the duplication.

The register recording the directors' interests will be open for inspection at the annual general meeting. No director had any beneficial interest during the year in shares or debentures of any subsidiary company. There were no contracts of significance subsisting during or at the end of the financial year with the company or any of its subsidiaries in which a director of the company was materially interested.

Other substantial interests

The register maintained by the company under Section 211 of the Companies Act 1985 disclosed the following interests in the voting shares of the company held at 16th October 1992.

	Number of voting shares	%
Norwich Union Fund Managers Ltd	1,200,500	4.91
Paterson Zochonis Provident Trust Ltd	900,996	3.69
Phillips & Drew Fund Management Ltd	752,931	3.08

Special business at the annual general meeting	Shareholders' approval is being sought at the annual general meeting to renew the general authority for the company to make market purchases of its own ordinary and 'A' (non-voting) ordinary shares for cancellation. The renewed authority, in respect of approximately 10% of the company's issued ordinary and 'A' (non-voting) ordinary share capital, would run until the conclusion of the 1993 annual general meeting. There is no present intention to purchase shares and, if granted, the authority would only be exercised if an improvement in earnings per share was expected to result.
Tangible fixed assets	Expenditure on tangible fixed assets by the group and its principal associated companies during the year amounted to some £12 million mainly in respect of increases in manufacturing and distribution facilities. Details of movements of group tangible fixed assets are given in note 13.
Political and charitable contributions	Charitable contributions in the United Kingdom during the year amounted to £50,000 (1991—£52,000). No political contributions were made (1991—Nil).
Research and development	The group maintains inhouse facilities for research and development in the United Kingdom, West Africa and Australia; in addition, research and development is subcontracted to approved external organisations. All such expenditure is charged against profits in the year in which it is incurred.
Employment of disabled persons	During the year the group has maintained its policy of providing equal opportunity for the appropriate employment, training and development of disabled employees.
Employee information	The group recognises the benefits of keeping employees informed of the progress of the business and of involving them in their company's performance. The methods of achieving such involvement are different in each company and country and have been developed over the years by local management working with local employees in ways which suit their particular needs and environment, with the active encouragement of the parent organisation.
Auditors	The auditors Touche Ross & Co. have signified their willingness to continue in office and a resolution for their re-appointment will be proposed at the annual general meeting
Income and Corporation Taxes Act 1988	The company does not come within the close company provisions of the Income and Corporation Taxes Act 1988

By order of the board of directors

T. F. G. HARRISON—Secretary

20th October 1992

Consolidated profit and loss account

Year to 31st May 1992

	Notes	1992 £000	1992 £000	1991 £000	1991 £000
Turnover	1		227,288		215,166
Cost of sales			153,622		149,810
Gross profit			73,666		65,356
Selling & distribution expenses		35,615		32,764	
Administrative expenses		21,862	57,477	22,740	55,504
Operating profit	2		16,189		9,852
Share of profits of associated companies		2,717		4,164	
Investment income	5	13,275		18,234	
Interest payable	6	(5,536)	10,456	(6,883)	15,515
Profit on ordinary activities before taxation	1		26,643		25,367
Taxation on profit on ordinary activities	7		9,501		8,950
Profit on ordinary activities after taxation			17,144		16,417
Minority interests			340		374
Profit before extraordinary items			16,804		16,043
Extraordinary items	8		—		1,337
Profit for the financial year attributable to the members of the company	9,10		16,804		14 706
Dividends on preference capital	11		770		770
Profit attributable to ordinary capital			16,034		13 936
Dividends on ordinary capital	11		5,433		4,934
Profit for the financial year retained	25		£10,601		£9,002
Earnings per ordinary share	12		33.79p		32 19p

Movements on reserves are set out in note 25 on page 25

Balance sheets

31st May 1992

	Notes	The group 1992 £000	The group 1991 £000	Parent company 1992 £000	Parent company 1991 £000
Fixed assets					
Tangible assets	13	59,635	59,980	2,578	2,542
Investments:					
Subsidiary companies	14	—	—	66,015	65,482
Associated companies	15	9,355	15,984	1,552	1,552
Other investments	16	148	207	148	207
		69,138	76,171	70,293	69,783
Current assets					
Stocks	17	39,258	38,897	—	—
Debtors	18	37,747	37,352	8,427	6,254
Investments	19	157,948	152,509	29,289	22,201
Cash at bank and in hand		4,981	3,707	100	1,368
		239,934	232,465	37,816	29,823
Creditors (due within one year)					
Bank loans and overdrafts		(47,846)	(43,403)	(7,356)	—
Others	20	(61,889)	(61,329)	(19,382)	(18,526)
Net current assets		130,199	127,733	11,078	11,297
Total assets less current liabilities		199,337	203,904	81,371	81,080
Creditors (due after one year)					
Bank loans	21	(157)	(5)	—	—
Others	21	(3,636)	(3,698)	—	—
Provisions for liabilities and charges	22	(5,648)	(6,187)	(1,874)	(1,773)
		£189,896	£194,014	£79,497	£79,307
Capital and reserves					
Called up share capital					
Ordinary	24	4,744	4,744	4,744	4,744
Preference	24	7,898	7,898	7,898	7,898
		12,642	12,642	12,642	12,642
Reserves					
Revaluation reserve	25	17,007	24,478	1,338	1,319
Other reserves	25	1,964	3,040	60	124
Profit and loss account	25	155,387	149,825	65,457	65,222
		174,358	177,343	66,855	66,665
Minority interests		2,896	4,029	—	—
		£189,896	£194,014	£79,497	£79,307

Approved by the board of directors

JOHN ZOCHONIS

G LOUPOS

20th October 1992

Group cash flow statement

Year to 31st May 1992

	Notes	1992 £000	1992 £000	1991 £000	1991 £000
Net cash inflow from operating activities	(i)		15,513		12,099
Returns on investments and servicing of finance					
Investment income received		13,538		17,370	
Interest paid		(5,668)		(7,533)	
Dividends received from associated company		730		1,263	
Dividends paid to PZ plc shareholders		(5,752)		(5,301)	
Dividends paid to minority shareholders in subsidiary companies		(32)		(60)	
Net cash inflow from returns on investments and servicing of finance			2,816		5,739
Taxation					
U.K. Corporation tax paid		(3,205)		(4,237)	
Overseas tax paid		(3,473)		(4,826)	
Tax paid			(6,678)		(9,063)
Investing activities					
Payments to acquire tangible fixed assets		(11,478)		(9,916)	
Receipts from sales of tangible fixed assets		685		490	
Net cash outflow from investing activities			(10,793)		(9,426)
Net cash inflow / (outflow) before financing			858		(651)
Financing					
Medium term loans repaid	(iv)	—		(23)	
New medium term loans	(iv)	157		—	
Minority share capital in new subsidiary	(v)	—		29	
Net cash inflow from financing			157		6
Increase / (decrease) in cash and cash equivalents	(ii)		£1,015		£(645)

Notes on the group cash flow statement

(i) Reconciliation of operating profit to net cash inflow from operating activities

	1992 £000	1991 £000
Operating profit	16,189	9,852
Depreciation and adjustments on disposals	5,286	6,213
Release from reserves on disposal of fixed assets	(81)	(185)
Written off fixed asset investments	59	—
Provisions charged	88	456
Stocks, increase	(4,360)	(2,459)
Debtors, increase	(3,865)	(2,645)
Creditors, increase	2,197	2,204
Extraordinary items	—	(1,337)
Net cash inflow from operating activities	£15,513	£12,099

(ii) Analysis of changes in cash and cash equivalents during the year

	1992 £000	1991 £000
Balance sheet at 31st May 1991 (note (iii))		112,358
Increase / (decrease) in cash and cash equivalents, before adjustments for the effect of foreign exchange rate changes	1,015	(645)
Effect of foreign exchange rate changes	1,260	1,125
Medium term loans reclassified (note (iv))	(5)	(25)
Balance sheet at 31st May 1992 (note (iii))	£115,083	£112,813

(iii) Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1992 £000	1991 £000	Change in year £000
Current asset investments	157,948	152,509	5,439
Cash at bank and in hand	4,981	3,707	1,274
Bank loans and overdrafts under one year	(47,846)	(43,403)	(4,443)
	£115,083	£112,813	£2,270

	1991 £000	1990 £000	Change in year £000
Current asset investments	152,509	153,819	(1,310)
Cash at bank and in hand	3,707	3,900	(193)
Bank loans and overdrafts under one year	(43,403)	(45,361)	1,958
	£112,813	£112,358	£455

Notes on the group cash flow statement
continued

	1992 £000	1991 £000
(iv) Movement of medium term loans during the year		
Balance at 31st May 1991	5	59
Effect of foreign exchange rate changes	—	(6)
Loans repaid during the year	—	(23)
Loans reclassified as being under one year at the balance sheet date	(5)	(25)
New loans taken out during the year	157	—
Balance at 31st May 1992	£157	£5

	1992 £000	1991 £000
(v) Movement of minority interests during the year		
Balance at 31st May 1991	4,029	4,349
Effect of foreign exchange rate changes	(1,413)	(651)
Profit after tax	340	374
Dividends paid and payable to minority shareholders	(60)	(72)
Minority share in new subsidiary	—	29
Balance at 31st May 1992	£2,896	£4,029

Statement of accounting policies

Basis of accounting

The accounts have been prepared in accordance with applicable accounting standards under the historical cost convention modified to include the periodic revaluation of properties.

Consolidation

(a) The consolidated accounts incorporate the accounts of Paterson Zochonis plc and all its subsidiaries. Where appropriate the accounts of overseas subsidiaries are adjusted to conform to the group's accounting policies. No credit is taken for the group's share of profits on intra-group sales of goods or on sales to associated companies until such goods have been sold to third parties.

(b) The total profits or losses of subsidiaries are included in the consolidated profit and loss account and the proportion of profit or loss after taxation applicable to minority interests in subsidiaries is deducted in arriving at the profit attributable to the shareholders of Paterson Zochonis plc. Extraordinary items and movements in reserves are shown net of tax and of minority interests where appropriate.

(c) The total assets and liabilities of subsidiary companies are included in the consolidated balance sheet and the interests of minority shareholders in the net assets of subsidiaries are stated separately.

(d) The accounts of all subsidiary companies wherever possible are made up to 31st May annually.

(e) Goodwill including that arising on consolidation is set off against reserves in the year of acquisition.

(f) The results of subsidiary companies acquired during the year are included from the effective date of acquisition.

Associated companies

are included in the consolidated balance sheet at group interest in the net tangible assets on the basis of accounts made up to 31st May annually and the group's share of profits is included in the consolidated profit and loss account.

Exchange rates

used to translate overseas profits and currency assets and liabilities (other than shares held by the parent company in overseas companies) are the rates ruling at the balance sheet date.

Currency gains and losses are included in operating profit or investment income as appropriate except that the difference arising on the re-translation of the group's share, at the beginning of the year, of the net assets of overseas subsidiaries, associated companies and branches is treated as a movement in reserves.

Turnover

represents the amount derived from sales of goods and services, including interest receivable on sales on extended credit, to external customers of the group and to associated companies to the extent that the goods have been sold to third parties.

Profit on ordinary activities

for the year is arrived at after charging or crediting all operating expenditure and revenue, whether normal or exceptional, including interest payable and receivable. Material items that fall outside the ordinary activities of the group are dealt with as extraordinary items

Statement of accounting policies

continued

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation.

In the case of leasehold properties, leases which at the balance sheet date have more than 50 years to run, inclusive of options exercisable by the group, are designated as long leaseholds.

Depreciation is provided annually, mainly on a straight line basis. The rates used, which are expected to write off the assets over their anticipated useful lives, are:

Freehold land	Nil
Freehold buildings at rates not less than	2%
Leasehold land and buildings at rates which will reduce the book value to nil on or before the termination of the leases, inclusive of options exercisable by the group, with a minimum of	2%
Plant and machinery not less than	10%
Fittings, fixtures, vehicles not less than	20%

In the case of major projects depreciation is provided from the date the project in question is brought into use.

Stocks are stated at the lower of cost and estimated net realisable value. Cost in the case of the manufacturing subsidiaries includes an appropriate addition for manufacturing overheads.

Investment income also takes account of profit or loss on redemption or sale of current asset investments.

Research and development expenditure is charged against profits in the year in which it is incurred.

Pensions and retirement benefits

The group operates retirement benefit schemes in the United Kingdom and for most overseas countries in which it carries on business. Those in the United Kingdom are defined benefit schemes; overseas schemes vary in detail depending on local practice.

The cost of providing retirement pensions and related benefits is charged to the profit and loss account over the periods benefiting from the employees' services. The difference between the charge to the profit and loss account and the contributions paid to the schemes is reflected in the balance sheet in either creditors or provisions.

Taxation and deferred taxation

Taxation is computed at current rates on the profit for the year. No provision is made for any additional taxation which may arise on the undistributed reserves of overseas subsidiaries and associated companies, unless it is foreseen that they are likely to be distributed.

Deferred taxation is provided except where there is reasonable probability that such taxation will not become payable in the foreseeable future. Deferred taxation takes account of:

(a) the estimated taxation liability which would arise were the tangible fixed assets to be realised at their net book values at the balance sheet date

(b) taxation on inter-company profits on stock eliminated on consolidation and other timing differences

(c) advance corporation tax deductible from future United Kingdom taxation

Notes on the accounts

1 Segmental reporting

	Third party turnover 1992 £000	Third party turnover 1991 £000	Profit before tax 1992 £000	Profit before tax 1991 £000	Net assets 1992 £000	Net assets 1991 £000
Classes of business						
Personal & household						
Group companies	178,299	164,517	10,305	5,595	55,029	48,888
Share of associated companies			2,570	4,072	7,991	13,280
			12,875	9,667	63,020	62,168
Food						
Group companies	33,023	30,200	3,059	1,995	7,635	6,285
Refrigerators and others						
Group companies	15,966	20,449	2,825	2,262	7,784	13,549
Share of associated companies			147	92	1,364	2,704
			2,972	2,354	9,148	16,253
	£227,288	£215,166	18,906	14,016	79,803	84,706
Investment income / investments			13,275	18,234	158,096	152,716
Interest payable / overdrafts & loans			(5,536)	(6,883)	(48,003)	(43,408)
			£26,645	£25 367	£189,896	£194,014
Geographical areas – by origin						
Parent & subsidiaries						
United Kingdom	127,589	116 299	9,213	4 472	18,635	15,216
Europe	33,136	30,869	4,173	3,325	14,738	11,774
Nigeria	8,285	11,410	1,370	1,672	4,823	7,844
Other Africa	14,085	15,510	1,085	227	6,636	8,121
Australia	32,573	29,088	1,293	528	16,775	15,984
Other areas	11,620	9,990	(945)	(372)	8,689	9 783
	227,288	215,166	16,189	9,852	70,448	68 722
Share of associated companies						
Nigeria			2,717	4,164	9,355	15 984
	£227,288	£215 166	18,906	14 016	79,803	84,706
Investment income / investments			13,275	18 234	158,096	152 716
Interest payable / overdrafts & loans			(5,536)	(6 883)	(48,003)	(43 408)
			£26,645	£25 367	£189,896	£194 014

Notes on the accounts *continued*

1 Segmental reporting *continued*

Turnover – by origin

	Third party turnover 1992 £000	Third party turnover 1991 £000	Inter-segment turnover 1992 £000	Inter-segment turnover 1991 £000	Total turnover 1992 £000	Total turnover 1991 £000
United Kingdom	127,589	118,299	26,394	17,991	153,983	136,290
Europe	33,136	30,869	7,975	11,485	41,111	42,354
Nigeria	8,285	11,410	—	—	3,285	11,410
Other Africa	14,085	15,510	89	193	14,174	15,703
Australia	32,573	29,088	—	141	32,573	29,229
Other areas	11,620	9,990	128	204	11,748	10,194
	£227,288	£215,166	£34,586	£30,014	£261,874	£245,180

Turnover – by destination

	Third party turnover 1992 £000	Third party turnover 1991 £000
United Kingdom	56,596	60,755
Europe	38,501	33,585
Nigeria	69,586	62,458
Other Africa	14,033	15,602
Australia	32 609	29,140
Other areas	15,911	13,626
	£227,288	£215,166

2 Operating profit

	1992 £000	1991 £000
Is after charging / (crediting):		
Depreciation	5,55[illegible]	5 029
Profit on disposals	(26[illegible])	(80)
Hire of plant and machinery	223	3[illegible]
Research and development	2,994	2 842
Audit fees	327	364
Rental income	(308)	(379)
Exceptional items:		
Recovery of previously provided debts including related interest	(7,265)	(2 21[illegible])

3 Staff numbers and costs

The average number employed by the group, including directors, within each category was:

	Number	Number
Production	2,279	[illegible] 204
Selling and distribution	785	759
Administration	804	867
	3,868	3 8[illegible]

The costs incurred in respect of the above were:	£000	£000
Wages and salaries	27,167	29 [illegible]
Social security and other costs	2,543	2 79[illegible]
Pension costs	1,114	1 12[illegible]
	£30,824	£33,43[illegible]

Further information on pension costs is given in note 27

4 Directors' and employees' emoluments

	1992 £000	1991 £000
Directors' emoluments for management including pension and life assurance premiums	1,258	1,184
Pension and other payments for former directors	10	10

Emoluments excluding pension and life assurance premiums of the directors of Paterson Zochonis plc and of employees of Paterson Zochonis plc and its subsidiaries who earned more than £30,000 in the year and whose duties were wholly or mainly discharged in the United Kingdom fell within the ranges indicated below:

	1992		1991	
	Directors	Employees	Directors	Employees
£10,001 to £15,000				
£30,001 to £35,000	2		2	
£35,001 to £40,000		25		21
£40,001 to £45,000		20		9
£45,001 to £50,000		6		5
£50,001 to £55,000		8		3
£55,001 to £60,000		3		1
£60,001 to £65,000		1		1
£65,001 to £70,000			1	
£70,001 to £75,000			1	1
£75,001 to £80,000	1	1		
£80,001 to £85,000	1	1		
£85,001 to £90,000			2	
£90,001 to £95,000			1	
£100,001 to £105,000	2			
£105,001 to £110,000			1	
£110,001 to £115,000	1			
£120,001 to £125,000	1		1	
£125,001 to £130,000	2		2	
£135,001 to £140,000	2		1	

The above table includes the following:

	1992	1991
Chairman	£94,942	£86,538
Highest paid director	£138,214	£125,913

5 Investment income

	1992 £000	1991 £000
Current asset investment income		
Listed investments	4,832	6,576
Unlisted investments	11	46
Deposit interest	10,081	13,106
Fixed asset investment income		
Listed investments	81	162
Unlisted investments	137	122
Amounts written off investments	(1,831)	(1,7[illegible])
	£13,275	£18,234

Dividends from listed associated companies of £780,000 (1991—£1,862,000) are excluded. The group share of profits of such companies is included in these accounts.

6 Interest payable

	1992	1991
Bank loans and overdrafts	£5,536	£6,993

Notes on the accounts *continued*

7 Taxation on profit on ordinary activities

	1992	1991
	£000	£000
United Kingdom corporation tax at 33.0% (1991—33.8%)	5,578	5,009
Less: Double tax relief	617	728
	4,961	4,281
Overseas taxation	3,429	3,643
Deferred taxation	156	(658)
	8,546	7,266
Prior year taxation	—	246
Prior year deferred taxation	66	49
	8,612	7,581
Associated companies taxation	889	1,389
	£9,501	£8,9[illegible]

Note: Taxation has been affected by gains of £303 000 (1991—£960,000) not subject to taxation.

8 Extraordinary items

Extraordinary items, in 1991, £1,337,000, represented the closure costs of the companies in the Ivory Coast, Senegal and the Central Africa Republic. No taxation relief was available on the losses and no minority interests arose

Included in the above was extraordinary depreciation of £1,267,000.

9 Profit attributable to the members

The profits of the listed associated company and its subsidiaries in Nigeria take account of provisions for claims by group companies for interest, technical fees and royalties which are unpaid.

Due to the operation of exchange control restrictions and the degree of uncertainty relating to the items concerned the directors consider that they should not be recognised in the group's operating profit until received. By virtue of the provisions of Statement of Standard Accounting Practice No 1 only published financial information may be disclosed concerning associated companies which are listed on a recognised stock exchange. Should the full amount provided to date prove ultimately not to be payable, the estimated net effect on the consolidated accounts in the year when that outcome was established would be to increase the group profit attributable to members of the company by approximately £3,100,000 (1991—£4 500,000).

10 Profit of the parent company

As permitted by section 230 of the Companies Act 1985 as amended the company has not presented a separate profit and loss account. The profit attributable to the members dealt with in the accounts of the parent company is £6,426,000 (1991—£6,052 000)

11 Dividends

	1992	1991
	£000	£000
Dividends on preference capital		
7½% cumulative preference shares	59	59
10% cumulative preference shares	711	711
	£770	£770
Dividends on ordinary and 'A' ordinary capital		
Interim at 2 25p per share (1991—2 15p)	1,068	1,020
Proposed final at 9 20p per share payable 7th December 1992 (1991—8 25p)	4,365	3,914
	£5,433	£4,934
Total dividends	£6,203	£5,704

12 Earnings per ordinary share

The calculation is based on £16,034,000 (1991—£15,273,000) being the profit after deducting taxation, minority interests and preference dividends but before extraordinary items and on 47,444,568 ordinary and 'A' ordinary shares in issue throughout the two years.

13 Tangible fixed assets

	Land and buildings £000	Plant and machinery £000	Fittings, fixtures, vehicles £000	Assets in course of construction £000	Total £000
The group					
Cost or valuation					
At 31st May 1991	37,477	39,145	8,760	5,108	90,490
Currency translation differences	(2,931)	(2,403)	(222)	(435)	(5,991)
Additions	596	2,306	2,708	5,868	11,478
Disposals	(87)	(429)	(1,425)	—	(1,941)
Reclassifications	4,712	3,807	89	(8,608)	—
Deficit on revaluation	(2,179)	—	—	—	(2,179)
At 31st May 1992	£37,588	£42,426	£9,910	£1,933	£91,857
Depreciation					
At 31st May 1991	2,534	22,186	5,790	—	30,510
Currency translation differences	(193)	(1,434)	(136)	—	(1,763)
Charge for the year	630	3,361	1,560	—	5,551
Disposals	(6)	(393)	(1,122)	—	(1,521)
Written back on revaluation	(555)	—	—	—	(555)
At 31st May 1992	£2,410	£23,720	£6,092	—	£32,222
Net book values					
31st May 1992	£35,178	£18,706	£3,818	£1,933	£59,635
31st May 1991	£34,943	£16,959	£2,970	£5,108	£59,980
Parent company					
Cost or valuation					
At 31st May 1991	2,546	—	4	13	2,563
Currency translation differences	36	—	—	—	36
Additions	92	—	—	—	92
Disposals	(81)	—	(4)	—	(85)
Reclassifications	13	—	—	(13)	—
At 31st May 1992	£2,606	—	—	—	£2,606
Depreciation					
At 31st May 1991	17	—	4	—	21
Charge for the year	11	—	—	—	11
Disposals	—	—	(4)	—	(4)
At 31st May 1992	£28	—	—	—	£28
Net book values					
31st May 1992	£2,578	—	—	—	£2,578
31st May 1991	£2,529	—	—	£13	£2,542

With the exception of the Australian properties, land and buildings are at valuation as at 31st May 1989 with subsequent additions at cost. Under a requirement of Australian corporations law the properties in that country included above were revalued at 31st May 1992. This valuation was made by professional valuers on the basis of open market value subject to existing use.

All other tangible fixed assets are stated at cost.

Notes on the accounts *continued*

13 Tangible fixed assets *continued*

	The group 1992 £000	The group 1991 £000	Parent company 1992 £000	Parent company 1991 £000
Land and buildings				
Cost or valuation				
Freehold land	15,579	18,013	2,064	2,115
Freehold buildings	17,216	12,892	542	431
Short leasehold	4,793	6,572	—	—
	£37,588	£37,477	£2,606	£2,546
Accumulated depreciation				
Freehold buildings	1,809	1,958	28	17
Short leasehold	601	576	—	—
	£2,410	£2,534	£28	£17
Land and buildings at cost or valuation, are stated:				
At open market valuation 1989	24,665	35,256	2,456	2,498
At open market valuation 1992	10,493	—	—	—
At cost	2,430	2,221	150	48
	£37,588	£37,477	£2,606	£2,546
If stated under historical cost principles the comparable amounts for the total of land and buildings would be:				
Cost	24,179	19,584	842	731
Accumulated depreciation	6,577	6,310	412	384
Historical cost net value	£17,602	£13,274	£430	£347
Future capital expenditure				
Commitments placed at year-end	£6,503	£2,800	—	—
Authorised but not committed	£3,024	£16,513	—	—

14 Subsidiary companies

Parent company	Shares £000	Loans £000	Total £000
At cost			
At 31st May 1991	79,855	1,869	81,724
Additions during the year	2,152	—	2,152
Repaid during the year	—	(469)	(469)
At 31st May 1992	£82,007	£1,400	£83,407
Provisions			
At 31st May 1991	16,242	—	16,242
Provided in year	1,150	—	1,150
At 31st May 1992	£17,392	—	£17,392
Net book value 31st May 1992	£64,615	£1,400	£66,015
Net book value 31st May 1991	£63,613	£1,869	£65,482

Details of principal group companies are given in note 30

15 Associated companies

	The group			Parent company
	Cost of shares £000	Share of reserves £000	Total £000	Cost of shares £000
At 31st May 1991	1,552	14,432	15,984	1,552
Currency translation differences	—	(7,980)	(7,980)	—
Share of retained profits	—	1,353	1,353	—
Release to profit and loss account of gains realised	—	(2)	(2)	—
At 31st May 1992	£1,552	£7,803	£9,355	£1,552

(a) The above details concern the associated company listed on the Nigerian stock exchange. The market value of the group's holding of shares in that company at 31st May 1992 was £12,509,000 (1991—£16,125,000).
If the shares in the listed associated company had been realised at 31st May 1992 at market value, there would have been a liability to taxation on capital gains estimated at £2,483,000 (1991—£3,188,000) all of which relates to the parent company.

(b) Further details of the associated companies are given in note 28.

16 Other fixed asset investments

	Listed investments £000	Unlisted investments £000	Total £000
The group and parent company			
At cost:			
At 31st May 1991 and 31st May 1992	£48	£309	£357
Provisions:			
At 31st May 1991	—	150	150
Provided in year	—	59	59
At 31st May 1992	—	£209	£209
Net book values:			
At 31st May 1992	£48	£100	£148
At 31st May 1991	£48	£159	£207
Market value of listed investments:			
Listed other than in the United Kingdom			
At 31st May 1992	£1,136		
At 31st May 1991	£1,591		

If the shares in the listed investments had been realised at 31st May 1992 at market value, there would have been a liability to taxation on capital gains estimated at £285,000 (1991—£317,000) all of which relates to the parent company.

Details of the company where the group investment represents more than 10% of the issued share capital are given in note 29.

Notes on the accounts *continued*

17 Stocks

	The group 1992 £000	The group 1991 £000	Parent company 1992 £000	Parent company 1991 £000
Raw materials and consumables	20,703	20,477	—	—
Work in progress	2,136	2,205	—	—
Finished goods and goods for resale	16,420	16,215	—	—
	£39,258	£38,897	—	—

The estimated replacement cost of the above stocks is not materially different from the values shown

18 Debtors

	The group 1992 £000	The group 1991 £000	Parent company 1992 £000	Parent company 1991 £000
Trade debtors	19,459	17,890	—	—
Amounts owed by group companies	—	—	6,010	2,429
Amounts owed by associated companies	814	2,187	808	2,178
United Kingdom tax recoverable	3	357	—	345
Overseas tax recoverable	682	601	—	4
Other debtors, including deposits	11,046	12 453	470	278
Prepayments and accrued income	5,743	3,664	24	13
Deferred taxation (note 22)	—	—	1,115	1 007
	£37,747	£37,352	£8,427	£6 254

Included above, but falling due after more than one year:

	The group 1992 £000	The group 1991 £000	Parent company 1992 £000	Parent company 1991 £000
Trade debtors	5	4	—	—
Amounts owed by group companies	—	—	—	519
Overseas tax recoverable	447	524	—	—
Other debtors	514	327	—	—
Prepayments and accrued income	9	11	—	—
Deferred taxation (note 22)	—	—	1,115	1 007
	£975	£866	£1,115	£1 526

19 Current asset investments

	The group 1992 £000	The group 1991 £000	Parent company 1992 £000	Parent company 1991 £000
At cost less amounts written off				
Listed in the United Kingdom	52,655	48 416	11,959	3 768
Listed elsewhere	32,397	23 805	10,634	9 529
	85,052	72,221	22,593	13 297
Unlisted	5,337	3,829	5,335	3 826
Deposits	67,559	76,453	1,361	2 778
	£157,948	£152 503	£29,289	[illegible]
Market value of listed investments				
Listed in the United Kingdom	54,075	49 096	13,192	7 295
Listed elsewhere	34,309	25 573	12,372	11 228
	£88,384	£74,669	£25,564	£18 523

If the listed investments had been realised at 31st May 1992 at market value, there would have been a liability to taxation estimated at £64,000 (1991—£45,000) none of which relates to the parent company (1991—£20,000)

20 Creditors—due within one year

	The group 1992 £000	The group 1991 £000	Parent company 1992 £000	Parent company 1991 £000
Others				
Trade creditors	20,683	23,341	—	—
Bills of exchange payable	—	292	—	—
Amounts owed to group companies	—	—	11,497	13,964
Amounts owed to associated companies	10,946	7,513	—	—
United Kingdom corporation tax	8,427	3,773	1,415	—
Overseas income tax	3,195	3,693	70	105
Other tax and social security	2,251	2,370	—	89
Other creditors	7,470	10,474	111	110
Accruals and deferred income	7,052	5,959	1,924	344
Proposed dividends	4,365	3,914	4,365	3,914
	£61,889	£61,329	£19,382	£18,526

21 Creditors—due after one year

	The group 1992 £000	The group 1991 £000	Parent company 1992 £000	Parent company 1991 £000
Bank loans				
Bank loans, due after one year, are repayable:				
Between one and two years	35	5	—	—
Between two and five years	122	—	—	—
	£157	£5	—	—

Interest is payable on the above bank loans at variable commercial rates.

	The group 1992 £000	The group 1991 £000	Parent company 1992 £000	Parent company 1991 £000
Others				
United Kingdom corporation tax	79	189	—	—
Overseas income tax	748	1,000	—	—
Other creditors	1,072	1,259	—	—
Accruals and deferred income	276	291	—	—
Pension fund accrual	1,461	959	—	—
	£3,636	£3,698	—	—

22 Provisions for liabilities and charges

	Deferred taxation (note 23) £000	Pension and similar obligations £000	Other £000	Total £000
The group				
At 31st May 1991	1,507	3,481	1,199	6,187
Currency translation differences	(350)	(191)	(357)	(898)
Transferred from / (to) profit and loss account	232	432	(202)	452
Deferred tax on revaluation	200	—	—	200
Paid during the year	—	(130)	(12)	(142)
Advance corporation tax movement	(151)	—	—	(151)
At 31st May 1992	£1,438	£3,592	£628	£5,648
Parent company				
At 31st May 1991	—	1,773	—	1,773
Included in debtors at 31st May 1991 (note 18)	(1,007)	—	—	(1,007)
Transferred from profit and loss account	43	101	—	144
Advance corporation tax movement	(151)	—	—	(151)
Included in debtors at 31st May 1992 (note 18)	1,115	—	—	1,115
At 31st May 1992	—	£1,874	—	£1,874

Notes on the accounts *continued*

23 Deferred taxation

	The group 1992 £000	The group 1991 £000	Parent company 1992 £000	Parent company 1991 £000
Dealt with in the accounts:				
Tangible fixed assets	3,383	3,506	110	67
Other timing differences	(500)	(695)	230	230
	2,883	2,811	340	297
Less: Advance corporation tax recoverable	(1,455)	(1,304)	(1,455)	(1,304)
	£1,428	£1,507	£(1,115)	£(1,007)
Not dealt with in the accounts:				
Tangible fixed assets	2,086	2,153	860	870
Other timing differences	(459)	(529)	(414)	(420)
	£1,627	£1,624	£446	£450

24 Called up share capital

	1992 Number 000	1992 Amount £000	1991 Number 000	1991 Amount £000
Authorised:				
Ordinary shares of 10p each	25,000	2,500	25,000	2,500
'A' (non-voting) ordinary shares of 10p each	25,000	2,500	25,000	2,500
	50,000	£5,000	50,000	£5,000
7¾% cumulative preference shares of £1 each	800	800	800	800
10% cumulative preference shares of £1 each	7,500	7,500	7,500	7,500
	8,300	£8,300	8,300	£8,300
Total authorised share capital		£13,300		£13,300
Allotted, called up and fully paid:				
Ordinary shares of 10p each	24,445	2,444	24 445	2 444
'A' (non-voting) ordinary shares of 10p each	22,999	2,300	22 999	2 300
	47,444	£4,744	47 444	£4 744
7¾% cumulative preference shares of £1 each	782	782	782	782
10% cumulative preference shares of £1 each	7,116	7,116	7,116	7 116
	7,898	£7,898	7,898	£7 898
Total called up share capital		£12,642		£12 642

25 Reserves

	Revaluation reserve £000	Non-distributable reserve £000	Profit & loss account £000	Total £000
The group and associated companies				
At 31st May 1991	24,478	3,040	149,826	177,343
Currency translation differences	(5,419)	(2,436)	(3,824)	(11,679)
Profit for the year retained	—	—	10,601	10,601
Release to profit and loss account of gains realised	(2)	(81)	—	(83)
Deficit on revaluation of properties at 31st May 1992	(2,179)	585	—	(1,624)
Deferred tax on revaluation	—	(200)	—	(200)
Transfers between reserves	129	1,086	(1,215)	—
At 31st May 1992	£17,007	£1,964	£155,387	£174,358
Attributable to associated companies	£4,174	£176	£3,453	£7,803
Parent company				
At 31st May 1991	1,319	124	65,222	66,665
Currency translation differences	19	17	12	48
Profit for the year retained	—	—	223	223
Release to profit and loss account of gains realised	—	(81)	—	(81)
At 31st May 1992	£1,338	£60	£65,457	£66,855

	Parent company £000	Subsidiaries £000	Associated companies £000	Total £000
Total reserves				
At 31st May 1991	66,665	96,246	14,432	177,343
Currency translation differences	48	(3,747)	(7,980)	(11,679)
Profit for the year retained	223	9,025	1,353	10,601
Release to profit and loss account of gains realised	(81)	—	(2)	(83)
Deficit on revaluation of properties at 31st May 1992	—	(1,624)	—	(1,624)
Deferred tax on revaluation	—	(200)	—	(200)
At 31st May 1992	£66,855	£99,700	£7,803	£174,358

The cumulative amount of goodwill written off against group reserves is £9,433,000 (1991—£9,493,000).

26 Exchange controls

Exchange control regulations apply to the transfer of funds between countries in which the group operates. The amounts included in the distributable portion of group reserves in note 25, £155,387,000, (1991—£140,625,000) which are subject to exchange control regulations significantly affecting remittance to the United Kingdom are not material at 31st May 1992 (1991—£1,355,000)

27 Pensions and retirement benefits

The company and most of its operating subsidiaries in the U.K. and overseas have retirement benefit plans.

For United Kingdom employees the plans all provide defined benefits based on employees' years of service and final remuneration and are funded through separate trustee-administered schemes. The schemes are normally valued triennially by independent professional actuaries. The last valuation, as at 1st June 1989, indicated asset values of £48m and surpluses of £18m. These surpluses are being credited to profit over the estimated remaining service lives of the existing employees. In arriving at these figures the actuaries have used the projected unit method, and have assumed a rate of investment return of 9%, earnings inflation of 7%, and dividend growth of 4½%. The combined level of funding for these schemes is 150%.

Overseas employees are covered by a number of schemes which depend on a variety of local circumstances. The more significant of these schemes are defined benefit, funded, in surplus, and are valued triennially by independent professional actuaries. None of the overseas schemes individually is material on a group basis.

The total pension charge for the group for the year to 31st May 1992 amounted to £1,114,000 (1991—£1,120,000). This comprised a regular charge of £2,119,000 (1991—£2,162,000) reduced by the credit for past service surpluses of £1,005,000 (1991—£1,042,000)

Notes on the accounts *continued*

28 Details of associated companies

Listed by principal country of operation

		Incorporated in:	Parent company's interest
Nigeria			
Paterson Zochonis Industries plc	Manufacturers of soaps, detergents, toiletries, perfumery, cosmetics, pharmaceutical products and confectionery	Nigeria	*40%
Paterson Zochonis Nigeria plc	Merchanting of imported and locally manufactured goods	Nigeria	‡40%
Ekopak Nigeria plc	Packaging manufacturers	Nigeria	‡40%

None of the above companies has any class of share capital other than ordinary.
*Shares held by parent company
‡Shares held by associated company

The group share of the profits and net assets of the listed associated company and its subsidiaries in Nigeria is based on the audited accounts for the year ended 31st May 1992 as translated to sterling at the rates of exchange stated:

	1992 Total	1992 Group share of 40%	1991 Total	1991 Group share of 40%
	£000	£000	£000	£000
Turnover	68,196	—	102,639	—
Profit before taxation	6,792	2,717	10,409	4,164
which is stated after charging depreciation	805	—	1,483	—
Issued share capital				
180,630,332 ordinary shares of 50K each (1991—144,504,266 shares)	2,696	1,078	4,307	1,723
9½% redeemable debenture stock 1995 (unsecured)	597	—	1,192	—
Floating rate redeemable debenture stock 1997/2004 (unsecured)	1,791	—	3,577	—
Floating rate redeemable loan stock 1999/2006 (unsecured)	2,985	—	—	—
Reserves	20,693	8,277	35,652	14,261
Group interest included in note 18		£9,355		£15,984

£1=N33.50 (1991—£1=N16.7788)

29 Company where the group investment represents more than 10% of the issued share capital

		Incorporated in:	Parent company's interest
Pioneer Metal Products Co. Ltd (unlisted)	Galvaniser of iron sheets	Nigeria	19.12%

The above company has no class of share capital other than ordinary.
The results of this company have been included in the consolidated accounts on the basis of dividends receivable.

30 Principal group companies

		Incorporated in:	Parent company's interest
Parent company			
Paterson Zochonis plc	Holding company.	England	

Subsidiary companies

Listed by principal country of operation

		Incorporated in:	Parent company's interest
United Kingdom			
Cussons Group Ltd.	Holding company.	England	*100%
Cussons (U.K.) Ltd.	Manufacturers of soaps, toiletries and household products.	England	†100%
Cussons (International) Ltd.	Exporting of soaps, toiletries and general merchandise. The provision of industrial supplies and technical services principally to group and associated companies.	England	†100%
Fragrance Chemicals Ltd.	Manufacturers of perfume blends.	England	†100%
Parnon Ltd.	Wholesalers.	England	*100%
P.C. Products (1001) Ltd.	Manufacturers of household products.	England	†100%
Australia			
Cussons Australia Pty. Ltd	Holding company.	Australia	†100%
Cussons Pty. Ltd.	Manufacturers and distributors of soaps, detergents toiletries and medicinal preparations	Australia	†100%
Cameroun			
Akwa Trading S.A. (formerly Paterson Zochonis Cameroun S A.)	Merchanting of imported and locally manufactured goods.	Cameroun	‡*100%
Sipca S A.	Manufacturers and distributors of toiletries and perfumery.	Cameroun	‡†99%
Canada			
Cussons Canada Inc.	Manufacturers and distributors of household products.	Canada	*100%
Congo			
Coparco S.A.	Manufacturers and distributors of toiletries and perfumery	Congo	†100%
France			
Societe D'Exportation Importation Haussmann S A.	Buying office for group companies	France	*99%
Interparco S.A	Holding company	France	*100%
Europarco S.A	Buying office for group companies	France	†99%
Ghana			
Paterson Zochonis Ghana Ltd.	Merchanting of imported and locally manufactured goods.	Ghana	*60%
Tema Thread Co. Ltd	Manufacturers of thread.	Ghana	†60%
Associated Industries (Ghana) Ltd	Manufacturers of proprietary medicines and perfumery	Ghana	†60%
Greece			
Minerva S.A	Processing of edible oils and fats	Greece	*100%
Guernsey			
Whitefield Ltd	Investment company.	British Virgin Islands	*100%

Notes on the accounts *continued*

30 Principal group companies *continued*

		Incorporated in:	Parent company's interest
Hong Kong			
Cussons Toiletries (China) Ltd.	Distributors of toiletries.	Hong Kong	†100%
Indonesia			
P.T. Cussons Indonesia	Manufacturers of soaps and toiletries	Indonesia	†95%
P.T. Cussons Distributor Indonesia	Distributors of soaps and toiletries	Indonesia	†76%
Jersey			
Fairfield Ltd.	Investment company	British Virgin Islands	*100%
Kenya			
Cussons & Co. Ltd.	Manufacturers and distributors of soaps, toiletries and proprietary medicines	Kenya	†100%
New Zealand			
Cussons (New Zealand) Pty Ltd	Distributors of soaps and toiletries	Australia	†100%
Nigeria			
Thermocool Engineering Co. plc	Manufacturers of refrigerators and air conditioners	Nigeria	*60%
Roberts Pharmaceuticals Ltd	Manufacturers of pharmaceutical products	Nigeria	†60%
Thailand			
Cussons (Thailand) Ltd	Manufacturers and distributors of soaps and toiletries	Thailand	†100%

None of the above subsidiary companies has any class of share capital other than ordinary.

*Shares held by the parent company †Shares held by a subsidiary
‡Local accounts are made up to 30th June to comply with local regulations

A full list of the subsidiaries will be annexed to the annual return

Auditors' report to the members of Paterson Zochonis plc

We have audited the financial statements on pages 8 to 28 in accordance with auditing standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31st May 1992 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co.

TOUCHE ROSS & CO

Chartered Accountants
and Registered Auditor.
74 Mosley Street
Manchester M60 2AT

20th October 1992

Ten year record

Year to 31st May	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Group profit before taxation	23,928	21,203	20,626	20,053	20,200	28,261	31,894	23,196	19,891	20,595
Share of profits of associated companies	2,717	4,164	4,405	3,334	4,020	5,001	10,397	15,405	11,062	6,277
Profit before taxation	26,645	25,367	25,031	23,387	24,220	33,262	42,291	38,601	30,953	26,872
Taxation	9,501	8,950	9 457	8,068	9,350	12,180	20,951	18,034	14,013	11,177
Profit after taxation	17,144	16,417	15,574	15,319	14,870	21,082	21,340	20,567	16,940	15,695
Minority interests	340	374	328	251	157	35	185	1,480	1,997	870
Profit before extraordinary items	16,804	16,043	15,246	15,068	14,713	21,047	21,155	19,087	14 943	14 825
Dividends on preference capital	770	770	770	770	770	770	770	770	770	770
Profit attributable to ordinary capital	16,034	15 273	14,476	14,298	13,943	20,277	20 385	18 317	14 173	14 055
Dividends on ordinary capital	5,433	4,934	4,484	4,080	3 701	3,369	3,084	2,799	2,443	2,254
Profit retained, before extraordinary items	£10,601	£10,339	£9,992	£10,218	£10,242	£16,908	£17,301	£15 518	£11,730	£11 801
Net assets employed	£189,896	£194,014	£191,589	£186,559	£149,471	£141,729	£125,347	£159 940	£149,594	£116 467
Per ordinary share										
Earnings (before extraordinary items)	33.70p	32 19p	30 51p	30 14p	29 39p	42 74p	42 97p	38 61p	29 82p	29 62p
Dividend	11.45p	10 40p	9 45p	8 60p	7 60p	7 10p	6 50p	5 90p	5 15p	4 75p
Times cover	3.0	3 1	3 2	3 5	3 8	6 0	6 6	6 5	5 8	6 2
Net assets	377p	384p	378p	360p	294p	278p	243p	304p	284p	[illegible]

Notes

1 References to ordinary shares include 'A' ordinary shares and all calculations are after adjustment for capitalisation issues of ordinary and 'A' ordinary shares.

2 Net assets employed are after taking account of the property revaluations made on 31st May 1984, 31st May 1989 and 31st May 1992 as appropriate

Notice of meeting

Notice is hereby given that the annual general meeting of the members of Paterson Zochonis plc will be held at the Holiday Inn Crowne Plaza Midland Hotel, Peter Street, Manchester on Monday the 7th day of December 1992, at 12 noon, for the following purposes:

1 To receive the accounts for the year ended 31st May 1992 and the reports of the directors and the auditors thereon.

2 To declare a final dividend of 9.20p per share on the ordinary and 'A' ordinary share capital of the company.

3 To re-elect A. G. Kanellis a director of the company.

4 To re-elect J. R. L. Lee a director of the company.

5 To re-elect A. Whittaker a director of the company

6 To re-appoint Touche Ross & Co as auditors and to authorise the directors to fix their remuneration.

As special business of the meeting to consider and if thought fit to pass the following resolution as a special resolution:

7 That pursuant to article 5 of the company's articles of association the company be and it is hereby generally and unconditionally authorised to make market purchases (within the meaning of section 163 of the Companies Act 1985) of ordinary and 'A' (non-voting) ordinary shares of 10p each in the capital of the company provided that:

(i) The maximum number of shares which may be purchased pursuant to this authority is:
2,440,000 ordinary shares and
2,299,000 'A' (non-voting) ordinary shares

(ii) The maximum price which may be paid for a share is an amount equal to 105 per cent of the average of the middle market quotations for such share derived from the London Stock Exchange Daily Official List for the 10 business days immediately preceding the day of purchase.

(iii) The minimum price which may be paid for a share is 10p.

(iv) Unless renewed prior to such date, this authority shall expire at the conclusion of the next annual general meeting provided that the company may make a contract to purchase ordinary or 'A' (non-voting) ordinary shares before the expiry of this authority which will or may be executed wholly or partly after the expiry of this authority and may make a purchase in pursuance of such contract.

A member of the company entitled to attend and vote at this meeting is also entitled to appoint a proxy (whether a member or not) to attend and, on a poll, vote instead of him. A reply-paid proxy card is enclosed for use by ordinary shareholders. In order to be valid, proxies must be received at the offices of the company not later than 48 hours before the time appointed for the meeting

Dated this twelfth day of November 1992

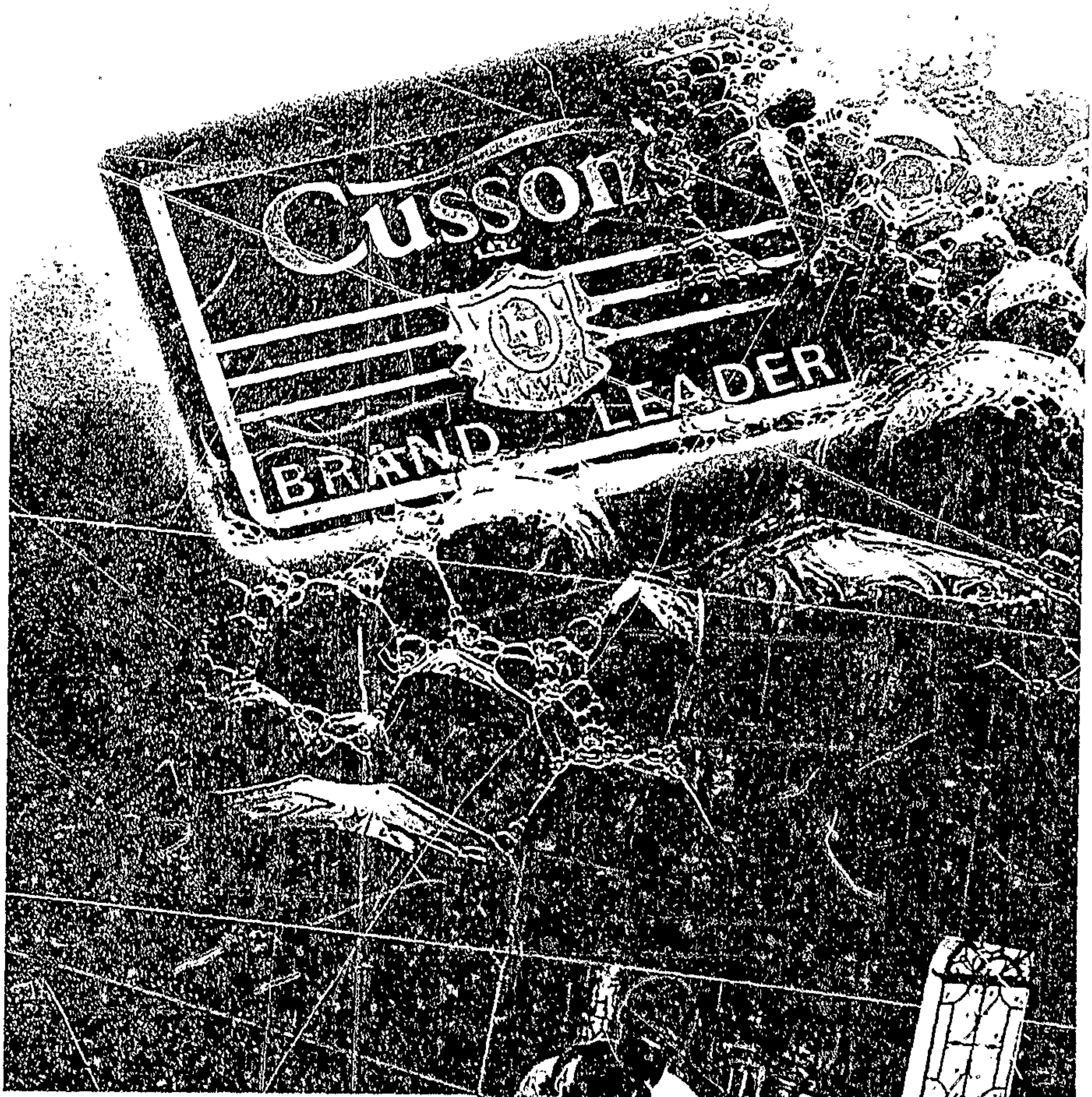
By order of the board of directors

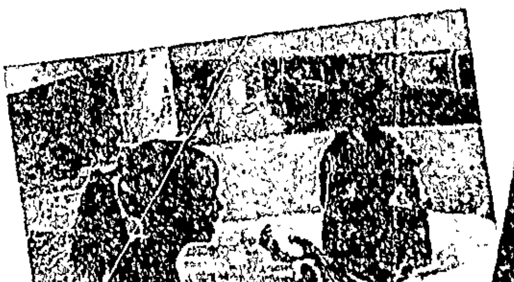
T F G. HARRISON—Secretary

Notes

1 'A' ordinary shareholders and preference shareholders receive this notice and the report and accounts for information only and are not entitled to attend or vote at the annual general meeting

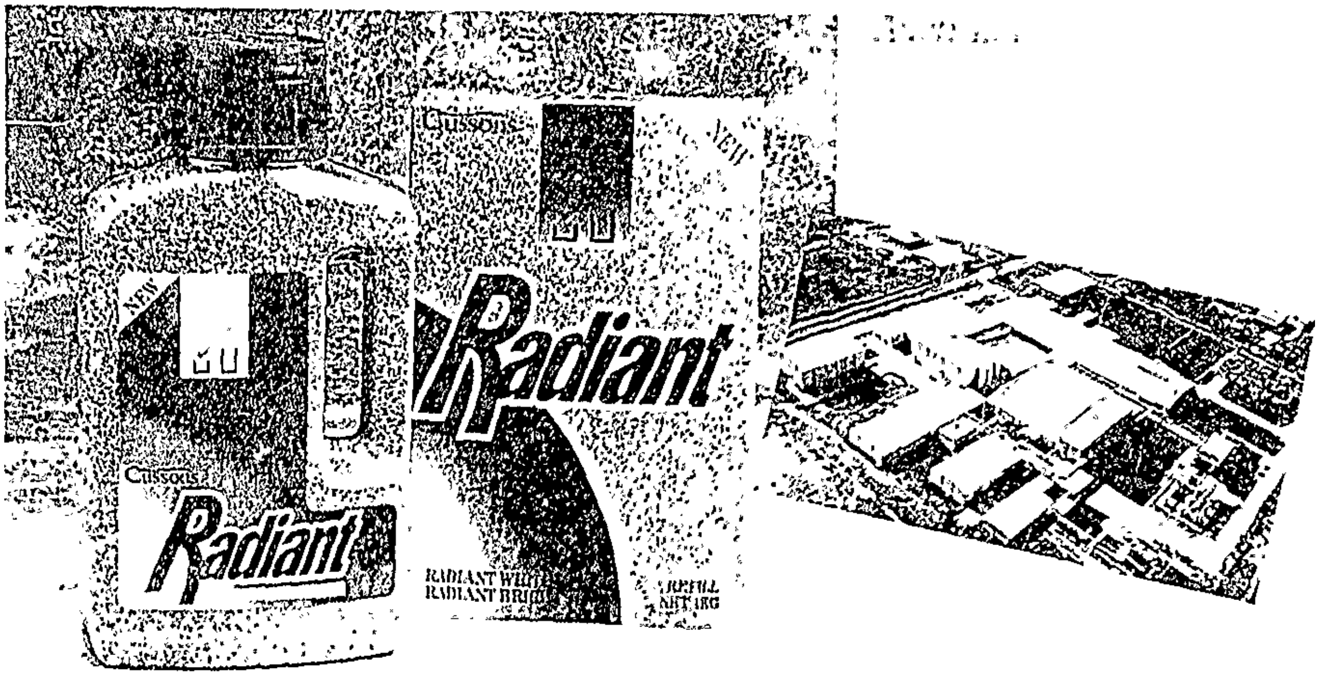
2 No director has a service contract which does not expire within one year, with either the company or any of its subsidiaries.


Cussons
BRAND LEADER

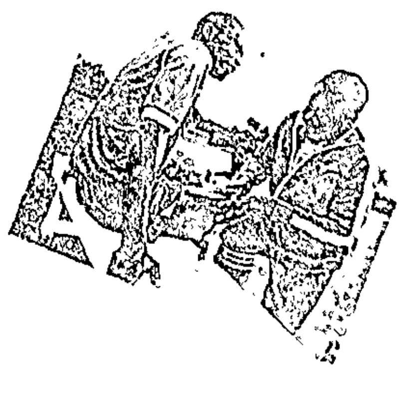


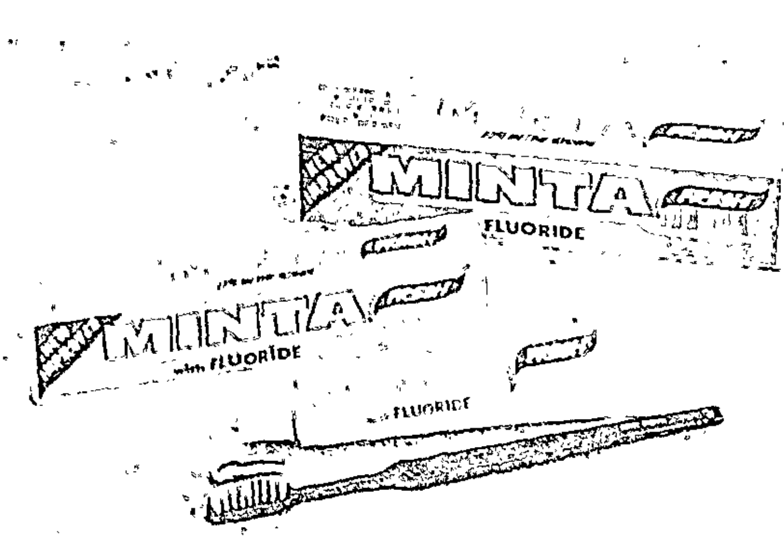
Far East

Nigeria


Cussons
NEW
Radiant
Cussons
Radiant
RADIANT WHITE
REFILL


MALADRIN
syrup
tablets
ROBB
THE EFFECTIVE OINTMENT
COUGH MIXTURE
Roberts
CHINESE BALM
ROBB

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NOTICE OF ILLEGIBLE DOCUMENTS

Companies House regrets that documents in this company's microfiche record have pages which are illegible.

This has been noted but unfortunately steps taken to rectify this were unsuccessful.

Companies House would like to apologise for any inconvenience this may cause.