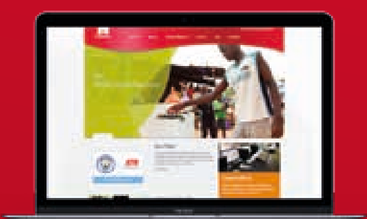
PZ Cussons Nigeria Plc
Annual Report and Accounts 2017

Creating sustainable value for all

Diverse, growing and exciting, our brands lead in Home Care, Personal Care, Electrical Goods and Food & Nutrition.

For more than a century, we have kept our promise of 'Making Life Better' every day in different ways. Our operational diversity and understanding of the commercial landscape allows us to strategically tap potential for future growth. Our world-class supply chain and distribution networks enable us to meet consumer needs and deliver quality brands across Africa adding value and enhancing everyday lives. Our greatest assets, our staff, live and deliver our CAN DO values.



Online

A digital, downloadable copy of this report is available online at:

www.pzcussons.com.ng

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World's
NUMBER 1
DEEP FREEZER
The No.1
FREEZE
MASTER
We freeze faster and deeper
COOLING RETENTION
KEEPS FOOD FROZEN FOR
UP TO 100 HOURS WITHOUT POWER
FREEZE AND RETAIN
FRESH TASTE AT THE
LOWEST TEMPERATURE
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Haier THERMOCOOL
Choose Peace of Mind. Choose Haier Thermocool.

Board of Directors, Officers and other corporate information

Chief K.B. Jamodu, CFR	Chairman – Non-executive
Mr B. Oyelola	Vice Chairman – Non-executive (Deceased 22 February 2017)
Mr C. Giannopoulos (Greek)	Chief Executive
Mr L. Batagarawa	Non-executive
Mrs E. Ebi	Non-executive
Mallam D. Muhammad	Non-executive
Mr P. Usoro SAN	Non-executive
Mrs O.T. Ifaturoti	Executive (Resigned 31 May 2017)
Mr A. Goma	Executive
Ms J. Coker	Executive
Mr D. Petzer (South African)	Executive

Company Secretary

Mrs A.O. Laseinde

Registered office

45/47 Town Planning Way
Ilupeju Industrial Estate
Ilupeju, Lagos

Registration number

RC 693

Registrars

First Registrars Nigeria Limited
Plot 2, Abebe Village Road
Iganmu Complex
P.M.B. 12692
Lagos

Auditors

PricewaterhouseCoopers (Chartered Accountants)
Landmark Towers
5B Water Corporation Road
Victoria Island
Lagos

Financial highlights

Reported results (before exceptional items)

Revenue

N79,630m

2016: N69,529m
% change: +14.5%

Operating profit***

N13,215m

2016: N6,133m
% change: +115.5%

Basic and diluted earnings per share

84 Kobo

2016: 47 Kobo per share
% change: +78.7%

Statutory results (after exceptional items)

Operating profit***

N13,215m

2016: N6,133m
% change: +115.5%

Profit before taxation

N4,811m

2016: N3,148m
% change: +52.8%

Final and Interim dividend per share*

50 Kobo

2016: 50 Kobo per share
% change: +0.0%

Net asset**

N45,138m

2016: N43,402m
% change: +4.0%

* Final dividend of 50 Kobo per share for 2017 proposed is subject to approval by the shareholders at AGM.
** Net asset is total asset less total liability.
*** Operating profit has been adjusted for exchange loss impact and which has been separated from Cost of Sales as in previous financials.

Notice of meeting

NOTICE IS HEREBY GIVEN that the 69th Annual General Meeting of PZ Cussons Nigeria Plc will be held at the Transcorp Hilton, Abuja, on Thursday, 12 October 2017 at 10.00am for the following purposes:

Ordinary business

1. To lay before members the Report of the Directors, the Financial Statements for the year ended 31 May 2017 and the Reports of the Auditors and the Audit Committee thereon.
2. To declare a Dividend.
3. To re-elect:
   i. Mr Lawal Batagarawa as a Director.
   ii. Mrs Elizabeth Ebi as a Director.
   iii. Mr Alexander Goma as a Director.
4. To appoint a new independent auditor to replace the retiring Messrs PricewaterhouseCoopers. Notice is hereby given that the proposed independent auditor to be appointed is Akintola Williams Deloitte.
5. To authorise the Directors to fix the remuneration of the Auditors.
6. To elect members of the Audit Committee.

Special business

7. To approve the remuneration of the Directors.
8. To authorize the Company to procure goods and services necessary for its operations from related companies in compliance with the NSE Rules Governing Transactions with Related Parties or Interested Persons.
9. **Special Resolution**
   To consider and if thought fit pass the following as a Special Resolution altering the Company's Memorandum and Articles of Association:

   Rewording Article 127 (Printed accounts to be sent to members and others)
   "A copy of every balance sheet which is to be laid before the Company in general meeting, together with the profit and loss account, the Directors' report, the Audit Committee's report, the Auditors' report and every document required by law to be annexed thereto, shall, not less than twenty-one days before the date of the meeting be sent, either in printed or electronic form, by courier or through any electronic means, to every member of the Company and every holder of debenture of the Company and every person registered under or pursuant to Article 32. Appropriate copies of these documents shall be sent to the Nigerian Stock Exchange. Provided that this Article shall not require that these documents or any of them be sent to any person whose address the Company is not aware of or to more than one of the joint holders of any share or debenture."
10. That the Company's Memorandum and Articles of Association incorporating the above amendment be and is hereby approved and adopted as the Memorandum and Articles of Association of the Company in substitution for and to the exclusion of all previous editions thereof.

BY ORDER OF THE BOARD

Abiola Laseinde FCIS
Company Secretary/Head of Corporate Services for Africa
FRC/2016/NBA/00000015857

45/47, Town Planning Way
Ilupeju Industrial Estate, Lagos

7 August 2017

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 proxy form is enclosed and if it is to be valid for the meeting, it must be completed and deposited at the registered office of the Company not less than 48 hours before the time of the Meeting.

Dividend warrants
If the dividend recommended by the Directors is approved, dividend warrants will be posted on Friday 13 October 2017 to Shareholders, whose names are on the Register of Members on Friday 29 September 2017.

Closure of register
The Register of Members and Transfer Books of the Company will be closed from Monday 2 October 2017 to Tuesday 3 October 2017 (both dates inclusive) for the purpose of updating the Register of Members.

Audit Committee
The Audit Committee consists of three representatives of the Shareholders and three representatives of the Directors. Any member may nominate a Shareholder as a member of the Committee by giving notice in writing of such nomination to reach the Company Secretary at least 21 days before the Annual General Meeting. Nominators should bear in mind that the Code of Corporate Governance requires the Board to ensure the constitution of a suitably skilled Audit Committee. Accordingly, the nominees should have basic financial literacy and be able to interpret financial statements.

Unclaimed dividend warrants and share certificates
Shareholders are hereby informed that several dividend warrants and share certificates remain unclaimed. Some dividend warrants have not been presented to the bank for payment or to the Registrars for revalidation. A list of such members has been circulated with the Annual Report. Affected members are advised to contact the Registrars.

E-dividend/bonus
Pursuant to the directive of the Securities and Exchange Commission, members are hereby advised to open bank accounts, stock broking accounts and CSCS accounts for the purpose of the payment of e-dividend/bonus. Relevant forms are attached to this Annual Report for completion by members for the purposes of furnishing the particulars of these accounts to the Registrar.

Rights of shareholders to ask questions
Pursuant to Rule 19.12(c) of the Nigerian Stock Exchange Rulebook 2015, shareholders have the right to ask questions not only at the Meeting, but also in writing prior to the Meeting and such questions must be submitted to the Company Secretary not later than two weeks before the date of the Meeting.

Chairman's statement

Distinguished Shareholders,

It is a great honour and privilege to welcome you all to the 69th Annual General Meeting of your Company to present the Annual Report and Financial Statements for the year ended 31st of May 2017. Before I do this, please permit me to highlight the key events that underlined the performance of the Company during the year.

Business environment

The business environment remained challenging as the economy continued to record negative growth that started in the second half of 2014. Gross Domestic Product (GDP) registered negative growth of 1.51% during fiscal year 2016 and a further decline of 0.5% during the first and second quarters of 2017. Inflation peaked to 18.72% in January 2017 and gradually declined towards the end of the financial year. Borrowing rates increased to levels above 20% during the financial year just ended.

These developments created a difficult environment for businesses to operate in. Challenges in accessing foreign exchange during the first half (June 2016-January 2017) restricted importation supply of critical raw materials. On the other hand, the depreciation of the Naira pushed up the cost of goods, which led to price adjustments. This situation impacted consumer demand across all sectors. The impact was that sales volumes dropped while operating expenses increased.

Despite the challenging operating conditions, your Company was able to adapt and adjust to the emerging business environment. The Company managed to deliver a solid performance for the year and grew Shareholder value.

Operating results and performance

Consolidated revenue grew by 15% from N69.5 billion in prior year to N79.6 billion in the current year. This result was achieved through initiatives on our key brands and the improved capabilities in our supply chain that we have built over the past few years. Both initiatives made us more adaptable and agile in an increasingly competitive market.

We remained focused on our strategic initiatives aimed at driving shareholder value and sustaining long-term growth. We continue to consolidate our routes to market to create synergies and optimize on existing infrastructure and facilities. We also continued to invest in projects to improve efficiencies in our supply chain. In this regard we opened a N3 billion new modern and expanded distribution center in Abuja during the year. We have also invested in new production facilities for energy saving home electrical appliances, to the tune of N1 billion.

In order to stay in the forefront of the mind of the consumer, we have increased focus on our core brands through various initiatives. We have continued to review and streamline our product portfolio to keep ourselves lean and make ourselves more adaptable to changes in the environment. I am delighted to announce that the projects to improve our processes and strengthen our back office systems that I mentioned in my address last year were completed to plan. The benefits of these investments will be realized over the coming years.

The Family Care business recorded a solid growth in revenue of 22% for the year. This was driven by the strategic initiatives undertaken in our focus brands, the streamlined portfolio, the consolidated and simplified route to market as well as the improved planning and execution capabilities in our supply chain area. The electrical goods business was flat in revenue compared to last year. This was driven by depressed disposable incomes for the consumer, which have seen demand shifting from durable consumer goods to foods and other basic necessities. The improved revenue and improved control of operating expenses spurred Group Profit before taxation (PBT), which grew by 53% from N3.15 billion to N4.8 billion. This was achieved despite foreign exchange losses N8.8 billion (2016 2.8 billion) which were incurred during the year as a result of the significant depreciation of the Naira against the US Dollar.

Overall, our company has done well growing both the top line and bottom line even under challenging economic conditions. The result reflects that the underlying business is very solid and reflects the strength of our operations. The strategic initiatives that I referred to in my report of last year plus the tactical plans that management implemented during the year to mitigate against emerging risks emanating from the economic conditions made the result possible. Your Board and management will continue to monitor the business environment and will make necessary adjustments to sustain the positive growth momentum into the future.

Our balance sheet remains strong with total assets of N90.1 billion compared to N74.4 billion in the previous year. The N1.7 billion of export rebates that are receivable from the Nigerian government that we mentioned in the prior year report is still included in our total assets. These are referred to in more detail in the notes to the accounts.

We sustained our strong cash position, which makes us flexible and agile to fund operations and pursue any business opportunities that may arise.

Dividends

Fellow Shareholders, the Board of Directors is recommending to the Shareholders at this AGM, a final dividend pay-out of N 1,985,238,523 billion representing a payment of 50 kobo per share (2016: 50 kobo). If approved, the dividend will be paid to shareholders on Friday 13 October 2017, after deducting the appropriate withholding tax.

Product Categories

Given the difficult macro-economic conditions in the period under review, we remained focused on consolidating our Home and Personal Care portfolio, adapting product size, packaging and pricing strategy to suit consumers' reduced disposable cash availability. By keeping the consumer at the heart of our key initiatives, we were able to ensure that both Personal Care and Home Care categories performed well and in line with expectations.

Chairman's statement continued

Personal Care

During the period under review we extended our leadership position in the toilet soaps category, achieving both volume and value growth in a declining market. The main driver behind this strong performance was the Premier range with both Premier Classic and Premier Cool performing above expectations.

Cussons Baby continued to reinforce its leadership position in the baby toiletries and cleansing category through the launch of Cussons Baby Wipes (Made in Nigeria) in the early part of the financial year.

Other key brands such as Robb, Stella and Venus continued to perform in line with expectation. It is important to note that Carex together with United Purpose (Concern Universal) for the third year running sponsored one of Africa's biggest educational Hand Washing Campaigns, building more than 3,000 hygiene heroes and influencing more than 90,000 children on the importance of clean hands.

Home Care

Morning Fresh retained its leadership position in the dishwashing category expanding its offering into 25 ml pack in the early part of the year, making the product more available to every Nigerian consumer. During the period under review, Canoe further strengthened its number one position in the laundry bar category with new variant introductions, which continued to be embraced by the consumer.

Both Canoe and Zip Detergents performed in line with expectations maintaining our overall share in the detergent powder category. In the later part of the year, following consumers' need for a better value proposition in the branded detergents market, Tempo detergent powder was launched in a 500 gr consumer pack with good consumer response.

Electricals

In the Electricals category, we have retained our leading market positions. The category remains very competitive with a large number of brands operating across many price points, offering multiple features. The increasing cost of forex during the year made it necessary to implement significant price increases, which subsequently put pressure on total category volumes. Nevertheless, by continuing to invest in suitable Product Innovation for the local market and Product Performance, an engaged Customer Network and After Sales Service, we have succeeded in minimizing the available commercial opportunities.

The Board

During the financial year 2016-2017, precisely on 22 February 2017, we experienced the unfortunate incident of the loss of Mr Babatunde Oyelola, the Vice Chairman of the Board. He was a committed colleague focused on the development and advancement of every aspect of our Company, a PZ man. We pray that God will grant his family the fortitude to bear the irreparable loss.

Also, our Board colleague Mrs Oluwayomi Ifaturoti retired from the Board effective 31 May 2017 after 25 years of meritorious service to the Company, 11 years of which she was the Corporate Affairs and Administration Director. On behalf of the Board and members of the Company, we wish her success in all her future plans.

Staff

The commendable performance of the Company despite the difficult environment was made possible by our most valued asset, our employees, who continue to diligently serve and deliver on the business objectives. The Company invested in leadership training programs and functional programs across all cadre of the organization. Talent development and succession planning continues to be a core focus for the business.

Corporate Social Responsibility

The mission of PZ Cussons Foundation is to improve the welfare of Nigerians by working in partnership with local communities, government and other NGOs. We aim to continue to deploy sustainable projects with positive impact and ensure these corporate social investments have maximal community involvement and wide geographical spread. Our priority areas of intervention are in health, empowerment, education and potable water. Our host communities remain our partners.

Since inception, the Foundation has implemented over 64 projects in the 6 geo political zones. For the current financial year 2016-2017 the following projects were commissioned:

- Block of classrooms at St Thomas Primary School, Iwoye Ijesha, Osun State
- 2016 edition of the Annual PZ Cussons Carex Chemistry Challenge in Lagos, Benue and Cross River State
- Global Handwashing Campaign for 2016
- Donation of a borehole at Angwan Rogo Community, Abuja, FCT
- Donation of a Transformer to Mbamba Community, Yola, Adamawa State
- Donation of a block of classrooms at Osokwa Community, Abia State

See more details on CSR pages 28-30

The future

We remain excited and confident about the future of your Company. This confidence is emboldened by the recent positive turn in the economic situation of the country, which has witnessed the starting of a turnaround during the second quarter of the fiscal year. On the monetary policy front, the changes made by the CBN have stabilized the exchange rate and improved liquidity in the market. Concurrently, we have also seen positive policy shifts on the fiscal front. The positive impact of these developments should continue to uplift the economy out of recession in the coming months.

We are confident of our brands, which are leading in the market segments in which we participate. We are going to sustain the current initiatives that have proved to be positive and effective. We will continue to innovate and improve our products to meet the needs and tastes of the consumer. We will also keep the focus on key brands and key channels. We will review our product portfolio in order to keep the right focus and flexibility that is required in an increasingly challenging market place. We will sustain the investments in our supply chain processes and consolidate our depot network to optimize our operational efficiencies. This will put us in good footing to sustain the current growth momentum going forward.

Additionally, we have adapted our management structure to create a truly consumer care organization. As part of a global organization, we benefit from global innovations and initiatives of the Group. In this breadth, our supply chain and sales functions have been integrated into a single structure across the globe and across the region. The aligned route to market and consistent ways of working will unlock further value for your Company.

Conclusion

In concluding, my appreciation goes to our customers for their confidence in our products and the Company, to our people management and staff at all categories for their hard work and dedication, and to our distributors for their commitment and good partnering. I also appreciate our parent Company, PZ Cussons Plc. Manchester, for their long-term commitment to the development of the country and for its unwavering support for our Company.

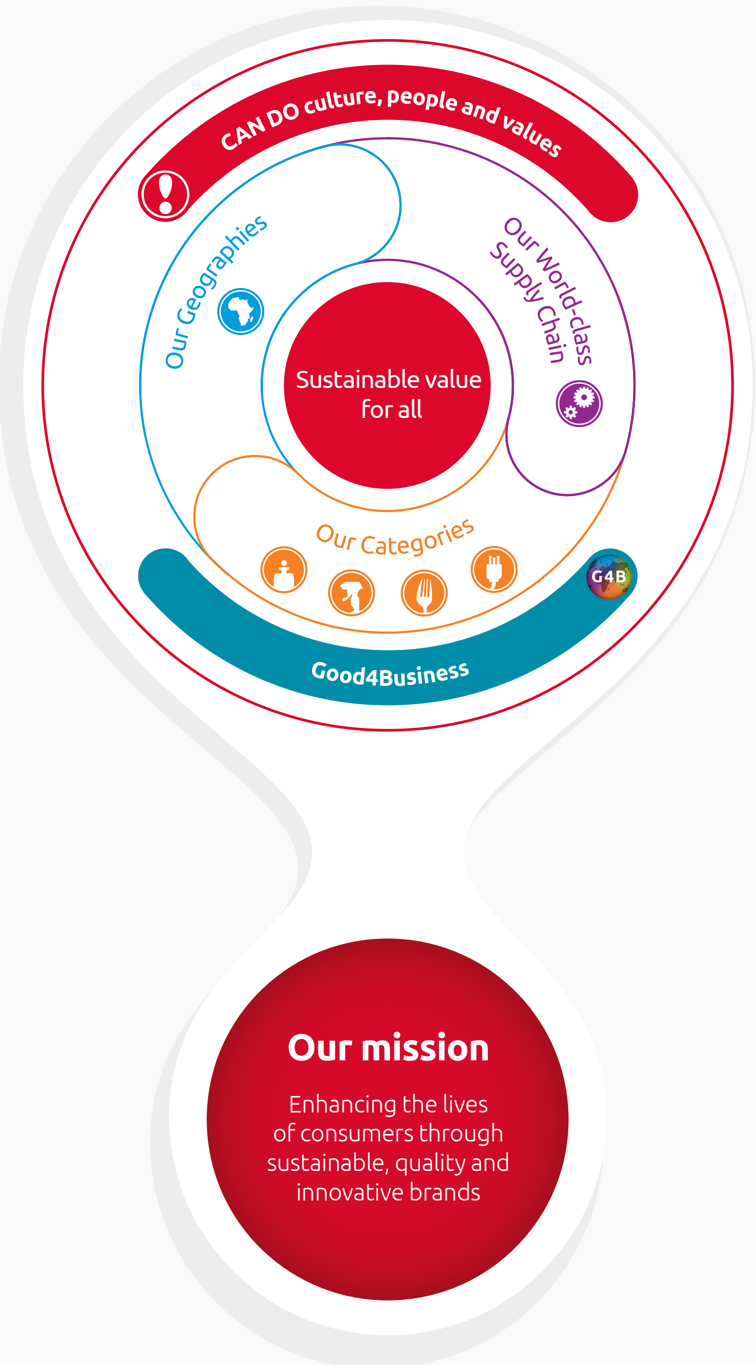
Finally, I would like to thank my colleagues on the Board and members of the sub-committees for their valuable insights, counsel and team work during the last financial year. I look forward with confidence that we will continue working together and we will sustain the growth momentum into the next financial year.

I thank you all for listening.

Chief Kolawole B. Jamodu, CFR
Chairman
FRC/2013/ICAN/00000001617

7 August 2017

Our Business Model
Creating value through our unique business model



Our business model

Our Geographies

Operations in a carefully selected balance of international geographies.

- **Manufacturers** Nigeria, Ghana, Kenya
- **Export countries** Angola, Benin, Côte d' Ivoire, DR Congo, Gabon, Ghana, Liberia, Mali, Niger, Senegal, Sierra Leone, Sudan, Togo

Our Categories

Consumer brands which occupy No1 and No2 leading market share positions in four main categories.

- **Personal Care**
- **Food & Nutrition**
- **Home Care**
- **Electricals**

Our World-class Supply Chain

Flexible supply chain capabilities reinforced by a modern factory footprint and excellent distribution networks.

- **Modern factory footprint**
- **Excellent distribution networks**

CAN DO
culture, people and values

Living our values

- **Courage | Accountability | Networking Drive | Oneness**

Good4Business

Further integration of sustainability throughout our business.

- **Business Governance & Ethics**
- **Environment**
- **Sourcing**
- **Community & Charity**

Key strategic focus	Risks
Delivering growth and expansion across our geographies	Political and social instability Exchange rate fluctuations Regulatory compliance
Leveraging our market-leading brands across all our categories	Demand risks Product safety and quality
Creating a world-class supply chain to optimise business and operational efficiency	Material price fluctuations Third party supplier management Supply chain disruptions
Embracing our CAN DO spirit and culture to build clear differentiation	Staff recruitment and talent selection Staff retention
Integrating Good4Business principles into our operations	Sustainability and integrity of raw materials Climate change mitigation and adaptation Reputational risks Consumer safety Public health

Our vision

To be a leading consumer brand of choice in our operating markets, delivering innovative, sustainable products created by exceptional people in a unique CAN DO culture that embraces integrity, diversity and drives the passion to succeed.

Delivering long-term growth in earnings and dividend per share.

How we create value

For investors

Consistent dividend growth

Strong management structure

Stringent cost controls

For consumers

Innovative, quality market-leading brands

For employees

Living CAN DO values and policies

State-of-the-art factories and office facilities

For sustainability

Good4Business policies, governance and strong business ethics

Our Geographies

Our diverse and efficient operations…

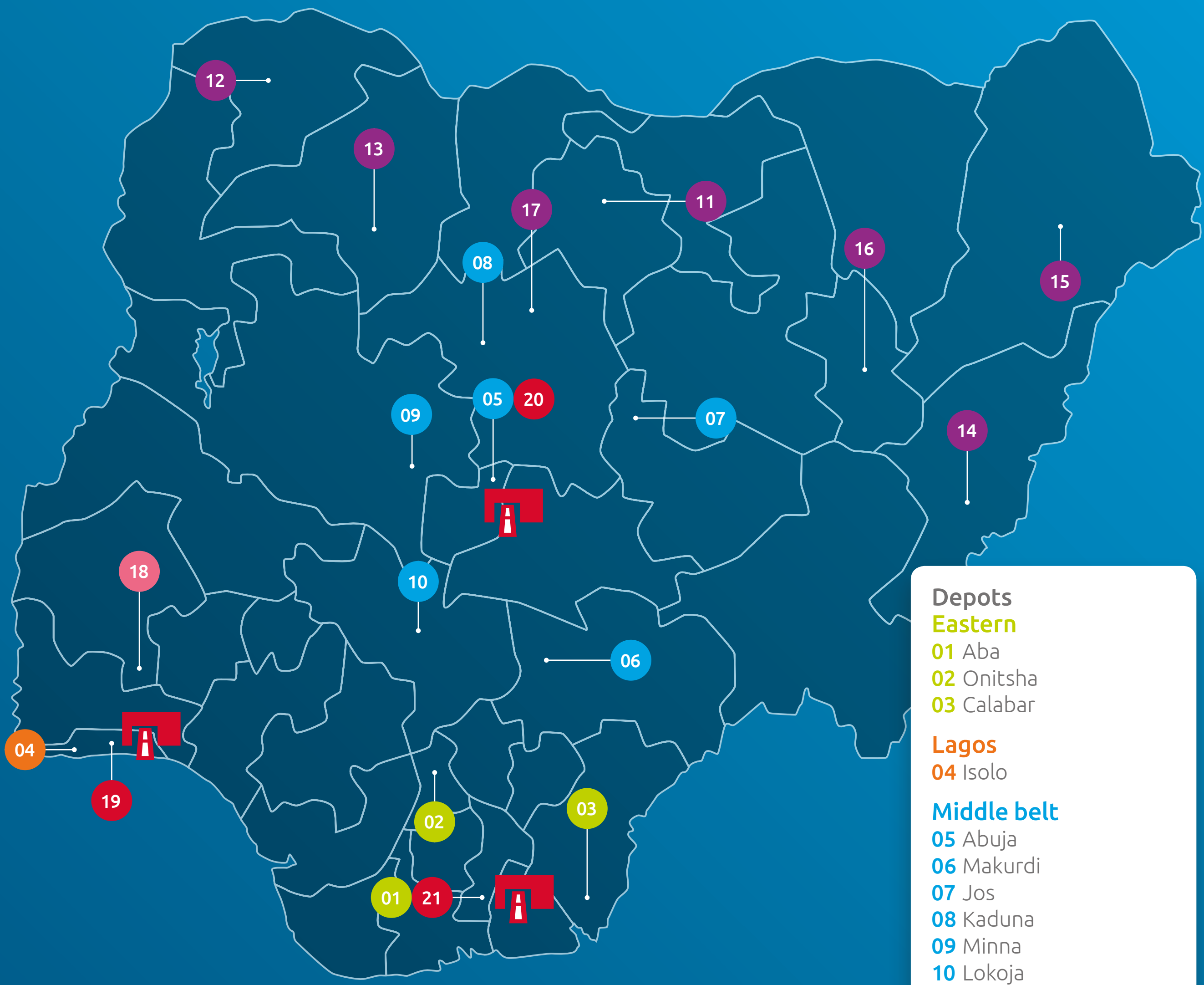
We operate in locations and regions that give us the highest growth potentials through our own infrastructure or by working in close partnerships. We are continuously evolving and transforming our distribution networks to achieve our planned expansion and growth.

Trading history

Since 1899 when Paterson and Zochonis opened its first branch office in Nigeria, we have remained the largest operating unit of the PZ Cussons Group. In 1948 we commenced soap manufacturing in Aba and, as the demand for the Company's products grew, we expanded and diversified into new product categories – toiletries, cosmetics and pharmaceuticals.

With growing confidence and an excellent distribution network, the Company began manufacturing detergent and white goods in 1973; building one of the largest detergent factories in Africa in 1982.

As a result of our history, we now have a significant footprint in Africa. Nigeria's huge population of 170 million people provided the foundation for understanding the demanding needs of consumers across the continent. Our steady growth and increasing consumer recognition provided opportunities for a number of joint venture businesses units known today as Haier Thermocool – with over 40 years' heritage in the manufacture and distribution of white goods brands; Nutricima (sister company) – manufacturing and sale of powdered milk, evaporated milk and yoghurt drinks; and PZ Wilmar (sister company) – manufacturing and distribution of edible oils.



Depots

Eastern
01 Aba
02 Onitsha
03 Calabar

Lagos
04 Isolo

Middle belt
05 Abuja
06 Makurdi
07 Jos
08 Kaduna
09 Minna
10 Lokoja

North
11 Kano
12 Sokoto
13 Gusau
14 Yola
15 Maiduguri
16 Gombe
17 Zaria

West
18 Ibadan

Distribution centres
19 Ikorodu
20 Aba
21 Abuja

Our Geographies

… providing diversity and flexibility

Our continuous innovation provides significant market knowledge and reach for our well known and loved brands.

Expanding markets

We are currently focussed on growing in our current geographies rather than expanding into new ones as we believe the geographies where we operate today offer significant growth potential.

We have developed an industry leading ‘Route to Market’ capability and extensive ‘Active Distributor’ partnership model that has guaranteed our brands are within easy reach of our loyal consumers.

Mamador creates consumer choice

Mamador’s quality cooking oil and flexible pack sizes have weathered the market’s volatile economic conditions to deliver strong market share growth and financial results. The brand’s consumer metrics showed strong brand health development, while growing consumer loyalty, penetration and buying rates. These results were achieved by defining and developing brand positioning and through a number of key initiatives including the Mamador Million Hearts Campaign, while also offering consumers a greater choice of affordable pack sizes.

Cussons Baby range relaunch

Cussons Baby’s major relaunch in Nigeria has provided a sales boost for the brand. The new range features improved product formulations, new fragrances and impactful consumer claims. The relaunch is based around the brand promise of providing parents with ‘reassuring confidence naturally’ and delivering trusted, value for money products.

Our Categories

No1 or No2 leading market share positions…

We create consumer brands to remember and enjoy and we operate in four main categories where our brands have a distinct strategic advantage and occupy No1 or No2 leading market share positions.

Personal Care

With our strong heritage in making life better, we have remained the largest indigenous provider of Personal Care products in Nigeria. Our brands, which have been trusted for generations to cater to the needs of the Nigerian consumers, are anchored on unique propositions, which have formed the foundation for sustainable business growth.

Premier, Nigeria's No1 'feel good' family bar, has maintained dominance in the family soap segment as its strategic positioning offered value-for-money to our consumers during the economic travails of the financial year. The unique cooling proposition of Premier Cool Deo Antiseptic soap remains unrivalled in the category, and the on-going partnership with Manchester City Football Club has helped build an affinity with the football-loving users of the brand. The Cussons Baby range of products has continued to garner trust and appreciation by Nigerian moms, helping to grow the baby care market with the increased penetration of our gift packs, while the Imperial Leather brand offers long-lasting, everyday luxury for the whole family. Our brands continue to aid community development as is the case with Carex hand hygiene brand that empowers school children to promote handwashing culture in their communities.

Home Care

Based on macro-economic challenges we've been able to maintain our relevance in a changing environment with flexibility to react and succeed in a market that shifts faster and more unpredictable than ever before. Our operations in this category comes with a good heritage, with Morning Fresh, Nigeria's No1 Best Selling Dish wash setting the innovative pace and launching its first ever Dish Wash Liquid Sachet to meet with the market need while it maintained its strong leadership position in the category despite economic downtime. Canoe, Zip and Tempo in the Fabric care category, made up of detergent powder, bulk powder and laundry soap has different brand appeals to satisfy our consumers.

Our brand equity initiatives have yielded us wider penetration and strengthened the brands' perception in the eyes of the consumers. Riding on this, we have also relaunched the Tempo Multipurpose detergent in a new consumer pack size, keeping the brand within reach of the consumers and maintaining a critical price point in an environment of low consumer disposable income. While in the Home Care category, we introduced the Home Care pack to serve as a convenience pack and address the current need of the market.

Electricals

Our operation in this category comes with a good heritage. HPZ Limited is a JV between PZ Cussons Nigeria Plc (Thermocool) and the Haier Group. With over 40 years heritage, its Thermocool brand is the most trusted, number one white good brand in Nigeria and has become a household name.

Combining cutting edge technology to address everyday household challenges, Thermocool is built for life in Nigeria. The range of products from refrigerators, freezers, air conditioners, cookers, washing machines and dryers, to water dispensers, microwave ovens and power-supply generators, combined with quality performance and style, guarantees we are consumers first choice in equipping homes.

Our CoolWorld Electrical Retail Stores is the leading electrical retailer in West Africa providing solutions and enhancing the lifestyle of its customers. CoolWorld is Thermocool's No1 retailer and fully owned by PZ Cussons. Being our service brand, we deliver the most enjoyable, world-class shopping experience at every contact: in-store, online or in person. We offer unbeatable customer service, product expertise, flexible payment options, leading warranty and unrivalled after sales services.

Food and Nutrition

Our Food and Nutrition category is a diverse and ever-growing area of our business. Not only do we pride ourselves on developing great tasting and nutritious foods, we aim to make a real difference to communities and families with our food products from production to consumption.

Cooking

Our sister company PZ Wilmar has successfully leveraged two strong brands (Mamador and Devon King's) to tap into the needs of both the premium and economy consumers. PZW continues to invest in brand equity, expand our distribution (geographic and channel) as well as build and develop the team towards greater heights. This strong imprint by our brands has also set the tone for extensions into other food/cooking ingredient categories.

Dairy products

Our sister company dairy business in Nigeria, NUTRICIMA with Nunu and Olympic brands as key drivers, is the largest in the Group and since April 2015, it is now fully owned by the Group in the UK. Our '360 degree' strategic execution covers all consumer touch points by driving awareness to trial within a shorter cycle thereby increasing chances of repeat purchase. This execution creates in market impact with trade and shoppers driving sales, visibility and the 'Must Stock List'.

Our Categories

… helping us to win through innovation

We win through keeping our brands fresh and relevant for consumers through a programme of renovation and innovation.

Thermocool delivers 'Peace of Mind'

The Haier Thermocool brand has further reinforced its leadership position in our African Electricals category with its recently launched 'Peace of Mind' campaign. The campaign highlights the brand's pedigree of performance, durability and after sales service, building on the consumer's trust and confidence in the brand. The 'Peace of Mind' campaign was launched across billboards, our Coolworld retail stores and online, giving consumers one more reason to choose Haier Thermocool over our competitors.

Mamador – Endorsed by the Nigeria Heart Foundation

Recently the Nigerian Heart Foundation, an affiliate of the World Heart Federation in Geneva, awarded Mamador (a brand of sister company – PZ Wilmar) cooking oil as a heart-friendly cooking oil product and recommended it to Nigerian consumers. All the benefits and claims of the brand which include its cholesterol-free claim, vitamins fortification and Omega 6&9 were all tested and judged to be true claims and therefore certified by NHF.

Premier COOL

Partnership with Manchester City FC

PZ Cussons signed on a three-year partnership with Manchester City FC to become the clubs official partner in Nigeria.

PZ Cussons brands, Olympic and Premier Cool, are associated with the 'Be a Player' promotion that associates our brands with Nigeria's most-loved sport, with a team playing in the English Premier League; the most watched league in Nigeria.

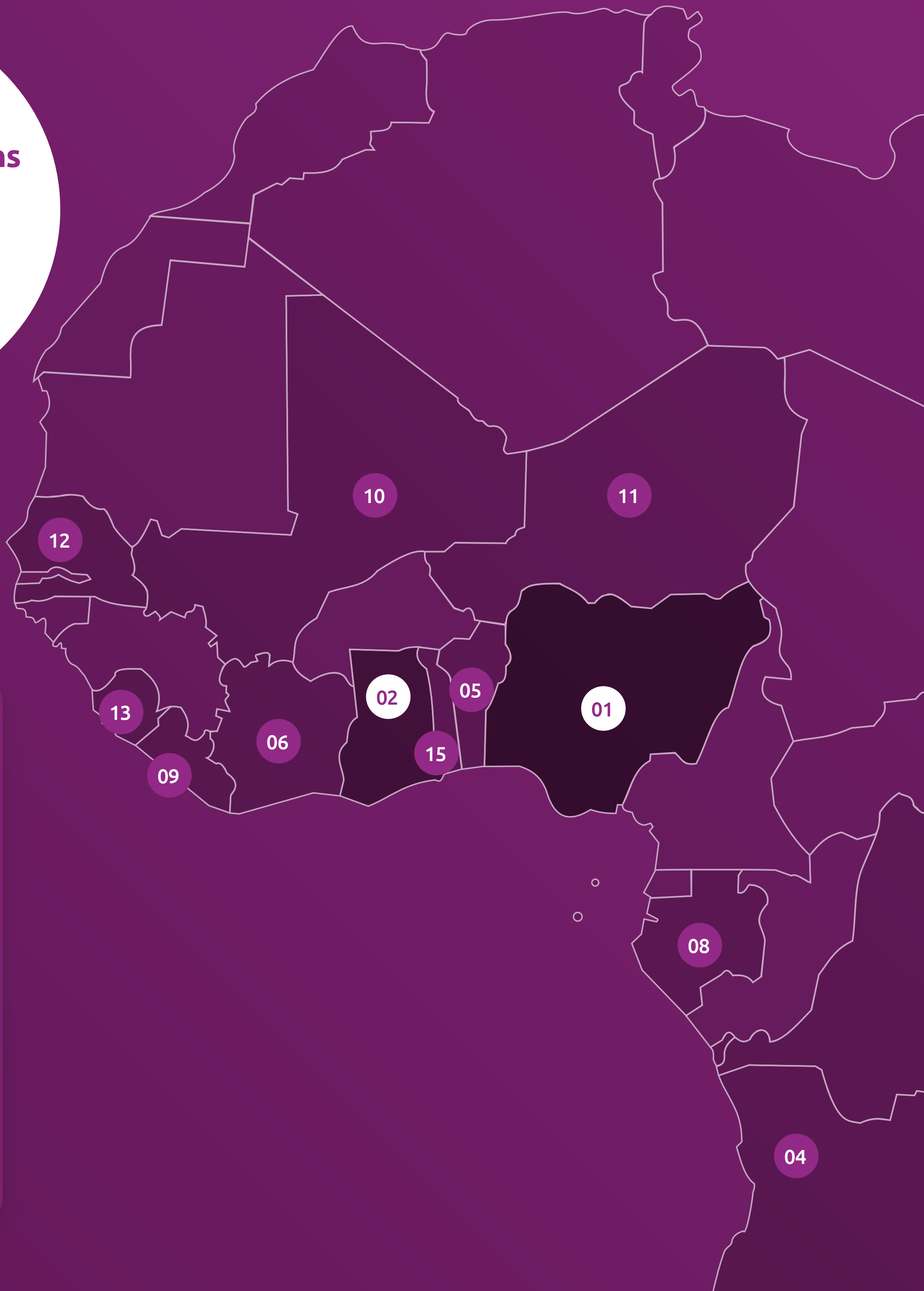
Leadership in Key Categories

PZ Cussons continues to lead the market in key categories it plays in. We have maintained our leadership positions in the Toilet Soaps, Dish wash and Medicaments categories by leveraging consumer and market insights in the development and delivery of unique product offerings that meet consumers' needs. Our focus into the future is to continue to build premium quality products that will deliver sustainable value to our consumers and brands.

Our World-class Supply Chain

Modern supply chain operations…

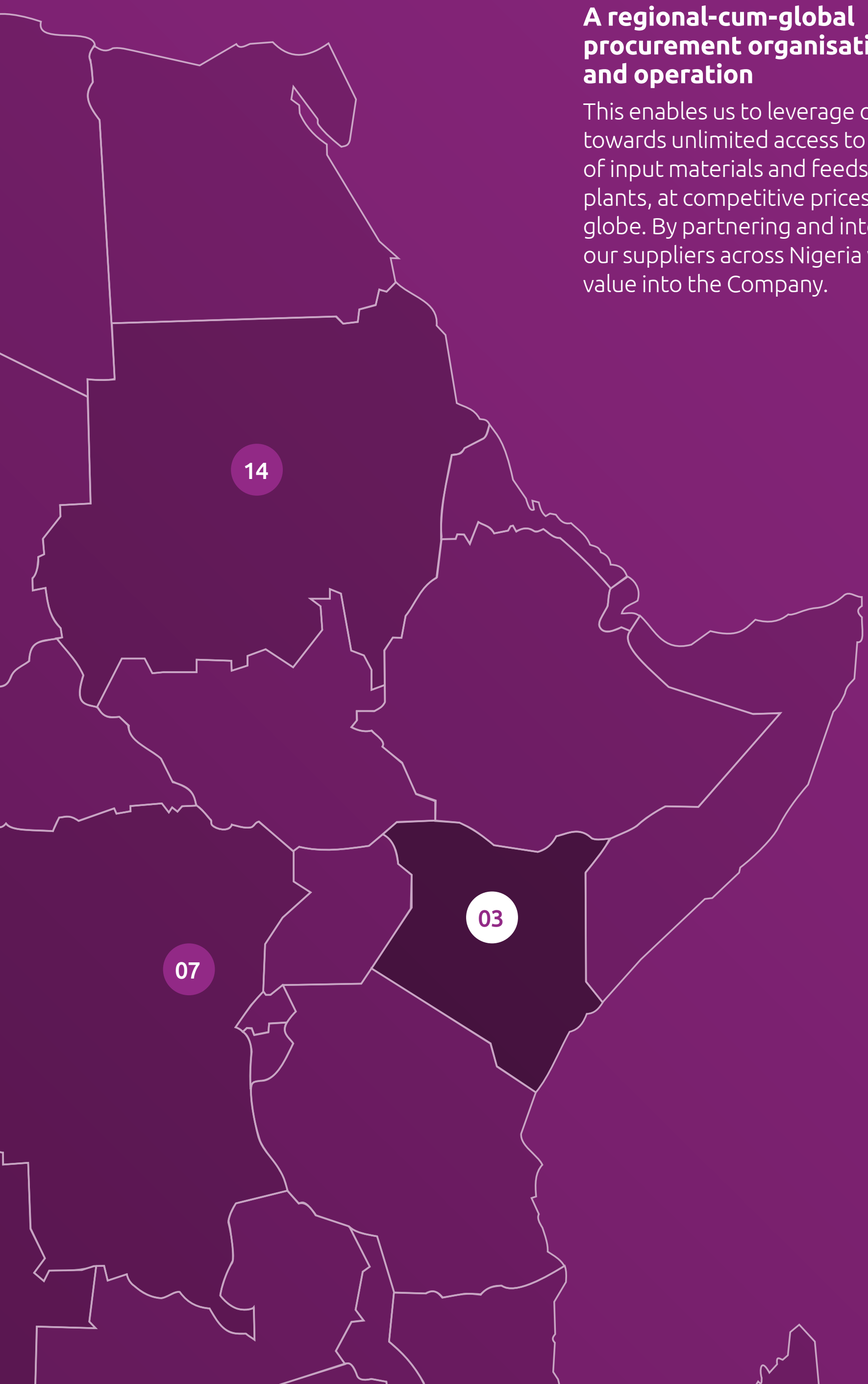
Supply Chain remains a valued partner to the Company in winning Africa.



Manufacturers/ distributors
01 Nigeria
02 Ghana
03 Kenya

Export countries
04 Angola
05 Benin
06 Côte d'Ivoire
07 DR Congo
08 Gabon
09 Liberia
10 Mali
11 Niger
12 Senegal
13 Sierra Leone
14 Sudan
15 Togo

Our Supply Chain mission in Africa is to support the Group's strategy of sustainable growth via an externally focused and competitive customer services agenda, which enables us to compete across all categories, Businesses or Operating Units and markets in Africa.



The key pillars of our supply chain performance are:

A regional-cum-global procurement organisation and operation

This enables us to leverage our scale towards unlimited access to supplies of input materials and feedstock to our plants, at competitive prices across the globe. By partnering and interfacing with our suppliers across Nigeria we bring value into the Company.

A manufacturing capability that confers a winning edge

In Africa, in the absence of strong regional trade structures, our manufacturing capability is a major advantage. We continually update and invest in our manufacturing plants making them second to none in our categories, which confers us with both cost and quality advantage in the market. We leverage our global technical expertise to translate our dreams into reality.

A fit for purpose, go-to-market logistics footprint

The logistics footprint is evolving and being optimised to cope with current-day challenges, supported with world-class warehouse infrastructure that combines to enable speed to our customers and markets across the geographies.
A global freight forwarding and customs clearing management that delivers an efficient inbound logistics operation, creates value for the Group.

A global (5+2) customer services agenda that sharpens delivery

We are evolving customer services agenda that is driven by:

- Customer relationship management
- SAP driven business systems that rely on best processes
- Stock optimisation; right quantity, right place
- Regional sales and operational Planning
- Physical logistics

Our World-class Supply Chain

… flexible, agile and world-class

We are increasing our business flexibility, agility to market and distribution network. Supported by new technology and processes, we are building a world class supply chain.

Business transformation

Eagle – We are flying

Our 3-year global SAP business transformation programme called Eagle is now live in Nigeria effective November 2016.

Eagle forms the core part of delivering the Company's new operating model and will enable the Company to simplify our processes, systems and data, to create consistency and to support future sustainable growth.

The SAP Programme in Nigeria went live on schedule, drawing from expertise throughout the business and working with a cross-functional team comprising 18 nationalities, representing employees from all our geographies and cultures. The standard SAP solution was delivered working closely with our implementation partners IBM and T-Systems.

The Company is already seeing significant improvements in business process, controls and visibility across the business and expects to see additional improvements during this financial year.

CAN DO

Investing in our people

What we value

Courage
We challenge convention, ourselves and each other. We have the strength, willingness and determination to initiate, make things happen and to carry them through.

Accountability
We are all champions of our Company, take responsibility for achieving our objectives, and do what we say we will do. We do what is right, not merely what is expected, act with openness, integrity and trust, ask for help, admit to our mistakes and put things right.

Networking
We are one Company across all functions and geographies, working towards a common goal through co-operation and teamwork.

Drive
We are relentless in our pursuit of success and together we approach each day with the energy, passion and persistence to exceed expectations.

Oneness
We are all PZ Cussons people and quiet achievers. We treat each other with respect regardless of status. We act professionally and together we celebrate success with understated pride.

Over the past three years, to promote sustainable growth, we have been transforming our organisation to work more effectively both globally and regionally. Moving to an integrated matrix organisation has required a shift in skills, capabilities and behaviours.

Our people, our greatest asset

Our CAN DO values are as relevant as ever. Our operating model, and as a result, our job roles have changed over the past few years and we remain focused on recruiting people who embody our CAN DO values.

It is these enduring values that make PZ Cussons the unique business it is today. It is also these values that attract people to PZ Cussons as an employer and motivate people to want to stay with us. Over 27% of our employee population has over 15 years' service with the business, and following a three-year period of significant change, our overall employee retention is still greater than 90%.

In particular, we identified the need for a different method of leadership than we previously exercised. Last year, our organisational leaders came together and developed the definition of a PZ Leader who will drive and sustain our business through change and demanding business priorities, now and in the future.

As a result of this work, we created the PZ Leader profile. This in-depth profile provides clarity on what we expect from our leaders and also informs the design of our global leadership curriculum, The PZ Way of Leading. Our leadership curriculum targets senior and mid-level leaders with the aim of building the skills, capabilities and mind-sets needed to successfully lead in our matrix organisation.

Over the past year, we have globally rolled out the curriculum across all our functions and at multiple levels, building a pool of local talent in Nigeria. Additionally, for some of our future leaders, we have invested in executive coaching to provide focused and intensive leadership development support to drive specific behavioural shifts.

In addition to leadership development, we have continued to build sales capability in traditional and modern trade across commercial teams in Africa and Asia, as well as marketing capabilities with our marketeers.

Following our global implementation of SAP, employees have been trained accordingly on both system and process changes.

Good4Business

We are Good4Business

We are Good4Business

We are on a mission to be Good4Business (G4B) in every aspect of our organisation. We believe passionately that business can be a force for positive change. We have always aimed to make a positive impact on society through the products which we sell, the way in which our products are designed, manufactured and packaged and through the contributions we make to the communities in which we operate.

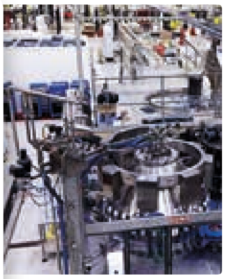
We do this because we know that it's the right thing to do, but also because we believe that it is Good4Business. By forging strong links with our local communities and mutually beneficial relationships with our business partners, conducting our activities with integrity and responsibility and by helping to conserve the planet's precious natural resources, we are creating sustainable value for all of our stakeholders, now and into the future.

Our G4B approach provides us with a clear framework for how we should conduct our business activities in Nigeria and across all of our product categories. It ensures that creating sustainable value for all sits at the heart of everything we do. Specifically, it provides four areas of focus that we call 'lenses', – through which we can assess our business and ensure that creating sustainable value is integrated into all of our day-to-day decision-making:

- Business Governance & Ethics
- Environment
- Sourcing
- Community & Charity

As part of our wider programme of business transformation, we have evolved our approach to corporate social responsibility.

Environmental progress



This year we have continued to embed G4B globally within our supply chain and manufacturing processes to reduce carbon, water and waste. Building on our good progress of previous years, we are pleased to confirm that we have once again exceeded our absolute reduction targets in all areas. Water usage was reduced by 16%, carbon footprint was reduced by 9.7% and waste has been reduced by 54%.

Transformation action

Working with our Non-Government Organisation (NGO) partner The Forest Trust (TFT), in 2016 we traced 100% of the palm oil we use back to the refinery and 89% to the mill. This enhanced visibility of our palm oil supply chain enabled TFT to spend time on the ground with our key suppliers in Nigeria to identify priority transformation action.

We are now implementing plans to address issues identified during these assessments while continuing to work towards full traceability.

Corporate Social Responsibility

Globally, our Good4Business principles are based around four areas in which we believe our operations have the greatest potential for impact. One of the focus areas is on 'Community and Charity' which covers the activities of the PZ Cussons Foundation in Nigeria.

Partnership with the National Office for Technology Acquisition and Promotion (NOTAP)

In fulfilling its commitment to the advancement of scientific research in Nigerian institutions of higher learning, our Company, in collaboration with NOTAP, donated world-class equipment to the National Research Institute for Chemical Technology, (NARICT), Zaria. The commissioning ceremony was performed by the Hon. Minister of Science and Technology, Dr Ogbonnaya Onu. Similar donations were made to the University of Calabar and MAUTECH, Yola.

2016 PZ Carex Chemistry Challenge

The PZ Cussons Chemistry Challenge is an initiative of the PZ Cussons Foundation and is aimed at inspiring the learning of chemistry amongst secondary school students in Lagos State.

About 3000 students from public and private senior secondary schools in Lagos converged at the various examination centres to compete for the PZ Cussons Chemistry Challenge (PZCCC) prize sponsored by Nunu Milk and Premier Cool. PZCCC, an initiative of the PZ Cussons Foundation had its fourth annual edition. Each school presented its best two students and over a thousand students participated in the first stage of the competition, which was held in 10 centres across the state.

During the year, six projects were commissioned/launched, with two still ongoing:

- Block of Classrooms at St Thomas Primary School, Iwoye Ijesha, Osun State
- 2016 edition of the Annual PZ Cussons Carex Chemistry Challenge
- Global Handwashing Campaign for 2016 in Lagos, Benue and Cross River States
- Donation of a Borehole at Angwan Rogo Community, Abuja, FCT
- Donation of a Transformer to Mbamba Community, Yola, Adamawa State
- Donation of a Block of Classrooms at Osokwa Community, Abia State

Commissioning At St Thomas Primary School, Iwoye-Ijesha, Osun State

The Foundation commissioned and handed over the fully furnished and new built block of classrooms on 02 July 2016.

Commissioning of a Block of Classrooms at Osokwa Community Secondary School, Abia State

The Foundation also commissioned and handed over a newly built and fully furnished block of classrooms on 07 March 2017.

Global Handwashing Day 2016

Global Handwashing Day is an annual global advocacy day dedicated to increasing awareness and understanding of the importance of handwashing with soap as an easy, effective, and affordable way to prevent diseases and save lives.

With the latest outbreak of cholera in the country, PZ Cussons and United Purpose (formerly Concerns Universal), a UK-based NGO, are joining forces with some of Nigeria's top entertainers to inspire a generation of school children that will adopt the life-saving habit of handwashing with soap. The month-long campaign which will be formally launched next week in Lagos is designed to promote hand hygiene among school children. The Global Handwashing Day is an annual worldwide celebration involving over 200 million people coming together on 15th October every year to promote a simple and life-saving message: 'Handwashing with soap saves lives.' According to the Director of Strategic Partnerships, United Purpose, Mr Tim Kellow, the key to addressing this situation is to 'make handwashing a habit'. "As habits take up to four weeks to form, we are holding a month-long campaign to engage children with fun and creative activities to promote the handwashing habit." Kellow said at the events billed to be held across Nigeria, children will be inspired by songs recorded exclusively by Sunny Neji and 2Face Idibia, and empowered as 'Hygiene Heroes'.

Inner Heart – Employee CSR initiative

In July 2013, PZ Cussons Nigeria Plc launched 'Inner Hearts', an employee initiative to complement the activities of the PZ Cussons Foundation. Totally funded by the employees, the primary objectives are:

- to create a love for charity and good deeds in the heart of every PZ employee;
- to demonstrate PZ Cussons employees' love for Nigeria and its communities; and
- to create a culture of team work amongst PZ staff as well as fostering inter-departmental relations.

Since inception, PZ employees as individuals, groups, departments and SBUs have implemented several projects that ranged from donating to colleagues' medical needs, building toilets in schools where the children use the bush, and donating to prisons, orphanages and IDP camps, to simple programs such as giving lectures in public schools. All projects are funded by the employees.

Below is an excerpt from the global launch of Inner Hearts by our Global CEO, Dr Alex Kanellis:

"Inner Hearts to me, shows our CAN DO spirit in action and how our employees are living our values within their communities for the good of others. Inner Hearts is the golden thread that connects us and demonstrates to the world that we care about our local communities and we are passionate about enhancing lives and securing futures."

Inner Hearts to IDP Camp Yola

144 PZ Nigeria employees under our 'Inner Hearts' umbrella took it upon themselves to voluntarily donate their monthly product packs to Nigerians who, through no fault of their own, were displaced from their homes and farmlands without an opportunity to take any of their possessions. The North East region, once their safety net, had become the home of insurgents and their lives were periodically threatened by suicide bombers.

Inner Hearts
PZ Cussons EMPLOYEES


NEW
Crafted by
MASTER
PERFUMERS
IMPERIAL LEATHER
BODY LOTION
SOFTLY SOFTLY
IMPERIAL LEATHER
DEODORANT BODY SPRAY
JAPANESE SPA
IMPERIAL LEATHER
DEODORANT BODY SPRAY
ACTIVE
IMPERIAL LEATHER
DEODORANT BODY SPRAY
SOFTLY SOFTLY
IMPERIAL LEATHER
BODY WASH
JAPANESE SPA
IMPERIAL LEATHER
CLASSIC BATH BAR
The New Imperial Leather Range, crafted by master perfumers to guarantee a luxurious and indulgent experience leaving you fragranced and comfortable all day long.
IMPERIAL LEATHER
Everyday Luxury crafted by Master Perfumers


Power in
One Drop
MORNING FRESH
SUPER CONCENTRATE
Dishwashing Liquid
GREASE CUTTING POWER
Original Fresh
With glycerin
NIGERIA'S NO 1 DISH WASHING LIQUID
* vs. 2nd ranked brand
...washes so much more

Board of Directors and Company Secretary

Strong leadership

1. Chief Kola Jamodu, CFR.

Chairman (Non-executive)

Chief Jamodu joined PZ Cussons Group in 1974 and served in Executive positions for 24 years rising to the position of Chairman / Chief Executive Officer until he retired in 1999. He thereafter continued as the Board Chairman until 2001 when he joined the Federal Executive Council as the Minister of Industry. He was re-appointed to the Board to serve as the Chairman in November 2014. An alumnus of the Harvard Business School, Boston, USA, Chief Jamodu is a Fellow of the Institute of Chartered Accountants, Nigeria, Chartered Institute of Taxation Nigeria, Chartered Institute of Management Accountants, London and the Institute of Chartered Secretaries & Administrators (ICSA), London.

He is currently on the Board of Nigerian Breweries Plc as its Chairman, in addition to his membership of the Board of United Bank for Africa Plc. He is the immediate past President of the Manufacturers Association of Nigeria and a Member of the Nigerian Industrial Policy and Competitiveness Advisory Council.

2. Mr Christos Giannopoulos

Chief Executive Officer

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 our Nigerian subsidiary in 2002. He was appointed to the Board in 2004 and took over the position of the Group Chief Executive Officer in 2009.

3. Mr Paul Usoro, SAN

Non-executive

Mr Usoro, Senior Advocate of Nigeria, was educated at the Obafemi Awolowo University, Ile Ife. He is the senior partner of Paul Usoro & Co, a law firm he founded which has grown to become one of Nigeria's leading commercial law firms. Apart from being an acclaimed legal practitioner, Mr Usoro has extensive boardroom experience having served as a Director of diverse organizations. He is the only surviving pioneer Director of Airtel Networks Limited and chairs its Board Audit Committee.

Between 2008 and 2014, Mr Usoro served on the Board of Premium Pensions Limited, Nigeria's leading pension funds administrator and chaired its Board Audit Committee. Mr Usoro also serves as a Director in Access Bank Plc and is also the Chairman of Marina Securities Limited. Mr Usoro was appointed by President Goodluck Jonathan, GCFR to the Board of Nigerian Bulk Electricity Trading Plc in 2011 and chairs the Company's Board Audit Committee.

4. Mr Lawal Batagarawa

Non-executive

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 Collect 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.

5. Mrs Elizabeth Ebi

Non-executive

Mrs Ebi is the Chief Executive Officer of Futureview Financial Services Limited. She was previously the MD/CEO of Futureview Securities Ltd established in 1996, before the holding Company was formed in 2008 to oversee the Group's wider interest in investment banking, Oil & Gas, and Agro-Allied sectors of the economy as well as the Commodities and Currency markets.

A New York University Scholar with MBA in Finance and Investment, Mrs Ebi had a 15-year stellar career with Chase Merchant Bank where she retired as an Executive Director.

Mrs Ebi was the first female stockbroker licensed on the Nigerian Stock Exchange, a Fellow of the Chartered Institute of Stockbrokers. She was a two term member of the Technical Committee of the National Council on Privatisation.

6. Mallam Dahiru Muhammad, FCIB

Non-executive

Mallam Dahiru Muhammad, a Fellow of the Chartered Institute of Bankers, was educated at the Ahmadu Bello University, Zaria and Vanderbilt University, Nashville Tennessee, USA. He was a lecturer in Economics at the University of Maiduguri and former Managing Director and CEO of New Africa Merchant Bank Ltd. from which he retired in 1994.

Since then he has established a consultancy firm, Ardo Investments Ltd. as well as manufacturing outfits in plastics and oil and gas. Mr Dahiru has extensive boardroom experience being on the Board of several diverse organizations. He served as non-executive director of the Central Bank of Nigeria, the Nigeria Security Printing and Minting Company Plc and as Chairman Newdevco Financial Services Ltd. He is currently on the Board of PZ Cussons Foundation, the Pension Administrators Association of Nigeria and a member of the Governing Council of Bells University of Technology, Ota.

7. Ms Joyce Folake Coker

Human Resources & Admin Director

Ms Coker joined the PZ Cussons Group in 2011 as the Human Resources Director. In 2014 she earned additional responsibility as the Regional HR Director for the Africa PZ Group.

She joined the Group with a wealth of experience across industries – Financial Services, Consulting, and Manufacturing/ Consumer goods – having worked with top organisations like Universal Commercial Plc London, Accenture, Heirs Alliance, Unilever Nigeria and Unilever Group based in Kenya with responsibility across East, West and Central Africa region.

She earned her First degree from University of Lagos and Masters of Arts in Human Resources Management from the University of Westminster, London and is an alumnus of the London Business School. She is a member of the Chartered Institute of Personnel Management Nigeria as well as the Institute of Directors.

8. Mr David Petzer

Chief Financial Officer

Mr Petzer is a graduate of Commerce and Accounting with a Post-Graduate Diploma in Risk Management from the University of Cape Town, South Africa. He is a member of the South Africa Institute of Chartered Accountants with considerable experience spanning 21 years.

Before joining the Company, he had worked with KPMG in South Africa as General Accounting Manager. He had also worked with the British America Tobacco Group first in the United Kingdom and also in South Africa where he rose to the position of Finance Director. He was appointed to the Board in 2012.

9. Mr Alex Goma

Managing Director – PZ Consumer SBU

Mr Goma is a Biochemistry graduate of the University of Port-Harcourt and a Fellow of the National institute of Marketing of Nigeria.

He is an experienced business manager with significant expertise in sales and marketing of Fast Moving Consumer Goods (FMCG). He started his career in quality control before moving into the commercial functions with stints in customer service and logistics.

Before he joined the Company and the Board 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.

10. Mrs Abiola Laseinde

Company Secretary

Abiola Laseinde joined PZ Cussons on 5 September 2016 as Head, Corporate Services for Africa and was appointed as the Company Secretary on 1 January 2017. In this role, she is responsible for PZ Cussons Foundation, the company secretariat, legal, property management, risk management, intellectual property and corporate governance framework for the PZ Cussons business entities in Nigeria, Ghana and Kenya. She is a lawyer, Chartered Secretary and a Corporate Governance Professional with more than 15 years' experience garnered from different industries in Nigeria with a stint in Dubai, UAE.

Prior to her current role, she was the Legal Counsel, West Africa & Deputy Company Secretary of Cadbury Nigeria Plc and Cadbury Ghana (members of the Mondelēz Group of Companies). She had also worked with UBA Trustees Ltd, DN Meyer Plc and Multiverse Resources Plc in different capacities.

Abiola is a Council Member of the Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN) and currently serves as the Chairperson of the Lagos State Chapter of the same Institute. She is also a Member of the Association of Company Secretaries and Legal Advisers in Manufacturing (ACSLA) and the President of Caring Sisters Inc., an NGO for the empowerment of the not-so-privileged.

Mr Tunde Oyelola

Vice Chairman (Non-executive)

(Not pictured)

Mr Oyelola, a graduate of Chemical Engineering, 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 of the Nigerian Institute of Management and Vice President of the Manufacturers Association of Nigeria (MAN). He was appointed as the Vice Chairman of the Board of Directors in 2008. He transited to glory on 22 February 2017.

Mrs Yomi Ifaturoti

Corporate Affairs & Admin Director

(Not pictured)

Mrs Ifaturoti is the Corporate Affairs & Admin Director with Central Business Service responsibilities for the Group spanning external affairs, administration, regulatory issues, communication and CSR. She worked in Nigerian Hoechst Ltd as a Marketing Analyst and Jagal Group as the Sales and Marketing Coordinator before joining PZ Cussons in 1992 as a Group Product Manager.

Prior to her current role, she was the Marketing Director and later Sales Director for the Health and Beauty division. An alumnus of the University of Ibadan with a BSc degree in Pharmacology and Diploma in Sales, she became a Director of the Company in 2004 and was appointed to the Board in 2006. She is a member of the Audit Committee as well as the People & Governance Committee and is also a Fellow of the Chartered National Institute of Marketing of Nigeria.

She resigned from the Board effective 31 May 2017.

Report of the Directors

For the year ended 31 May 2017

Accounts, results and appropriation

The Board of Directors of PZ Cussons Nigeria Plc is pleased to present to members the Financial Statements for the year ended 31 May 2017.

	N'000
Group profit after taxation and non-controlling interest	3,686,597

Dividend

The Directors are pleased to recommend to the shareholders the payment of a final dividend of 50 kobo per share amounting to N1,985,238,523 (2016:50 kobo per share amounting to N1,985,238,523).

Principal activities

The principal activities of the Group continued to be the manufacturing, marketing, sale and distribution of a wide range of consumer products and home appliances which are leading brand names throughout the country in detergent, soap, cosmetics, pharmaceuticals, refrigerators and air-conditioners. The Group also distributes the products of Nutricima Limited, Harefield Industrial Nigeria Limited, PZ Wilmar Limited and PZ Wilmar Food Limited.

Directors and their interests

The directors who served during the year and their interest in the shares 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:

Directors interest in Ordinary Shares

Name	2017 Unit of shares	2016 Unit of shares
Chief K. B Jamodu,CFR	**3,566,880**	3,416,880
Mr C. Giannopoulos – MD/CEO	**Nil**	Nil
Mr B. Oyelola	**243,330**	243,330
Mr L. Batagarawa	**20,706**	20,706
Mrs E. Ebi	**Nil**	Nil
Ms J.F Coker	**3,889**	3,889
Mr A. Goma	**25,000**	25,000
Mrs O.T. Ifaturoti	**12,245**	12,245
Mallam D. Muhammad	**Nil**	Nil
Mr D. Petzer	**Nil**	Nil
Mr P. Usoro	**1,000,000**	1,000,000

The quantum of Directors' interest in shares changed as at 7 August 2017 as a result of the exits of Mr Babatunde Oyelola and Mrs Oluwayomi Ifaturoti on 22 February 2017 and 31 May 2017 respectively.

Directors' interest in contracts

In accordance with Section 277 of the Companies and Allied Matters Act, Mr Paul Usoro, SAN hereby notifies the Company that he is a Partner in the law firm of Paul Usoro & Co which renders legal advisory services to the Company. No other director has notified the Company of any declarable interest in any contract in which he/she was involved with the Company during the year.

Directors for re-election

In accordance with Article 90 of the Company's Articles of Association and Section 259 (1) of the Companies and Allied Matters Act, one third of the number of Directors, based on the length of stay in the office must retire at the Annual General Meeting. They may offer themselves for re-election.

Accordingly, Mr A. Goma, Mrs E. Ebi and Mr L. Batagarawa will be retiring at the meeting, and, being eligible, they have offered themselves for re-election.

Record of Directors' attendance at Board meetings

In compliance with Section 258 (2) of the Companies and Allied Matters Act, the Record of Directors' Attendance at Board Meetings in 2016-2017 will be made available at the Annual General Meeting for inspection by members.

Meetings of the Board of Directors

As a rule, the Board of Directors meets at least quarterly and additional meetings are convened as required. Also, as allowed by the Company's Articles of Association, material decisions are sometimes taken between meetings by way of written resolutions.

At every quarterly meeting, the Directors are provided with comprehensive reports of the activities of the various business units as well as important corporate events. They are also briefed on all business developments between meetings. The Board met four times during the 2017 financial year.

The meetings were presided over by the Chairman. In all cases, written notices of meetings, the meeting agenda as well as the reports for consideration were circulated well ahead of the meetings. The minutes of the meetings were appropriately recorded and circulated.

Attendance at meetings

In line with the Code of Corporate Governance (the Code) published by the Securities and Exchange Commission, the table below shows the frequency of the Board meetings during the year and members' attendance at the meetings:

Director	No. of meetings held	No. of meetings attended
Chief (Dr.) Kola Jamodu - Chairman	4	4
Mr C. Giannopoulos – MD/CEO	4	4
Mr B. Oyelola	4	3
Mr L. Batagarawa	4	4
Ms J.F. Coker	4	3
Mrs E. Ebi	4	4
Mr A. Goma	4	3
Mrs O.T. Ifaturoti	4	4
Mallam D. Muhammad	4	4
Mr D. Petzer	4	4
Mr P. Usoro, SAN	4	3

The meetings were held on 2 August 2016, 29 September 2016, 25 January 2017 and 23 March 2017.

Major shareholdings

According to the Register of Members as at 31 May 2017, PZ Cussons (Holdings) Limited UK held 2,909,349,788 shares. This represents 73.27% of the paid-up capital of the Company.

Analysis of shareholdings

The shareholding pattern of the Company as at 31 May 2017 as advised by the Registrar is as stated below:

Range	No of Holders	% Holders	Units	% Units
1 – 1,000	24,313	31.99	10,537,548	0.27
1,001 – 5,000	23,546	30.98	58,213,407	1.47
5,001 – 10,000	11,676	15.36	89,344,665	2.25
10,001 – 50,000	14,271	18.78	291,949,921	7.35
50,001 – 100,000	1,194	1.57	83,227,967	2.10
100,001 – 500,000	847	1.11	165,554,733	4.17
500,001 – 1,000,000	71	0.09	49,851,701	1.26
1,000,001 – 5,000,000	70	0.09	152,443,477	3.84
5,000,001 – 10,000,000	2	0.00	11,550,602	0.29
10,000,001 – 50,000,000	8	0.01	148,453,236	3.73
50,000,001 – 100,000,000	1	0.00	2,909,349,788	73.27
100,000,001 – 3,970,477,045	75,999	100.00	3,970,477,045	100.00

Apart from PZ Cussons (Holdings) Limited UK, no other shareholder held more than 5% of the paid-up capital of the Company as at 31 May 2017.

Board Committees

The Board has established standing committees whose terms of reference clearly spelt out their roles, responsibilities and scope of authorities. To ensure compliance with the Best Practice in Corporate Governance, each Committee is chaired by a Non-executive Director. The standing committees are as follows:

Audit Committee

The Committee is established to perform the functions listed in Section 359(5) of the Companies and Allied Matters Act.

The Committee consists of six members made up of three representatives of the Shareholders elected at the last Annual General Meeting for a tenure of one year and three representatives of the Board of Directors. The meetings of the Committee were attended by the Head of Internal Control and representatives of PricewaterhouseCoopers, the Company's and Group's external auditors.

The following Directors* served on the Committee during the year:

- Mr L. Batagarawa
- Mr B. Oyelola (Deceased 22 February 2017)
- Mrs O.T. Ifaturoti (Resigned 31 May 2017)
- Mrs E. Ebi (Appointed 15 May 2017)**
- Mr A. Goma (Appointed 15 May 2017) **

** Mrs Ebi and Mr A. Goma were nominated to fill the vacancies created by the exit of Mr Oyelola and Mrs Ifaturoti respectively. Both Directors attended the subsequent meeting of the Audit Committee held on 2 August 2017.

The table below summarises the attendance at the Committee meetings during the year:

Name	No. of meetings held while on the Committee	No. of meetings attended
Professor A. Osuntogun	5	5
Mr O.I. Obarinde	5	5
Mr E.A. Akinduro	5	5
Mr B. Oyelola	5	3
Mr L. Batagarawa	5	4
Mrs O. T. Ifaturoti	5	4

The meetings were held on 29 July 2016, 22 September 2016, 23 January 2017, 22 March 2017 and 4 May 2017.

Report of the Directors continued

Risk Management Committee

The Risk Management Committee has responsibility for:

- Review of the Company's risk management policies and the adequacy and effectiveness of controls.
- Review of the Company's compliance level with relevant regulations that may impact the Company's risk profile.
- Review of the changes in business environment and other factors relevant to the Company's risk profile.

The Risk management committee is made up of six members namely:

- Mr L. Batagarawa – Chairman
- Mr C. Giannopoulos
- Mr B. Oyelola (Deceased 22 February 2017)
- Mrs E. Ebi
- Mr D. Petzer
- Mr A. Goma

The Committee met three times during the financial year. The table below summarises members' attendance at the meetings:

Name	No. of meetings held while on the Committee	No. of meetings attended
Mr L. Batagarawa	4	4
Mr C. Giannopoulos	4	2
Mr B. Oyelola	4	3
Mrs E. Ebi	4	4
Mr D. Petzer	4	4
Mr A. Goma	4	4

The meetings were held on 1 August 2016, 22 September 2016, 23 January 2017 and 22 March 2017.

Governance/People Committee

The Governance/People Committee advises the Board on appointment of directors, corporate governance matters, staff welfare and remuneration, talent management and other strategic employee relations matters. The members are:

- Mr P. Usoro, SAN – Chairman
- Mr B. Oyelola (Deceased 22 February 2017)
- Mrs O.T. Ifaturoti (Resigned 31 May 2017)
- Mr C. Giannopoulos
- Ms J.F. Coker
- Mallam D. Muhammad

The Committee met five times during the financial year and the table below shows the attendance at those meetings:

Name	No. of meetings while on the Committee	Attendance
Mr P. Usoro, SAN	5	5
Mr B. Oyelola	3	3
Mr C. Giannopoulos	5	5
Mrs O.T. Ifaturoti	4	4
Ms J.F. Coker	5	5
Mallam D. Muhammad	2	2

The meetings were held on 4 August 2016, 31 August 2016, 20 January 2017, 15 March 2017 and 5 July 2017.

Corporate Governance Report

The Board is committed to meeting the standard 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 Company's Articles of Association provides for a maximum of 15 Directors. At the date of this report, the Board consists of nine Directors: five Non-executive Directors and four Executive Directors.

The profile of the Board comprises distinguished individuals with diverse skills and competences in different areas of the Company's business. This continually ensures the realisation of the set corporate objectives.

In line with best practices, the position of the Chairman is distinct from that of the Group Chief Executive Officer. The Chairman is Chief (Dr) Kola Jamodu, CFR who is a Non-executive Chairman while the Chief Executive Officer is Mr C. Giannopoulos. Furthermore, while the Chairman is responsible for the running of the Board, the Chief Executive Officer is responsible for co-ordinating the running of the business and implementing strategies.

Independent Directors

In compliance with the Code, Two (2) of the five (5) Non-executive Directors are Independent Directors having no significant shareholding interest or any special business relationship with the Company.

Board operations

The Board is the ultimate governing body of the Company and it is responsible for its overall supervision and the protection of the interest of Shareholders and other stakeholders. It ensures that the Company is appropriately managed to achieve strategic objectives.

The specific issues reserved for the Board include:

- The ultimate direction of the Company particularly the conduct and supervision of the business.
- Determination of the Company's organisation.
- Risk management and internal control.
- Supervision with respect to compliance with the law.
- Corporate governance matters.
- Communication with Shareholders.
- Review of business performance.

The Board has delegated to management the day-to-day running of the business and the Chief Executive Officer, who is the head of the management team, is answerable to the Board.

Board appointment and induction

Directors are appointed to the Board following a declaration of a vacancy at a Board meeting.

New Directors are selected through carefully articulated selection guidelines that place emphasis on integrity, skills and competences relevant to the Company's goals and aspirations. The Policy confers on the Governance/People Committee the responsibility of identifying individuals with a track record of outstanding achievements and potentials for value enhancement.

The Committee's recommendation is subjected to further scrutiny by the Board before a decision is taken. The Appointed Director is made to undergo induction programme to equip and familiarize themselves with requisite knowledge and information about the Company and its business. The appointed Director is presented to the next Annual General Meeting for election.

Furthermore, a newly appointed Director receives a letter of appointment spelling out in details the entitlements, terms of reference of the Board and its Committees and, the Key Performance Indicators.

Board evaluation

The Board has established a system to undertake a formal annual evaluation of its performance, that of its Committees and the individual Directors.

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 functions of internal audit and control, risk assessment and compliance, conformity and contingency planning, and formalisation and improvement of business process.

Communication with Shareholders

The Board is committed to an open and consistent communication policy with Shareholders and other stakeholders. The guiding principle is that all Shareholders should be given equal treatment in equal situations. Thus price sensitive information is published timely in full, simple and transparent format to all Shareholders at the same time.

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 dealings

The Company has regulations guiding Directors, members of the Audit Committee and other officers of the Company on periods when they, or persons connected to them cannot lawfully effect transactions on the shares of the Company as well as the disclosure requirements when effecting any transaction on the Company's shares.

E-Dividend

The Company consistently encourages its Shareholders to embrace the e-dividend and e-bonus introduced in the capital market. This is to enable prompt crediting of Shareholders' accounts with the dividend and their CSCS account with bonus shares. This will also eliminate the cost of posting dividend warrants and share certificates as well as the risk of being lost in the post.

Complaint Management Policy

The Complaint Management Policy sets out the broad framework of how the Company and its Registrars attend to issues and concerns raised by Shareholders and provides the opportunity for Shareholders to give feedback to the Company. The Company is dedicated to ensuring great standard of services to its Shareholders by:

- Creating an efficient process for the management of Shareholders' complaints and enquiries
- Ensuring that all matters relating to Shareholders are adequately addressed; and
- Making information readily available to Shareholders.

Statement of compliance

We hereby affirm that the SEC Code of Corporate Governance governs the operations of the Company and confirm that to the best of our knowledge we are in compliance with the Code.

Report of the Directors continued

Fixed assets

Movement in fixed assets during the year are shown in note 4 to the financial statements. 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.

Distributors and suppliers

The Group has 18 distribution depots across the country with over 1,000 distributors.

The Group also obtains its requirements from both local and overseas suppliers. The principal overseas suppliers are associated companies in the PZ Cussons Group. The major local suppliers include the Company's subsidiary - HPZ Limited. The transactions are carried out at arm's 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 Group are designed to ensure a constant programme of product improvement and new product introduction.

Employment and employees

Employment of disabled persons

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.

Health, safety and welfare

The Group recognises the health and safety of its employees, customers, contractors and other stakeholders as a top priority and forms an integral part of its business activities. We are committed to maintaining a safe working place at all times and in all sites, depots and business units across the country so as to avoid accidents and ill health due to a work situation. We recognise that health and safety is fundamental to good manufacturing practice. The roll-out of our world-class manufacturing programme has ensured that our factories are pleasant work places.

Employee involvement and training

The Group is committed to keeping employees informed regarding the Group's performance and progress through regular briefings and meetings. Their views are sought wherever practicable on matters which affect them as employees.

The Group believes the professional and technical expertise of its managers constitutes a major asset, and investment in developing such skills continues to receive attention. The Group's skill base has been steadily expanding with the range of training provided for career development within the Group.

Independent auditor

PricewaterhouseCoopers is retiring as independent auditor of the Company at this Annual General Meeting. Notice has been given that the proposed independent auditor to be appointed is Akintola Williams Deloitte. Resolutions will be proposed for appointment of Akintola Williams Deloitte as independent auditors and authorising the Directors to fix their remuneration.

BY ORDER OF THE BOARD

A.O Laseinde
Company Secretary/Head, Corporate Services for Africa
FRC/2016/NBA/00000015857

Lagos, Nigeria

7 August 2017

Statement of Directors' responsibilities
Year ended 31 May 2017

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:

- 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;
- 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
- 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 International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria 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 12 months from the date of this statement.

Chief (Dr) Kola Jamodu, CFR
Chairman

FRC/2013/ICAN/00000001617

7 August 2017

Mr Christos Giannopoulos
Chief Executive Officer

FRC/2013/IODN/00000004206

7 August 2017

Report of the Audit Committee
for the year ended 31 May 2017

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 that we have:

a) Reviewed the scope and planning of the audit requirements and found them adequate;
b) Reviewed the financial statements for the year ended 31 May 2017 and are satisfied with the explanations obtained;
c) Reviewed the external auditors' management letter for the year ended 31 May 2017 and are satisfied that management is taking appropriate steps to address the issues raised; and
d) Ascertained that the accounting and reporting policies for the year ended 31 May 2017 are in accordance with legal requirements and agreed ethical practices.

The external auditor confirmed having received full cooperation from the Company's management and that the scope of their work was not restricted in any way.

Mrs E. Ebi*
FRC/2014/CISN00000008003

2 August 2017

Members of the Audit Committee

• Professor C.A. Osuntogun (Chairman)	Shareholders' representative
• Mr O.I. Obarinde	Shareholders' representative
• Mr E.A. Akinduro	Shareholders' representative
• Mr B. Oyelola	Director (Deceased 22 February 2017)
• Mr L. Batagarawa	Director
• Mrs O.T. Ifaturoti	Director (Resigned 31 May 2017)
• Mrs E. Ebi	Director (Appointed 15 May 2017)
• Mr A. Goma	Director (Appointed 15 May 2017)

* The Financial Reporting Council of Nigeria (FRC) via the letter dated 6 September 2017, granted a waiver to Mrs E. Ebi to sign for the Audit Committee with respect to the FRC Rule 2C.

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Independent auditor's report

to the members of PZ Cussons Nigeria Plc

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated and separate financial position of PZ Cussons Nigeria Plc ('the company') and its subsidiary (together 'the group') as at 31 May 2017, and of their consolidated and separate financial performance and their consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies and Allied Matters Act and the Financial Reporting Council of Nigeria Act.

What we have audited

PZ Cussons Nigeria Plc's financial statements comprising of:

- the consolidated and separate statements of financial position as at 31 May 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report continued
to the members of PZ Cussons Nigeria Plc

Key audit matter	How our audit addressed the Key audit matter
Export Expansion Grant (EEG) Receivable and Unutilised Negotiable Duty Credit Certificates (NDCC) As indicated in Note 24 (Export expansion grant scheme) and Note 7 (Trade and other receivables), the group and the company had EEG Receivable of N1.66 billion and N1.64 billion respectively as at 31 May 2017 and unutilised NDCC of N0.29 billion and N0.27 billion respectively as at 31 May 2017. EEG receivable is recognised upon receipt of export proceeds into the country within a period not later than 180 days from the date of related export sales while Unutilised NDCC is recognised on issuance of certificates by the Nigerian Export Promotion Council (NEPC) for the settlement of EEG receivable. In the last 3 years, the EEG scheme has not been operating as designed based on the following: • Exporters have not been able to submit valid EEG claims to the Nigerian Export Promotion Council (NEPC) – the Federal Government of Nigeria (FGN) agency responsible for the administration of EEG Scheme) since January 2014 till date. • The NEPC stopped issuance of NDCC for settlement of EEG Receivable in January 2014. • Previously issued NDCC in the custody of beneficiaries remained unutilised for more than 3 years due to non-acceptance of the NDDC by the Nigerian Customs Service for settlement of import duties in lieu of cash. Management applied significant judgement in relation to retention of EEG Receivable and Unutilised NDCC and this forms the basis of our focus on the balances. Per management assessment, both the EEG and unutilised NDCC are sovereign debts. Hence, management is confident that the balances are recoverable because government is a continuum. Accordingly, no impairment charge was recognised with respect to the EEG receivable and unutilised NDCC. This is considered a key audit matter in both the consolidated and separate financial statements.	We obtained understanding of the group's accounting policy on EEG receivable and Unutilised NDCC and evaluated it for compliance with the requirements of International Accounting Standard (IAS 20) – Government Grant, and the Nigerian Export Promotion Council (NEPC) Act. We tested the carrying value of EEG Receivables and Unutilised NDCC for compliance with the company's accounting policy. In particular, we examined relevant support documents to substantiate that proceeds of related export sales, supporting the carrying value of EEG receivables, were repatriated within 180 days of sale. In addition, we performed procedures to ascertain that the company has met the following requirements for the recognition of EEG receivables: • The company is registered with NEPC; • The company has annual export sales proceeds in excess of N5 million, and • The company exports only made in Nigeria goods We sighted Unutilised NDCC in the custody of the company supporting the entire value of unutilised NDCC. We evaluated the NEPC circular issued in March 2017 requesting exporters to submit their baseline data for EEG claims, and reviewed documentation from management confirming that the requested information have been submitted to NEPC in respect of the EEG receivables.

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Independent auditor's report continued
to the members of PZ Cussons Nigeria Plc

Migration to SAP	
PZ Cussons Group began implementation of SAP as its new Global ERP system in 2015 and PZ operations in Nigeria migrated to SAP effective from 1 November 2016 with minor updates continuing till 31 May 2017. The rollout of SAP gives rise to a heightened risk over financial reporting as a result of the increased complexity of the system, changes in business and accounting processes and the need to ensure stringent access and segregation of duties controls. Accordingly, we considered migration to SAP as an area of focus because there are risks that: • Data from the legacy systems may not be transferred accurately and completely with attendant impact on the underlying financial records. • Segregation of duties and access controls may not be properly enforced. Improper access controls and segregation of duties could result to inappropriate processing of transactions by people without requisite knowledge and understanding. This may have a significant impact on the accuracy of the financial records. This is considered a key audit matter in both the consolidated and separate financial statements.	We obtained understanding of the migration process and performed walkthrough of the mapping of the general ledger accounts in the legacy system to SAP. Through this, we inspected mapping documents to ascertain the appropriateness of mapping of general ledger account balances. We performed reconciliation of account balances migrated from the legacy system to SAP. We performed increased level of testing over journals with focus on those posting and approving journals in order to ascertain whether our understanding of the group's operation is consistent with the roles of the individuals posting and approving journals. We tailored our audit approach to an increased level of substantive testing over statement of comprehensive income and statement of financial position line items by agreeing transactions and balances to supporting documentation.

Other information

The directors are responsible for the other information. The other information comprises the Corporate Information, Notice of Meeting, Chairman's Statement, the Directors Report, Statement of Directors' Responsibilities, Report of the Audit Committee, Results at a Glance, Statement of value added and Five Year Financial Summary but does not include the consolidated and separate financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and Strategic Review (excluding the Chairman's Statement), Profile of the Directors, Shareholders' Information, Share Capital History, Shareholders' Admission Form, Proxy Form, E-bonus Mandate Form and E-dividend Mandate Form, which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Strategic Review (excluding the Chairman's Statement), Profile of the Directors, Shareholders' Information, Share Capital History, Shareholders' Admission Form, Proxy Form, E-bonus Mandate Form and E-dividend Mandate Form, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Independent auditor's report continued
to the members of PZ Cussons Nigeria Plc

Responsibilities of the directors and those charged with governance for the consolidated and separate financial statements

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent auditor's report continued
to the members of PZ Cussons Nigeria Plc

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory 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) the company has kept proper books of account, so far as appears from our examination of those books and returns adequate for our audit have been received from branches not visited by us;
iii) the company's statements of financial position and comprehensive income are in agreement with the books of account.

Osere Alakhume

For: **PricewaterhouseCoopers**
Chartered Accountants
Lagos, Nigeria

Engagement Partner: Osere Alakhume
FRC/2013/ICAN/00000000647

31 August 2017

Results at a glance
for the year ended 31 May 2017

	The Group		%
	2017 N000	2016 N000	Increase/ (decrease)
Revenue	**79,630,111**	69,527,537	14.5
Operating profit	**13,215,356**	6,133,051	115.5
Profit before taxation	**4,811,169**	3,148,196	52.8
Taxation	**(1,124,572)**	(1,018,507)	10.4
Profit for the year	**3,686,597**	2,129,689	73.1
Non-controlling interest	**362,886**	266,676	36.1
Profit attributable to equity holders of parent company	**3,323,711**	1,863,013	78.4
At year end:			
Share capital	**1,985,238**	1,985,238	
Shareholders' fund	**42,272,665**	40,900,644	
Per 50k share data:			
Based on 3,970,477,045 Ordinary Shares of 50k each:			
Basic and diluted earnings per share (Naira)	**0.84**	0.47	
Adjusted earnings per share (Naira)	**0.84**	0.47	
Number of employees	**1,587**	1,786	
Stock exchange quotations in Naira (Company):			
As at 31 May	**18.70**	21.66	

Consolidated statement of comprehensive income
for the year ended 31 May 2017

		Group		Company	
	Notes	**2017 N000**	2016 N000	**2017 N000**	2016 N000
Revenue	16a	**79,630,111**	69,527,537	**79,630,111**	69,527,537
Cost of sales	15a	**(51,682,211)**	(49,326,175)	**(61,677,593)**	(56,768,922)
Gross profit		**27,947,900**	20,201,362	**17,952,518**	12,758,615
Selling and distribution costs	15a	**(9,095,909)**	(8,825,636)	**(6,479,803)**	(6,358,556)
Administrative expenses	15a	**(5,636,635)**	(5,242,675)	**(5,347,526)**	(4,547,281)
Operating profit		**13,215,356**	6,133,051	**6,125,189**	1,852,778
Exchange loss	15b	**(8,797,880)**	(2,883,528)	**(3,423,214)**	(718,705)
Other income	16b	**198,601**	286,084	**340,084**	487,694
Interest income	25	**485,569**	210,256	**191,092**	8,417
Interest cost	25	**(290,477)**	(597,667)	**(415,987)**	(853,304)
Net finance income/(cost)		**195,092**	(387,411)	**(224,895)**	(844,887)
Profit before taxation		**4,811,169**	3,148,196	**2,817,164**	776,880
Taxation	14	**(1,124,572)**	(1,018,507)	**(581,533)**	(386,881)
Profit for the year		**3,686,597**	2,129,689	**2,235,631**	389,999
Total comprehensive income for the year		**3,686,597**	2,129,689	**2,235,631**	389,999
Total comprehensive income for the year attributable to:					
Equity holders of the parent company		**3,323,711**	1,863,013	**2,235,631**	389,999
Non-controlling interest		**362,886**	266,676	**–**	–
		3,686,597	2,129,689	**2,235,631**	389,999
Basic and diluted EPS (Naira)	18	**0.84**	0.47	**0.56**	0.10

The notes on pages 52 to 78 are an integral part of these financial statements.

Consolidated statement of financial position
at 31 May 2017

	Notes	Group		Company	
		31 May 2017 N000	31 May 2016 N000	**31 May 2017 N000**	31 May 2016 N000
Assets					
Non-current assets					
Property, plant and equipment	4a	**28,514,265**	26,504,924	**27,060,502**	25,339,722
Intangible asset	4b	**1,017,337**	–	**1,017,337**	–
Investments in subsidiaries	5	**–**	–	**504,406**	504,406
		29,531,602	26,504,924	**28,582,245**	25,844,128
Current assets					
Inventories	6	**28,709,943**	19,278,455	**20,942,307**	14,342,118
Trade and other receivables	7	**17,221,712**	15,587,350	**16,256,764**	13,376,684
Deposits for imports	8	**6,601,877**	191,791	**3,275,512**	191,791
Cash and cash equivalents	9	**8,022,391**	12,867,654	**3,982,782**	4,524,881
		60,555,923	47,925,250	**44,457,365**	32,435,474
Total assets		**90,087,525**	74,430,174	**73,039,610**	58,279,602
Equity					
Ordinary Share capital	10	**1,985,238**	1,985,238	**1,985,238**	1,985,238
Share premium		**6,878,269**	6,878,269	**6,878,269**	6,878,269
Retained earnings		**33,409,158**	32,037,137	**25,212,723**	24,928,782
Equity attributable to equity holders of parent company					
Non-controlling interest		**42,272,665**	40,900,644	**34,076,230**	33,792,289
Total equity		**2,865,212**	2,502,326	**–**	–
Liabilities		**45,137,877**	43,402,970	**34,076,230**	33,792,289
Non-current liabilities					
Deferred taxation	11	**2,399,389**	3,694,005	**3,960,174**	4,108,185
Warranty provisions	12	**184,215**	237,544	**–**	–
		2,583,604	3,931,549	**3,960,174**	4,108,185
Current liabilities					
Trade and other payables	13	**39,723,228**	25,716,237	**34,014,212**	20,053,465
Current taxation payable	14	**2,555,256**	1,289,711	**988,994**	325,663
Warranty provisions	12	**87,560**	89,707	**–**	–
		42,366,044	27,095,655	**35,003,206**	20,379,128
Total liabilities		**44,949,648**	31,027,204	**38,963,380**	24,487,313
Total equity and liabilities		**90,087,525**	74,430,174	**73,039,610**	58,279,602

The financial statements on pages 47 to 78 were approved by the Board of Directors on 7 August 2017 and signed on its behalf by:

Chief (Dr) Kola Jamodu, CFR
Chairman
FRC/2013/ICAN/00000001617

Mr Christos Giannopoulos
Chief Executive officer
FRC/2013/IODN/00000004206

Mr Mathew Chadzimura
Group Financial Controller
FRC/2017/ICAN/00000017014

The notes on pages 52 to 78 are an integral part of these financial statements.

Statement of changes in equity
for the year ended 31 May 2017

Year ended 31 May 2017	**Group Attributable to owners**				
	Share capital N000	**Share premium N000**	**Retained earnings N000**	**Non controlling interest N000**	**Total N000**
At 1 June 2016	1,985,238	6,878,269	32,037,137	2,502,326	43,402,970
Profit for the year	–	–	3,323,711	362,886	3,686,597
Total comprehensive income for the year	–	–	3,323,711	362,886	3,686,597
Transactions with owners:					
Final dividend paid relating to year ended 31 May 2016	–	–	(1,985,238)	–	(1,985,238)
Unclaimed dividend forfeited	–	–	33,548	–	33,548
Total transactions with owners	–	–	(1,951,690)	–	(1,951,690)
At 31 May 2017	1,985,238	6,878,269	33,409,158	2,865,212	45,137,876

Year ended 31 May 2016	Group Attributable to owners				
	Share capital N000	Share premium N000	Retained earnings N000	Non controlling interest N000	Total N000
At 1 June 2015	1,985,238	6,878,269	32,573,287	2,235,650	43,672,444
Profit for the year	–	–	1,863,013	266,676	2,129,689
Total comprehensive income for the year	–	–	1,863,013	266,676	2,129,689
Transactions with owners:					
Final dividend paid relating to year ended 31 May 2015	–	–	(2,421,991)	–	(2,421,991)
Unclaimed dividend forfeited	–	–	22,828	–	22,828
Total transactions with owners	–	–	(2,399,163)	–	(2,399,163)
At 31 May 2016	1,985,238	6,878,269	32,037,137	2,502,326	43,402,970

The notes on pages 52 to 78 are an integral part of these financial statements.

Statement of changes in equity continued

Year ended 31 May 2017	Company Attributable to owners Share capital N000	Share premium N000	Retained earnings N000	Total N000
At 1 June 2016	1,985,238	6,878,269	24,928,782	33,792,289
Profit for the year	–	–	2,235,631	2,235,631
Total comprehensive income for the year	–	–	2,235,631	2,235,631
Transactions with owners:				
Final dividend paid relating to year ended 31 May 2016			(1,985,238)	(1,985,238)
Unclaimed dividend forfeited			33,548	33,548
Total transactions with owners	–	–	(1,951,690)	(1,951,690)
At 31 May 2017	1,985,238	6,878,269	25,212,723	34,076,230

Year ended 31 May 2016	Company Attributable to owners Share capital N000	Share premium N000	Retained earnings N000	Total N000
At 1 June 2015	1,985,238	6,878,269	17,721,422	26,584,929
Profit for the year	–	–	389,999	389,999
Total comprehensive income for the year	–	–	389,999	389,999
Transactions with owners:				
Re-organization reserve	–	–	9,216,524	9,216,524
Final dividend paid relating to year ended 31 May 2015	–	–	(2,421,991)	(2,421,991)
Unclaimed dividend forfeited	–	–	22,828	22,828
Total transactions with owners	–	–	6,817,361	6,817,361
At 31 May 2016	1,985,238	6,878,269	24,928,782	33,792,289

The notes on pages 52 to 78 are an integral part of these financial statements.

Statement of cash flows
for the year ended 31 May 2017

		Group		Company	
	Notes	**2017 N000**	2016 N000	**2017 N000**	2016 N000
Cash flows from operating activities	19	**3,444,298**	18,385,369	**6,642,227**	9,924,033
Tax paid	14	**(1,153,643)**	(1,609,691)	**(66,213)**	(592,686)
Net cash generated from operating activities		**2,290,655**	16,775,678	**6,576,014**	9,331,347
Cash flows from investing activities					
Purchase of sale of PPE	4a	**(4,333,479)**	(3,453,991)	**(3,895,530)**	(3,159,691)
Proceeds from sale of PPE		**5,044**	26,897	**4,887**	24,477
Purchase of intangible assets	4b	**(1,017,337)**	–	**(1,017,337)**	–
Change in investment in subsidiaries	5	**–**	–	**–**	22,000
Interest income	25	**485,569**	210,256	**191,092**	8,417
Net cash used in investing activities		**(4,860,203)**	(3,216,838)	**(4,716,888)**	(3,104,797)
Cash flows from financing activities					
Dividend paid to equity holders of parent		**(1,985,238)**	(2,421,991)	**(1,985,238)**	(2,421,991)
Interest expense	25	**(290,477)**	(597,667)	**(415,987)**	(853,304)
Net cash used in financing activities		**(2,275,715)**	(3,019,658)	**(2,401,225)**	(3,275,295)
Net (decrease)/increase in cash and cash equivalents		**(4,845,263)**	10,539,182	**(542,099)**	2,951,255
Cash and cash equivalents at 1 June		**12,867,654**	2,328,472	**4,524,881**	1,573,626
Cash and cash equivalents at 31 May	9	**8,022,391**	12,867,654	**3,982,782**	4,524,881

The notes on pages 52 to 78 are an integral part of these financial statements.

Notes to the consolidated financial statements
for the year ended 31 May 2017

1 General information

The Group
PZ Cussons Nigeria Plc is a company incorporated in Nigeria on 4 December 1948 under the name of P.B. Nicholas and Company Limited. The 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 depots. These products are leading brand names throughout the country in detergent, soap, pharmaceuticals, cosmetics, confectionery, refrigerators, freezers and air-conditioners. The Group also distributes milk products of Nutricima Limited, products of Harefield Industrial Nigeria Limited, products of PZ Wilmar Limited and products of PZ Wilmar Food Limited.

The address of the registered office is 45/47 Town Planning Way, Ilupeju, Lagos.

These financial statements are presented in Nigerian Naira, which is the functional currency of the primary economic environment in which the Group operates. The financial statements have been rounded to the nearest thousands.

These financial statements are the consolidated financial statements of the Group and the stand-alone financial statements of the parent company.

2 Summary of significant accounting policies of the Company and the Group

2.1 Basis of preparation
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), including International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

The preparation of financial statements in conformity with generally accepted accounting principles under IFRS requires the Directors to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the reporting date and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on the Directors' best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Disclosed in note 2.22 are areas where significant judgement and estimate has been applied in the preparation of these financial statements.

The financial statements have been prepared on a historical cost basis and the accounting policies set out below have been consistently applied to all the years presented.

2.1.1 Going concern
The consolidated financial statements have been prepared on a going concern basis. Nothing has come to the attention of the Directors that casts doubt about the ability of the Company to continue as a going concern.

2.1.2 Changes in accounting policy and disclosures
New and amended standards adopted by the Group
The Group adopted the following standard for the first time:

Amendment to IAS 1,'Presentation of financial statements' on the disclosure initiative: These amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports. The amendments merely clarify the existing requirements, they do not affect the Group's accounting policies or any of the disclosures.

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

New accounting standards issued but not yet adopted
A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 June 2016, and have not been applied in preparing these financial statement. None of these are expected to have an effect on the financial statements of the Company, except the following set out below:

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Company is assessing IFRS 9's full impact.

IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Company is assessing the impact of IFRS 15.

IFRS 16, 'Lease' eliminates the classification of leases as either operating or finance leases for a lessee. All leases are treated in a similar way to finance leases under IAS 17. Leases are capitalised by recognising the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognises a financial liability representing its obligation to make future lease payments. IFRS 16 does not require a lessee to recognise assets and liabilities for short term leases and leases of low-value assets. The standard is effective for accounting periods beginning on or after 1 January 2019 and earlier adoption is permitted. The Company is assessing the impact of IFRS.

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

2.2 Basis of consolidation

Subsidiaries
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquire on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between Group Companies are eliminated. Unrealised losses are also eliminated. Where necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

2 Summary of significant accounting policies of the Company and the Group continued

2.2 Basis of consolidation continued

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Common control transactions

Business combinations in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination (and where that control is not transitory) are referred to as common control transactions. The accounting policy for the acquiring entity would be to account for the transaction at book values in its consolidated financial statements. The book values of the acquired entity are the book values of its assets and liabilities on the date of acquisition. The excess of the cost of the transaction over the acquirer's proportionate share of the net asset value acquired in common control transactions, will be allocated to the existing business combination reserve in equity. Where comparative periods are presented, the financial statements and financial information are not restated.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Board which comprises the five Executive Directors.

An operating segment is a distinguishable component of the Company that earns revenue and incurs expenditure from providing related products or services (business segment), or providing products or services within a particular economic environment (geographical segment), and which is subject to risks and returns that are different from those of other segments.

The Company's primary format for segment reporting is based on business segments. The business segments are determined by management based on the Company's internal reporting structure.

2.4.1 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, rebates and sales-related taxes but including interest receivable on sales on extended credit. Revenue is recognised when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

Sales of goods are recognised when title has passed and the significant risks and rewards of ownership have been transferred.

The group manufactures and sells a range of consumer products and electrical products in the wholesale market.

Sales of goods are recognised when a Group entity has despatched products to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been shipped from the local Group depot, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied.

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

2.4.2 Dividend income
Dividend income from investments is recognised when the Shareholders' rights to receive payment have been established.

2.5 Leases
Operating lease
Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.6 Foreign currencies
Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Nigerian Naira' (N).

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains or losses are presented separately in the income statement.

2.7 Finance income and expense
Finance income and expense are recognised in the income statement in the period in which they are earned or incurred.

Interest income and expense are recognised using the effective interest method.

2.8 Employee benefits
2.8.1 Gratuity scheme
PZ Cussons Nigeria Plc gratuity scheme is a short-term employee benefit that is computed based on the agreement between PZ Cussons Nigeria Plc and Staff of PZ Cussons Nigeria Plc dated 31 December 2006.

The scheme expense is computed on a monthly basis based on the length of service of the employee and the gross pay of the employee for the year under consideration. The scheme is funded directly using the Company's cash flow and expensed to the income statement appropriately.

The PZ Cussons Nigerian Plc gratuity scheme runs from January to December of each year and it is paid in the month of February of the subsequent year. The gratuity scheme obligation at the end of each year relates to gratuity award for January to May that are due to be paid to staff but unpaid as at year end.

The scheme is only applicable for staff engaged before 1 January 2007, hence all staff employed subsequently are not covered by the scheme.

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

2 Summary of significant accounting policies of the Company and the Group continued

2.8 Employee benefits continued

2.8.2 Defined contribution scheme

The Group operates a defined contribution plan. The defined contribution plan pays a fixed contribution into a separate entity. Hence, the Group has no legal or constructive obligation to pay further contribution if the fund does not hold sufficient asset to pay all the employees the benefits relating to employees' service in the current and prior period.

The contributions are recognised as employee benefit expenses when they are due. The Group has no further payment obligation once the contributions have been paid. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available. The group and employees each contribute 15% and 10% respectively.

2.8.3 Incentive and bonus scheme

The Group recognises a liability and expense for incentive and bonus scheme based on the formula that takes into consideration the Group's objectives (net sales, operating contribution %, net working capital %). The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.9 Export Expansion Grant

Export Expansion Grant ('the grant') from the government is recognised at fair value where there is a reasonable assurance that the grant will be received and the Group has complied with all attached conditions. The grant is recognised as a reduction to cost of sales with a corresponding recognition of receivable from government. The following are the conditions precedent:

- The Company must be registered with The Nigerian Export Promotion Council (NEPC)
- The Company must have a minimum annual export turnover of N5 and evidence of repatriation of proceeds of exports.
- The Company shall submit its baseline data which includes audited Financial Statement and information on operational capacity to NEPC.
- The Company shall be a manufacturer, producer or merchant of products of Nigerian origin for the export market (i.e. the products must be made in Nigeria).
- Qualifying export transaction must have the proceeds fully repatriated within 180 days, calculated from the date of export and as approved by the EEG Implementation Committee.

2.10 Current and deferred income tax

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited to equity, in which case the deferred tax is also dealt within equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax liabilities on a net basis.

2.11 Property, plant and equipment (PPE)
All property, plant and equipment are initially recognised at cost and subsequently stated at historical cost less accumulated depreciation and impairment losses.

Land and buildings comprise mainly of factories and offices.

Historical cost includes purchase costs, expenditure that is directly attributable to the acquisition of the items and the estimate of the cost of decommissioning (dismantling, removing the asset and restoring the site).

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

Freehold land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives as follows:

Freehold land	Nil
Freehold Buildings	2%
Leasehold land and buildings	
– Over 50 years	2%
– Under 50 years	Over the lease period
Plant and machinery	4-8%
Motor vehicles	25%
Computer/IT equipment	33%
Office furniture and fittings	20%

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting date.

Capital work in progress represents assets under construction. Accordingly, they are not depreciated until they are completed and available for use.

Minor items of furniture and fittings are not capitalised but expensed on acquisition. The annual rates of depreciation are consistent with those of prior year.

Where an indication of impairment exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the income statement for the period.

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

2 Summary of significant accounting policies of the Company and the Group continued

2.12 Warranty
Provision for products warranty is made at the time of revenue recognition and reflects the estimated costs of replacement and free-of-charge services that will be incurred by the Group with respect to the products. Initial recognition is based on historical experience. Adequacy of provision is accessed on a monthly basis; and any resultant adjustment is reflected in the income statement of the period.

2.13 Non-financial assets
Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.14 Financial assets
2.14.1 Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

2.14.2 Cash and cash equivalents
Cash and cash equivalents include cash at bank and in hand plus short-term deposits. Short-term deposits have a maturity of less than three months from the date of acquisition.

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

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

2.16 Inventories
Inventories are stated at the lower of cost and estimated net realisable value. Cost comprises direct materials and where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the FIFO method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

2.17 Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation and the amount has been reliably estimated. Provisions for restructuring costs are recognised when the Company has a detailed formal plan for the restructuring that has been communicated to affected parties. Provisions are not recognised for future operating losses.

Provisions are measured at the present values of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessment of the time value of money and the specific risk relating to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.18 Dividend distribution
Dividend distribution to the Company's Shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's Shareholders. In respect of interim dividends these are recognised once paid. Unclaimed dividend for twelve years and above is treated as statute barred and it is written-back to retained earnings.

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

2.19 Recognition and measurement of investments in subsidiary in separate financial statements of Company
Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.20 Deposit for letters of credit
Deposit for letters of credit is recognised at fair value less impairment losses.

2.21 Intangible asset
Software acquired is recognized at acquisition cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditures are capitalised only when it increases the future economic benefits of the related software. Software maintenance costs are recognized as expenses in the income statement as they are incurred. Amortisation is recognized in income statement on a straight-line basis over the estimated useful life of the software, from the first day of the first full financial year the software is put into use.

2.22 Critical accounting policies and key sources of estimation uncertainty
Estimates and accounting judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of financial statements under IFRS requires management to make assumptions and estimates about future events. The resulting accounting estimates will, by definition, differ from the actual results. The assumptions and estimates that have significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year is as follows:

Export Expansion Grant Receivable and Negotiable Duty Credit Certificates
Export Expansion Grant Receivable and Negotiable Duty Credit Certificates represents benefits from the Federal Government of Nigeria in the form of rebates on locally manufactured goods exported by the Group. The related balances as indicated in Notes 7 and 24 have been outstanding for more than one year. Notwithstanding, no impairment charge is recognised. The Group assesses the balances and concluded that no impairment charge is required on the basis that they are sovereign debts.

Impairment of financial assets
The Group assesses at the end of the reporting period whether there was an impairment loss on a financial asset. At the reporting date, financial assets were assessed for evidence of impairment triggers, and a default in payments was identified. Subsequently, an impairment testing was carried out using the rate that reflects time value of money and risks associated with the asset as the discount rate for determining the present value of future cash flows.

Impairment of non-financial assets
The Group reviews non-financial assets for possible impairment if there are events or changes in circumstances that indicate that the carrying values of the assets may not be recoverable, or at least at every reporting date, when there is any indication that the asset might be impaired. Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. Following the impairment assessment, management believe that no write-down is required.

Useful lives of Plant Property and Equipment (PPE)
Plant Property and Equipment are depreciated over their useful lives. The Group estimates the useful lives of PPE based on the period over which the assets are expected to be available for use. The estimation of the useful lives of PPE are based on technical evaluations carried out by those staff with knowledge of the machines and experience with similar assets. Estimates could change if expectations differ due to physical wear and tear and technical or commercial obsolescence. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the plant and machinery would increase expenses and decrease the value of non-current assets.

Warranty provisions
Provision for products warranty is made at the time of revenue recognition and they are reviewed and adjusted periodically to reflect actual and anticipated experience. The estimation of provision at each period end requires involvement of staff with product knowledge and the estimate could change if there are changes in factors considered during the formulation of the required provision.

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

3 Financial risk management

The Group's and Company's operations expose it to a variety of financial risks that include the effects of changes in foreign exchange rates, credit risk, liquidity risk and interest rates.

3.1 Credit risk

Credit risk is the risk that financial loss arises from the failure of a customer or counterparty to meet its obligations under a contract. It arises principally from trading activities with customers. The Group has dedicated standards, policies and procedures to control and monitor all such risks. Although the group is potentially exposed to credit loss in the event of non-performance by counterparties holding the Group's cash and cash equivalents, such credit risk is controlled through credit rating and equity price reviews of the counterparties and by limiting the total amount of exposure to any one party. Equity price reviews of counterparties is done through the monitoring of the share price of the counterparties on the floor of the stock exchange.

The credit risk of customers is assessed at subsidiary and Group level, taking into account their financial positions, past experiences and other factors. Individual customer credit limits are imposed based on these factors. Customers are initially brought on board on a cash basis for a period of six months. At the expiration of the six months cash trading period, customers are free to apply for credit.

The Group does not believe it is exposed to any material concentrations of credit risk.

All of the Group's financial assets are carried at amortised cost. The maximum exposure to credit risk at the reporting date is the carrying value of the financial assets in the statement of financial position.

The table below analyses the company's and group's financial assets into relevant maturity groupings as at the reporting date.

Company

31 May 2017 Financial assets:	Neither past due nor impaired N000	Up to 90 days N000	91 - 180 days N000	Over 180 days N000	Total N000
Cash and cash equivalents (Note 9)	3,982,782	–	–	–	3,982,782
Trade receivables (Note 7)	6,579,352	–	243,312	339,481	7,162,145
Receivables from subsidiary (Note 7)	233,941	–	–	–	233,941
Receivables from related party companies (Note 7)	5,103,965	–	–	–	5,103,965
Export rebate receivable (Note 7)	–	–	–	1,643,658	1,643,658
Negotiable duty credit certificates (Note 7)	–	–	–	271,913	271,913
Deposit for letters of credit (Note 8)	2,979,800	–	–	–	2,979,800
Total	**18,879,840**	–	**243,312**	**2,255,052**	**21,378,204**

31 May 2016 Financial assets:	Neither past due nor impaired N000	Up to 90 days N000	91 - 180 days N000	Over 180 days N000	Total N000
Cash and cash equivalents (Note 9)	4,524,881	–	–	–	4,524,881
Trade receivables (Note 7)	6,195,450	28,592	–	1,459,742	7,683,784
Receivables from subsidiary companies (Note 7)	–	–	–	–	–
Receivables from related party companies (Note 7)	2,360,759	–	–	–	2,360,759
Export rebate receivable (Note 7)	–	–	–	1,643,658	1,643,658
Negotiable duty credit certificates (Note 7)	–	–	–	271,913	271,913
Deposit for letters of credit (Note 8)	191,791	–	–	–	191,791
Total	13,272,881	28,592	–	3,375,313	16,676,786

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for the year ended 31 May 2017

Group

31 May 2017 Financial assets:	Neither past due nor impaired N000	Up to 90 days N000	91 - 180 days N000	Over 180 days N000	Total N000
Cash and cash equivalents (Note 9)	**8,022,391**	–	–	–	**8,022,391**
Trade receivables (Note 7)	**6,579,352**	–	**243,312**	**339,481**	**7,162,145**
Receivables from related party companies (Note 7)	**5,850,965**	–	–	–	**5,850,965**
Export rebate receivable (Note 7)	–	–	–	**1,663,117**	**1,663,117**
Negotiable duty credit certificates (Note 7)	–	–	–	**297,491**	**297,491**
Deposit for letters of credit (Note 8)	**4,903,844**	–	–	–	**4,903,844**
Total	**25,356,552**	–	**243,312**	**2,300,089**	**27,899,953**

31 May 2016 Financial assets:	Neither past due nor impaired N000	Up to 90 days N000	91 - 180 days N000	Over 180 days N000	Total N000
Cash and cash equivalents (Note 9)	12,867,654	–	–	–	12,867,654
Trade receivables (Note 7)	6,195,450	28,592	–	1,459,742	7,683,784
Receivables from related party companies (Note	3,996,759	–	–	–	3,996,759
Export rebate receivable (Note 7)	–	–	–	1,663,117	1,663,117
Negotiable duty credit certificates (Note 7)	–	–	–	297,491	297,491
Deposit for letters of credit (Note 8)	191,791	–	–	–	191,791
Total	23,251,654	28,592	–	3,420,350	26,700,596

Provision for impairment as disclosed in Note 7 relates to specific provision for trade receivables that are doubtful of recovery. Provision for impairment is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

An analysis of the international long-term credit ratings by Standard & Poor's of counterparties where cash and cash equivalents are held is as follows:

	Company	
Credit rating	**2017** **N000**	2016 N000
B	**3,982,782**	4,524,881
	3,982,782	4,524,881

	Group	
Credit rating	**2017** **N000**	2016 N000
B	**8,022,391**	12,867,654
	8,022,391	12,867,654

B: The obligor currently has the capacity to meet its financial commitments on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments on the obligation.

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

3 Financial risk management continued

3.2 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group maintains a strong liquidity position and manages the liquidity profile of its assets, liabilities and commitments so that cash flows are appropriately balanced and all funding obligations are met when due.

There is a central treasury that co-ordinates cash flows management and funding activities. Cash surplus to immediate requirements is placed in interest yielding short-term deposit accounts in banks with good credit rating.

The Group enjoys favourable 90 days of credit from its suppliers as against 30 days of credit it gives to its customers. Thus, the group is always at an advantage position to meet its obligations because funding is more quickly available from credits extended to its customers than the timing it requires to settle its obligations.

Included in the Group's trade and other payables as at the 31 May 2017 and 31 May 2016 are balances due to related parties of N28.9 billion and N17.4 billion respectively while that of the company is N24.3 billion and N11.0 billion respectively.

The table below analyses the Group's financial liabilities into relevant maturity groupings as at the reporting date.

Company

31 May 2017 **Financial liabilities:**	**Up to 90 days** **N000**	**Up to 180 days** **N000**	**Total** **N000**
Trade and other payables – excluding other payable and other taxation and social security (Note 13)	**29,465,003**	**4,355,524**	**33,820,527**
	29,465,003	**4,355,524**	**33,820,527**

31 May 2016 Financial liabilities:	Up to 90 days N000	Up to 180 days N000	Total N000
Trade and other payables – excluding other payable and other taxation and social security (Note 13)	13,052,767	6,453,086	19,505,853
	13,052,767	6,453,086	19,505,853

Group

31 May 2017 **Financial liabilities:**	**Up to 90 days** **N000**	**Up to 180 days** **N000**	**Total** **N000**
Trade and other payables – excluding other payable and other taxation and social security (Note 13)	**34,341,414**	**4,382,351**	**38,723,765**
	34,341,414	**4,382,351**	**38,723,765**

31 May 2016 Financial liabilities:	Up to 90 days N000	Up to 180 days N000	Total N000
Trade and other payables – excluding other payable and other taxation and social security (Note 13)	19,519,895	5,724,616	25,244,511
	19,519,895	5,724,616	25,244,511

3.3 Market risk

Market risk is the risk that movements in market rates, including foreign exchange rates, interest rates, equity and commodity prices will affect the fair value or future cash flows of a financial instrument. The management of market risk is undertaken using risk limits approved by the operating unit finance directors under delegated authority.

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

3.4 Foreign exchange risk

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates. Subsidiary undertakings must ensure that all transactional exposures arising from commitments in a currency other than their functional currency are identified and monitored. The Group manages foreign exchange risk through foreign exchange forward contracts. The group is primarily exposed to the US Dollar. A 15% increase/decrease in foreign exchange rate at the reporting dates would have increased/decreased profit or loss and total equity by the following amounts. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables remain constant.

	Group		Company	
	31 May 2017 N000	31 May 2016 N000	**31 May 2017 N000**	31 May 2016 N000
US Dollar – 15% increase	**2,044,762**	1,203,429	**1,510,465**	423,781
US Dollar – 15% decrease	**(2,044,762)**	(1,203,429)	**(1,510,465)**	(423,781)

The foreign exchange risk is mainly from related parties payable and receivable balances with foreign related parties

3.5 Fair value of financial assets and liabilities

All the Group's financial assets and liabilities are measured at amortised cost and due to the short-term nature of these financial instruments, the fair value reasonably approximates the carrying value in the statement of financial position.

3.6 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for Shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or sell assets.

The group is not subject to any externally imposed capital requirement.

4a Property, plant and equipment

Group – 2017

	Freehold land and buildings N000	Leasehold land and buildings N000	Plant and machinery N000	Office furniture and computers N000	Motor vehicles N000	Capital Work in progress N000	Total N000
Cost							
At 1 June 2016	29,048	17,671,124	18,701,418	2,042,601	621,465	2,344,090	41,409,746
Additions	–	–	–	–	–	4,333,479	4,333,479
Transfers	–	327,153	1,043,035	374,681	–	(1,744,869)	–
Disposals	–	–	–	–	(52,455)	–	(52,455)
At 31 May 2017	**29,048**	**17,998,277**	**19,744,453**	**2,417,282**	**569,010**	**4,932,700**	**45,690,770**
Depreciation							
At 1 June 2016	6,972	2,796,978	9,938,096	1,561,084	601,692	–	14,904,822
Charge for the year	580	326,680	1,715,055	270,084	11,739	–	2,324,138
On disposals	–	–	–	–	(52,455)	–	(52,455)
At 31 May 2017	**7,552**	**3,123,658**	**11,653,151**	**1,831,168**	**560,976**	**–**	**17,176,505**
Net book value							
At 31 May 2017	**21,496**	**14,874,619**	**8,091,302**	**586,114**	**8,034**	**4,932,700**	**28,514,265**

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for the year ended 31 May 2017

4a Property, plant and equipment continued

Group – 2016

	Freehold land and buildings N000	Leasehold land and buildings N000	Plant and machinery N000	Office furniture and computers N000	Motor vehicles N000	Capital work in progress N000	Total N000
Cost							
At 1 June 2015	29,048	15,942,343	18,407,439	2,101,530	718,480	2,543,294	39,742,134
Additions	–	–	–	–	–	3,453,991	3,453,991
Transfers	–	1,728,781	1,630,990	293,424	–	(3,653,195)	–
Write-offs	–	–	(1,209,967)	(333,114)	(17,426)	–	(1,560,507)
Disposals	–	–	(127,044)	(19,239)	(79,589)	–	(225,872)
At 31 May 2016	**29,048**	**17,671,124**	**18,701,418**	**2,042,601**	**621,465**	**2,344,090**	**41,409,746**
Depreciation							
At 1 June 2015	6,391	2,495,306	9,636,970	1,705,384	680,236	–	14,524,287
Charge for the year	581	301,672	1,628,729	207,942	16,202	–	2,155,126
Write-offs	–	–	(1,200,559)	(333,005)	(17,427)	–	(1,550,991)
On disposals	–	–	(127,044)	(19,237)	(77,319)	–	(223,600)
At 31 May 2016	**6,972**	**2,796,978**	**9,938,096**	**1,561,084**	**601,692**	**–**	**14,904,822**
Net book value							
At 31 May 2016	**22,076**	**14,874,146**	**8,763,322**	**481,517**	**19,773**	**2,344,090**	**26,504,924**

Depreciation expense of N1.76 billion (2016: N1.22 billion) has been charged in 'cost of sales', N0.24 billion (2016: NG0.29 billion) in 'selling and distribution expenses' and NGN0.32 billion (2016: NGN0.65 billion) in 'administrative expenses'.

Construction work in progress as at 31 May 2017 mainly comprise of building development and construction of a regional distribution centre in Abuja and new factory lines.

Depreciation on freehold land and buildings relates to depreciation charged on buildings constructed on freehold land. There was no capitalised borrowing cost during the years ended 31 May 2017 and 31 May 2016.

Company – 2017

	Freehold land and buildings N000	**Leasehold land and buildings N000**	**Plant and machinery N000**	**Office furniture and computers N000**	**Motor vehicles N000**	**Capital work in progress N000**	**Total N000**
Cost							
At 1 June 2016	29,048	17,293,653	17,660,307	1,835,895	534,709	2,239,256	39,592,868
Additions	–	–	–	–	–	3,895,530	3,895,530
Transfers	–	240,446	1,043,035	374,679	–	(1,658,160)	–
Disposals	–	–	–	–	(49,148)	–	(49,148)
At 31 May 2017	**29,048**	**17,534,099**	**18,703,342**	**2,210,574**	**485,561**	**4,476,626**	**43,439,250**
Depreciation							
At 1 June 2016	6,972	2,782,050	9,532,890	1,400,517	530,717	–	14,253,146
Charge for the year	580	317,685	1,618,823	235,781	1,881	–	2,174,750
On disposals	–	–	–	–	(49,148)	–	(49,148)
At 31 May 2017	**7,552**	**3,099,735**	**11,151,713**	**1,636,298**	**483,450**	**–**	**16,378,748**
Net book value							
At 31 May 2017	**21,496**	**14,434,364**	**7,551,629**	**574,276**	**2,111**	**4,476,626**	**27,060,502**

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

Company – 2016

	Freehold land and buildings N000	Leasehold land and buildings N000	Plant and machinery N000	Office furniture and computers N000	Motor vehicles N000	Capital work in progress N000	Total N000
Cost							
At 1 June 2015	29,048	14,113,506	12,063,141	1,787,266	612,462	2,041,138	30,646,561
Additions	–	–	–	–	–	3,159,691	3,159,691
Transfers	–	1,514,562	1,302,532	285,525	–	(3,102,619)	–
Intercompany transfer	–	1,665,585	5,604,268	66,191	2,079	141,046	7,479,169
Write-offs	–	–	(1,182,590)	(291,278)	(17,427)	–	(1,491,295)
Disposals	–	–	(127,044)	(11,809)	(62,405)	–	(201,258)
At 31 May 2016	**29,048**	**17,293,653**	**17,660,307**	**1,835,895**	**534,709**	**2,239,256**	**39,592,868**
Depreciation							
At 1 June 2015	6,391	2,337,763	6,963,433	1,496,390	602,911	–	11,406,888
Charge for the year	581	275,887	1,172,564	157,731	5,027	–	1,611,790
Intercompany transfer	–	168,400	2,697,281	49,447	2,079	–	2,917,207
Write-offs	–	–	(1,173,344)	(291,243)	(17,427)	–	(1,482,014)
On disposals	–	–	(127,044)	(11,808)	(61,873)	–	(200,725)
At 31 May 2016	**6,972**	**2,782,050**	**9,532,890**	**1,400,517**	**530,717**	**–**	**14,253,146**
Net book value							
At 31 May 2016	**22,076**	**14,511,603**	**8,127,417**	**435,378**	**3,992**	**2,239,256**	**25,339,722**

Depreciation expense of NGN1.66 billion (2016: N1.12 billion) has been charged in 'cost of sales', N0.23 billion (2016: N0.26 billion) in 'selling and distribution expenses' and N0.28 billion (2016: N0.23 billion) in 'administrative expenses'.

Construction work in progress as at 31 May 2017 mainly comprise of building development and construction of a regional distribution centre in Abuja and new factory lines.

Depreciation on freehold land and buildings relates to depreciation charged on buildings constructed on freehold land. There was no capitalised borrowing cost during the years ended 31 May 2017 and 31 May 2016.

4b Intangible assets

Intangible assets represents cost of an Enterprise Resource Package deployed during the year. In line with the Group accounting policy, amortization will commence in the subsequent years.

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for the year ended 31 May 2017

5 Investments in subsidiaries

The Company	Company 2017 N000	Company 2016 N000
At 1 June	**504,406**	526,406
Decrease arising from merger of PZ Tower and PZ Power with the Company	–	(20,000)
Decrease arising from impairment of investment in Robbert Pharmaceutical	–	(2,000)
Total	**504,406**	504,406

Decrease in investment in subsidiaries relates to elimination of investments of N10 million each in PZ Tower Limited and PZ Power Company Limited due to the merger of the two entities with PZ Cussons Nigeria Plc during the year ended 31 May 2016. Also, during the year ended 31 May 2016, previous investment of N2 million in Robbert Pharmaceutical Company Limited (a dormant company) was impaired.

	Investment amount N000	Country of incorporation and place of business	Nature of business	Proportion of shares held by the Company %	Proportion of shares held by NCI %
HPZ Limited	504,406	Nigeria	Household electrical appliances manufacturer	74.99	25.01
Robbert Pharmaceutical Company Limited	–	Nigeria	Soap and Antiseptics	99.99%	0.01%

There are no restrictions in transfer of funds within the entities in the Group.

Integration of PZ Tower Limited and PZ Power Company Limited

On 31 December 2015, a restructuring of the PZ Cussons Nigeria Plc Group structure was carried out. The effect of this was that the operations of PZ Tower Limited and PZ Power Company Limited was integrated into the operations of PZ Cussons Nigeria Plc. Accordingly, PZ Tower Limited and PZ Power Company Limited ceased to exist from the date of the integration. This transaction was deemed to be a reorganisation of an existing Group and thus the net assets of PZ Tower Limited and PZ Power Company Limited were combined with PZ Cussons Nigeria Plc using the book values as at that date. This business combination has been accounted for as a common control transaction where PZ Cussons Nigeria Plc (the acquirer) has applied predecessor accounting as he basis in recognising the assets acquired and the liabilities assumed of PZ Tower Limited and PZ Power Company Limited. Any difference between the purchase consideration and the net assets acquired has been accounted for in retained earnings.

In line with the accounting policy on common control transactions accounted for using the predecessor accounting method, PZ Cussons Nigeria Plc chose to incorporate the results from the operations of PZ Tower Limited and PZ Power Company Limited prospectively from the date of integration. On the integration date of 31 December 2015, the net assets of PZ Tower Limited and PZ Power Company Limited acquired by PZ Cussons Nigeria Plc are as follows:

Assets acquired

	PZ Power N000	PZ Tower Ltd N000	Total N000
Property, plant and equipment (Net Book Value)*	1,264,886	3,297,076	4,561,962
Inventory	347,751	–	347,751
Sundry debtors	1,646	12,008	13,654
Cash and bank	1,425	3,275	4,700
Inter company balances	1,524,643	3,139,018	4,663,661
Assets	**3,140,351**	**6,451,377**	**9,591,728**
Liabilities assumed			
Accruals and other liabilities	3,007	104,775	107,782
Current tax liabilities	80,393	–	80,393
Deferred tax liability	167,029	–	167,029
Liabilities	**250,429**	**104,775**	**355,204**
Net assets acquired	2,889,922	6,346,602	9,236,524
Purchase consideration	(10,000)	(10,000)	(20,000)
Re-organisation reserve	**2,879,922**	**6,336,602**	**9,216,524**

* Property, plant and equipment (Net Book Value) represents the sum of N7,479,169,000 and N2,917,207,000 being cost and accumulated depreciation respectively of fixed assets acquired from PZ Power Company Limited and PZ Tower Limited upon their integration into PZ Cussons Nigeria Plc

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6 Inventories

	Group		Company	
	2017 N000	2016 N000	**2017 N000**	2016 N000
Raw materials	**15,502,313**	10,958,734	**13,776,341**	9,192,746
Finished goods and goods for resale	**10,721,342**	6,095,554	**4,795,111**	3,111,617
Engineering spares and other stocks	**2,486,288**	2,224,167	**2,370,855**	2,037,755
Total	**28,709,943**	19,278,455	**20,942,307**	14,342,118

During the year ended 31 May 2017, N168.7m (2016: N281.5m) was charged to income statement for obsolete, damaged and missing inventories identified during the monthly stock count exercises. Also recognised as expense in the financial statements are engineering spares used for production of N712.1m (2016: N557.3m).

7 Trade and other receivables

	Group		Company	
Receivables due within one year:	**2017 N000**	2016 N000	**2017 N000**	2016 N000
Trade receivables	**7,162,145**	7,683,784	**7,162,145**	7,683,784
Less: provision for impairment of trade receivables	**(582,793)**	(1,488,334)	**(582,793)**	(1,488,334)
Net trade receivables	**6,579,352**	6,195,450	**6,579,352**	6,195,450
Receivables from subsidiary (Note 25)	**–**	–	**233,941**	–
Receivables from related party companies (Note 25)	**5,850,965**	3,996,759	**5,103,965**	2,360,759
Export rebate receivable(Note 24)	**1,663,117**	1,663,117	**1,643,658**	1,643,658
Prepayments	**642,542**	125,913	**629,884**	117,192
Negotiable duty credit certificates (Note 24)	**297,491**	297,491	**271,913**	271,913
WHT credit note receivable	**73,663**	73,663	**73,663**	73,663
Advances to suppliers	**739,958**	2,456,879	**739,958**	2,096,587
Other receivables	**1,374,624**	778,078	**980,430**	617,462
Total	**17,221,712**	15,587,350	**16,256,764**	13,376,684

WHT credit note receivable of N73.7 million as at 31 May 2016 remained the same as at 31 May 2017 because the related WHT credit note is yet to be received from the tax authority.

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

	Group		Company	
	2017 N000	2016 N000	**2017 N000**	2016 N000
Opening	**(1,488,334)**	(1,165,550)	**(1,488,334)**	(1,165,550)
Provision for impairment (Note 15)	**(170,391)**	(322,784)	**(170,391)**	(322,784)
Provision for impairment written-off directly against gross trade receivable	**1,075,932**	–	**1,075,932**	–
Closing	**(582,793)**	(1,488,334)	**(582,793)**	(1,488,334)

All trade receivables are denominated in Nigerian Naira.

The credit risk of distributors is assessed at subsidiary and Group level, taking into account their financial positions, past experiences and other factors. Individual distributor credit limits are imposed based on these factors.

The Group operates in 18 depots across Nigeria with more than 1,000 distributors.

Distributors are initially brought on board on a cash basis for a period of six months. At the expiration of the six months cash trading period, distributors are free to apply for credit.

Notes to the consolidated financial statements continued
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8 Deposit for imports

	Group		Company	
	2017 N000	2016 N000	**2017 N000**	2016 N000
Deliverable forwards	**4,903,844**	–	**2,979,800**	–
Deposit for letters of credit	**1,698,033**	191,791	**295,712**	191,791
Total	**6,601,877**	191,791	**3,275,512**	191,791

Deliverable forwards and Deposit for letters of credit represents committed cash no longer available for another purpose other than the purpose it has been designated for.

9 Cash and cash equivalents

	Group		Company	
	2017 N000	2016 N000	**2017 N000**	2016 N000
Cash at bank and in hand	**8,022,391**	12,867,654	**3,982,782**	4,524,881
Cash and cash equivalents	**8,022,391**	12,867,654	**3,982,782**	4,524,881

10 Ordinary Share capital

	2017		2016	
Group and company	**Number in thousands**	**Amount N000**	Number in thousands	Amount N000
Authorised:				
Ordinary shares of 50k each	**4,000,000**	**2,000,000**	4,000,000	2,000,000
Total authorised share capital	**4,000,000**	**2,000,000**	4,000,000	2,000,000
Allotted, called up and fully paid:				
Ordinary shares of 50k each	**3,970,477**	**1,985,238**	3,970,477	1,985,238
Total called up share capital	**3,970,477**	**1,985,238**	3,970,477	1,985,238

11 Deferred taxation

The analysis of deferred tax liabilities is as follows:

	Group		Company	
	2017 N000	2016 N000	**2017 N000**	2016 N000
– Deferred tax liability to be recovered after more than 12 months	**2,399,389**	3,694,005	**3,960,174**	4,108,185
– Deferred tax liability to be recovered within 12 months	**–**	–	**–**	–
	2,399,389	3,694,005	**3,960,174**	4,108,185

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

The movement in deferred tax liability is as follows:

	Group		Company	
	2017 N000	2016 N000	**2017 N000**	2016 N000
At start of year	**3,694,005**	3,903,589	**4,108,185**	3,757,845
Changes during the year:				
– Deferred tax balance inherited on merger of PZ Power and PZ Tower with the company (Note 5)	**–**	–	**–**	167,029
– (Credited)/charged to income statement (Note 14)	**(1,294,616)**	(209,584)	**(148,011)**	183,311
At end of year	**2,399,389**	3,694,005	**3,960,174**	4,108,185

	Group			Company		
	Property, plant and equipment N000	Provisions N000	Total N000	Property, plant and equipment N000	Provisions N000	Total N000
At 1 June 2015	3,772,841	130,748	3,903,589	3,260,283	497,562	3,757,845
– DT acquired from merger of entities	–	–	–	167,029	–	167,029
– (Credited)/charged to income statement	(1,022,065)	812,481	(209,584)	360,048	(176,737)	183,311
At 31 May 2016	**2,750,776**	**943,229**	**3,694,005**	**3,787,360**	**320,825**	**4,108,185**
– (Credited)/charged to income statement	(3,218,853)	1,924,237	(1,294,616)	(931,990)	783,979	(148,011)
At 31 May 2017	**(468,077)**	**2,867,466**	**2,399,389**	**2,855,370**	**1,104,804**	**3,960,174**

12 Warranty provisions

	Group		Company	
	2017 N000	2016 N000	**2017 N000**	2016 N000
At beginning of the year	**327,251**	306,034	**–**	–
Charged to the income statement	**87,560**	89,707	**–**	–
Utilised in the year	**(143,036)**	(68,490)	**–**	–
At 31 May	**271,775**	327,251	**–**	–
The ageing of the warranty provision is as follows:				
Within 12 months	**87,560**	89,707	**–**	–
Greater than 12 months	**184,215**	237,544	**–**	–
Total	**271,775**	327,251	**–**	–

The Group generally offers 1-3 year warranties for its electrical products and components. Directors estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends. Factors that could impact the estimated claim information include the success of the Group's product and quality initiatives, as well as spare parts and labour costs.

13 Trade and other payables

	Group		Company	
	2017 N000	2016 N000	**2017 N000**	2016 N000
Trade payables	**5,430,658**	2,127,142	**5,206,762**	2,068,729
Other taxation and social security	**14,224**	157,938	**10,631**	141,674
Unclaimed Dividend	**2,318,115**	1,956,555	**2,318,115**	1,956,555
Accruals	**2,064,236**	3,768,061	**2,037,409**	2,478,029
Amount owed to subsidiary (Note 25)	**–**	–	**–**	2,018,502
Amounts owed to related parties (Note 25)	**28,910,756**	17,392,753	**24,258,241**	10,984,038
Other payables	**985,239**	313,788	**183,054**	405,938
Total	**39,723,228**	25,716,237	**34,014,212**	20,053,465

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider the carrying amount of trade and other payables to approximate their fair value.

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

14 Taxation

Income tax expense:	Group 2017 N000	Group 2016 N000	Company 2017 N000	Company 2016 N000
Company income tax	**2,139,645**	1,115,747	**561,086**	160,979
Education tax	**279,543**	112,344	**168,458**	42,591
Total current tax	**2,419,188**	1,228,091	**729,544**	203,570
Deferred tax:				
(Reversal)/origination of temporary differences	**(1,294,616)**	(209,584)	**(148,011)**	183,311
Total deferred tax (Note 11)	**(1,294,616)**	(209,584)	**(148,011)**	183,311
Income tax expense	**1,124,572**	1,018,507	**581,533**	386,881

Effective tax reconciliation

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate of the parent as follows:

	Group 2017 N000	Group 2016 N000	Company 2017 N000	Company 2016 N000
Profit before tax	**4,811,169**	3,148,196	**2,817,164**	776,880
Income tax using the domestic corporation tax rate of 30% (2016:30%)	**1,443,351**	944,459	**845,149**	233,064
Tax effects of:				
Non-deductible expenses	**667,265**	539,712	**426,002**	386,368
Education tax levy	**279,543**	112,344	**168,458**	42,591
Tax exempt income	**(1,265,587)**	(578,008)	**(858,077)**	(275,142)
Total income tax expense in income statement	**1,124,572**	1,018,507	**581,533**	386,881

The current tax charge has been computed at the applicable rate of 30% (31 May 2016: 30%) plus education levy of 2% (31 May 2016: 2%) on the profit for the year after adjusting for certain items of expenditure and income which are not deductible or chargeable for tax purposes. Non-deductible expenses include items such as legal fees, donations, public relations expenses and certain provisions which are not allowed as a deduction by the tax authorities. Tax exempt income for the Company is mainly made up of dividend income and other items not subject to tax while tax exempt income for the Group is mainly made up of profit of a subsidiary currently under pioneer status. The impact of the franked investment income recognised in the Company has been eliminated in the Group.

The movement in the current income taxation payable is as follows:

	Group 20`17 N000	Group 2016 N000	Company 2017 N000	Company 2016 N000
At start of the year	**1,289,711**	1,671,311	**325,663**	634,386
Tax charge for the year	**2,419,188**	1,228,091	**729,544**	203,570
– Current tax balance inherited from merger of PZ Power and PZ Tower with the company (Note 5)	**–**	–	**–**	80,393
Tax paid during the year	**(1,153,643)**	(1,609,691)	**(66,213)**	(592,686)
At end of the year	**2,555,257**	1,289,711	**988,994**	325,663

At the statement of financial position date, the Group and the Company have no unused tax losses available for offset against future profits. There was no offset of deferred tax assets and deferred tax liabilities.

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

15a Expense by nature

	Group		Company	
	2017 N000	2016 N000	2017 N000	2016 N000
Changes in inventories of finished goods and work in progress	45,387,483	41,724,002	55,587,699	50,458,310
Personnel cost (Note 20.5)	6,550,102	7,225,831	5,098,917	5,942,003
Fuel and gas	2,653,847	2,575,824	2,570,133	1,689,281
Depreciation (Note 4)	2,324,138	2,155,126	2,174,750	1,611,790
Auditors remuneration	48,864	40,112	36,648	30,084
Directors emoluments (Note 20.1)	276,110	218,774	276,110	218,774
Rent and rates	193,285	389,870	193,285	183,592
Insurance	425,184	492,288	425,184	492,288
Freight/carriage cost	2,724,031	2,688,800	1,893,835	1,836,490
Vehicle repairs and maintenance	227,131	617,873	187,435	453,453
Technical and management fees (Note 25.2)	3,651,136	2,886,025	3,651,136	2,886,025
Advertising and market promotions	1,125,010	1,312,851	704,951	928,695
Provision for doubtful debt (Note 7)	170,391	322,784	170,391	322,784
Operating lease rentals	531,118	529,665	407,096	394,219
General and other expenses	126,925	214,661	127,352	226,971
	66,414,755	63,394,486	73,504,922	67,674,759
Cost of sales	51,682,211	49,326,175	61,677,593	56,768,922
Selling and distribution expenses	9,095,909	8,825,636	6,479,803	6,358,556
Administrative expenses	5,636,635	5,242,675	5,347,526	4,547,281
	66,414,755	63,394,486	73,504,922	67,674,759

15b Exchange loss

	Group		Company	
	2017 N000	2016 N000	2017 N000	2016 N000
Foreign exchange loss	8,797,880	2,883,528	3,423,214	718,705

16a Revenue

Components of revenue are as follows:

	Group		Company	
	2017 N000	2016 N000	2017 N000	2016 N000
Sales of goods	79,630,111	69,527,537	79,630,111	69,527,537
Revenue by geographical location of customers:				
Domestic (within Nigeria)	75,015,742	66,139,834	75,015,742	66,139,834
Export (outside Nigeria)	4,614,369	3,387,703	4,614,369	3,387,703
	79,630,111	69,527,537	79,630,111	69,527,537

16b Other income

	Group		Company	
	2017 N000	2016 N000	2017 N000	2016 N000
Sales of scraps and sundry items	193,557	261,459	335,197	402,803
Profit on disposal of fixed assets (Note 19)	5,044	24,625	4,887	23,944
Write-back of inter-company payable no longer required	–	–	–	60,947
	198,601	286,084	340,084	487,694

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

17 Segment analysis

The chief operating decision-maker has been identified as the Executive Board, which comprises the five Executive Directors.

The Executive Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports, which include an allocation of central revenue and costs as appropriate.

The Group's internal reporting in order to assess performance and allocate resources. Operating segments based on these reports which include an allocation of central revenue and costs as appropriate.

The Executive Board considers the business from products perspective, with branded consumer goods and durable electrical appliances being the reporting segments. The Executive Board assesses the performance based on operating profit before any exceptional items.

	2017			
As at May	**Branded consumer goods N000**	**Durable electrical appliances N000**	**Eliminations N000**	**Total N000**
Total gross segment revenue	**56,176,180**	**23,453,931**	**–**	**79,630,111**
Intersegment revenue	**–**	**–**	**–**	**–**
Revenue	**56,176,180**	**23,453,931**	**–**	**79,630,111**
Segment operating profit	**6,125,189**	**7,090,167**	**–**	**13,215,356**
Depreciation (Note 4)	**2,174,750**	**149,388**	**–**	**2,324,138**
Interest income	**191,092**	**449,488**	**(155,011)**	**485,569**
Interest cost	**415,987**	**29,501**	**(155,011)**	**290,477**
Profit before taxation	**2,817,164**	**1,994,005**	**–**	**4,811,169**
Taxation	**581,533**	**543,039**	**–**	**1,124,572**
Profit after taxation	**2,235,630**	**1,450,966**	**–**	**3,686,596**
Property plant and equipments	**27,060,502**	**1,453,763**	**–**	**28,514,265**
Total assets	**73,039,610**	**17,047,915**	**–**	**90,087,525**

	2016			
As at May	Branded consumer goods N000	Durable electrical appliances N000	Eliminations N000	Total N000
Total gross segment revenue	45,956,946	23,570,591	–	69,527,537
Intersegment revenue	–	–	–	–
Revenue	45,956,946	23,570,591	–	69,527,537
Segment operating profit	1,134,073	2,115,450	–	3,249,523
Depreciation (Note 4)	1,611,790	543,336	–	2,155,126
Interest income	8,417	457,495	(255,656)	210,256
Interest cost	853,323	–	(255,656)	597,667
Profit before taxation	776,880	2,371,316	–	3,148,196
Taxation	386,881	631,626	–	1,018,507
Profit after taxation	389,999	1,739,690	–	2,129,689
Property plant and equipments	25,339,722	1,165,202	–	26,504,924
Total assets	56,261,100	18,169,074	–	74,430,174

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

Entity-wide information
Breakdown of revenue is as follows:

	2017 N000	2016 N000
Sales of goods	79,630,111	69,527,537

The group is domiciled in Nigeria. The result of its revenue from external customers in Nigeria is N75 billion (2016: N66.1), and the total of revenue from external customers from other countries is N4.6 billion (2016: N3.4 billion).

The total of non-current assets located in Nigeria is N29.5 billion (2016: N26.5 billion), and the total of such non-current assets located in other countries is Nil (2016: Nil).

No single external customer either within Nigeria or outside of Nigeria contributes up to 10% of revenue for the year.

18 Earnings per share
Basic earnings per share (EPS) is calculated by dividing the profit attributable to equity holders of the parent Company by the weighted average number of Ordinary Shares outstanding at the end of the reporting period.

	Group		Company	
	2017 N000	2016 N000	2017 N000	2016 N000
Profit attributable to equity holders of parent Company	3,323,711	1,863,013	2,235,631	389,999
Weighted average number of Ordinary Shares in issue	3,970,477	3,970,477	3,970,477	3,970,477
Basic earnings per share (Naira)	0.84	0.47	0.56	0.10

Diluted EPS is the same as basic earnings per share as there are no potential dilutive Ordinary Shares or transactions.

19 Cash generated from operating activities

		Group		Company	
	Notes	2017 N000	2016 N000	2017 N000	2016 N000
Cash flows from operating activities					
Profit before taxation		4,811,169	3,148,196	2,817,164	776,880
Adjustment to reconcile net income to cash provided:					
Depreciation	4	2,324,138	2,155,126	2,174,750	1,611,790
Profit on disposal of fixed assets (see below)		(5,044)	(24,625)	(4,887)	(23,944)
NBV of PPE transferred (from)/to related parties		–	–	–	(4,561,962)
NBV of PPE written-off		–	9,516	–	9,281
Re-organisation reserve		–	–	–	9,216,524
Deferred tax balance inherited on merger of PZ Power and PZ Tower with the Company	11	–	–	–	167,029
Current tax balance inherited on merger of PZ Power and PZ Tower with the Company	14	–	–	–	80,393
Unclaimed dividend forfeited		33,548	22,828	33,548	22,828
Interest expense	25	290,477	597,667	415,987	853,304
Interest income	25	(485,569)	(210,256)	(191,092)	(8,417)
		6,968,719	5,698,452	5,245,470	8,143,706
Changes in assets and liabilities					
(Increase)/decrease in trade and other receivables		(1,634,362)	2,324,975	(2,880,080)	1,727,745
(Increase)/decrease in deposit for imports		(6,410,086)	724,848	(3,083,721)	247,640
(Increase)/decrease in inventories		(9,431,488)	1,734,176	(6,600,189)	(1,100,520)
Increase in trade, other payables and provisions		13,951,515	7,902,918	13,960,747	905,462
Cash flows from operating activities		3,444,298	18,385,369	6,642,227	9,924,033
Analysis of profit on disposal of fixed assets					
Cost of assets disposed	4	(52,455)	(225,872)	(49,148)	(201,258)
Accumulated depreciation of assets disposed	4	52,455	223,600	49,148	200,725
Proceeds on disposal of assets		5,044	26,897	4,887	24,477
Profit on disposal	16b	5,044	24,625	4,887	23,944

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

20 Directors' and employees emoluments

20.1 Chairman and director's emoluments:

	Group		Company	
	2017 N000	2016 N000	2017 N000	2016 N000
Chairman	1,780	1,780	1,780	1,780
Directors	274,330	216,994	274,330	216,994
Total	276,110	218,774	276,110	218,774
As fees (As per Non-executive Directors)	8,180	6,900	8,180	6,900
Other emoluments (As per Executive Directors)	267,930	211,874	267,930	211,874
Total	276,110	218,774	276,110	218,774

Included in other emoluments to Executive Directors is pension paid to them during the year.

20.2 Number of Directors excluding the Chairman, whose emoluments fell within the following ranges were:

	Group		Company	
	2017 Number	2016 Number	2017 Number	2016 Number
20.2.1 Executive Directors				
N10,000,000 – N20,000,000	1	1	1	1
N20,000,001 – N30,000,000	1	1	1	1
N30,000,001 – N40,000,000	–	1	–	1
N50,000,001 – N60,000,000	1	–	1	–
N60,000,001 – N70,000,000	–	2	–	2
N70,000,001 – N80,000,000	1	–	1	–
N90,000,001 – N100,000,000	1	–	1	–
Directors with salaries and allowances as emoluments	5	5	5	5
20.2.2 Non-executive Directors				
N1,000,000 – N2,000,000	6	5	6	5
Directors with fees as emoluments	6	5	6	5
Directors with no emoluments	–	1	–	1
Total	6	6	6	6

	Group		Company	
	2017 N000	2016 N000	2017 N000	2016 N000
20.3 Highest paid Director received	91,168	69,449	91,168	69,449

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

20.4 The number of employees in receipt of emolument excluding allowances and pension cost within the following ranges were:

	Group		Company	
	2017 Number	2016 Number	**2017 Number**	2016 Number
N300,001 – N400,000	**6**	7	**6**	7
N400,001 – N500,000	**63**	71	**8**	10
N500,001 – N600,000	**142**	160	**123**	144
N600,001 – N700,000	**485**	546	**374**	437
N700,001 – N800,000	**304**	342	**218**	255
N800,001 – N900,000	**101**	114	**56**	66
N900,001 – N1,000,000	**52**	59	**20**	24
N1,000,001 – N1,100,000	**29**	33	**15**	18
N1,100,001 – N1,200,000	**63**	71	**44**	52
N1,200,001 – N1,300,000	**30**	34	**26**	30
N1,300,001 – N1,400,000	**28**	31	**20**	23
N1,400,001 – N1,500,000	**11**	12	**7**	8
N1,500,001 and above	**273**	306	**223**	256
Total	**1,587**	1,786	**1,140**	1,330

20.5 The average number of persons employed during the year and the related staff costs are as follows:

	Group		Company	
	2017 Number	2016 Number	**2017 Number**	2016 Number
Production	**888**	1,035	**648**	796
Sales and distribution	**550**	609	**357**	404
Administration	**149**	142	**135**	130
Total	**1,587**	1,786	**1,140**	1,330

The aggregate cost of these employees was:

	2017 N000	2016 N000	**2017 N000**	2016 N000
Wages and salaries	**6,132,848**	6,721,803	**4,777,268**	5,538,058
Pension costs – defined contribution plan	**166,599**	196,360	**104,673**	137,932
Pension costs – gratuity scheme	**250,655**	307,668	**216,976**	266,013
Total	**6,550,102**	7,225,831	**5,098,917**	5,942,003

21 Financial commitments

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

21.1 Capital commitments

Below represents capital commitments for the acquisition of property, plant and equipment not provided for in the financial statements:

	Group		Company	
	2017 N000	2016 N000	**2017 N000**	2016 N000
Authorised and contracted	**441,493**	1,176,245	**419,724**	1,171,421
Authorised but not contracted	**2,041,390**	787,334	**1,114,795**	735,634
Total	**2,482,883**	1,963,579	**1,534,519**	1,907,055

21.2 Contingent liabilities

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

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

22 Technical service fee

Amount payable for technical service and licencing agreements is based on applicable turnover or 4% of PBT (as applicable).

For the year ended 31 May 2017, technical service fee of N3,651,136,197 was recognised in these financial statements. With respect to the year ended 31 May 2016, technical service fee of N2,886,024,980 was recognised in the financial statements. Included in technical service fee charged is 5% Value Added Tax.

23 Events after reporting date

A final dividend in respect of the year ended 31 May 2017 of 50 kobo per share amounting to a total dividend of N1,985,238,523 was declared at the Board meeting held on 7 August 2017. No provision for the dividend is recognised in the financial statements for the year then ended because, dividend is recognised as a liability in the period it is approved by Shareholders.

There are no other events after reporting date which would have had any material effect on the statement of financial position as at 31 May 2017 and on the profit for the year then ended.

24 Export Expansion Grant scheme (EEG)

The 'Export Expansion Grant scheme' (EEG) is a very vital incentive of the Federal Government of Nigeria required for the stimulation of export oriented activities that will lead to significant growth of the non-oil export sector. Having met the eligibility criteria and registered under the scheme by the Nigerian Export Promotion Council (NEPC), the Group is entitled to a rebate on export sales in as much as the Group can demonstrate that all the conditions precedent have been met.

Export rebate receivable is recognised at the rate of 20% on the related export proceeds. The weighted eligibility criteria has three bands: 20%, 15% and 10%. Approval of the rebate is subject to meeting the threshold of the following eligibility criteria: local value added, local content, employment (Nigerians), priority sector, export growth and capital investment.

The grant is recognised as a credit to cost of sales and as a receivable from the Government (Note 7). The related receivable balances with respect to the EEG scheme are:

	Group		Company	
	2017 N000	2016 N000	**2017 N000**	2016 N000
Export Expansion Grant receivable	**1,663,117**	1,663,117	**1,643,658**	1,643,658
Negotiable Duty Credit Certificate (NDCC)	**297,491**	297,491	**271,913**	271,913

Negotiable Duty Credit Certificate (NDCC): This is instrument of the government for settling of the EEG receivable. The NDCC is used for the payment of Import and Excise duties in lieu of cash. In the last three years, the Group and other industry players have not been able to use the certificates in settlement of customs duties. No NDCC (physical certificates) was received during the years ended 31 May 2017 and 31 May 2016.

With respect to the EEG receivable, below is the ageing analysis:

	EEG ≤1 year N000	1≥ EEG ≤ 2 years N000	EEG > 2 years N000	Total N000
Group – 31 May 2017	**–**	**–**	**1,663,117**	**1,663,117**
Group – 31 May 2016	–	445,889	1,217,228	1,663,117
Company – 31 May 2017	**–**	**–**	**1,643,658**	**1,643,658**
Company – 31 May 2016	–	445,889	1,197,769	1,643,658

Although, a significant component of the NDCC and EEG receivable have been outstanding for more than 1 year, no impairment charge has been made recognised because they are regarded as sovereign debts. Moreover, the Government has not communicated or indicated unwillingness to honour the obligations. Thus, the outstanding balances are classified as current assets accordingly

With the recent NEPC circular of March 2017, requesting exporters to submit EEG baseline data, the Directors believe that government has shown interest in revitalising the EEG scheme thus, a further boost to the recoverability of both the EEG and unused NDCC.

The unused NDCC is an instrument with no specific expiry date hence, the recoverability of the instrument is not in doubt.

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

25 Related party transactions

25.1 Group and Company

The Group and Company are controlled by PZ Cussons (Holdings) Limited, incorporated in the UK, which owns 73.27% (2016: 73.03%) of the Group and Company's shares. The remaining 26.73% (2016: 26.97%) of the shares are widely held. The Group's ultimate parent is PZ Cussons (Holdings) Limited (incorporated in the UK).

All trading balances are settled in cash. There was no provision for doubtful related party receivables at 31 May 2017 (31 May 2016: Nil) and no charges to the income statement in respect of doubtful related party receivables for the years then ended.

The Company controls a number of subsidiaries. These are detailed in note 5.

25.2 Transactions with related parties

Purchase of goods and services

	Group		Company	
	2017 N000	2016 N000	**2017 N000**	2016 N000
Purchases of goods from subsidiaries:				
– HPZ Limited	–	–	**23,453,931**	23,570,591
– PZ Power Company Limited	–	–	–	487,316
– PZ Tower Limited	–	–	–	5,676,995
Transactions with subsidiaries (a)	–	–	**23,453,931**	29,734,902
Purchases of goods from joint ventures and subsidiaries of PZ Cussons (Holdings) Limited (ultimate parent company)**: – PZ Cussons International Limited	**33,695,192**	34,531,411	**21,147,040**	22,889,569
Purchases of services from joint ventures and subsidiaries of PZ Cussons (Holdings) Limited (ultimate parent company)**:				
– Royalties – PZ Cussons International Limited	**611,571**	474,939	**611,571**	474,939
– Technical fees – PZ Cussons International Limited	**2,594,099**	2,158,465	**2,594,099**	2,158,465
– Trade Mark – PZ Cussons International Limited	**291,224**	226,161	**291,224**	226,161
– Management fees – PZ Cussons International Limited	**154,242**	26,460	**154,242**	26,460
	3,651,136	2,886,025	**3,651,136**	2,886,025
Transactions with joint ventures and subsidiaries of PZ Cussons (Holdings) Limited (ultimate parent company) (b)	**37,346,328**	37,417,436	**24,798,176**	25,775,594
Total (a) + (b)	**37,346,328**	37,417,436	**48,252,107**	55,510,496
Sales of goods/services and advances for purchases				
Services recharged to subsidiaries:				
– HPZ Limited (Subsidiary)	–	–	**2,311,147**	2,347,076
– PZ Tower Limited (Subsidiary)	–	–	–	–
– PZ Power Limited (Subsidiary)	–	–	–	28,073
Transactions with subsidiaries	–	–	**2,311,147**	2,375,149
Services recharged to joint ventures and subsidiaries of PZ Cussons (Holdings) Limited (ultimate parent company)	**1,973,541**	1,735,114	**1,973,541**	1,735,114
Sales of goods to joint ventures and subsidiaries of PZ Cussons (Holdings) Limited (ultimate parent company)	**1,184,189**	709,677	**1,184,189**	709,677
Advances for purchases to joint ventures and subsidiaries of PZ Cussons (Holdings) Limited (ultimate parent company)	**13,508,000**	14,805,773	**11,005,000**	11,016,662
Transactions with joint ventures and subsidiaries of PZ Cussons (Holdings) Limited (ultimate parent company)	**16,665,730**	17,250,564	**14,162,730**	13,461,453
Total	**16,665,730**	17,250,564	**16,473,877**	15,836,602

Note: Transactions during the year ended 31 May 2016 with PZ Power Company Limited and PZ Tower Limited relates to transactions for the seven months period to 31 December 2015.

Notes to the consolidated financial statements continued
for the year ended 31 May 2017

25 Related party transactions continued

Key management compensation

Key management have been determined as Directors (Executive and Non-executive) and the Chairman. Details of their compensation is as shown in note 20. No loans were advanced to any key management during the year.

Year-end balances arising from sales/purchases of goods and services

	Group		Company	
	2017 N000	2016 N000	**2017 N000**	2016 N000
Due to:				
– Subsidiary of PZ Cussons Nigeria Plc	**–**	–	**–**	2,018,502
– Joint ventures and subsidiaries of PZ Cussons (Holdings) Limited UK**	**28,910,756**	17,392,753	**24,258,241**	10,984,038
Total	**28,910,756**	17,392,753	**24,258,241**	13,002,540
Due from:				
– Subsidiary of PZ Cussons Nigeria Plc	**–**	–	**233,941**	–
– Joint ventures and subsidiaries of PZ Cussons (Holdings) Limited UK**	**5,850,965**	3,996,759	**5,103,965**	2,360,759
Total	**5,850,965**	3,996,759	**5,337,906**	2,360,759

Balances arising from sales/purchases of goods and services are revolving balances settled within seven days after the end of the month.

**** Joint ventures and subsidiaries of PZ Cussons (Holdings) Limited UK**

The entities categorized as Joint Ventures and subsidiaries of PZ Cussons(Holding) Limited UK are:
Local entities: Nutricima Ltd, Harefield Industrial Nig Ltd, PZCoolworld Ltd, PZWilmar Ltd and PZWilmar Food Ltd
Foreign entities: PZ Cussons International Ltd, PZ Cussons Singapore Private Limited, PZ Cussons (Thailand) Ltd, PZ Cussons Ghana Ltd, PZ Cussons East Africa Ltd, PZ Cussons Mesa, PZ Cussons Indonesia , PZ Cussons India Private Ltd and Seven Scent Ltd

Interest on advances from related entities

During the year, the Company and the Group obtained and gave short-term advances at 13% p.a. from and to related parties. The advances have been fully liquidated at 2017 and 2016 year end and they are not included in the closing balances of the amount due to and the amount due from related parties by the Company and the Group. Also, the advances were drawn down or disbursed in various amounts and they did not run throughout the twelve months duration of the financial year ended 31 May 2017 and 31 May 2016.

The Company and the Group incurred interest cost of N415.9 million (2016: N853.3 million) and N290.5 million (2016: N597.7 million) as well as earned N191.1 million (2016: N8.4 million) and N485.6 million (2016: N210.3 million) respectively on short term advances to related parties. All inter-Company interest have been eliminated on consolidation. The uneliminated interest income and interest expense on consolidation relates to interest earned and interest paid on transactions with other related parties (i.e. Nutricima Limited, Harefield Industrial Nigeria Limited, PZ Coolworld Limited, PZ Wilmar Limited and PZ Wilmar Food Limited) outside of the PZ Cussons Nigeria Plc Group.

26 Dividends

Amounts recognised as dividends to ordinary Shareholders in the year:

Final dividend for the year ended 31 May 2016 of 50 kobo (31 May 2015: 61 kobo) per Ordinary Share of 50 kobo

Final dividend for the year ended 31 May 2016 was paid during the year ended 31 May 2017 while final dividend for the year ended 31 May 2015 was paid during the year ended 31 May 2016. This is consistent with the Group's policy of recognising dividend as a liability in the period it is approved by the Shareholders. As disclosed in Note 23, final dividend in respect of the year ended 31 May 2017 of 50 kobo per share amounting to a total dividend of N1,985,238,523 is subject to the approval of the Shareholders at the Annual General Meeting of the Company for the year then ended. Accordingly, there is no provision for the dividend in these financial statements. This dividend is being funded from the earning of the year (N1,127,342,739) and retained profit of 2007 (N857,895,784).

Statement of value added

Year ended 31 May 2017

	Group				Company			
	2017 N000	**%**	2016 N000	%	**2017 N000**	**%**	2016 N000	%
Revenue	**79,630,111**		69,527,537		**79,630,111**		69,527,537	
Other income	**198,601**		286,084		**340,084**		487,694	
Interest income	**485,569**		210,256		**191,092**		8,417	
Brought-in-materials and services:								
– Imported	**(50,775,898)**		(46,111,376)		**(51,888,670)**		(47,856,948)	
– Local	**(15,562,497)**		(10,785,681)		**(17,765,799)**		(12,982,723)	
Value added	**13,975,886**	**100**	13,126,820	100	**10,506,818**	**100**	9,183,977	100
Applied as follows:								
To pay employees:								
– Salaries, wages and other benefits	**6,550,102**	**47**	7,225,831	55	**5,098,917**	**48**	5,942,003	65
To pay government:								
– Income and education taxes	**2,419,188**	**17**	1,228,091	9	**729,544**	**7**	203,570	2
To pay providers of capital:								
– Interest cost	**290,477**	**2**	597,667	5	**415,987**	**4**	853,304	9
Retained for replacement of assets and business growth:								
– Deferred taxation	**(1,294,616)**	**(9)**	(209,584)	(2)	**(148,011)**	**(1)**	183,311	2
– Depreciation	**2,324,138**	**17**	2,155,126	16	**2,174,750**	**20**	1,611,790	18
– Non controlling interest	**362,886**	**3**	266,676	2	**–**	**–**	–	–
– Profit attributable to equity holders of parent Company	**3,323,711**	**23**	1,863,013	14	**2,235,631**	**21**	389,999	4
	13,975,886	**100**	13,126,820	100	**10,506,818**	**100**	9,183,977	100

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.

Note: Statement of value added is not a required disclosure under IFRS.

5-year financial summary – Group

Year ended 31 May 2017

	IFRS 2017 N000	IFRS 2016 N000	IFRS 2015 N000	IFRS 2014 N000	IFRS 2013 N000
Non-current assets	**29,531,602**	26,504,924	25,217,847	24,485,136	24,370,445
Current assets	**60,555,923**	47,925,250	42,170,067	46,480,599	47,925,975
Total assets	**90,087,525**	74,430,174	67,387,914	70,965,735	72,296,420
Equity attributable to equity holders of parent	**42,272,665**	40,900,644	41,436,794	40,574,761	44,116,061
Non-controlling interest	**2,865,212**	2,502,326	2,235,650	1,963,821	2,320,796
Non-current liabilities	**2,583,604**	3,931,549	4,152,489	4,475,105	4,462,476
Current liabilities	**42,366,044**	27,095,655	19,562,981	23,952,048	21,397,087
Total equity and liabilities	**90,087,525**	74,430,174	67,387,914	70,965,735	72,296,420

	IFRS 2017 N000	IFRS 2016 N000	IFRS 2015 N000	IFRS 2014 N000	IFRS 2013 N000
Turnover	**79,630,111**	69,527,537	73,126,070	72,905,679	71,343,088
Profit before taxation	**4,811,169**	3,148,196	6,556,814	6,949,985	7,650,265
Profit after taxation (attributable to members)	**3,323,711**	1,863,013	4,053,284	4,591,399	4,875,040
Per 50K Share					
Earnings per share (Naira)	**0.84**	0.47	1.02	1.16	1.23

Basic earnings per share (EPS) is calculated by dividing the profit attributable to equity holders of the parent Company by the weighted average number of Ordinary Shares outstanding at the end of the reporting period.

Note: 5-year financial summary is not a required disclosure under IFRS.

Shareholders' information

Share Certificate Issued		Dividends declared in the last 12 years	
Date issued	Basis	Year to 31 May	Payment number
13 November 1973	Bonus of 1 for 4		
19 November 1974	Bonus of 1 for 5		
6 April 1976	1 AIL for 1 PZNL share		
7 February 1977	Bonus of 1 for 2		
28 October 1977	Public issue for cash		
31 March 1978	Bonus of 1 for 4		
23 December 1980	Bonus of 1 for 4		
21 December 1981	Bonus of 1 for 4		
17 January 1983	Bonus of 1 for 4		
16 December 1988	Bonus of 1 for 4		
31 December 1990	Bonus of 1 for 4		
31 December 1991	Bonus of 1 for 4		
28 November 1992	Bonus of 1 for 4		
25 November 1993	Bonus of 1 for 4	2004	38
24 November 1994	Bonus of 1 for 4	2005	39
23 November 1995	Bonus of 1 for 4	2006	40
19 February 1997	Bonus of 1 for 4	2007	41
4 September 2000	Rights issue for cash	2008	42
25 November 2002	Bonus of 1 for 5	2009	43
18 November 2004	Bonus of 1 for 4	2010	44
28 March 2006	Rights issue for cash	2011	45
20 September 2007	Bonus of 1 for 4	2012	46
15 September 2011	Bonus of 1 for 4	2013	47
		2014	48
		2015	49
		2016	50

Forfeiture of unclaimed dividend

By section 385 of the Companies and Allied Matters Act, dividends are special debt due to and recoverable by Shareholders within 12 years. Dividend declared up to 31 May 2003 and payable from 2004 (dividend number 38) which remained unclaimed will therefore cease to be recoverable by this year (2017/2018). This unclaimed dividend will be credited to the general reserves in 2016/2017. The dividend payment and value of unclaimed dividend in this category are as follows:

Dividend Number	Value (N)
Dividend number 38	28,830,175

Share capital history
For the year ended 31 May 2017

The Company was incorporated with an authorised share capital of £40,000 Ordinary Shares of £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 have since taken place in the Company's authorised capital:

On 27 April 1951 by	£60,000 to	£100,000 in shares of £1
On January 1968 by	£150,000 to	£250,000 in shares of £1
On 14 May 1970 by	£350,000 to	£600,000 in shares of £1
On 09 February by	£400,000 to	£1,000,000 in shares of £1
On 19 July 1972, the shares of £1 each were subdivided into 4 shares of 5/- each. At that date, the capital of the Company was £1,000,000 in 4,000,000 Ordinary Shares of 5/- each.		
On 12 November 1973 by	N500,000 to	N2,500,000
On 18 November 1974 by	N500,000 to	N3,000,000
On 08 January 1976 by	N2,500,000 to	N5,500,000
On 24 November 1976 by	N2,500,000 to	N5,500,000
On 13 April 1977 by	N4,000,000 to	N12,000,000
On 17 March 1978 by	N3,000,000 to	N15,000,000
On 26 November 1980 by	N3,500,000 to	N18,500,000
On 24 November 1981 by	N5,000,000 to	N23,500,000
On 23 November 1982 by	N5,500,000 to	N29,000,000
On 24 November 1988 by	N11,000,000 to	N40,000,000
On 23 November 1989 by	N35,000,000 to	N75,000,000
On 22 November 1990 by	N75,000,000 to	N150,000,000
On 24 November 1994 by	N135,000,000 to	N285,000,000
On 23 November 1995 by	N265,000,000 to	N550,000,000
On 21 November 1996 by	N300,000,000 to	N850,000,000
On 16 November 2000 by	N150,000,000 to	N1,000,000,000
On 31 October 2002 by	N250,000,000 to	N1,250,000,000
On 21 October 2004 by	N100,000,000 to	N1,500,000,000
On 20 September 2007 by	N100,000,000 to	N1,600,000,000
On 15 September 2011 by	N400,000,000 to	N2,000,000,000

Shareholders' admission form

Please admit Shareholder ____________________

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

To represent him/her at the 69th ANNUAL GENERAL MEETING of this Company to be held at 10.00 a.m.
on Thursday, 12 October 2017 at Transcorp Hilton, Abuja, F.C.T.

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

A O Laseinde, FCIS
Company Secretary/Head of Corporate Services for Africa


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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 69th Annual General Meeting of the Company to be held at 10.00 a.m. on Thursday, 12 October 2017 and of any adjournment thereof.

	Resolution**	**For**	**Against**	**Abstain**
1	To receive the Annual Report and Accounts			
2	To declare a dividend			
3	a) To re-elect Mr A. Goma as a Director			
	b) To re-elect Mr L. Batagarawa as a Director			
	c) To re-elect Mrs E. Ebi as a Director			
4	To appoint Deloitte as the new Independent auditor of the Company			
5	To authorise the Directors to fix the remuneration of the auditors.			
6	To elect members of the Audit Committee			
7	To approve the remuneration of the Directors			
8	To authorize the Company to procure goods and services necessary for its operations from related companies in compliance with the NSE Rules Governing Transactions with Related Parties or Interested Persons			
9.	To authorize the Company to alter its Articles of Association to allow for the dispatch of its Annual Report to members in printed or electronic form			

** 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 hands(s) this ____________ day of _______________________________ 2016

Signed: ____

NOTE:

(i) **THIS PROXY FORM SHOULD NOT BE COMPLETED/RETURNED IF THE MEMBER IS ATTENDING THE MEETING.**

(ii) A member entitled to attend and vote at the Annual 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 Shareholder 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 authorised in that behalf.

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

E-Bonus mandate form

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

Instructions
Please fill the form and return to the address below:
The Registrar
First Registrars Nigeria Limited
Plot 2, Abebe Village Road, Iganmu,
P.M.B 12692 Lagos, Nigeria.

Shareholder account information

Surname (in block letters)

First name	Other names

Address

City	State

Country	Postal code

Mobile telephone	E-Mail address

Signature	Corporate seal

CSCS details

Authorised signature and 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.

The Registrar
First Registrars Nigeria Limited
Plot 2, Abebe Village Road
Iganmu
P.M.B. 12692 Lagos
Nigeria

E-Dividend mandate form

Only clearing Banks are acceptable.

Instructions
Please complete the form and return to the address below:
The Registrar
First Registrars Nigeria Limited
Plot 2, 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 in PZ Cussons Nigeria Plc be paid directly to my/our bank account details named below:

Bank name

Bank address

Bank account number

Shareholder account information
Surname (in block letters)

First name

Other names

Address

Country

State

Mobile telephone number

Email address

Signature

Joint/Company signature

Company seal

Sort code (very important)

Authorised signature and stamp of banker

The Registrar
First Registrars Nigeria Limited
Plot 2, Abebe Village Road
Iganmu
P.M.B. 12692 Lagos
Nigeria


Low Cholesterol
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Olympic
Active for Longer
Filled Evaporated Milk
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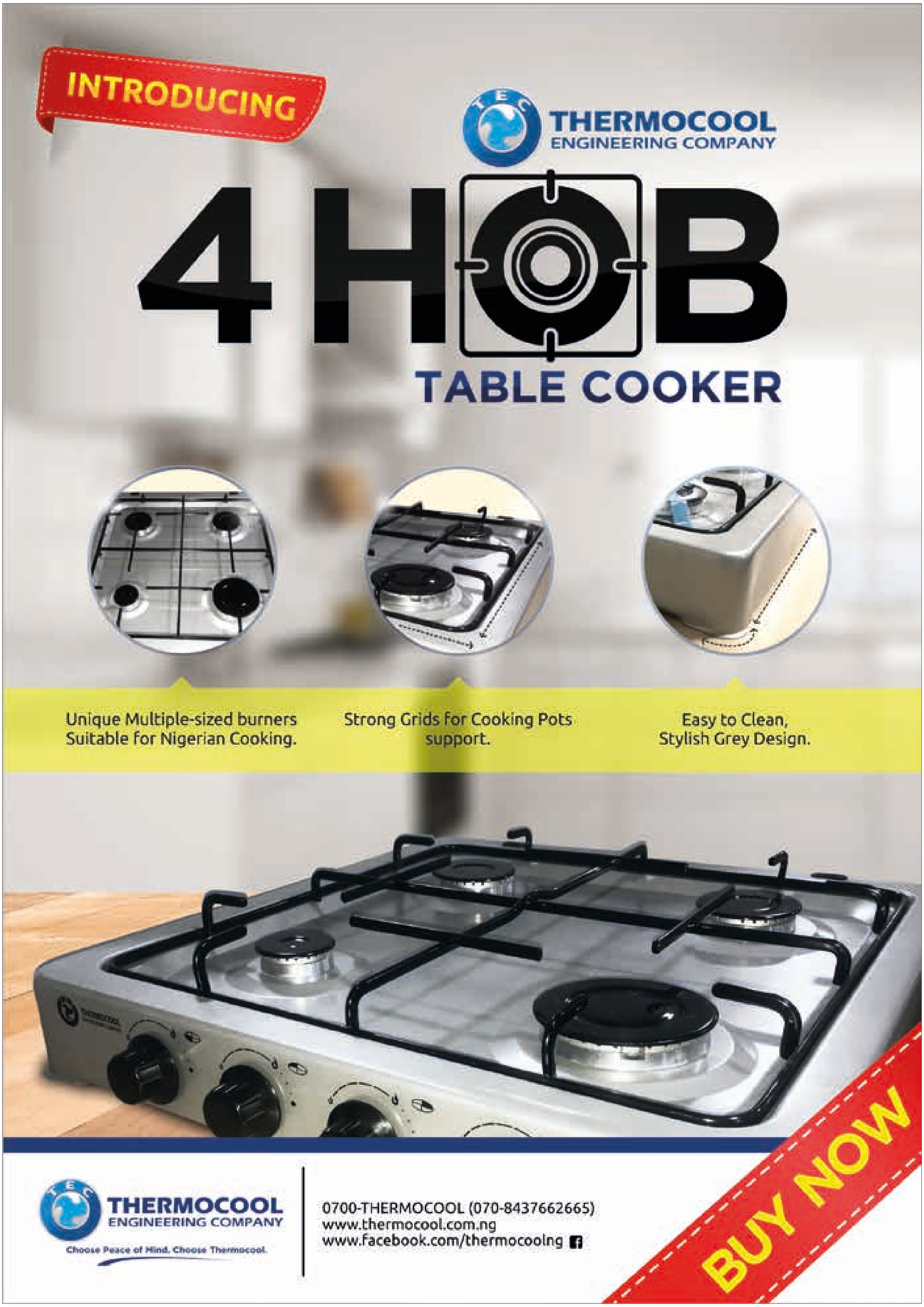
Active for Longer
*215g of Olympic Evaporated Milk Required.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PZ Cussons Nigeria Plc
45/47 Town Planning Way
Ilupeju Industrial Estate
P.M.B. 21132
Ikeja

www.pzcussons.com.ng

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