

**PZ CUSSONS NIGERIA PLC**

**Q1, 2020/21 UNAUDITED FINANCIAL STATEMENTS**

**(THE QUARTER ENDED, 31ST AUGUST 2020)**

***PZ Cussons Nigeria Plc***  
***Q1, 2020/21 unaudited financial statement for quarter ended 31***  
***August 2020***

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**PZ Cussons Nigeria Plc**

**Q1, 2020/21 unaudited financial statement for quarter ended 31 August 2020**

**Results at glance**

GROUP			
	2019-20	2019-20	
	1st Qtr Ended 31 Aug 2020	1st Qtr Ended 31 Aug 2019	% Increase/ (Decrease)
	N'000	N'000	
Revenue	18,700,020	15,808,350	18.3
Operating profit/(loss)	755,444	(1,024,836)	173.7
<b>Loss before Tax</b>	<b>(212,358)</b>	<b>(1,095,817)</b>	80.6
Taxation	-	-	-
<b>Loss for the period</b>	<b>(212,358)</b>	<b>(1,095,817)</b>	80.6
<b>Attributable to:</b>			
Owners of the company	(305,809)	(1,133,327)	73.0
Non-controlling interests	93,451	37,510	149.1
	<b>(212,358)</b>	<b>(1,095,817)</b>	80.6
Earnings per share (Kobo)	(5)	(28)	

**PZ Cussons Nigeria Plc****Q1, 2020/21 unaudited financial statement for quarter ended 31 August 2020**

<b>FINANCIAL RATIOS</b>			
	<b>3 Months Ended 31 Aug 2020</b>	<b>3 Months Ended 31 Aug 2019</b>	<b>3 Months Ended 31 Aug 2018</b>
Gross Margin	26%	17%	29%
Operating margin	4%	-6%	2%
Net Profit margin	-1.1%	-7%	-1%
Current Ratio	1.3	1.3	1.6
Quick Ratio (Acid test)	0.7	0.6	0.7
NWC	11,666.0	11,233.4	18,864.4
Accounts Receivable Turnover (Sales/Average AR)	2.5	1.8	1.6
Debtors Days	35.9	50.5	56.9
Inventory Turnover (CoGS/Ave Inventory)	0.6	0.5	0.4
Stock Days	160.2	188.5	216.4
EPS (N)	(0.05)	(0.28)	(0.05)

**PZ Cussons Nigeria Plc****Q1, 2020/21 unaudited financial statement for quarter ended 31 August 2020**

<b>Financial Highlights</b>	<b>1ST QTR ENDED 31 AUG 2020 N'000</b>	<b>1ST QTR ENDED 31 AUG 2019 N'000</b>
Net Profit/loss	(212,358)	(1,095,817)
Networking capital	11,665,998	11,233,411
Capital Employed	78,339,748	78,451,136
Authorised share capital	2,000,000	2,000,000
Issued & Fully paid:	-	-
Share capital	1,985,238	1,985,238
Share premium	6,878,269	6,878,269
Other reserves	22,617,356	22,923,165
Shareholders Fund	34,347,595	34,559,954



**PZ Cussons Nigeria Plc**

**Q1, 2020/21 unaudited financial statement for quarter ended 31 August 2020**

**Consolidated and separate statement of profit or loss and other comprehensive income for the First Quarter ended 31 August 2020**

	The Group			The Company		
	Q1, 2020/21 Total N'000	Q1, 2019/20 Total N'000	% %Change	Q1, 2020/21 Total N'000	Q1, 2019/20 Total N'000	% Change
<b>Continuing operations</b>						
Revenue	18,700,020	15,808,350	18.3	10,435,546	9,449,579	10.4
Cost of sales	(13,808,895)	(13,094,579)	5.5	(7,620,909)	(7,728,612)	(1.4)
<b>Gross profit</b>	<b>4,891,125</b>	<b>2,713,771</b>	<b>80.2</b>	<b>2,814,637</b>	<b>1,720,967</b>	<b>63.5</b>
Selling and distribution costs	(2,363,333)	(2,285,350)	3.4	(1,539,727)	(1,599,915)	(3.8)
Administrative expenses	(1,772,349)	(1,453,257)	22.0	(1,636,670)	(1,445,217)	13.2
	-	-		-	-	
<b>Operating profit/(loss)</b>	<b>755,444</b>	<b>(1,024,836)</b>	<b>173.7</b>	<b>(361,760)</b>	<b>(1,324,165)</b>	<b>72.7</b>
Other income	42,757	38,666	10.6	77,899	73,809	5.5
Foreign exchange gain/(loss)	(1,052,147)	(63,826)	1,548.5	(375,890)	(28,212)	1,232.4
Interest income	57,619	77,662	(25.8)	81,259	109,483	(25.8)
Interest cost	(16,031)	(123,483)	(87.0)	(7,521)	(76,713)	(90.2)
Net finance cost	41,588	(45,821)	190.8	73,738	32,770	125.0
<b>Loss before taxation</b>	<b>(212,358)</b>	<b>(1,095,817)</b>	<b>80.6</b>	<b>(586,012)</b>	<b>(1,245,798)</b>	<b>53.0</b>
Taxation	-	-		-	-	
<b>Loss after taxation</b>	<b>(212,358)</b>	<b>(1,095,817)</b>	<b>80.6</b>	<b>(586,012)</b>	<b>(1,245,798)</b>	<b>53.0</b>
<b>Attributable to:</b>						
<b>Equity holders of the parent</b>	<b>(305,809)</b>	<b>(1,133,327)</b>	<b>73.0</b>	<b>(586,012)</b>	<b>(1,245,798)</b>	<b>53.0</b>
<b>Non controlling interest</b>	<b>93,451</b>	<b>37,510</b>	<b>149.1</b>			
Basic EPS (kobo)	(5)	(28)		(15)	(31)	
Diluted EPS (kobo)	(5)	(28)		(15)	(31)	


**PZ Cussons Nigeria Plc**

**Q1, 2020/21 unaudited financial statement for quarter ended 31 August 2020**


**Consolidated and separate statement of financial position as at 31 August 2020**

	Note:	The Group		The Company	
		Q1, 2020/21	2019/20	Q1, 2020/21	2019/20
		N'000	N'000	N'000	N'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	1a	25,612,921	26,190,243	24,128,162	24,628,863
Right-of-use assets	1b	227,452	275,042	172,760	209,724
Intangible Assets	1c	715,242	741,732	715,242	741,732
Investments in subsidiaries	2	-	-	504,406	504,406
Other long-term receivables	3	1,911,773	1,914,525	1,867,275	1,870,027
		28,467,389	29,121,542	27,387,845	27,954,751
<b>Current assets</b>					
Inventories	4	22,903,750	26,258,698	16,218,105	15,654,747
Trade and other receivables	5	12,426,205	10,065,571	6,941,503	6,136,173
Other assets	6	975,681	1,010,312	901,930	849,486
Deposits for imports	7	836,479	1,202,075	272,352	318,369
Cash and cash equivalents	8	12,730,245	10,792,938	5,673,136	8,573,322
		49,872,359	49,329,594	30,007,026	31,532,096
<b>Total assets</b>		<b>78,339,748</b>	<b>78,451,136</b>	<b>57,394,871</b>	<b>59,486,847</b>
<b>Equity</b>					
Ordinary share capital	9	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		22,617,356	22,923,165	14,447,293	15,033,305
Equity attributable to equity holders of the company		31,480,863	31,786,672	23,310,800	23,896,812
Non controlling interest		2,866,732	2,773,281	-	-
<b>Total equity</b>		<b>34,347,595</b>	<b>34,559,954</b>	<b>23,310,800</b>	<b>23,896,812</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Deferred income		-	61,047	-	6,605
Lease liability		72,256	119,847	54,923	91,887
Deferred taxation	13	5,368,687	5,368,687	6,852,604	6,852,604
Provisions	14	344,848	245,418	-	-
		5,785,791	5,794,999	6,907,527	6,951,096
<b>Current liabilities</b>					
Bank Overdrafts	8	-	-	-	-
Trade and other payables	11	37,399,851	37,200,557	26,595,894	28,037,463
Lease liability		155,195	155,195	117,837	117,837
Deferred income		-	20,826	-	20,826
Current taxation payable	12	620,176	620,176	462,814	462,814
Provisions	14	31,139	99,430	-	-
		38,206,361	38,096,184	27,176,544	28,638,939
<b>Total liabilities</b>		<b>43,992,152</b>	<b>43,891,183</b>	<b>34,084,071</b>	<b>35,590,035</b>
<b>Net equity and liabilities</b>		<b>78,339,748</b>	<b>78,451,136</b>	<b>57,394,871</b>	<b>59,486,847</b>


The First quarter(Q1, 2020/21) unaudited financial statements were approved and authorised for issue by the board of directors on 2<sup>nd</sup> October 2020 and sign on its behalf by:

  
Mr. Panagiotis Katsis

Chief Executive officer  
FRC/2020/003/00000021969

  
Mr. Zuber Momoniat

Executive Director  
FRC/2018/IODN/00000018772

  
Mr. Evans Eghosa Enabulele  
Head, Financial Reporting & Accounting  
FRC/2017/ICAN/00000017126

The notes on pages 8 to 15 are an integral part of these financial statements



**PZ Cussons Nigeria Plc**

**Q1, 2020/21 unaudited financial statement for quarter ended 31 August 2020**

**Consolidated and separate statement of changes in equity**

	The Group					
	Attributable to owners of the company					
	Share capital N'000	Share premium N'000	Retained earnings N'000	Non controlling interest N'000	Revaluation reserve	Total N'000
At 1 June 2019	1,985,238	6,878,269	33,797,232	3,091,549	-	45,752,288
Adjustment on initial application of IFRIC 23			(3,517,328)			(3,517,328)
Adjusted balance at 1 June 2019	1,985,238	6,878,269	30,279,904	3,091,549	-	42,234,960
(Loss)/Profit for the year	-	-	(6,921,291)	(318,268)	-	(7,239,559)
Total comprehensive income for the year	-	-	(6,921,291)	(318,268)	-	(7,239,559)
Transactions with owners:						-
Dividend paid relating to year ended 31 May 2019			(595,572)			(595,572)
Unclaimed dividend forfeited			160,124			160,124
Total transaction with owners	-	-	(435,448)	-	-	(435,448)
At 31 May 2020	1,985,238	6,878,269	22,923,165	2,773,281	-	34,559,954
At 1 June 2020	1,985,238	6,878,269	22,923,165	2,773,281	-	34,559,954
Profit for the period	-	-	(305,809)	93,451	-	(212,358)
Total comprehensive income for the period	-	-	(305,809)	93,451	-	(212,358)
Transactions with owners:						-
Dividend paid relating to year ended 31 May 2020						-
Unclaimed dividend forfeited						-
Total transaction with owners	-	-	-	-	-	-
At 31 August 2020	1,985,238	6,878,269	22,617,356	2,866,732	-	34,347,595
At 1 June 2018	1,985,238	6,878,269	33,297,964	2,947,118	-	45,108,589
Profit for the period	-	-	(327,947)	123,309	-	(204,638)
Total comprehensive income for the period	-	-	(327,947)	123,309	-	(204,638)
Transactions with owners:						-
Dividend paid relating to year ended 31 May 2017						-
Total transaction with owners	-	-	-	-	-	-
At 31 August 2018	1,985,238	6,878,269	32,970,017	3,070,427	-	44,903,951



**PZ Cussons Nigeria Plc**

**Q1, 2020/21 unaudited financial statement for quarter ended 31 August 2020**

**Consolidated and separate statement of changes in equity**

	Company Attributable to owners of the company					Total N'000
	Share capital N'000	Share premium N'000	Retained earnings N'000	Non controlling interest N'000	Revaluation reserve	
<b>At 1 June 2019</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>24,953,075</b>	-	-	<b>33,816,582</b>
Adjustment on initial application of IFRIC 23			(3,517,328)			(3,517,328)
<b>Adjusted balance at 1 June 2019</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>21,435,747</b>	-	-	<b>30,299,254</b>
Loss for the year	-	-	(5,966,995)	-	-	(5,966,995)
Total comprehensive income for the year	-	-	(5,966,995)	-	-	(5,966,995)
Transactions with owners:						
Dividend paid relating to year ended 31 May 2019			(595,572)			(595,572)
Unclaimed dividend forfeited			160,124			160,124
Total transaction with owners	-	-	(435,448)	-	-	(435,448)
<b>At 31 May 2020</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>15,033,305</b>	-	-	<b>23,896,812</b>
<b>At 1 June 2020</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>15,033,305</b>	-		<b>23,896,812</b>
Loss for the year	-	-	(586,012)	-	-	(586,012)
Total comprehensive income for the year	-	-	(586,012)	-	-	(586,012)
Transactions with owners:						
Dividend paid relating to year ended 31 May 2020						-
Unclaimed dividend forfeited						-
Total transaction with owners	-	-	-	-	-	-
<b>At 31 August 2020</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>14,447,293</b>	-	-	<b>23,310,800</b>
<b>At 1 June 2018</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>24,888,872</b>	-		<b>33,752,379</b>
Loss for the year	-	-	(1,245,798)	-	-	(1,245,798)
Total comprehensive income for the year	-	-	(1,245,798)	-	-	(1,245,798)
Transactions with owners:						
Dividend paid relating to year ended 31 May 2017						-
Total transaction with owners	-	-	-	-	-	-
<b>At 31 August 2018</b>	<b>1,985,238</b>	<b>6,878,269</b>	<b>23,643,074</b>	-	-	<b>32,506,581</b>

**PZ Cussons Nigeria Plc**

**Q1, 2020/21 unaudited financial statement for quarter ended 31 August 2020**

**Consolidated and separate statement of cash flows**

	The Group			The Company		
	Q1 2020/21 N'000	Q1 2019/20 N'000	Year End 2019/20 N'000	Q1 2020/21 N'000	Q1 2019/20 N'000	Year End 2019/20 N'000
<b>Cash flows from operating activities</b>						
Cash generated from operations	2,196,757	1,162,995	12,086,835	(2,672,886)	986,202	7,366,201
Taxation	-	-	(441)	-	-	(441)
<b>Net cash flow generated from operating activities</b>	<b>2,196,757</b>	<b>1,162,995</b>	<b>12,086,394</b>	<b>(2,672,886)</b>	<b>986,202</b>	<b>7,365,760</b>
<b>Cash flows from investing activities</b>						
Interest received	57,619	77,662	304,970	81,259	109,483	338,419
Loan receivables	-	-	(165,100)	-	-	1,415,576
Purchase of property, plant and equipment	(301,039)	(831,012)	(1,539,635)	(301,038)	(699,461)	(1,266,251)
Proceeds from sale of property, plant and equipment	-	-	1,500	-	-	1,500
<b>Net cash used in investing activities</b>	<b>(243,420)</b>	<b>(753,349)</b>	<b>(1,398,265)</b>	<b>(219,780)</b>	<b>(589,977)</b>	<b>489,244</b>
<b>Cash flows from financing activities</b>						
Interest Expense	(16,031)	(123,483)	(454,234)	(7,521)	(76,713)	(276,515)
Loan payables	-	-	(1,173,870)	-	-	(248,870)
Lease payment	-	-	(190,362)	-	-	(147,856)
Dividends paid to Company shareholders	-	-	(595,572)	-	-	(595,572)
<b>Net cash flow used in financing activities</b>	<b>(16,031)</b>	<b>(123,483)</b>	<b>(2,414,038)</b>	<b>(7,521)</b>	<b>(76,713)</b>	<b>(1,268,813)</b>
<b>Net increase in cash, cash equivalents and bank overdrafts</b>	<b>1,937,306</b>	<b>286,162</b>	<b>8,274,091</b>	<b>(2,900,186)</b>	<b>319,512</b>	<b>6,586,191</b>
<b>Cash, cash equivalents and bank overdrafts at the beginning of the year</b>	<b>10,792,938</b>	<b>2,518,847</b>	<b>2,518,847</b>	<b>8,573,322</b>	<b>1,987,131</b>	<b>1,987,131</b>
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>12,730,245</b>	<b>2,805,009</b>	<b>10,792,938</b>	<b>5,673,136</b>	<b>2,306,643</b>	<b>8,573,322</b>



**PZ Cussons Nigeria Plc**

**Q1, 2020/21 unaudited financial statement for quarter ended 31 August 2020**

**1a. Property, plant and equipment**

<b>The Group</b>						
<b>Otr 1, 2020/21</b>						
<b>Cost</b>	<b>Leasehold land and buildings</b>	<b>Plant and Machinery</b>	<b>Office furniture and fittings</b>	<b>Motor vehicles</b>	<b>Capital Work in progress</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
At 1 June 2020	19,694,904	25,281,119	3,560,997	564,560	2,051,989	51,153,568
Additions					301,039	301,039
Reclassifications		85,474	6,991	-	(92,465)	-
At 31 August 2020	19,694,904	25,366,593	3,567,988	564,560	2,260,563	51,454,607
<b>Depreciation</b>						
At 1 June 2020	4,201,472	17,261,710	2,935,584	564,560	-	24,963,326
Charge for the year	92,095	676,082	110,184	-	-	878,360
At 31 August 2020	4,293,567	17,937,792	3,045,768	564,560	-	25,841,686
<b>Net book values</b>						
At 31 August 2020	15,401,337	7,428,801	522,221	-	2,260,563	25,612,921
<b>2019/20</b>						
<b>Cost</b>	<b>Leasehold land and buildings</b>	<b>Plant and Machinery</b>	<b>Office furniture and fittings</b>	<b>Motor vehicles</b>	<b>Capital Work in progress</b>	<b>Total</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
At 1 June 2019	19,542,829	24,841,301	3,408,183	569,010	1,257,060	49,618,383
Additions					1,539,635	1,539,635
Transfers	152,075	439,818	152,814	-	(744,706)	-
Disposals	-	-	-	(4,450)	-	(4,450)
At 31 May 2020	19,694,904	25,281,119	3,560,997	564,560	2,051,989	51,153,568
<b>Depreciation</b>						
At 1 June 2019	3,840,414	15,341,101	2,526,997	569,010	-	22,277,522
Charge for the year	361,058	1,920,609	408,587	-	-	2,690,254
On Disposals		-	-	(4,450)		(4,450)
At 31 May 2020	4,201,472	17,261,710	2,935,584	564,560	-	24,963,326
<b>Net book values</b>						
At 31 May 2020	15,493,432	8,019,409	625,413	-	2,051,989	26,190,243
At 31 May 2019	15,702,415	9,500,200	881,186	-	1,257,060	27,340,861

**PZ Cussons Nigeria Plc**

**Q1, 2020/21 unaudited financial statement for quarter ended 31 August 2020**

The Company						
<u>Otr 1, 2020/21</u>						
Cost	Leasehold land and buildings	Plant and Machinery	Office furniture and fittings	Motor vehicles	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000
At 1 June 2020	19,025,340	23,629,427	3,294,321	481,111	1,831,091	48,261,290
Additions					301,038	301,038
Disposals	-					-
At 31 August 2020	19,025,340	23,629,427	3,294,321	481,111	2,132,130	48,562,329
<b>Depreciation</b>						
At 1 June 2020	4,147,177	16,302,519	2,701,620	481,111	-	23,632,427
Charge for the year	87,672	617,527	96,541			801,740
Intercoy transfers						-
On disposals						-
At 31 August 2020	4,234,849	16,920,046	2,798,161	481,111	-	24,434,167
<b>Net book values</b>						
At 31 August 2020	14,790,491	6,709,381	496,160	-	2,132,130	24,128,162
<u>2019/20</u>						
Cost	Leasehold land and buildings	Plant and Machinery	fittings and IT equipment	Motor vehicles	Capital Work in progress	Total
	N'000	N'000	N'000	N'000	N'000	N'000
At 1 June 2019	19,025,340	23,181,966	3,150,283	485,561	1,156,339	46,999,489
Additions	-	-	-	-	1,266,251	1,266,251
Reclassification		447,461	144,038		(591,499)	-
Disposals				(4,450)		(4,450)
At 31 May 2020	19,025,340	23,629,427	3,294,321	481,111	1,831,091	48,261,290
<b>Depreciation</b>						
At 1 June 2019	3,796,490	14,548,629	2,309,848	485,561	-	21,140,528
Charge for the year	350,687	1,753,890	391,772			2,496,349
On disposals				(4,450)		(4,450)
At 31 May 2020	4,147,177	16,302,519	2,701,620	481,111	-	23,632,427
<b>Net book values</b>						
At 31 May 2020	14,878,163	7,326,908	592,701	-	1,831,091	24,628,863
At 31 May 2019	15,228,850	8,633,337	840,435	-	1,156,339	25,858,961



**PZ Cussons Nigeria Plc**
**Q1, 2020/21 unaudited financial statement for quarter ended 31 August 2020**
**Notes to the financial statement**

<b>1b. Right-of-use asset</b>						
	<b>The Group</b>			<b>The Company</b>		
<b>Cost</b>	<b>Q1, 2020/21</b>	<b>2019/20</b>	<b>2018/19</b>	<b>Q1, 2020/21</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Opening Balance	465,404	322,485	-	357,580	254,680	-
Additions	-	142,919	-	-	102,900	-
Opening Balance	465,404	465,404	-	357,580	357,580	-
<b>Accumulated Amortizations</b>						
Opening Balance	190,362	-	-	147,856	-	-
Charge for the year	47,591	190,362	-	36,964	147,856	-
Closing charge	237,953	190,362	-	184,820	147,856	-
<b>Carrying amount</b>						
	227,452	275,042	-	172,760	209,724	-
<b>Lease liability</b>						
	<b>The Group</b>			<b>The Company</b>		
	<b>Q1, 2020/21</b>	<b>2019/20</b>	<b>2018/19</b>	<b>Q1, 2020/21</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Opening balance	275,042	322,485	-	209,724	254,680	-
Additions	-	142,919	-	-	102,900	-
Payments	(47,591)	(190,362)	-	(36,964)	(147,856)	-
Closing charge	227,452	275,042	-	172,760	209,724	-
Non Current	72,256	119,847	-	54,923	91,887	-
Current	155,195	155,195	-	117,837	117,837	-
Total	227,452	275,042	-	172,760	209,724	-
The application of IFRS 16 to leases previously classified as operating leases under IAS 17 resulted in the recognition of right-of-use assets and lease liabilities. The Group has chosen to use the table above to set out to show the implementation of IFRS 16.						
<b>1c. Intangible asset</b>						
	<b>The Group</b>			<b>The Company</b>		
<b>Cost</b>	<b>Q1, 2020/21</b>	<b>2019/20</b>	<b>2018/19</b>	<b>Q1, 2020/21</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
Opening Balance	1,059,618	1,059,618	1,059,618	1,059,618	1,059,618	1,059,618
Additions	-	-	-	-	-	-
Opening Balance	1,059,618	1,059,618	1,059,618	1,059,618	1,059,618	1,059,618
<b>Accumulated Amortizations</b>						
Opening Balance	317,886	211,924	105,962	317,886	211,924	105,962
Charge for the year	26,490	105,962	105,962	26,490	105,962	105,962
Closing charge	344,376	317,886	211,924	344,376	317,886	211,924
<b>Carrying amount</b>						
	715,242	741,733	847,694	715,242	741,733	847,694
All intangible assets are non-current. The intangible assets of the Group have finite useful life and are amortised over 10 years in line with its accounting policy. The intangible assets represents cost of Enterprise Resource programme package (SAP) deployed.						
<b>2. Investments in subsidiaries</b>				<b>The Company</b>		
	<b>Q1, 2020/21</b>	<b>2019/20</b>	<b>2018/19</b>	<b>Q1, 2020/21</b>	<b>2019/20</b>	<b>2018/19</b>
	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>	<b>N'000</b>
The Company						
At 31 August	504,406	504,406	504,406	504,406	504,406	504,406
Additions	-	-	-	-	-	-
Total	504,406	504,406	504,406	504,406	504,406	504,406
There are no restrictions in transfer of funds within the entities in the group						
Principal investments				<b>Investment Amount</b>	<b>Proportion of shares held</b>	<b>Proportion of shares held by NCI</b>
				<b>N'000</b>	<b>%</b>	<b>%</b>
HPZ Limited	504,406	74.99	25.01			
Total	504,406	74.99	25.01			

# PZ Cussons Nigeria Plc

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### Notes to the financial statement

#### 3. Other long term receivables

Non-current other receivables of N1.96 Billion (2019: N1.99 Billion) represent Prepayments over 12 months, exports rebates receivable and Negotiable Duty Credit Certificates (now called export credit certificates) due from the Government in respect of exports sales made in the past. These were reclassified from current assets to Long-term assets. In 2018, the advances were made to HPZ distributors to aid the development of their businesses specifically tied to the marketing and sales of HPZ products.

	Q1, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q1, 2020/21 N'000	2019/20 N'000	2018/19 N'000
Advances to HPZ Distributors	-	-	-	-	-	-
Prepayments over 1 year	-	-	29,861	-	-	29,861
Export rebates receivables & Export credit certificates	1,911,773	1,914,525	1,960,609	1,867,275	1,870,027	1,915,572
<b>Total</b>	<b>1,911,773</b>	<b>1,914,525</b>	<b>1,990,470</b>	<b>1,867,275</b>	<b>1,870,027</b>	<b>1,945,433</b>

Export grants are accrued for at the rate of 15% of the invoiced value. The weighted eligibility criteria has 4 bands: 15%, 10%, 7.5% and 5%. Approval of the grant is subject to meeting the threshold for the following eligibility criteria: local value added, local content, employment (Nigerians), priority sector, export growth and capital investment.

#### 4. Inventories

	The Group			The Company		
	Q1, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q1, 2020/21 N'000	2019/20 N'000	2018/19 N'000
Raw materials and consumables	7,245,744	8,629,003	9,085,772	8,069,687	6,249,569	9,027,018
Finished goods and goods for resale	7,887,158	7,811,192	11,361,457	4,323,317	5,151,788	6,097,145
Engineering spares and other stocks	2,706,235	2,785,674	2,918,618	2,448,066	2,536,303	2,766,878
Goods in transit	5,064,613	7,032,830	5,233,209	1,377,034	1,717,087	1,277,395
<b>Total</b>	<b>22,903,750</b>	<b>26,258,698</b>	<b>28,599,056</b>	<b>16,218,105</b>	<b>15,654,747</b>	<b>19,168,436</b>

#### 5a. Trade and other receivables

	Group			Company		
Receivables due within one year:	Q1, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q1, 2020/21 N'000	2019/20 N'000	2018/19 N'000
Trade receivables	8,002,441	6,908,872	10,845,936	3,718,170	3,099,446	5,654,404
Less: provision for impairment of trade receivables	(1,386,346)	(1,370,296)	(1,233,054)	(1,121,997)	(1,109,437)	(871,275)
Net trade receivables	6,616,095	5,538,576	9,612,882	2,596,173	1,990,009	4,783,129
Receivables from subsidiary companies	-	-	-	119,127	-	1,584,419
Receivables from related party companies	3,568,250	2,940,331	3,989,569	3,083,957	2,940,331	3,989,569
WHT credit note receivable	464,112	456,773	552,108	298,888	262,341	439,074
Advances to Distributors	-	-	-	-	-	-
Other receivables	1,777,748	1,129,891	1,011,227	843,358	943,492	696,885
<b>Total</b>	<b>12,426,205</b>	<b>10,065,571</b>	<b>15,165,786</b>	<b>6,941,503</b>	<b>6,136,173</b>	<b>11,493,076</b>



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**Notes to the financial statement**

**5c. Trade and other receivables continued**

	The Group			The Company		
	Q1, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q1, 2020/21 N'000	2019/20 N'000	2018/19 N'000
Movements in the provision for impairment of trade receivables are as follows:						
Opening	(1,370,296)	(1,233,054)	(1,126,844)	(1,109,437)	(871,275)	(772,301)
Provision for receivables impairment	(16,050)	(137,242)	(106,210)	(12,560)	(238,162)	(98,974)
Receivables written off during the year	-	-	-	-	-	-
<b>Closing</b>	<b>(1,386,346)</b>	<b>(1,370,296)</b>	<b>(1,233,054)</b>	<b>(1,121,997)</b>	<b>(1,109,437)</b>	<b>(871,275)</b>

All trade receivables are denominated in Nigerian Naira.

The credit risk of customers is assessed at a 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.

The credit period taken on sales ranges from 30 to 90 days due to the differing nature of trade receivables in the group's segments.

The group operates in twenty-six depots across the federation with about three hundred major distributors. The following table shows

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. Management assesses customers credit applications based on volume of transactions.

**6. Other current assets**

	The Group			The Company		
	Q1, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q1, 2020/21 N'000	2019/20 N'000	2018/19 N'000
Prepayments	203,958	19,833	123,663	203,958	19,833	123,663
Advance to Distributors & Suppliers	771,722	990,479	1,146,340	697,972	829,653	796,340
	<b>975,681</b>	<b>1,010,312</b>	<b>1,270,003</b>	<b>901,930</b>	<b>849,486</b>	<b>920,003</b>

**7. Deposits for imports**

	The Group			The Company		
	Q1, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q1, 2020/21 N'000	2019/20 N'000	2018/19 N'000
Deliverable Forwards	-	668,100	-	-	266,045	-
Deposits for Letters of credits	836,479	533,975	2,204,023	272,352	52,324	1,590,536
	<b>836,479</b>	<b>1,202,075</b>	<b>2,204,023</b>	<b>272,352</b>	<b>318,369</b>	<b>1,590,536</b>

Deliverable forwards and Deposit for letters of credit represents committed cash no longer available for another purpose other than that for which it has been designated for. They represent naira deposits for foreign currencies purchased for funding of letters of credit and forwards; all related to settlement of invoices emanating from importation of raw materials, spare parts and machinery.

**8. Cash and cash equivalents**

	The Group			The Company		
	Q1, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q1, 2020/21 N'000	2019/20 N'000	2018/19 N'000
Cash at bank and in hand	12,730,245	10,792,938	2,518,847	5,673,136	8,573,322	1,987,131
Bank Overdrafts	-	-	-	-	-	-
<b>Cash and cash equivalents</b>	<b>12,730,245</b>	<b>10,792,938</b>	<b>2,518,847</b>	<b>5,673,136</b>	<b>8,573,322</b>	<b>1,987,131</b>

The short-term borrowing relates to LC finance facility; interest rate being LIBOR + 600bps. There was none as at 31 August 2020. There were no assets pledged as security for the borrowing.

**Notes to the financial statement**

<b>9. Ordinary share capital</b>		
<b>Group and company</b>	<b>Q1, 2020/21</b>	
	<b>Number in thousands</b>	<b>Amount N'000</b>
<b>Authorised:</b>		
Ordinary shares of 50k each	4,000,000	2,000,000
<b>Total authorised share capital</b>	<b>4,000,000</b>	<b>2,000,000</b>
<b>Allotted, called up and fully paid:</b>		
Ordinary shares of 50k each	3,970,478	1,985,238
<b>Total called up share capital</b>	<b>3,970,478</b>	<b>1,985,238</b>
<b>Group and company</b>	<b>Full Year 2019/2020</b>	
	<b>Number in thousands</b>	<b>Amount N'000</b>
<b>Authorised:</b>		
Ordinary shares of 50k each	4,000,000	2,000,000
<b>Total authorised share capital</b>	<b>4,000,000</b>	<b>2,000,000</b>
<b>Allotted, called up and fully paid:</b>		
Ordinary shares of 50k each	3,970,478	1,985,238
<b>Total called up share capital</b>	<b>3,970,478</b>	<b>1,985,238</b>
<b>10. Related party transactions</b>		
<b>Group and company</b>		
<p>The group and company are controlled by PZ Cussons (Holdings) Limited, incorporated in the UK, which owns 73.27% (2018: 73.27%) of the group and company's shares. The remaining 26.73% (2018: 26.73%) of the shares are widely held. The group's ultimate parent is PZ Cussons (Holdings) Limited (incorporated in the UK).</p> <p>All intercompany trading balances are settled in cash. There was no provision for doubtful related party receivables at 31 August 2020 (31 May 2020: Nil) and no charges to the income statement in respect of doubtful related party receivables for the years then ended.</p> <p>The company controls a subsidiary call HPZ Ltd which is domiciled in Nigeria. These are detailed in note 2.</p>		
<b>The Company</b>		
<p>The group and company are controlled by PZ Cussons (Holdings) Limited, incorporated in the UK, which owns 73.27% (2018: 73.27%) of the group and company's shares. The remaining 26.73% (2018: 26.73%) of the shares are widely held. The group's ultimate parent is PZ Cussons (Holdings) Limited (incorporated in the UK).</p> <p>All intercompany trading balances are settled in cash. There was no provision for doubtful related party receivables at 31 August 2020 (31 May 2020: Nil) and no charges to the income statement in respect of doubtful related party receivables for the years then ended.</p> <p>The company controls a subsidiary call HPZ Ltd which is domiciled in Nigeria. These are detailed in note 2.</p>		



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**Notes to the financial statement**

<b>12. Taxation</b>						
Current tax payable	Group			Company		
	Q1, 2020/21 N'000	2019/20 N'000	2018/19 N'000	Q1, 2020/21 N'000	2019/20 N'000	2018/19 N'000
At 1 June	620,176	192,993	457,818	462,814	192,993	457,708
Effect on initial application of IFRIC 23 - prior year	-	219,833	-	-	219,833	-
Effect on initial application of IFRIC 23 - current year	-	14,241	-	-	14,241	-
Charge for the year	-	384,035	(6,384)	-	226,673	(6,384)
WHT Utilised during the year	-	(178,671)	(101,999)	-	(178,671)	(101,889)
Payment during the year	-	(441)	-	-	(441)	(156,442)
Payment during the year(ECC)	-	(11,814)	(156,442)	-	(11,814)	-
Closing balance	620,176	620,176	192,993	462,814	462,814	192,993
<b>13. Deferred taxation</b>						
<b>The Group</b>						
				Property plant and equipment N'000	Provisions N'000	Total N'000
At 1 June 2019				347,347	2,867,466	3,214,813
Charge to income statement					2,153,874	2,153,874
At 31 May 2020				347,347	5,021,340	5,368,687
Adjustments				-	-	-
Charge to income statement				-	-	-
At 31 August 2020				347,347	5,021,340	5,368,687
<b>The Company</b>						
				Property plant and equipment N'000	Provisions N'000	Total N'000
At 1 June 2019				3,116,626	1,104,804	4,221,430
Charge to income statement					2,631,174	2,631,174
At 31 May 2020				3,116,626	3,735,978	6,852,604
Adjustments				-	-	-
Charge to income statement				-	-	-
At 31 August 2020				3,116,626	3,735,978	6,852,604
Certain deferred tax assets and liabilities have been offset in accordance with IAS 12 'Income taxes'. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:						
				The Group N'000	The Company N'000	
Deferred tax assets				(1,483,917)	-	
Deferred tax liabilities				6,852,604	6,852,604	
				5,368,687	6,852,604	
<b>Group and company</b>						
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.						
<b>14. Provisions</b>						
	The Group					
	Q1, 2020/21 N'000	Full Year 2020 N'000	Full Year 2019 N'000			
Warranty provisions						
Openin Balance	344,848	259,348	187,896			
Charged to the income statement	31,139	344,848	183,028			
Utilised in the year	-	(259,348)	(111,576)			
Closing Balance	375,987	344,848	259,348			
The ageing of the provisions are as follows:						
Within 12 months	375,987	344,848	259,348			
Greater than 12 months	31,139	99,430	183,028			
Total	344,848	245,418	76,320			
	375,987	344,848	259,348			
<b>Warranty provisions</b>						
The group generally offers 1- to 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 that might suggest						
Factors that could impact the estimated claim information include the success of the group's productivity and quality initiatives, as well as parts and labour costs.						

# PZ Cussons Nigeria Plc

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## Notes to the financial statement

### 15 Cash generated from operating activities

	Group			Company		
	Q1, 2020/21 N'000	Q1 2019/20 N'000	Year End 2019/20 N'000	Q1, 2020/21 N'000	Q1 2019/20 N'000	Year End 2019/20 N'000
<b>Cash flows from operating activities</b>						
Profit before taxation	(212,358)	(1,095,817)	(7,984,735)	(586,012)	(1,245,798)	(6,392,401)
<b>Adjustment to reconcile net income to cash provided:</b>						
Depreciation	925,951	649,031	2,880,616	801,740	601,972	2,644,205
Amortization charge	26,490	26,490	105,962	26,490	26,490	105,962
(Profit)/loss on disposal of fixed assets	-	-	(1,500)	-	-	(1,500)
Unclaimed dividend forfeited	-	-	-	-	-	-
Interest expense	16,031	123,483	454,234	7,521	76,713	276,515
Interest income	(57,619)	(77,662)	(304,970)	(81,259)	(109,483)	(338,419)
	698,494	(374,475)	(4,850,394)	168,479	(650,106)	(3,705,638)
<b>Changes in assets and liabilities</b>						
(Increase)/decrease in trade and other receivables	(2,357,883)	3,343,013	5,265,316	(805,331)	4,098,525	3,941,327
Decrease/(increase) in other assets	34,631	(645,695)	259,691	(52,444)	(407,318)	70,517
Decrease in deposit for imports	365,596	807,204	1,001,948	46,017	684,387	1,272,167
Decrease/(increase) in inventories	3,354,948	(1,175,658)	2,340,358	(563,358)	664,680	3,513,689
Increase/(decrease) in trade, other payables and provisions	100,969	(791,394)	8,069,916	(1,466,249)	(3,403,965)	2,274,139
<b>Cash flows from operating activities</b>	<b>2,196,767</b>	<b>1,162,995</b>	<b>12,086,835</b>	<b>(2,672,886)</b>	<b>986,202</b>	<b>7,366,201</b>

### 16 Events after reporting date

#### 16.1 Covid 19 impact

On 11 March 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak to be a pandemic in recognition of the its rapid spread across the globe, with about 150 countries affected. Many governments, including the Nigerian government, are taking increasingly stringent measures to contain the spread of the virus. Currently, there is a significant increase in economic uncertainty which is evidenced by increase in exchange rates.

Consequently, for the Company's 31 August 2020 financial statements, there is no impact on the recognition and measurement of assets and liabilities. Due to the uncertainties of the outcome of current events, the Company cannot reasonably estimate the impact these events will have on the Company's financial position, result of operations and cash flows in the future.

#### 16.2 Ikoyi Properties

Until 12 December 1991, Lagos State was the capital territory of Nigeria; and at that time certain lands was under the control/ownership of a Federal Government of Nigeria. When country's capital was moved to Abuja, the land in question reverted ostensibly to the control of Lagos state in line with the Land Use Act of 1978. The State authority then transferred the lands to various private landowners. Three properties in Ikoyi belonging to PZ Cussons Nigeria Plc falls within this portion of land.

However, in July 2020 subsequent to year end, the Federal government asserted that they never transferred ownership of the land to the state authorities at that time when the capital moved to Abuja and accordingly laid claim to continued ownership. Occupiers of the properties are alleged to be squatters in the originating summons filed at the High Court by Nurudeen & Co. Nigeria Limited (who by an affidavit annexed to the summons claims that they were appointed as Agent of the Federal Government of Nigeria by a letter of instruction from the office of the Attorney General of the Federation dated 24 August 2017 filed an action). The properties of PZ Cussons Nigeria Plc in the affected areas are valued at approximately at N4.1 Billion.

The Company has title/certificates of occupancy to the affected land, which provides prima facie evidence of ownership, however there is no precedence to estimate the outcome of the matter.

#### 16.3 Proposed sale of factory premises situated at Ikorodu, Lagos State

PZ Cussons Nigeria Plc held an extraordinary general meeting on Thursday, 24 September 2020 in respect of proposed sale of factory premises situated within plot 20A Ikorodu Industrial Scheme, Ikorodu, Lagos to Friesland Campina Wamco Nigeria Plc. The proposed sale was approved at the meeting. The portion of the land being sold to Friesland Campina Wamco Nigeria PLC is approximately 67,733.235 square metres.

Except as disclosed above, there are no other significant events after the reporting period which could have a material effect on the financial position of the Company as at 31 August 2020, and its financial performance for the year then ended, that have not been adequately provided for or disclosed in these financial statements

### 17 Securities Trading Policy

In compliance with Rule 17.15 Disclosure of Dealings in Issuers' Shares, Rulebook of The Exchange 2015 (Issuers' Rule), PZ Cussons Nigeria Plc maintains a Security Trading Policy (Policy) which guides Directors, Audit Committee members, employees and all individuals categorized as insiders in relation to their dealings in the Company's shares. The Policy undergoes periodic review by the Board and is updated accordingly. The Company has made specific inquiries of all its directors and other insiders and is not aware of any infringement of the Policy during the period.