



PZ CUSSONS NIGERIA PLC

Q2, 2022/23 UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER /HALF YEAR ENDED 30 NOVEMBER 2022

PZ Cussons Nigeria Plc
Q2, 2022/23 unaudited interim financial statement for the quarter ended 30th November 2022

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PZ Cussons Nigeria Plc

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Corporate information

Board of Directors

Mr. G. Oyebode	- Chairman, Non-Executive Director
Mr. P. Usoro, SAN	- Non-Executive Director
Mrs. I.M.O Okauru, MFR	- Independent Non-Executive Director
Mr. P. Katsis	- Managing Director / Chief Executive Officer
Ms. J. F. Coker	- Executive Director
Mr. Z. Momoniat	- Executive Director
Mr D. Anniss	- Non-Executive Director
Mr. K. Massie	- Non-Executive Director
Mallam Ballama Manu	- Independent Non-Executive Director(Appointed w.e.f 21 Nov. 2022)
Mrs. Oluwatoyin Odutayo	- Independent Non-Executive Director(Appointed w.e.f 21 Nov. 2022)

Company Secretary / Legal Adviser

Mrs Jacqueline Ezeokwelum

Registered Office

45/47 Town Planning Way
Ilupeju Industrial Estate
P.M.B. 21132
Ikeja

Registration Number

RC 693

Registrars

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

Independent Auditors

Deloitte & Touche
Civic Towers,
Plot GA1, Ozumba Mbadiwe Avenue
Victoria Island, Lagos, Nigeria

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Financial highlights

	Group		% Change
	2nd Qtr Ended, 30 Nov 2022 ₦'000	2nd Qtr Ended, 30 Nov 2021 ₦'000	
Revenue	57,261,213	47,087,843	22
Operating profit/(loss)	1,503,070	(285,345)	627
Profit before taxation	9,286,135	2,999,810	210
Taxation	(1,615,594)	(426,713)	279
Profit after tax	7,670,541	2,573,097	198
Non-controlling interest	489,347	384,438	27
Profit attributable to equity holders of parent company	7,181,194	2,188,659	228
	<u>7,670,541</u>	<u>2,573,097</u>	198
Share capital	1,985,238	1,985,238	-
Total equity	45,410,372	37,739,831	20
Data per 50k share			
Based on 3,970,477,045 ordinary shares of 50k each:			
Basic and diluted earnings per share (Naira)	193	65	198

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Statement of profit or loss and other comprehensive income

	Note	Group			
		Quarter to date 30 Nov. 2022	Year to date 30 Nov 2022	Quarter to date 30 Nov 2021	Year to date 30 Nov 2021
		₦'000	₦'000	₦'000	₦'000
Revenue		29,869,513	57,261,213	24,883,552	47,087,843
Cost of sales		(22,294,581)	(43,702,807)	(19,180,405)	(35,696,626)
Gross profit		7,574,931	13,558,407	5,703,146	11,391,217
Selling and distribution expenses		(3,389,939)	(5,878,886)	(2,582,436)	(4,940,342)
Impairment of trade receivables		(60,529)	(112,100)	(2,566)	(12,743)
Administrative expenses		(1,637,866)	(3,359,358)	(1,775,302)	(3,589,467)
Exchange loss		(1,718,464)	(2,704,993)	(1,878,809)	(3,134,009)
Operating profit/(loss)		768,134	1,503,070	(535,967)	(285,345)
Other income	20	6,036,731	6,096,799	3,051,194	3,100,412
Interest income		1,040,785	1,691,290	86,531	185,087
Interest cost		(3,584)	(5,023)	(330)	(345)
Net interest income		1,037,201	1,686,267	86,200	184,742
Profit before tax		7,842,065	9,286,135	2,601,428	2,999,810
Income tax expense		(1,475,083)	(1,615,594)	(259,422)	(426,713)
Profit for the year		6,366,982	7,670,541	2,342,007	2,573,097
Total comprehensive income/(expense) for the year		6,366,982	7,670,541	2,342,007	2,573,097
Equity holders of the parent company		6,282,385	7,181,194	2,108,891	2,188,659
Non-controlling interest		84,597	489,347	233,115	384,438
		6,366,982	7,670,541	2,342,007	2,573,097
Basic and diluted earnings/(loss) per share (kobo)		160	193	59	65

The accompanying notes on pages 9 to 19 form an integral part of these financial statements.

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Statement of profit or loss and other comprehensive income


	Note	Company			
		Quarter to date 30 Nov 2022	Year to date 30 Nov 2022	Quarter to date 30 Nov 2021	Year to date 30 Nov 2021
		₦'000	₦'000	₦'000	₦'000
Revenue		18,405,087	35,065,095	14,754,690	27,102,944
Cost of sales		(13,412,907)	(26,812,374)	(11,972,558)	(21,249,673)
Gross profit		4,992,181	8,252,721	2,782,133	5,853,271
Selling and distribution expenses		(2,501,348)	(4,150,876)	(1,817,124)	(3,385,778)
Impairment of trade receivables		(45,837)	(80,345)	14,945	4,768
Administrative expenses		(1,506,470)	(3,101,792)	(1,677,159)	(3,384,529)
Exchange loss		(1,187,588)	(2,022,571)	(615,961)	(928,872)
Operating loss		(249,063)	(1,102,863)	(1,313,166)	(1,841,140)
Other income	20	6,071,873	6,167,085	3,084,800	3,170,698
Interest income		896,532	1,428,200	146,586	308,567
Interest cost		(0)	(1,439)	(441)	(455)
Net interest income		896,532	1,426,761	146,145	308,112
Profit before tax		6,719,342	6,490,982	1,917,779	1,637,670
Income tax expense		(690,614)	(777,048)	(507,861)	(601,713)
Profit for the year		6,028,728	5,713,934	1,409,917	1,035,957
Total comprehensive income/(expense) for the year		6,028,728	5,713,934	1,409,917	1,035,957
Equity holders of the parent company		6,028,728	5,713,934	1,409,917	1,035,957
Non-controlling interest		-	-	-	-
		6,028,728	5,713,934	1,409,917	1,035,957
Basic and diluted earnings/(loss) per share (kobo)		152	144	36	26

The accompanying notes on pages 9 to 19 form an integral part of these financial statements.


Consolidated and separate statement of financial position as at 30 November 2022

	Notes	The Group		The Company	
		Q2, 2022/23	2021/22	Q2, 2022/23	2021/22
		N'000	N'000	N'000	N'000
Assets					
Non-current assets					
Property, plant and equipment	2a	15,938,194	16,490,087	14,456,437	15,137,428
Right-of-use assets	2b	13,595	92,879	6,458	64,612
Intangible Assets	2c	476,825	529,808	476,825	529,808
Investments in subsidiaries	3	-	-	504,406	504,406
Investment property	4	1,618,686	1,646,739	1,618,686	1,646,739
Deferred Taxation	16	281,734	281,734	-	-
Other long-term receivables	5a & 5b	-	47,321	8,160,269	47,321
		18,329,035	19,088,568	25,223,081	17,930,314
Current assets					
Inventories	6	32,745,709	26,891,779	25,681,216	19,263,284
Trade and other receivables	7	10,182,781	8,246,788	5,960,029	4,748,003
Other assets	8	2,194,508	1,187,151	2,140,548	1,187,151
Deposits for imports	9	851,466	622,076	136,158	324,820
Cash and cash equivalents	10	65,515,308	52,845,333	42,333,182	35,830,975
		111,489,773	89,793,126	76,251,132	61,354,231
Assets held for sale	23	-	590,990	-	590,990
Total assets		129,818,808	109,472,684	101,474,214	79,875,535
Equity					
Ordinary share capital	11	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		32,482,766	25,301,572	20,722,574	15,008,640
Equity attributable to equity holders of the company		41,346,273	34,165,079	29,586,081	23,872,147
Non controlling interest		4,064,099	3,574,752	-	-
Total equity		45,410,372	37,739,831	29,586,081	23,872,147
Liabilities					
Non-current liabilities					
Borrowings	15	17,897,590	-	17,897,590	-
Deferred income	14	-	9,145	-	9,145
Other long term liabilities	14	-	-	-	-
Lease liability	2b	-	36,133	-	22,668
Deferred taxation	17	5,360,236	5,360,236	5,360,236	5,360,236
Provisions	18	219,092	248,817	-	-
		23,476,918	5,654,332	23,257,826	5,392,049
Current liabilities					
Trade and other payables	13	56,766,564	60,992,554	46,597,784	48,481,317
Lease liability	2b	13,595	56,746	6,458	41,944
Deferred income	14	93,831	55,980	93,831	55,980
Contract liabilities	14	413,658	1,161,393	413,658	572,350
Current taxation payable	16	3,545,373	3,697,277	1,518,574	1,459,748
Provisions	18	98,495	114,571	-	-
		60,931,517	66,078,522	48,630,307	50,611,339
Total liabilities		84,408,436	71,732,853	71,888,133	56,003,388
Net equity and liabilities		129,818,808	109,472,684	101,474,214	79,875,535

The 2nd quarter(Q2, 2022/23) unaudited financial statements were approved and authorised for issue by the board of directors on 15 December 2022 and signed 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 Accounting & Reporting
 FRC/2017/ICAN/00000017126

The notes on pages 9 to 19 are an integral part of these financial statements

PZ Cussons Nigeria Plc

Q2, 2022/23 unaudited interim financial statement for the quarter ended 30th November 2022

Consolidated and separate statement of changes in equity

	The Group				
	Attributable to owners of the company				
	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Non controlling interest ₦'000	Total ₦'000
At 1 June 2021	1,985,238	6,878,269	20,059,932	2,845,542	31,768,981
Profit for the year	-	-	5,970,115	729,210	6,699,325
Total comprehensive income for the year	-	-	5,970,115	729,210	6,699,325
Transactions with owners:					-
Dividend paid relating to year ended 31 May 2021			(992,620)		(992,620)
Unclaimed dividend forfeited			264,145		264,145
Total transaction with owners	-	-	(728,475)	-	(728,475)
At 31 May 2022	1,985,238	6,878,269	25,301,572	3,574,752	37,739,831
At 1 June 2022	1,985,238	6,878,269	25,301,572	3,574,752	37,739,831
Profit for the period	-	-	7,181,194	489,347	7,670,541
Total comprehensive income for the period	-	-	7,181,194	489,347	7,670,541
Transactions with owners:					-
Dividend paid relating to year ended 31 May 2022			-		-
Unclaimed dividend forfeited			-		-
Total transaction with owners	-	-	-	-	-
At 30 Nov 2022	1,985,238	6,878,269	32,482,766	4,064,099	45,410,372
At 30 Nov 2021	1,985,238	6,878,269	24,895,632	3,369,549	37,128,688

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Statement of changes in equity

	Company				
	Attributable to owners of the company				
	Share capital ₦'000	Share premium ₦'000	Retained earnings ₦'000	Non controlling interest ₦'000	Total ₦'000
At 1 June 2021	1,985,238	6,878,269	11,953,463	-	20,816,970
Profit for the year	-	-	3,783,652	-	3,783,652
Total comprehensive income for the year	-	-	3,783,652	-	3,783,652
Transactions with owners:					
Dividend paid relating to year ended 31 May 2020			(992,620)		(992,620)
Unclaimed dividend forfeited			264,145		264,145
Total transaction with owners	-	-	(728,475)	-	(728,475)
At 31 May 2022	1,985,238	6,878,269	15,008,640	-	23,872,147
At 1 June 2022	1,985,238	6,878,269	15,008,640	-	23,872,147
Profit for the year	-	-	5,713,934	-	5,713,934
Total comprehensive income for the year	-	-	5,713,934	-	5,713,934
Transactions with owners:					
Dividend paid relating to year ended 31 May 2022			-		-
Unclaimed dividend forfeited			-		-
Total transaction with owners	-	-	-	-	-
At 30 Nov 2022	1,985,238	6,878,269	20,722,574	-	29,586,081
At 30 Nov 2021	1,985,238	6,878,269	15,217,916	-	24,081,423

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Consolidated and separate statement of cash flows

	Notes	The Group			The Company		
		Q2 2022/23 N'000	Q2 2021/22 N'000	Year End 2021/22 N'000	Q2 2022/23 N'000	Q2 2021/22 N'000	Year End 2021/22 N'000
Cash flows from operating activities							
Cash generated from operations	19	(10,436,258)	(241,440)	24,694,838	(8,657,006)	3,075,231	15,254,338
Taxation		(1,767,498)	(397,744)	(1,243,856)	(718,222)	(338,418)	(1,184,539)
Net cash flow generated from operating activities		(12,203,756)	(639,184)	23,450,982	(9,375,228)	2,736,813	14,069,799
Cash flows from investing activities							
Interest received		1,691,290	185,087	836,144	1,428,200	308,567	933,042
Loan receivables	5b	-	-	-	(8,949,972)	-	-
Purchase of property, plant and equipment	4	(376,250)	(264,218)	(725,262)	(163,068)	(258,919)	(718,792)
Proceeds from sale of property, plant and equipment		6,531,813	7,180,150	9,841,258	6,531,813	7,180,150	9,840,928
Net cash used in investing activities		7,846,852	7,101,020	9,952,140	(1,153,027)	7,229,798	10,055,178
Cash flows from financing activities							
Interest Expense		(5,023)	(345)	(8,939)	(1,439)	(455)	(1,959)
Lease payment		-	-	(140,658)	-	-	(111,706)
Loan receipt		17,031,902	-	-	17,031,902	-	-
Dividends paid to Company shareholders		-	-	(992,620)	-	-	(992,620)
Net cash flow used in financing activities		17,026,879	(345)	(1,142,217)	17,030,463	(455)	(1,106,285)
Net increase in cash, cash equivalents and bank overdrafts		12,669,975	6,461,489	32,260,905	6,502,207	9,966,156	23,018,693
Cash, cash equivalents and bank overdrafts at the beginning of the year		52,845,333	20,584,428	20,584,428	35,830,975	12,812,282	12,812,282
Cash, cash equivalents and bank overdrafts at the end of the year		65,515,308	27,045,918	52,845,333	42,333,182	22,778,438	35,830,975

Notes to the condensed interim financial statements

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, cosmetics, refrigerators, freezers and air-conditioners. The group also distributes products of Harefield Industrial Nigeria Limited, a related entity.

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

The condensed interim consolidated and separate 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 consolidated and separate financial statements comprises that of the group and the stand alone financial statements of the parent Company.

Notes to the condensed interim financial statements

2a. Property, plant and equipment

The Group						
Otr 2, 2022/23						
Cost	Leasehold land and buildings	Plant and Machinery	Office & IT equipments	Motor vehicles	Capital Work in progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At 1 June 2021	15,341,791	27,688,342	3,596,245	41,540	828,947	47,496,865
Additions	-	-	-	-	376,250	376,250
Transfers	19,505	402,188	44,619	-	(466,312)	-
Reclassifications	-	-	-	-	-	-
Write Off	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
At 30 Nov 2022	15,361,296	28,090,530	3,640,864	41,540	738,885	47,873,115
Depreciation						
At 1 June 2021	5,525,171	22,069,507	3,370,560	41,540	-	31,006,778
Charge for the year	144,053	693,952	90,139	-	-	928,144
Reclassifications	-	-	-	-	-	-
On Write off	-	-	-	-	-	-
On Disposals	-	-	-	-	-	-
At 30 Nov 2022	5,669,224	22,763,459	3,460,699	41,540	-	31,934,922
Net book values						
At 30 Nov 2022	9,692,072	5,327,071	180,165	-	738,885	15,938,193
2021/22						
Cost	Leasehold land and buildings	Plant and Machinery	Office & IT equipments	Motor vehicles	Capital Work in progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At 1 June 2021	19,670,926	27,074,291	3,644,926	564,560	1,248,459	52,203,162
Additions	-	-	-	-	725,262	725,262
Transfers	400,686	641,519	102,569	-	(1,144,774)	-
Reclassification to asset held for sales	(894,279)	-	-	-	-	(894,279)
Reclassification to investment properties	(2,470,870)	-	-	-	-	(2,470,870)
Disposals	(1,364,672)	(27,468)	(151,250)	(523,020)	-	(2,066,410)
At 31 May 2022	15,341,791	27,688,342	3,596,245	41,540	828,947	47,496,865
At 1 June 2021	4,552,848	19,133,129	3,282,528	564,560	-	27,533,065
Charge for the year	370,949	1,737,951	220,968	-	-	2,329,868
Reclassification to asset held for sales	(303,289)	-	-	-	-	(303,289)
Reclassification to investment properties	(824,131)	-	-	-	-	(824,131)
Impairment	2,127,768	1,221,494	12,610	-	-	3,361,872
On Disposals	(398,974)	(23,067)	(145,546)	(523,020)	-	(1,090,607)
At 31 May 2022	5,525,171	22,069,507	3,370,560	41,540	-	31,006,778
Net book values						
At 31 May 2022	9,816,620	5,618,835	225,685	-	828,947	16,490,087
At 31 May 2021	15,118,078	7,941,162	362,398	-	1,248,459	24,670,097

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The Company						
Otr 2, 2022/23						
Cost	Leasehold land and buildings	Plant and Machinery	Office & IT equipments	Motor vehicles	Capital Work in progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At 1 June 2022	14,392,999	25,939,121	3,311,075	9,766	828,946	44,481,907
Additions					163,068	163,068
Transfers	19,505	402,188	40,889		(462,582)	-
Reclassifications						-
Write off						-
Disposals						-
At 30 Nov 2022	14,412,504	26,341,309	3,351,964	9,766	529,431	44,644,975
Depreciation						
At 1 June 2021	5,432,616	20,790,836	3,111,261	9,766	-	29,344,479
Charge for the year	132,265	629,407	82,386	-		844,059
Reclassifications						-
Write off						-
On disposals						-
At 30 Nov 2022	5,564,881	21,420,243	3,193,647	9,766	-	30,188,538
Net book values						
At 30 Nov 2022	8,847,623	4,921,066	158,317	-	529,431	14,456,437
2020/21						
Cost	Leasehold land and buildings	Plant and Machinery	Office & IT equipments	Motor vehicles	Capital Work in progress	Total
	₦'000	₦'000	₦'000	₦'000	₦'000	₦'000
At 1 June 2021	19,001,362	25,325,123	3,364,631	481,111	970,300	49,142,527
Additions					718,792	718,792
Transfers	121,459	641,466	97,221		(860,146)	-
Reclassification to asset held for sales	(894,279)					(894,279)
Reclassification to investment properties	(2,470,870)					(2,470,870)
Disposals	(1,364,673)	(27,468)	(150,777)	(471,345)		(2,014,263)
At 31 May 2022	14,392,999	25,939,121	3,311,075	9,766	828,946	44,481,907
Depreciation						
At 1 June 2021	4,480,623	18,015,436	3,038,873	481,111	-	26,016,043
Charge for the year	350,619	1,576,973	205,171			2,132,763
Reclassification to asset held for sales	(303,289)					(303,289)
Reclassification to investment properties	(824,131)					(824,131)
Impairment	2,127,768	1,221,494	12,610			3,361,872
On disposals	(398,974)	(23,067)	(145,393)	(471,345)		(1,038,779)
At 31 May 2022	5,432,616	20,790,836	3,111,261	9,766	-	29,344,479
Net book values						
At 31 May 2022	8,960,383	5,148,285	199,814	-	828,946	15,137,428
At 31 May 2021	14,520,739	7,309,687	325,758	-	970,300	23,126,484

Notes to the condensed interim financial statements

2b. Right-of-use asset

Cost	The Group			The Company		
	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000
Opening Balance	588,847	556,522	465,404	453,298	448,698	357,580
Additions	-	32,325	91,118	-	4,600	91,118
Opening Balance	588,847	588,847	556,522	453,298	453,298	448,698
Accumulated Amortizations						
Opening Balance	495,968	355,310	190,362	388,686	276,979	147,856
Charge for the year	79,284	140,658	164,948	58,154	111,707	129,123
Closing charge	575,252	495,968	355,310	446,840	388,686	276,979
Carrying amount						
	13,595	92,879	201,212	6,458	64,612	171,719
Lease liability						
Opening balance	92,879	201,212	275,042	64,612	171,719	209,724
Additions	-	-	91,118	-	-	91,118
Payments	(79,284)	(108,333)	(164,948)	(58,154)	(107,107)	(129,123)
Closing charge	13,595	92,879	201,212	6,458	64,612	171,719
Non Current	-	36,133	69,506	-	22,668	61,134
Current	13,595	56,746	131,706	6,458	41,944	110,585
Total	13,595	92,879	201,212	6,458	64,612	171,719

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.

2c. Intangible asset

Cost	The Group			The Company		
	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000
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
Accumulated Amortizations						
Opening Balance	529,811	423,848	317,885	529,811	423,848	317,885
Charge for the year	52,982	105,963	105,963	52,982	105,963	105,963
Closing charge	582,793	529,811	423,848	582,793	529,811	423,848
Carrying amount						
	476,825	529,808	635,770	476,825	529,808	635,770

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.

Notes to the condensed interim financial statements

3. Investments in subsidiaries	The Company		
	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000
The Company			
At 31 May	504,406	504,406	504,406
Additions	-	-	-
Total	504,406	504,406	504,406

There are no restrictions in transfer of funds within the entities in the group

Principal investments	Investment	Proportion of	Proportion of
	Amount	shares held	shares held by
	N'000	%	NCI
HPZ Limited	504,406	74.99	25.01
Total	504,406	74.99	25.01

4. Investment property

	The Group		The Company	
	Q2, 2022/23 N'000	2021/22 N'000	Q2, 2022/23 N'000	2021/22 N'000
Cost				
Opening Balance	2,470,870	-	2,470,870	-
Additions	-	-	-	-
Transfers from Property, plant and equipment	-	2,470,870	-	2,470,870
Opening Balance	2,470,870	2,470,870	2,470,870	2,470,870
Accumulated Amortizations				
Opening Balance	824,131	-	824,131	-
Charge for the year	28,052	-	28,052	-
Transfers from Property, plant and equipment	-	824,131	-	824,131
Closing charge	852,184	824,131	852,184	824,131
Carrying amount				
	1,618,686	1,646,739	1,618,686	1,646,739

Further to the groups intention to simplify its business, the group has reclassified certain assets which it believes falls within the category of an investment property, to align with the requirement of IAS 40 on assets that qualifies as investment property. These properties are not currently used by the business, and some of it have been leased in the short term. However, there are potential for utilisation in the future for business growth such as provision of additional support for export and enhancement of direct customer coverage and market penetration. The fair value of these properties is estimated at N13.05 billion

5a. Other long term receivables

The prepayments over one year relates to rents paid advance

	Q2, 2022/23	2021/22	2020/21	Q2, 2022/23	2021/22	2020/21
	N'000	N'000	N'000	N'000	N'000	N'000
Advances to HPZ Distributors	-	-	-	-	-	-
Prepayments over 1 year	-	47,321	113,937	-	47,321	113,937
Others	-	-	-	-	-	-
Total	-	47,321	113,937	-	47,321	113,937

5b. Long term loan to subsidiary

During the period ended 30 November 2022, PZ Cussons Nigeria Plc provided a term loan facility to its subsidiary HPZ Ltd amounting to ₦9,296,508,513.60. The loan is repayable over 36 months with an annual interest of 7.5%.

	The Group			The Company		
	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000
Opening Balance	-	-	-	-	-	-
Addition	-	-	-	9,296,509	-	-
Interest earned	-	-	-	228,872	-	-
Repayment	-	-	-	(1,365,112)	-	-
Closing balance	-	-	-	8,160,269	-	-

6. Inventories

	The Group			The Company		
	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000
Raw materials and consumables	11,936,254	8,251,342	9,577,187	9,973,785	8,148,863	7,251,136
Finished goods and goods for resale	12,544,045	12,103,916	5,669,792	9,582,660	6,345,204	4,393,861
Engineering spares and other stocks	2,206,293	2,602,489	2,458,961	2,239,515	2,188,156	2,267,893
Goods in transit	6,059,118	3,934,032	5,522,024	3,885,256	2,581,060	1,369,806
Total	32,745,709	26,891,779	23,227,964	25,681,216	19,263,284	15,282,696

7a. Trade and other receivables

Receivables due within one year:	Group			Company		
	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000
Trade receivables	8,452,350	5,882,011	6,635,416	4,575,200	2,522,733	2,723,451
Less: provision for impairment of trade receivables	(704,289)	(592,188)	(443,134)	(528,658)	(448,312)	(361,774)
Net trade receivables	7,748,061	5,289,823	6,192,282	4,046,543	2,074,421	2,361,677
Receivables from subsidiary companies	-	-	-	-	-	5,368,797
Receivables from related party companies	-	1,370,317	6,941,692	-	1,290,630	6,304,553
WHT credit note receivable	1,126,296	662,885	761,259	781,785	490,300	547,022
Other receivables	1,308,425	923,763	1,004,650	1,131,701	892,652	740,818
Total	10,182,781	8,246,788	14,899,883	5,960,029	4,748,003	15,322,867

Notes to the condensed interim financial statements

7b. Trade and other receivables continued

	The Group			The Company		
	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000
Movements in the provision for impairment of trade receivables are as follows:						
Opening	(592,188)	(1,233,054)	(1,126,844)	(448,312)	(871,275)	(772,301)
Provision for receivables impairment	(112,100.3)	640,866	(106,210)	(80,345)	422,963	(98,974)
Receivables written off during the year	-	-	-	-	-	-
Closing	(704,289)	(592,188)	(1,233,054)	(528,658)	(448,312)	(871,275)

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.

8. Other current assets

	The Group			The Company		
	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000
Prepayments	383,928	273,282	266,122	373,610	273,282	266,122
Advance to Distributors & Suppliers	1,810,580	913,868	1,138,862	1,766,938	913,868	1,004,905
	2,194,508	1,187,151	1,404,984	2,140,548	1,187,151	1,271,027

9. Deposits for imports

	The Group			The Company		
	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000
Deliverable Forwards	-	-	-	-	-	-
Deposits for Letters of credits	851,466	622,076	615,194	136,158	324,820	127,520
	851,466	622,076	615,194	136,158	324,820	127,520

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.

10. Cash and cash equivalents

	The Group			The Company		
	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000
Cash at bank	65,515,308	52,845,333	20,584,428	42,333,182	35,830,975	12,812,282
Bank Overdrafts	-	-	-	-	-	-
Cash and cash equivalents	65,515,308	52,845,333	20,584,428	42,333,182	35,830,975	12,812,282

There are no short-term borrowing as at 30 November 2022. There were no assets pledged as security for borrowing.

Notes to the condensed interim financial statements

11. Ordinary share capital

Group and company	Q2, 2022/23	
	Number in thousands	Amount N'000
Authorised:		
Ordinary shares of 50k each	4,000,000	2,000,000
Total authorised share capital	4,000,000	2,000,000
Allotted, called up and fully paid:		
Ordinary shares of 50k each	3,970,478	1,985,238
Total called up share capital	3,970,478	1,985,238

Group and company	Full Year 2021/2022	
	Number in thousands	Amount N'000
Authorised:		
Ordinary shares of 50k each	4,000,000	2,000,000
Total authorised share capital	4,000,000	2,000,000
Allotted, called up and fully paid:		
Ordinary shares of 50k each	3,970,478	1,985,238
Total called up share capital	3,970,478	1,985,238

12. Related party transactions

Group and company

The group and company are controlled by PZ Cussons (Holdings) Limited, incorporated in the UK, which owns 73.27% (2021: 73.27%) of the group and company's shares. The remaining 26.73% (2021: 26.73%) of the shares are widely held. The group's ultimate parent is PZ Cussons (Holdings) Limited (incorporated in the UK).

Notes to the condensed interim financial statements

13 Trade and other payables

	Group			Company		
	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000
Trade payables	11,772,443	4,616,152	10,155,646	2,972,912	2,499,298	3,315,603
Unclaimed Dividend	1,496,531	1,597,570	1,915,611	1,496,531	1,597,570	1,915,611
Accruals	5,912,537	8,341,028	5,602,519	3,862,838	6,265,830	3,492,408
Amounts owed to subsidiaries	-	-	-	-	4,157,648	6,590,201
Amounts owed to related parties	34,618,684	43,835,304	24,183,977	35,423,622	32,243,179	21,607,362
Sundry creditors	2,966,369	2,602,500	4,815,970	2,841,881	1,717,791	4,264,250
Total	56,766,564	60,992,554	46,673,724	46,597,784	48,481,317	41,185,435
	Days	Days	Days	Days	Days	Days
Average credit period taken for trade purchases	90	90	90	90	90	90

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.

14 Deferred Income & Contract liabilities

	Group			Company		
	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000
Advance from customers(Contract liabilities)	413,658	1,161,393	54,442	413,658	572,350	-
Rent income received in advance	93,831	55,980	27,432	93,831	55,980	27,432
		126,626	-			
	507,490	1,343,999	81,874	507,490	628,330	

Deferred income relates to income received from customers for which goods are yet to be supplied and rent received from third parties on warehouses belonging to PZ Cussons Nigeria Plc.

	Group			Company		
	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000
Non-Current	-	9,145	61,047	-	9,145	5,025
Non-Current		-				
Current	507,490	1,217,373	20,827	507,490	628,329	276,551
	507,490	1,226,518	81,874	507,490	637,474	281,575

15 Borrowings

The borrowings relates to loan received from ultimate parent company - PZ Cussons(Holding) Limited, UK, in July 2022 based on agreement signed in June 2022. The facility amount is \$40.26 million and it is non-interest bearing.

	Group			Company		
	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000
Opening Balance	-	-	-	-	-	-
Additions	17,031,902	-	-	17,031,902	-	-
Foreign currency revaluation adjustment	865,688	-	-	865,688	-	-
Payment	-	-	-	-	-	-
Closing Balance	17,897,590	-	-	17,897,590	-	-

Notes to the condensed interim financial statements

16. Taxation

Current tax payable	Group			Company		
	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000	Q2, 2022/23 N'000	2021/22 N'000	2020/21 N'000
At 1 June	3,697,277	1,894,465	762,650	1,459,748	1,105,136	147,223
Effect on initial application of IFRIC 23 - prior year	-	-	-	-	-	-
Effect on initial application of IFRIC 23 - current year	-	-	-	-	-	-
Charge for the year & CGT	1,615,594	3,046,668	1,390,807	777,048	1,539,151	1,216,905
Prior year adjustment	-	-	-	-	-	-
WHT Utilised during the year	-	-	-	-	-	-
Payment during the year	(1,767,498)	(1,243,856)	(258,992)	(718,222)	(1,184,539)	(258,992)
Payment during the year(ECC)	-	-	-	-	-	-
Closing balance	3,545,373	3,697,277	1,894,465	1,518,574	1,459,748	1,105,136

17. Deferred taxation

The Group

	Property plant and equipment N'000	Provisions N'000	Total N'000
At 1 June 2021	(471,798)	5,288,269	4,816,471
Charge to income statement	169,394	92,637	262,031
At 31 May 2022	(302,404)	5,380,906	5,078,502
Adjustments	-	-	-
Charge to income statement	-	-	-
At 30 Nov 2022	(302,404)	5,380,906	5,078,502

The Company

	Property plant and equipment N'000	Provisions N'000	Total N'000
At 1 June 2021	2,554,747	3,253,126	5,807,873
Charge to income statement	(124,226)	(323,410)	(447,637)
At 31 May 2022	2,430,521	2,929,716	5,360,236
Adjustments	-	-	-
Charge to income statement	-	-	-
At 30 Nov 2022	2,430,521	2,929,716	5,360,236

	The Group N'000	The Company N'000
Deferred tax assets	(281,734)	-
Deferred tax liabilities	5,360,236	5,360,236
	5,078,502	5,360,236

Group and company

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.

18. Provisions

Warranty provisions	The Group		
	Q2, 2022/23 N'000	Full Year 2022 N'000	Full Year 2021 N'000
Opening Balance	363,389	406,840	344,848
Charged to the income statement	85,612	385,728	452,407
Utilised in the year	(131,414)	(429,179)	(390,415)
Closing Balance	317,587	363,389	406,840

The ageing of the provisions are as follows:

	Q2, 2022/23 N'000	Full Year 2022 N'000	Full Year 2021 N'000
Within 12 months	98,495	114,571	125,023
Greater than 12 months	219,092	248,817	281,817
Total	317,587	363,389	406,840

Warranty provisions

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.

Notes to the condensed interim financial statements

19 Cash generated from operating activities

	Group			Company		
	Q2, 2022/23 N'000	Q2, 2021/22 N'000	Year End 2021/22 N'000	Q2, 2022/23 N'000	Q2, 2021/22 N'000	Year End 2021/22 N'000
Cash flows from operating activities						
Profit before taxation	9,286,135	2,999,810	10,008,024	6,490,982	1,637,670	4,875,166
Adjustment to reconcile net income to cash provided:						
Depreciation	928,144	1,190,723	2,329,868	844,059	1,091,626	2,132,763
Depreciation - right of use assets	79,284	82,474	140,658	58,154	64,562	111,707
Amortization charge	52,982	52,980	105,962	52,982	52,980	105,962
Write off property, plant & equipment	-	3,426,538	3,361,872	-	3,426,538	3,361,872
(Profit)/loss on disposal of fixed assets	(5,940,822)	(6,345,198)	(8,865,457)	(5,940,822)	(6,345,198)	(8,865,444)
Interest expense	5,023	345	8,939	1,439	455	1,959
Interest income	(1,691,290)	(185,087)	(836,144)	(1,428,200)	(308,567)	(933,042)
	2,719,456	1,222,584	6,253,723	78,593	(379,935)	790,942
Changes in assets and liabilities in:						
Trade and other receivables	(1,888,673)	620,016	1,767,033	(375,002)	3,324,277	320,004
Other assets	(416,367)	(850,689)	170,513	(362,407)	(904,884)	36,556
Deposit for imports	(229,390)	(1,192,298)	(6,882)	188,662	(191,224)	(197,300)
Inventories	(5,853,930)	(6,206,321)	(3,663,815)	(6,417,932)	(5,335,285)	(3,980,587)
Payables and provisions	(4,767,354)	6,165,267	20,174,266	(1,768,921)	6,562,282	18,284,724
Cash flows from operating activities	(10,436,258)	(241,440)	24,694,838	(8,657,006)	3,075,231	15,254,338

20 Other incomes

	Group		Company	
	Q2, 2022/23 N'000	Q2, 2021/22 N'000	Q2, 2022/23 N'000	Q2, 2021/22 N'000
Rental income	155,976	117,086	226,262	187,371
Profit on disposal of fixed asset	5,940,822	2,983,327	5,940,822	2,983,327
	6,096,799	3,100,412	6,167,085	3,170,698

The profit on disposal of fixed asset relates to the sale of non-core residential property at Ikoyi, Lagos state. The Company received N6.53 billion as net consideration resulting in a profit of N5.94 billion.

21 Events after reporting date

There are no significant subsequent events, which could have had a material effect on the financial statements of the Group as at 30 November 2022 that have not been adequately provided for or disclosed in the financial statements.

22 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.

23 Assets held for sale

At the close of the 2022 financial year, the management committed to a plan to sell none core residential assets. Most of the assets have been disposed except one. Accordingly, the remaining property was presented as asset held for sales at a carrying amount of N591 million as at 31 May 2022 with efforts to sell the asset already at an advance stage. The sale is was concluded in November 2022 which falls into the second quarter of the financial year.

	Group		Company	
	Q2, 2022/23 N'000	2021/2022 N'000	Q2, 2022/23 N'000	2021/2022 N'000
Opening balance	590,990	590,990	590,990	590,990
Additions	-	-	-	-
Disposal(Note 20)	(590,990)	-	(590,990)	-
Closing balance	-	590,990	-	590,990

Notes to the condensed interim financial statements

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Free Float Computation

Shareholding Structure/Free Float Status

Description	30-Nov-22		30-Nov-21	
	Unit	Percentage	Unit	Percentage
Issued Share Capital	3,970,477,000	100%	3,970,477,000	100%
Substantial Shareholdings (5% and above)				
PZ Cussons(Holdings) Limited, UK	2,909,565,546	73.28%	2,909,565,546	73.28%
		0.00%		0.00%
		0.00%		0.00%
		0.00%		0.00%
Total Substantial Shareholdings	2,909,565,546	73.28%	2,909,565,546	73.28%
Directors' Shareholdings (direct and indirect), excluding directors with substantial interests				
Ms. Joyce Coker	3,889	0.00%	3,889	0.00%
Mr. P. Usoro, SAN	1,000,000	0.03%	1,000,000	0.03%
Mrs. I.M.O Okauru, MFR	59,713	0.00%	-	0.00%
		0.00%		0.00%
		0.00%		0.00%
		0.00%		0.00%
Total Directors' Shareholdings	1,063,602	0.03%	1,003,889	0.03%
Other Influential Shareholdings				
		0.00%		0.00%
		0.00%		0.00%
Total Other Influential Shareholdings	0	0.00%	0	0.00%
Free Float in Units and Percentage	1,059,847,852	26.69%	1,059,907,565	26.69%
Free Float in Value	₦ 10,545,486,127.40		₦ 6,306,450,011.75	

Declaration:

(A) PZ Cussons Nigeria Plc with a free float percentage of 26.7% as at 30 November 2022, is compliant with The Exchange's free float requirements for companies listed on the Main Board.

(B) PZ Cussons Nig Plc with a free float value of ₦6,306,450,011.75 as at 30 November 2021, is compliant with The Exchange's free float requirements for companies listed on the Main Board.